

JEA BOARD MEETING AGENDA

October 16, 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

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 Meeting Minutes September 18, 2018		Action
		Appendix B:	Sole Source & Emergency Procurement Report		Information
		Appendix C:	Monthly Financial Statements		Information
		Appendix D:	Monthly Financial and Operations Detail		Information
		Appendix E:	Monthly FY18 Communications & Engagement Calendar and Plan Update		Information
	B.	Monthly Financial and Operations Dashboard		Melissa Dykes, President /COO & Ryan Wannemacher, Interim CFO	Information
	C.	Contribution Agreement Extension		Aaron Zahn, Interim Managing Director/CEO	Action
	D.	Approval of Resolution: FY2019 Budgetary Transfers		Ryan Wannemacher, Interim CFO	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. 2018/2019 Corporate Goals	Melissa Dykes, President/COO
	B. Fuel Strategy – Gas Prepay Parameters & Solar Purchase Power Agreements	Ryan Wannemacher, Interim CFO / Steve McInall, Director, Electric Production Resource Planning
	C. Corporate Headquarters – Downtown Campus Update	Nancy Kilgo, Director of Government Relations
V.	D. Transition Update and Draft Guiding Principles	Aaron Zahn, Interim Managing Director/CEO
	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. Electrification – An Emerging Market	Kerri Stewart, VP & Chief Customer Officer
VI.	COMMITTEE REPORTS	
	Item(s)	Speaker/Title
	A. CEO Search Committee Report	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 November 27, 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: December 3, 2018

CEO Search Committee: TBD

Compensation Committee: TBD

Government Affairs Committee: TBD

I. F.

Sunshine Law/Public Records Statement

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Agenda](#)

I. F.
10/16/2018

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.

III. B.

Monthly Financial and Operations Dashboard



Corporate Metrics Dashboard

As of September 30, 2018

Metrics for FY19 Goals	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2018 Goal	Variance
Customer Value									
JDP Customer Satisfaction Index - Residential	4th Quartile	3rd Quartile	3rd Quartile	1st Quartile	2nd Quartile	1st Quartile	2nd Quartile	1st Quartile	-
JDP Customer Satisfaction Index - Business	4th Quartile	4th Quartile	1st Quartile	1st Quartile	1st Quartile	1st Quartile	1st Decile	1st Decile	-
Customer Response Time (min.): W/W System	70	69	67	69	67	68	76	67	13%
Overall First Contact Resolution Index	N/A	N/A	0.79	0.81	0.79	0.79	0.79	0.80	-2%
Estimated Time of Restoration Accuracy	-	-	88%	85%	89%	82%	80%	N/A	N/A
Grid Performance: Frequency (outages/year)	2.4	1.7	1.7	1.7	1.4	1.6	1.4	1.8	-22%
Grid Performance: Outage Duration (minutes/year)	84	68	71	99	71	99.5	67	80	-16%
Grid Performance: CEM15 (% cust. > 5 outages/year)	n/a	n/a	2.34	2.10	1.40	1.07	0.40	1.00	-60%
Water Unplanned Outages (% cust.)	2%	1%	1%	2%	4%	1%	5%	3%	60%
Water Distribution System Pressure (avg min < 30 psi)	34.9	20.0	2.1	2.8	2.1	3.7	1.8	2.5	-28%
Financial Value									
Net Write-Offs	0.19%	0.15%	0.15%	0.16%	0.14%	0.14%	0.13%	0.20%	-35%
Generation Fleet Reliability (forced outages rate)	0.7%	1.6%	3.0%	1.8%	2.0%	2.2%	2.1%	2.3%	-9%
Percent of Net O&M Budget	92%	90%	88%	93%	93%	93%	93%	N/A	N/A
Cost Reduction Metric (\$000)	n/a	n/a	n/a	n/a	\$25,156	\$10,087	\$10,495	\$7,500	40%
Community Impact Value									
Capital Invested (\$000)	\$273,774	\$234,718	\$158,392	\$204,708	\$298,045	\$307,918	\$374,456	N/A	N/A
Safety (RIR)	1.48	1.84	2.38	1.65	1.82	2.10	1.48	1.40	6%
JEA Volunteers	237 Activities	465 Activities	670 Activities	753 Activities	985 Activities	913 Activities	760 Activities	N/A	N/A
JSEB Spend (\$000)	\$9,168	\$10,121	\$7,302	\$9,318	\$9,983	\$13,365	\$15,688	N/A	N/A
Environmental Value									
Electric System Environmental Compliance (permit exceedances)	5	4	3	2	4	6	2	5	-60%
Consumptive Use Permit Compliance	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Nitrogen to the River (tons)	650	767	579	556	524	556	552	550	0%
Sanitary Sewer Overflows (SSO's) (per 100 miles of pipe)	0.58	0.55	0.68	0.52	0.61	1.07	0.63	0.30	110%

Metrics We Watch	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual
Financial Value							
Change in Net Position (\$000)	\$182,642	\$79,975	\$156,269	\$323,008	\$210,016	\$254,620	\$156,556
Debt to Capitalization	75%	73%	70%	69%	66%	63%	59%
City Contribution (\$000)	\$104,188	\$106,687	\$109,188	\$111,688	\$129,187	\$115,823	\$116,620
Electric sales (000's MWh)	13,855	11,930	12,172	12,434	12,561	12,050	12,364
Water Sales (000's kgal)	35,345	33,088	32,468	34,558	36,358	37,245	36,187
Sewer Sales (000's kgal)	24,490	23,624	23,527	24,922	25,818	26,713	26,340
Reclaim Sales (000's kgal)	1,330	1,110	1,301	1,784	2,644	3,290	3,120
Community Impact Value							
Utility Scale Solar Energy (000's MWh)	21	21	20	21	21	26	55
New Partnerships and Student Programs	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Voluntary Attrition	46	36	44	32	33	35	35
Diverse Slate of Candidates (% of recruitments)	N/A	N/A	N/A	97.6%	98.6%	100%	100%
Economic Development Program Participants	N/A	0	0	1	0	0	4
Environmental Value							
Reclaimed Water Customer Growth*	35%	40%	43%	31%	27%	25%	22%

Strategic Metrics - Long Term Influence	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual
Customer Value							
Residential Electric Bill in FL (% of State Median)	101%	101%	99%	99.5%	101%	100%	98%
Residential Water/Sewer Bill in FL (% of State Median)	110%	104%	102%	100%	96%	94%	92%
Financial Value							
Consolidated Return on Equity	13%	8%	10%	12%	13%	13%	9%
Return on Net Assets	3%	1%	2%	5%	3%	4%	3%
Unlevered Free Cash Flow: EBITDA less CAPEX (\$000)	\$606,131	\$532,872	\$632,212	\$591,925	\$547,897	\$573,259	\$351,976
Net Position (Book Value of Equity) (\$000)	\$1,991,311	\$2,071,286	\$2,196,006	\$2,166,909	\$2,376,928	\$2,631,545	\$2,740,279
City Contribution NPV	-	-	-	-	-	-	\$1,998,311
Electric Credit Ratings	Aa2/AA-/AA-	Aa2/AA-/AA	Aa2/AA-/AA	Aa2/AA-/AA	Aa2/AA-/AA	Aa2/AA-/AA	Aa2/A+/AA
W/WW Credit Ratings	Aa2/AA/AA	Aa2/AA/AA	Aa2/AA/AA	Aa2/AA/AA	Aa2/AAA/AA	Aa2/AAA/AA	Aa2/AAA/AA
Community Impact Value							
Employee engagement (survey)	-	71%	-	74%	72%	79%	81%
Environmental Value							
Emissions (CO ₂ /MWh)	1,381	1,498	1,642	1,475	1,558	1,358	1,143
Aquifer Withdrawal Limit	104	100	103	107	112	114	112
Residential Water Use Efficiency (gal. per capita per day)	88	80	75	79	81	82	75

*May contain reclaimed customers temporarily supplied with potable water

MANAGEMENT DISCUSSION

Financial

- Electric Enterprise:**
- FY18 sales up 2.6% compared to FY17
 - Sales per customer are up 1.0% compared to FY17
 - Degree days are up 13.9% compared to FY17 due to a colder winter
 - Total customers are up 1.6% compared to FY17
 - Revenues decreased \$115m vs. FY17YTD with SJRPP and stabilization decreases partially offset by higher sales.
 - Expenses increased \$26m vs. FY17YTD with Scherer regulatory and outage, maintenance, and stabilization increases being partially offset by the decreases related to the SJRPP shutdown.
 - Fuel and purchased power down \$20m due to lower costs, mostly offset by higher net volume.

Water and Sewer:

- Water sales are down 2.8% compared to FY17
- Sewer sales are down 1.4% compared to FY17
- Reclaimed sales are down 5.2% compared to FY17
- Sales per customer are down 4.8%
- Rain days are up 22.4% compared to FY17, irrigation for FY18 down 15.9% versus FY17
- Total customers are up 2.6% compared to FY17
- Revenues decreased by \$24m vs. FY17YTD due to lower sales and stabilization decreases.
- Expenses increased \$5m vs. YTD FY17 with increases in maintenance, overhead, and depreciation being partially offset by regulatory.

DES

- Stable, minimal change from FY17YTD

FEMA reimbursement: \$2.2m of \$11m received

Operations

Two (2) OSHA recordables safety incident for JEA in the month of September. Final RIR available end of October.

Electric:

- Outage duration running high due to storms. JEA launched a new program this year aimed at reducing outage duration.
- The JEA fleet Forced Outage Rate has been running in line with prior 6-year performance and performed slightly better than the FY2018 target.
- Started FY18 with a set of unit issues in October. Fleet performance during the subsequent months has been much better.
- High unit reliability contributes to lower fuel and non-fuel expenses.

Water/Sewer:

- Unplanned Water Main Outages: 118 customers experienced an outage in the month of Septemberr
- Cold weather in January increased service calls quantities and repairs.
- CUP: Average daily flow of 113 MGD was 16% below CY limit of 135 MGD; reclaimed usage at 17 MGD
- Nitrogen to River: 552 tons due to high flows in October, repairs at Buckman post-hurricane, and construction at Arlington East for a clarifier addition; JEA has a limit of 683

III. C.

Contribution Agreement Extension

October 2, 2018

SUBJECT: CONTRIBUTION AGREEMENT EXTENSION

Purpose: ☐ Information Only ☒ Action Required ☐ 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 (SGS) resources to drive water and wastewater innovation." The letter outlined an idea for consideration and discussion by the Board of Directors. The topic was discussed at the July 30, 2018 Board meeting. At the September 18, 2018 Board meeting, the Board unanimously approved a resolution authorizing the Interim Managing Director/CEO to negotiate final terms with the City of Jacksonville (COJ).

Significance: To ensure management is aligned with the Board of Directors relative to corporate resource utilization. The current COJ contribution agreement expires in 2021. An extension of the agreement would preserve the same terms and conditions as the existing agreement while changing the expiration date to 2023. An amendment to the interagency agreement with COJ will provide for a one time contribution to COJ for the purposes of septic tank phase out (STPO) and improvement of COJ infrastructure.

Effect: Stable contribution policy through 2023 is viewed as a positive by rating agencies. The one time contribution would be from proceeds generated by divestiture of a non-core real estate asset.

Cost or Benefit: The proposed use of proceeds will benefit COJ in two ways: 1) a possible new approach to solving a long-standing COJ problem around water and wastewater for underserved citizens of COJ; and, 2) demonstrate JEA's new bold leadership approach that tries to find solutions for complex public problems. See attached draft of proposed COJ legislation and summary. This action could provide benefits to the COJ and JEA for STPO and more stability around the contribution agreement.

Recommended Board action: Staff recommends the Board approve the draft documents; subject to final authorization by COJ.

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

October 2018
City of Jacksonville and JEA – Contribution Agreement

GENERAL:

Draft City Ordinance with First Amendment to Interagency Agreement as an Exhibit.

PROPOSAL:

1. Extends Five Year Agreement Two Additional Years

- a. The agreement term is 10/01/2016 through 9/30/2023.
- b. The terms of the agreement may be reconsidered after 10/01/2022 and changes, if any, will become effective 10/01/2023. Otherwise, the formulas and annual minimum increase of 1% will continue.

2. Contribution Floor for 2021/2022 and 2022/2023

The contribution FLOOR is established for 2021/2022 and 2022/2023 as to not be less than:

FY 2021/2022 - \$121,212,373

FY 2022/2023 - \$122,424,496

3. BMAP Water Quality Credits

- a. Extends the provision of the Water Quality Credit transfer amount of 30.34 MT/yr of TN (“Initial Credits”) from January 1, 2024 through December 31, 2033 with the intent to continue to extend the transfer of the credits to the City every ten years so long as the Initial Credits continue to be authorized and approved by the regulatory agency.
- b. JEA will convey additional future Water Quality Credits in an amount between 10.00 to 15.00 MT/yr of TN (“Supplemental Credits”) commencing on December 30, 2023 through December 31, 2033 with the intent to continue to extend the transfer of the credits to the City every ten years so long as the Supplemental Credits continue to be authorized and approved by the regulatory agency.

4. Additional One-Time Contribution of \$15,155,000

JEA shall make a one-time additional contribution of \$15,155,000 within 3 business days after execution of the Interagency Agreement during fiscal year 2018-2019.

INTERAGENCY AGREEMENT:

Water Quality Trading Credits:

1. Extends the term of the Initial Credits as noted above (3a.).
2. Adds provisions for the Supplemental Credits as noted above (3b.).

City Water and Sewer Projects:

1. Retains language in March 22, 2016 Interagency Agreement regarding Water and Sewer Projects.
2. Provides for one-time contribution of \$15,000,000 from JEA to the City for FY 2018-2019; the City will appropriate to the existing water and sewer infrastructure program approved in 2016.

River Level Monitoring Equipment:

1. Provides for one-time contribution of \$155,000 from JEA to the City for FY 2018-2019 for river level monitoring equipment.

Cooperation on Qualified Sewer Projects:

1. Modifies language from March 22, 2016 Interagency Agreement to extend term of carry forward language to recognize the additional two year extension of the contribution formula agreement.
2. Extends carry forward funding for Project Support not to exceed \$3M cumulative and not to extend more than 2 years past revised agreement term.
3. Extends carry forward of capacity fee funding not to exceed \$2M cumulative and not to extend more than 2 years past revised agreement term.

1 Introduced by the Council President at the request of the JEA Board
2 of Directors:
3
4

5 **ORDINANCE 2018-**

6 AN ORDINANCE AMENDING ARTICLE 21 (JEA) OF THE
7 CITY CHARTER, SECTION 21.07, RELATING TO THE
8 JEA'S ANNUAL CONTRIBUTION PAYMENT; APPROVING
9 AN AMENDMENT TO THE INTERAGENCY AGREEMENT
10 BETWEEN THE CITY OF JACKSONVILLE AND JEA AND
11 AUTHORIZING THE MAYOR, OR HIS DESIGNEE, AND
12 CORPORATION SECRETARY TO EXECUTE THE
13 AMENDMENT; PROVIDING AN EFFECTIVE DATE.
14

15 **WHEREAS**, JEA, pursuant to Article 21 of the City Charter, has
16 plenary authority regarding electric, water, sewer, natural gas and
17 all other utility systems existing under JEA's control now or in
18 the future; and

19 **WHEREAS**, Section 21.07(c) describes the method by which the
20 JEA contribution to the City is calculated; and

21 **WHEREAS**, Section 21.07(d) describes the timing by which the
22 assessment calculations are to be reconsidered by council; and

23 **WHEREAS**, the City and JEA desire to amend certain language in
24 Section 21.07; and

25 **WHEREAS**, the City and JEA desire to amend a March 22, 2016
26 Interagency Agreement, as approved by Ordinance 2015-764-E, by and
27 between the City and JEA that sets forth the collective
28 understanding and agreement of the City and JEA regarding
29 additional contribution in 2018-2019 fiscal year of \$15,155,000
30 from JEA to the City; the transfer of additional future Basin
31 Management Action Plan ("BMAP") water quality credits from JEA to

1 the City; for river level monitoring equipment and continued
2 cooperative efforts; and responsibilities regarding City sanitary
3 sewer projects; now therefore

4 **BE IT ORDAINED** by the Council of the City of Jacksonville:

5 **Section 1. Recitals.** The recitals above are true and
6 correct and incorporated herein by reference.

7 **Section 2. Amending Article 21 (JEA), Section 21.07 of**
8 **the City Charter.** Section 21.07 of the Charter of the City of
9 Jacksonville is hereby amended as follows:

10 **ARTICLE 21. JEA**

11 * * *

12 * * *

13 **Sec. 21.07. Fiscal and budgetary functions.**

14 JEA shall have fiscal and budgetary functions, subject to the
15 limitations herein expressed:

16 * * *

17 (c) As consideration for the unique relationship between
18 the City of Jacksonville and JEA, as a tax-exempt entity
19 within the consolidated government, and in recognition of
20 the shared attributes with the consolidated City of
21 Jacksonville in connection with its electric, water, and
22 sewer distribution systems, there shall be assessed upon
23 JEA in each fiscal year, for the uses and purposes of the
24 city, from the revenues of the electric system and the
25 water and sewer system operated by JEA available after
26 the payment of all costs and expenses incurred by JEA in
27 connection with the operation of such electric system and
28 water and sewer system (including, without limitation,
29 all costs of operation and maintenance, debt service on
30 all obligations issued by JEA in connection with such
31 electric system and water and sewer system and required
32 reserves therefore and the annual deposit to the

1 depreciation and reserve account required pursuant to
2
3 section 21.07(g)), an amount as provided herein.
4 Effective October 1, 2016, consistent with the provisions
5 of this section 21.07(c), JEA shall pay the city combined
6 assessment for the electric system and the water and
7 sewer system. The combined assessment for the electric
8 system and the water and sewer system shall equal, but
9 not exceed the greater of (A) the sum of (i) the amount
10 calculated by multiplying 7.468 mills by the gross
11 kilowatt-hours delivered by JEA to retail users of
12 electricity in JEA's service area and to wholesale
13 customers under firm contracts having an original term of
14 more than one year (other than sales of energy to Florida
15 Power and Light Company from JEA's St. Johns River Power
16 Park System, exception ending December 31, 2017) during
17 the twelve-month period ending on April 30 of the fiscal
18 year immediately preceding the fiscal year for which such
19 assessment is applicable plus (ii) the amount calculated
20 by multiplying 389.20 mills by the number of K-Gals
21 (1=1000 gallons potable water and sewer service,
22 excluding reclaimed water service, provided to consumers
23 during the twelve-month period ending on April 30 of the
24 fiscal year immediately preceding the fiscal year for
25 which such assessment is applicable, or (B) a minimum
26 calculated amount which increases by 1% per year from
27 fiscal year 2016-2017 through fiscal year 2022-2023 using
28 the fiscal year 2015-16 combined assessment of
29 \$114,187,538 as the base year. The amounts applicable to
30 clause (B) above are: for fiscal year 2016-2017 -
31 \$115,329,413; for fiscal year 2017-2018 - \$116,482,708;

1 for fiscal year 2018-2019 - \$117,647,535; for fiscal year
2

1 2019-2020 - \$118,824,010; and for fiscal year 2020-2021 -
2 \$120,012,250.—for fiscal year 2021-2022 - \$121,212,373;
3 and for fiscal year 2022-2023 - \$122,424,496.

4 (d) The assessment calculations for the electric system
5 and the water and sewer system shall be in effect until
6 September 30, ~~2021~~23. The council may reconsider the
7 assessment calculations after October 1, ~~2020~~22 and
8 changes, if any, shall become effective October 1,
9 ~~2021~~23. The council may change the assessment
10 calculations by ordinance within the provisions of this
11 section 21.07. Should the council not reconsider the
12 assessment calculations, the assessments shall be
13 calculated using the existing formulas specified in
14 Section 21.07(c), including a minimum calculated amount
15 in clause (B) therein, which increases by one percent per
16 year for each fiscal year computed as provided in Section
17 21.07(c). In addition to the annual assessment as
18 calculated in Section 21.07(c), JEA pursuant to the terms
19 of an Interagency Agreement with the City, agreed to
20 provide total nitrogen water quality credit to the City
21 to assist the City in meeting its Basin Management Action
22 Plan load reduction goal (BMAP Credit). If JEA cannot
23 provide the BMAP Credit pursuant to the terms of the
24 Interagency Agreement dated March 22, 2016, council and
25 JEA shall work cooperatively to address the BMAP Credit
26 shortfall or council may reconsider the assessment
27 calculations.

28
29 * * *

30
31 **Section 3. Amendment to Interagency Agreement approved**

1 **and execution authorized.** The First Amendment to the March 22, 2016
2 Interagency Agreement by and between the City of Jacksonville and
3 JEA (the "Amendment") sets forth the collective understanding and
4 agreement of the City and JEA regarding additional contribution in
5 2018-2019 fiscal year of \$15,155,000 from JEA to the City; the
6 conveyance of additional future Basin Management Action Plan
7 ("BMAP") water quality credits from JEA to the City; one-time
8 funding assistance for river level monitoring equipment, and
9 continued cooperative efforts and responsibilities regarding City
10 sewer projects is hereby approved, and the Mayor, or his designee,
11 and the Corporation Secretary are hereby authorized to execute and
12 deliver, for and on behalf of the City, the Amendment, in
13 substantially the same form as attached as **Exhibit 1** and
14 incorporated herein by this reference.

15 **Section 4. Providing for construction.** The provisions of
16 this Ordinance shall be construed in such a manner to affect its
17 purposes and shall be deemed cumulative, supplemental and
18 alternative for the exercise of the powers provided herein.

19 **Section 5. Effective Date.** This Ordinance shall
20 become effective upon signature by the Mayor or upon becoming
21 effective without the Mayor's signature.

22
23 Form Approved:

24
25 /s/ Jody L. Brooks

26 Office of General Counsel

27 Legislation Prepared by: Jody L. Brooks

**FIRST AMENDMENT TO
MARCH 22, 2016 INTERAGENCY AGREEMENT
BY AND BETWEEN
THE CITY OF JACKSONVILLE AND JEA**

This First Amendment (“Amendment”) to the March 22, 2016 Interagency Agreement is made and entered into this ____ day of _____, 2019, by and between the **CITY OF JACKSONVILLE**, a Florida municipal corporation (“City”), whose address is 117 West Duval Street, Jacksonville, Florida 32202 and **JEA**, a body politic and corporate organized and existing under the laws of the State of Florida, whose address is 21 West Church Street, Jacksonville, Florida 32202.

RECITALS

WHEREAS, the City and JEA entered into an Interagency Agreement dated March 22, 2016, attached hereto as **Exhibit A** (“2016 Agreement”) in accordance with Ordinance 2015-764-E; and

WHEREAS, the City and JEA desire to modify and supplement certain portions of the 2016 Agreement through this Amendment that will become a part of the 2016 Agreement by attachment; and

WHEREAS, JEA pays an annual assessment to the City in accordance with the assessment calculations contained within Section 21.07 of Article 21 of the Charter of the City, as amended and readopted by Chapter 80-515, Laws of Florida, Special Acts of 1980, as subsequently amended by Chapter 92-341, Laws of Florida, Special Acts of 1992 and as thereafter amended in accordance with the terms thereof prior to the date hereof (“City Charter”); and

WHEREAS, JEA and the City desire to extend the annual assessment formula for two years to September 30, 2023; and

WHEREAS, in addition to the extended annual assessment, JEA and the City desire to work cooperatively with one another to provide efficient services to the community; and

WHEREAS, the City and JEA desire to supplement the 2016 Agreement to set forth the collective understanding and agreement of the City and JEA regarding an additional contribution

in 2018-2019 fiscal year of \$15,155,000 from JEA to the City; the transfer of additional future Basin Management Action Plan water quality credits from JEA to the City, subject to availability and approval by the appropriate regulatory agency; cooperative efforts regarding river level monitoring; continued cooperation for City water and sewer projects; and a study to be conducted by JEA concerning water and sewer infrastructure technologies.

NOW, THEREFORE, in consideration of the mutual covenants, promises and conditions contained herein, the City and JEA mutually agree to enter into this Agreement as follows:

Section 1 – Recitals

1.1 The City and JEA acknowledge that the recitals contained above are true and accurate, to best of their knowledge, and are hereby incorporated herein by reference.

Section 2 – Term

2.1 The Term is extended by two years and the 2016 Agreement is hereby amended to replace September 30, 2021 with **September 30, 2023**. (“Amended Term”).

Section 3 – Definitions

All definitions provided in the 2016 Agreement shall apply to this Amendment.

Section 4 - BMAP Water Quality Credits

4.1 The term for the initial Transfer Amount (30.34 MT/yr of TN) of Water Quality Credits (“Initial Credits”) in the 2016 Agreement shall be extended by this Amendment for an additional 10 years beginning on January 1, 2024 and ending December 31, 2033. It is the intent of JEA to continue to extend the transfer of the Initial Credits every ten years as long as the Initial Credits are authorized and approved by the appropriate regulatory agency. The obligation of the continued transfer of the Initial Credits shall survive the Amended Term of this Amendment.

4.2 With respect to the reservation and transfer of the Initial Credits, JEA shall execute, or cause to be executed, any and all documents necessary to cause the reservation and transfer of the Water Quality Credits from JEA to the City consistent with the terms of this Amendment, subject to approval of the transfer by FDEP.

4.3. JEA agrees to transfer additional excess Water Quality Credits (“Supplemental Credits”) to the City subject to the appropriate regulatory agency approval. JEA shall diligently

pursue the approval of the Supplemental Credits on behalf of the City. Supplemental Credits shall be between 10 to 15 MT/yr of TN and subject to continued regulatory approval shall be reserved and transferred to the City for a term beginning December 30, 2023 and ending December 31, 2033. It is the intent of JEA to continue to extend the transfer of the Supplemental Credits every ten years as long as the Supplemental Credits are authorized and approved by the appropriate regulatory agency. The obligation of the continued transfer of the Supplemental Credits shall survive the Amended Term of this Amendment.

4.4 With respect to the reservation and transfer of the Supplemental Credits by JEA, the City shall utilize the Water Quality Credits in a manner that may allow the City to attain its PLRG and shall execute, or cause to be executed, any and all documents necessary to cause the reservation and transfer of the Water Quality Credits from JEA to the City consistent with the terms of this Amendment.

4.5 The City shall utilize any Supplemental Credits for its own use in meeting PLRG obligations and shall not transfer or assign the Supplemental Credits to others without the prior written consent of JEA.

4.6 Except as modified herein, all other terms and provisions in the 2016 Agreement concerning Water Quality Credits shall remain in effect.

Section 5 - Additional Contribution

5.1 In recognition of agreement to the City Charter amendments made to extend the term of annual contribution and other terms adopted and approved through Ordinance 2018-XXX, JEA has agreed to pay to the City an additional contribution in 2018-2019 fiscal year of Fifteen Million One Hundred Fifty-five Thousand Dollars (\$15,155,000) ("Additional Contribution").

5.2 The City and JEA acknowledge that the Additional Contribution is a one-time payment to the City.

5.3 JEA shall pay the Additional Contribution to the City within three business days of execution of this Agreement.

Section 6 – River Level Monitoring Equipment

6.1 The City desires to upgrade river level monitoring gauges in order to predict high water and flood level stages to manage its stormwater collection system and inform its citizenry.

River monitoring gauges are beneficial to multiple parties including the City, JPA, emergency planning, marine vessels and recreational watercraft. JEA may benefit from the data as precursor to specific monitoring at its individual facilities that may be impacted by high and flood waters. The City intends to use \$155,000 of the Additional Contribution to fund replacement of one river level monitoring gauge.

Section 7 – City Water and Sewer Projects

7.1 The City has an on-going water and sewer infrastructure program that commenced in 2016 via Ordinance 2016-490-E. The program was developed after a working committee made recommendations to the City Council on an approach to infrastructure funding and implementation. The City intends to utilize \$15,000,000 of the Additional Contribution to supplement the current Water/Wastewater System Fund for use in the current program.

7.2 JEA has committed to manage and fund further study of water and sewer infrastructure technology and deployment methods to potentially reduce the significant capital costs of future water and sewer installation in existing neighborhoods that lack central water and sewer systems. The study will be sufficiently comprehensive to understand the trade-offs between possible lower up front capital expenditures with different technologies and long term operations and maintenance to provide balanced long term solutions over the life of the infrastructure with current customer base and associated costs in mind. Within thirty days of the execution of this Amendment, JEA shall request proposals from qualified consultants to perform the study. The study is to be completed within 18 months of the engagement of the consultant. The study results will be presented to the City once complete with possible recommendations on prioritization, segmenting and associated trade-offs.

Section 8 – Qualified Sewer Projects

8.1 Terms of Section 7, Qualified Sewer Projects, in the March 22, 2016 Agreement will remain in effect and continue to apply and operate as described therein with the exception of the length of term of Sections 7.3 and 7.8 Contributions and Payments. For the specified contributions and payments sections, the carry forward clauses will be based on the revised contribution formula agreement term ending September 30, 2023.

Section 9 - Amended Agreement

9.1 This Amendment, upon execution by City and JEA, will become an Amendment to the attached 2016 Agreement which remains in effect unless modified by this Amendment. The parties are not bound by any stipulations, representations, agreements, or promises, oral or otherwise, not printed or inserted herein. If any part of this Amendment shall be determined to be invalid or unenforceable by a court of competent jurisdiction, or by any other legally constituted body having jurisdiction to make such determination, the remainder of this Amendment shall remain in full force and effect provided that the part of this Amendment thus invalidated or declared unenforceable is not material to the intended operation of this Amendment.

IN WITNESS WHEREOF, the City of Jacksonville, Florida has caused this Amendment to be executed on the day and year written below in its name by the Mayor, and JEA has caused this Amendment to be executed on the day and year written below in its have by its duly authorized representative.

CITY OF JACKSONVILLE

Lenny Curry, Mayor

Date _____

ATTEST:

James B. McCain, Corporation Secretary

JEA

Alan Howard, Chair

Date _____

Frederick Newbill, Secretary

Date _____

I do hereby certify that there is an unexpended, unencumbered, and unimpounded balance in the appropriation sufficient to cover the foregoing Amendment; and that provision has been made for the payment of monies provided therein to be paid.

Ryan Wannemacher
JEA Interim Chief Financial Officer

FORM APPROVED:

By: _____
Office of General Counsel

EXHIBIT A

INTERAGENCY AGREEMENT BY AND BETWEEN THE CITY OF JACKSONVILLE AND JEA

This Interagency Agreement ("Agreement") is made and entered into this 22 day of March, 2016, by and between the **CITY OF JACKSONVILLE**, a Florida municipal corporation ("City"), whose address is 117 West Duval Street, Jacksonville, Florida 32202 and **JE A**, a body politic and corporate organized and existing under the laws of the State of Florida, whose address is 21 West Church Street, Jacksonville, Florida 32202.

RECITALS

WHEREAS, the City and JEA maintain a unique relationship and as consideration for the unique relationship and in recognition of the shared attributes in connection with its electric, water, and sewer distribution systems, JEA pays an annual assessment to the City in accordance with the assessment calculations contained within Section 21.07 of Article 21 of the Charter of the City, as amended and readopted by Chapter 80-515, Laws of Florida, Special Acts of 1980, as subsequently amended by Chapter 92-341, Laws of Florida, Special Acts of 1992 and as thereafter amended in accordance with the terms thereof prior to the date hereof ("City Charter"); and

WHEREAS, in addition to the annual assessment, JEA and the City desire to work cooperatively with one another to provide efficient services to the community; and

WHEREAS, the City and JEA desire to enter into this Agreement to set forth the collective understanding and agreement of the City and JEA regarding additional contribution in 2015-2016 fiscal year of \$15,000,000 from JEA to the City; the conveyance of Basin Management Action Plan ("BMAP") water quality credits from JEA to the City; and cooperative efforts and responsibilities regarding City sewer projects.

NOW, THEREFORE, in consideration of the mutual covenants, promises and conditions contained herein, the City and JEA mutually agree to enter into this Agreement as follows:

Section 1 – Recitals

1.1 The City and JEA acknowledge that the recitals contained above are true and accurate, to best of their knowledge, and are hereby incorporated herein by reference.

Section 2 – Term

2.1 This Agreement shall be for a five year term beginning on October 1, 2016 through September 30, 2021 (“Term”).

Section 3 – Definitions

For purposes of this Agreement, the terms below are defined as follows:

3.1 “BMAP” shall mean the Basin Management Action Plan for the Lower St. Johns River Basin. The BMAP’s purpose is to implement load reductions to achieve the nutrient TMDLs for the Lower St. Johns River Basin. This Agreement shall concern only those portions of the BMAP that apply to the City.

3.2 “City” shall mean the City of Jacksonville.

3.3 “Director” shall mean the Director of Public Works for the City.

3.4 “EPA” shall mean the United States Environmental Protection Agency.

3.5 “FDEP” shall mean the Florida Department of Environmental Protection.

3.6 “Fiscal Year” means the Fiscal Year of both the City and JEA, which runs from October 1 to September 30.

3.7 “LSJR” shall mean the Lower St. Johns River and its tributaries.

3.8 “Marine Portion of the LSJR” shall mean the portion of the LSJR extending from Black Creek to the mouth of the LSJR.

3.9 “Nonpoint Source” shall mean any source of nitrogen or other constituents that is not a Point Source.

3.10 “PLRG” shall mean the pollution load reduction goal for the City which for this Agreement shall mean the amount of total nitrogen reduction the City must achieve to reach load allocation for the Marine Portion of the LSJR. At this time, the PLRG for the City is 324,328 lb/yr (147,422 kg/yr) of total nitrogen.

3.11 "Point Source" shall mean any source of nitrogen or other constituents that constitutes a discernible, confined, and discrete conveyance, including, but not limited to, any pipe, ditch, channel, tunnel, conduit, well, discrete fissure, container, rolling stock, concentrated animal feeding operation, landfill leachate collection system, vessel or other floating craft from which constituents are or may be discharged. This term does not include flows from irrigated agriculture or agricultural stormwater runoff.

3.12 "Qualified Sewer Project" means a specifically identified qualified septic tank phase out action for an environmental purpose project in which the City and JEA have agreed to work together and have drafted a Task Authorization.

3.13 "Sewer Capacity Fee(s)" means the fee established by the JEA tariff which establishes the cost for connection to the JEA sewer system.

3.14 "Task Authorization" or "TA" means a document mutually agreed upon and executed by the City and JEA which recites the duties and obligations of each party for a particular Sewer Project.

3.15 "TMDL" shall mean the total maximum daily load of nutrients for a receiving water body, such as the LSJR, which is the sum of the individual wasteload allocations for Point Sources and the load allocations for Nonpoint Sources and natural background. TMDL, when plural, shall be referred to herein as TMDLs.

3.16 "TN" shall mean total nitrogen.

3.17 "Tributary Remediation" means required surface water improvements to tributaries as proscribed by the State of Florida.

3.18 "Water Quality Credits" shall mean the point source load reduction or nonpoint source load reduction that is generated when Total Nitrogen loads are reduced below the baseline load allowable under an adopted TMDL or BMAP and may be used or traded in accordance with section 403.067(8), Florida Statutes, and Rule 62-306, Florida Administrative Code. For purposes of calculating the number of Water Quality Credits under this agreement, the base unit shall be measured in metric tons per year (MT/yr).

3.19 "Work" shall mean the actions, products, documentation, electronic programs, reports, testing, transport, administration, management, services, materials, tools, equipment and responsibilities to be furnished or performed by the City and JEA under this Agreement, together

with all other additional requirements that are not specifically recited in this Agreement, but can be reasonably inferred as necessary to complete all obligations and fully satisfy the intent of this Agreement.

Section 4 - BMAP Water Quality Credits

4.1 The City and JEA entered into that certain Agreement Between the City of Jacksonville and JEA Regarding the Transfer of Water Quality Credits dated May 7, 2015 (Ordinance 2015-198-E) ("Water Quality Trade Agreement"). This Agreement shall replace the Water Quality Trade Agreement in its entirety and the Water Quality Trade Agreement shall become null and void upon adoption and execution of this Agreement.

4.2 Section 6.1 of the former Water Quality Trade Agreement required a payment by the City to JEA in the amount of \$2,086,767 for the transfer period of January 1, 2016 through December 31, 2016. JEA has agreed to not charge the City for the Water Quality Credits for 2016. Any payment received by JEA for the 2016 period shall be refunded to the City upon adoption and execution of this Agreement.

4.3 JEA shall provide the annual Water Quality Credits, as more fully defined below, to the City for no compensation through December 31, 2023. This obligation to provide the Water Quality Credits to the City through December 31, 2023, shall survive the Term of this Agreement.

4.4 At no cost to the City, JEA agrees to transfer Water Quality Credits to the City that equate to 30.34 MT/yr of TN ("Transfer Amount").

4.5 If required by FDEP, the City shall amend its MS4 permit to reflect the Transfer Amount of Water Quality Credits pursuant to this Agreement.

4.6 The City agrees to cooperate and fully support the modification and renewal of JEA's NPDES permit in accordance with this Agreement, including opposition to any effort to impede or challenge the issuance of an amended permit in response to JEA's application in accordance with this Agreement, including through litigation, if necessary, in administrative, state, and federal court.

4.7 JEA does not, by entering into this Agreement, make any representation, warranty, or guaranty, or otherwise make or provide any assurance(s) that a transfer of the Water

Quality Credits described herein shall permit, allow, or assist the City in meeting its PLRG. JEA does not, by entering into this Agreement, make any representation, warranty, or guaranty, or otherwise make or provide any assurance(s) that a transfer of the Water Quality Credits described herein shall limit or eliminate the necessity for the City to pursue additional stormwater and/or drainage projects to meet its PLRG.

4.8 No cause of action shall be hereby created for the failure of the Water Quality Credits described herein to assist the City in meeting its PLRG.

4.9 As the regulatory reduction of TN in the LSJR is an ongoing annualized requirement both the City and JEA will be required to meet beyond December 31, 2023, the parties agree to engage in discussions and working on a plan for meeting the future needs of both parties beyond December 31, 2023.

4.10 The parties acknowledge that Water Quality Credits may be eliminated, rescinded, reduced, or otherwise affected by the Florida Legislature, FDEP, or EPA. If JEA cannot provide the Water Quality Credit pursuant to regulatory changes that are of no fault of JEA, the City and JEA shall work cooperatively to address any Water Quality Credit shortfall or the City may reconsider the annual contribution assessment calculation in Section 21.07(c) of the Charter.

4.11 With respect to the reservation and transfer of the Water Quality Credits to the City, JEA shall execute, or cause to be executed, any and all documents necessary to cause the reservation and transfer of the Water Quality Credits from JEA to the City consistent with the terms of this Agreement.

4.12 With respect to the reservation and transfer of the Water Quality Credits by JEA, the City shall utilize the Water Quality Credits in a manner that may allow the City to attain its PLRG and shall execute, or cause to be executed, any and all documents necessary to cause the reservation and transfer of the Water Quality Credits from JEA to the City consistent with the terms of this Agreement.

4.13 This Agreement and any documents referenced herein collectively embody the entire agreement and understanding between the Parties and there are no other agreements or

understandings with reference to this Agreement that are not merged into and superseded by the Agreement.

Section 5 - Additional Contribution

5.1 The City and JEA have had extensive negotiations relative to establishing the annual contribution paid by JEA to the City. In recognition of agreement to the City Charter amendments made to the annual contribution formula and other terms adopted and approved through Ordinance 2015-764, JEA has agreed to pay to the City additional contribution in 2015-2016 fiscal year of Fifteen Million Dollars (\$15,000,000) ("Additional Contribution").

5.2 The City and JEA acknowledge that the Additional Contribution is a one-time payment to the City.

5.3 JEA shall pay the Additional Contribution to the City within three business days of execution of this Agreement.

Section 6 – City Water and Sewer Projects

6.1 The City has committed to provide \$30,000,000, of which \$15,000,000 is the JEA Additional Contribution, during the Term of this Agreement for City water and sewer infrastructure.

6.2 The City and JEA will form a working committee to develop a plan that proposes policies, procedures, and laws for water and sewer infrastructure and on or before 90 days from the effective date of this Agreement shall provide written water and sewer plan recommendations to City Council (the "Plan").

Section 7 – Qualified Sewer Projects

7.1 The Plan described in Section 6 is intended to broadly address both water and sewer infrastructure needs in Jacksonville. Once the Plan is developed, it may include, but is not limited to, identification of areas that will provide TMDL credit for septic tank removal, identification of urban fill areas, and areas where adding water service to sewer projects would provide cost efficiencies and economies of scale. As provided in this Section 7, JEA has committed additional assistance only with respect to environmentally sensitive Qualified Sewer Projects which are undertaken as part of the Plan to be developed. The balance of the projects executed under the Plan will be funded as described in Section 6.

7.2 The City and JEA entered into that certain Interagency Agreement for Cooperation By and Between the City of Jacksonville and JEA dated June 30, 2011 (Ordinance 2011-133-E). That agreement provided for the cooperative efforts of the City and JEA in implementing City sewer projects ("Sewer Projects Agreement"). This Agreement shall replace the Sewer Projects Agreement in its entirety and the Sewer Projects Agreement shall become null and void.

Joint Program Contribution and Payments

7.3 JEA shall contribute a maximum annual amount of \$1,000,000 ("Maximum Annual Contribution"), including all costs relating to JEA internal support and external consulting as itemized in Section 7.5 below for such Qualified Sewer Projects that the City undertakes to meet its environmental obligations and that are funded with capital dollars provided directly from the City. Any of the Maximum Annual Contribution not spent during the year shall carry-over each year, but at no time during the Term of this Agreement shall the total exceed \$3,000,000. Any of the carry-over Maximum Annual Contribution not expended at the end of the Term of this Agreement shall be used within 2 years of the end of the Term or forfeited and returned to JEA. JEA's payment of Sewer Capacity Fees shall not be included in JEA's Maximum Annual Contribution.

7.4 After consultation between the City and JEA regarding the annual funding, and a concurrence of the Director and JEA regarding the Qualified Sewer Projects to be funded that year, the parties will issue a Task Authorization (TA) which will identify a specific Scope of Services to be performed to complete the Qualified Sewer Project.

7.5 For those Qualified Sewer Projects where a TA is issued to JEA to complete the project scope, JEA agrees to provide the following services, as specified in the TA:

- a. Design and engineering,
- b. Procurement,
- c. Construction Management,
- d. Community Outreach,
- e. Permitting,
- f. Surveying and Mapping,
- g. Utility Locates,

- h. Scheduling,
- i. Project Accounting, and
- j. Project Document Management

7.6 The above services shall be provided by JEA at no cost to the City for approved Qualified Sewer Projects in an amount up to the Maximum Annual Contribution. All design and engineering plans prepared by JEA and/or its contractors associated with a Qualified Sewer Project shall be reviewed and approved by the Director, in its sole discretion, prior to the commencement of any Work on a Qualified Sewer Project.

7.7 Where one or more such services are to be provided by other third parties, JEA shall have no liability to reimburse the City for such costs, unless specifically agreed to between the parties. For those projects which the City elects to manage, JEA will reimburse the City for the engineering and design related portions of the work tied directly to specific Qualified Sewer Projects. Reimbursement would not include construction project management or city staff time for project management.

7.8 JEA shall pay the Sewer Capacity Fees for those sewer systems that are funded by the City, from JEA's sewer environmental fund for such projects that the City undertakes to meet its environmental obligations (TMDL and Tributary Remediation), up to an annual cap of \$650,000 ("Sewer Capacity Fee Funds"). Any of the Sewer Capacity Fee Funds not spent during the year shall carry-over each year, but at no time during the Term of this Agreement shall the total exceed \$2,000,000. Any of the carry-over Sewer Capacity Fee Funds that are not expended at the end of the Term of this Agreement shall be used within 2 years of the end of the Term or forfeited and returned to JEA. All other customer side connection fees will be paid from the City's project funding or customer.

7.9 If a TA is issued to JEA which requires real estate acquisition in order to complete the TA, all real estate acquisition services will be performed by the City of Jacksonville's Real Estate Division in accordance with the City's Code. The City will be responsible for all associated real estate acquisition costs and fees.

7.10 If a TA is issued which requires JEA to enter into contracts for construction services, material purchases, or otherwise incurs costs not specified as being paid for by JEA in

this Agreement, JEA shall invoice the City on a timely basis and shall include with each invoice sufficient detail for proper pre-audit and post-audit review. If necessary for audit purposes, the City may require and JEA shall provide additional supporting information to document invoices, procurement processes and to support diversity reporting.

7.10.1 The City shall pay JEA one hundred percent (100%) of each approved invoice. The City may withhold payment to JEA until such time as (1) project documentation submitted by JEA is deemed acceptable to the City, and (2) invoices are properly documented as stated herein. The City shall not be liable to pay JEA for JEA project-related expenses that were not otherwise authorized through this Agreement. Amounts withheld shall not be considered due and shall not be paid until the ground(s) for withholding payment have been remedied.

7.11 Where JEA may be required to reimburse the City for payments made by the City to its suppliers, the Director shall invoice JEA on a timely basis and shall include with each invoice sufficient detail for proper pre-audit and post-audit review. If necessary for audit purposes, JEA may require and Director shall provide additional supporting information to document invoices, procurement processes and to support diversity reporting.

7.11.1 JEA shall pay the City one hundred percent (100%) of each approved invoice. JEA may withhold payment to the City until such time as (1) project documentation submitted by the Director is deemed acceptable to JEA, and (2) invoices are properly documented as stated herein. JEA shall not be liable to pay the City for City project-related expenses that were not otherwise authorized through this Agreement. Amounts withheld shall not be considered due and shall not be paid until the ground(s) for withholding payment have been remedied.

7.12 In the event that JEA provides ancillary work during authorized TA Work, including, but not limited to, stormwater drainage work for the City, JEA shall receive written approval for the additional work from the Director and shall provide the Director with a written cost estimate prior to commencement of the additional work and upon completion of the additional work shall submit invoice and seek payment in accordance with provision to the City herein.

7.13 As appropriate, each TA shall include the provisions of 7.9, 7.10 and 7.11.

Creation and Agreement on the Task Authorization (TA)

7.14 In order to provide specific project assignments, the parties agree that they will mutually agree and jointly create a Task Authorization (TA). The TA may include all activities necessary to install and connect properties to central sewer service, central water service and perform supplemental storm water improvements, including such activities as roadway improvements, utility relocations, and restoration as necessary to accomplish the Project scope. Each TA, when executed, shall be made a part of this Agreement.

7.15 Each Task Authorization shall be executed by the Director and by the Vice President of Water and Wastewater for JEA, or their approved delegates.

Ownership of Assets

7.16 JEA shall own the physical water and sewer assets located in the public or specific utility rights of way at the time that the work is accepted. Water and sewer assets located outside of the utility rights of way, such as the connections from the central system to specific properties, shall be owned at that time by the then current property owner.

Upon Termination

7.17 For any TA which is active at the time of termination of this Agreement, the parties agree that they shall take the following actions:

7.18 Any active TA shall remain in effect and the project authorized by an active TA shall be completed within two years of the termination of this Agreement unless the TA is otherwise terminated by the Director. All joint program contribution and payment responsibilities shall be in affect during this two year completion period for active TAs.

7.19 Provide an equitable adjustment to provide for payment of all services, materials, and costs actually performed, incurred or rendered up to the termination date, and also including prior written contractual commitments incurred by the non-terminating party up to the date of such notice of termination, in accordance with the joint program contribution and payment responsibilities defined in this Agreement.

General Provisions

7.20 The Director shall have control over the prioritization and scopes of Work with respect to each Sewer Project. Work shall not commence on a Sewer Project until it has been approved by the Director.

7.21 This Agreement in no way requires or in any other way obligates the City or JEA to create any Task Authorizations for Work, nor does it place a requirement for JEA to perform Work defined in the City's program plan.

7.22 This Agreement in no way obligates JEA to agree to TAs it deems to not be in its best interest. In the event that Director and JEA are unable to reach mutually beneficial terms, JEA shall notify City in writing that it will not accept the TA. Such refusal shall not prejudice the City in considering JEA for future TAs.

7.23 The Director may solely determine on any basis (e.g. project-by-project basis, funding source-by-funding source basis) how and with whom it will enter into contracts for Work and which tasks, if any, are to be performed by JEA. Further, the Director may choose to split Work among several parties including JEA. The Director has the right to obtain preliminary, informal, or formal quotes, bids and proposals for projects from third parties prior to issuing TAs. JEA may or may not be included on such solicitations.

7.24 The Director has authority and rights to approve all project designs.

Limitations of Liability and Insurance

7.25 Subject to the provisions and limitations of Section 768.28, Florida Statutes, which provisions are not expanded, altered or waived, each party to this Agreement shall indemnify the other party from and against all claims, actions, causes of action or liabilities, including reasonable attorney's fees, which are caused by the negligent acts or omissions of the other party, its agents or employees, in the performance of its obligations under this Agreement. Nothing in this Agreement shall be construed as a waiver of sovereign immunity by either party.

7.26 Each party acknowledges that the other may enter into contracts with engineers and contractors for the actual performance of the construction projects, and that the contractor shall maintain such general liability, automobile insurance, and workers' compensation insurance as required by their current rules and regulations. Each party shall be named as additional insured on the other party's subcontractor insurance policies except Workers' Compensation and

Employer's Liability. Insurance certificates to this effect shall be sent to JEA Procurement Services, 21 West Church Street, CC6, Jacksonville, Florida 32202 for JEA and to the City's Risk Management Division, Yates Building, 231 E. Forsyth St., Room 440, Jacksonville, FL 32202.

Third-Party Indemnification

7.27 Each party shall ensure that each subcontract contains a provision with substantially the same language as shown below, where "Company" refers to subcontractor:

7.27.1 The Company shall indemnify and hold harmless, the City (or JEA in the case of a City issued subcontract), its officers and employees, from liabilities, damages, losses and costs, including, but not limited to, reasonable attorney's fees, arising out of injury (whether mental or corporeal) to persons including death, or damage to property including arising out of or incidental to the performance of the Work, to the extent caused by the negligence, recklessness or intentional wrongful misconduct or breach of contract by the Company and persons employed or utilized by the Company in the performance of the Work. This indemnification shall survive the term of the Contract, for events that occurred during the Contract term. Indemnification is not limited in any way by insurance amounts.

7.27.2 The Company shall indemnify and hold harmless City (or JEA in the case of a City issued subcontract), its officers, directors, agents and employees from any damage, liability, claim or judgment arising out of its breach of Contract with JEA (or City in the case of a JEA issue subcontract).

7.27.3 Company's indemnification of City (or JEA in the case of a City issued subcontract) shall include any loss or damage to persons or property consequent upon the use, misuse, or failure of any items used by the Company or any of its subcontractors, even though the same items may be furnished or lent to Company or any of its subcontractors by City, JEA or by other companies. Company's, or its subcontractor's, acceptance or use of any items shall be construed to mean that Company accepts all responsibility for any claims for damages whatsoever resulting from the use, misuse, or

failure of such items whether such injury or damage be to its own employees or property, or to the employees or property of the JEA, its subcontractors, City, or otherwise.

Right To Audit Records

7.28 Each party agrees that the other or its duly authorized representatives shall have access to examine any of its books, documents, papers, and other records involving transactions related to this Agreement. Each party shall preserve all such records relating to each TA for a period of not less than three years after completion and Acceptance of each TA. In the event an audit is initiated within three years, all required records shall be maintained until the audit has been completed and all questions arising from it are resolved. Each party shall provide proper facilities for access to and inspection of all required records.

Force Majeure

7.29 No party shall be liable for any default or delay in the performance of its obligations under this Agreement due to an act of God or other event to the extent that: (a) the non-performing party is without fault in causing such default or delay; (b) such default or delay could not have been prevented by reasonable precautions; and (c) such default or delay could not have been reasonably circumvented by the non-performing party through the use of alternate sources, work-around plans or other means. Such causes include, but are not limited to: act of civil or military authority (including but not limited to courts or administrative agencies); acts of God; war; terrorist attacks; riot; insurrection; blockades; embargoes; sabotage; epidemics; fires; hurricanes, tornados, floods; or strikes.

7.30 In the event of any delay resulting from such causes, the time for performance of each of the parties hereunder (including the payment of monies if such event actually prevents payment) shall be extended for a period of time reasonably necessary to overcome the effect of such delay, except as provided for elsewhere in this Agreement.

7.31 In the event of any delay or nonperformance resulting from such causes, the party affected shall promptly notify the other in writing within three business days of the nature, cause, date of commencement and the anticipated impact of such delay or nonperformance. Such written notice, including change orders, shall indicate the extent, if any, to which it is anticipated that any delivery or completion dates will be thereby affected.

Procurement Code

7.32 As required by Section 126.108, *Ordinance Code*, in its performance of this Agreement, JEA must comply with any and all applicable federal, state and local laws, rules, regulations and ordinances (hereinafter collectively referred to as the “*Laws*”), with respect to the Work, as such Laws exist and may be amended from time to time. Such Laws shall include, but are not limited to, Chapter 119, Florida Statutes, (the Florida Public Records Law) and Section 286.011, Florida Statutes (the Florida Sunshine Law).

Records Retention

7.33 In addition to other requirements in this Agreement, JEA and its subcontractors must establish and maintain books, records, contracts, subcontracts, papers, financial records, supporting documents, statistical records, goods, services and all other documents, in whatsoever form or format including, but not limited to electronic storage media, (for purposes of this Section 7, hereinafter referred to as the “*Records*”) sufficient to reflect all receipt and expenditures of funds provided by City under this Agreement.

7.34 JEA must retain all Project Records pertinent to this Agreement for a period of five (5) years after completion of the Project. If an audit has been initiated and audit findings have not been resolved at the end of five (5) years, the Records shall be retained until resolution of the audit findings or any litigation which may be based on the terms of this Agreement, at no additional cost to City. Records shall be retained for longer periods when the retention period exceeds the time frames required by law or ordinance.

7.35 To the extent that JEA uses subcontractors in the performance of the Work under this Agreement, or assigns this Agreement with prior City consent, JEA must include the aforementioned audit, inspections, investigations and record keeping requirements in all subcontracts and assignments.

7.36 JEA shall maintain financial and accounting records and conduct transactions in accordance with generally accepted accounting principles and Florida Statutes. These financial records shall be maintained in such a manner so as to permit positive and ready identification at all times of any funds received by JEA from City.

Conflicting Provisions

7.37 If any provision hereof is found to be in conflict with any TAs or other or attachments hereto, the order of precedence shall be as follows: this Agreement as most recently amended; the TA authorizing the Work at issue as most recently amended; other TAs with the most recent TA having more weight than earlier TAs; then other relevant attachments.

Section 8 -Miscellaneous Provisions

Assignment of Agreement

8.1 Each party agrees that it shall not, assign, delegate, or otherwise dispose of this Agreement, the duties to be performed under this Agreement, or the monies to become due under this Agreement without the other party's prior written consent.

Survival

8.2 The obligations of City and JEA under this Agreement that are not, by the express terms of this Agreement, fully to be performed during the Term, shall survive the termination of this Agreement.

Cumulative Remedies

8.3 Except as otherwise expressly provided in this Contract, all remedies provided for in this Contract shall be cumulative and in addition to and not in lieu of any other remedies available to either party at law, in equity or otherwise.

Nonwaiver

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

Notices and Correspondence

8.5 All notices required or permitted under this Contract shall be in writing and shall be deemed received if sent by one of the following means: (a) upon receipt if delivered by hand; (b) one day after being sent by an express courier with a reliable system for tracking delivery; (c) three days after being sent by certified or registered first class mail, postage prepaid and return

receipt requested; or (d) upon confirmed facsimile transmission provided that a copy shall be sent by another of the foregoing means. All notices shall be addressed by a party to the other party as follows:

If to JEA, such notice shall be addressed to JEA at:

JEA
Attention: Nancy A. Kilgo, Director, Government Relations
21 West Church Street, T-16
Jacksonville, FL 32202
KilgNA@jea.com

JEA
Attention: Brian Roche, VP/GM Water and Wastewater
21 West Church Street, T-16
Jacksonville, FL 32202
RochBJ@jea.com

Office of General Counsel
Attention: Government Operations
117 West Duval Street, Suite 480
Jacksonville, FL 32202
JodyB@coj.net

If to the City, such notice shall be addressed to the City at:

City of Jacksonville
Office of the Mayor
Attention: Chief Administrative Officer
117 West Duval Street, Suite 400
Jacksonville, FL 32202
SMousa@coj.net

City of Jacksonville
Attention: John Pappas
214 Hogan Street North, Suite 1026
Jacksonville, FL 32202
Pappas@coj.net

with a copy to:

City of Jacksonville
Office of General Counsel

Attention: Government Operations
117 West Duval Street, Suite 480
Jacksonville, FL 32202
JodyB@coj.net

Either party may change its address from time to time upon prior written notice to the other specifying the effective date of the new address.

Headings

8.6 The headings used are for convenience only and they shall be disregarded in the construction and interpretation of this Agreement.

Governing Law

8.7 This Agreement shall be construed and interpreted according to the laws of the state of Florida.

Entire Agreement

8.8 This Agreement, upon execution by City and JEA, constitutes the entire agreement of the parties. The parties are not bound by any stipulations, representations, agreements, or promises, oral or otherwise, not printed or inserted herein. If any part of this Agreement shall be determined to be invalid or unenforceable by a court of competent jurisdiction, or by any other legally constituted body having jurisdiction to make such determination, the remainder of this Agreement shall remain in full force and effect provided that the part of this Agreement thus invalidated or declared unenforceable is not material to the intended operation of this Agreement.

[Signatures on next page.]

IN WITNESS WHEREOF, the City of Jacksonville, Florida has caused this Agreement to be executed on the day and year written below in its name by the Mayor, and JEA has caused this Agreement to be executed on the day and year written below in its have by its duly authorized representative.

CITY OF JACKSONVILLE

Lenny Curry
Lenny Curry, Mayor

Date 3/22/16

ATTEST:

John C. Sawyer, Jr.
John C. Sawyer, Jr., Corporation Secretary



In accordance with the *Ordinance Code*, of the City of Jacksonville, I do hereby certify that there is an unexpended, unencumbered, and unimpounded balance in the appropriation sufficient to cover the foregoing agreement; and that provision has been made for the payment of monies provided therein to be paid.

[Signature]
Director of Finance
CITY Contract Number: N/A

FORM APPROVED FOR CITY:

By [Signature]
Office of General Counsel

JEA

[Signature]
Tom Petway, Chair

Date 3-15-2016

[Signature]
Delores Kesler, Secretary

Date 3-15-2016

FORM APPROVED FOR JEA:

By [Signature]
Office of General Counsel

III. D.

Approval of Resolution: FY2019 Budgetary Transfers

August 30, 2018

SUBJECT:

APPROVAL OF RESOLUTION: FY2019 BUDGETARY TRANSFERS

Purpose:

☐ Information Only

☒ Action Required

☐ Advice/Direction

Issue: Consistent with past practices and Board delegation of authority, the Managing Director is authorized to approve FY2019 budget transfers up to \$5.0 million. In the past, the Board has delegated to the Managing Director the authority to make transfers during the fiscal year (FY) between budget line items. In December 2008, a modification was made to notify the Board of line item transfers greater than \$5.0 million.

Significance: High. Delegates authority to Managing Director to approve budget transfers for FY2019.

Effect: Transfers occurring within FY2019 Operating and Capital Budgets.

Cost or Benefit: Business continuity, administrative efficiency and budget effectiveness.

Recommended Board action: Staff recommends that the Board approve the attached Resolution 2018-11, which allows the Managing Director to process budget transfers within JEA budget for FY2019. This authorization is limited to \$5.0 million per transfer, except in the event of an emergency or year-end adjustments, where transfers over \$5.0 million will be brought to the Board for ratification.

For additional information, contact: Ryan Wannemacher

Submitted by: AFZ/RFW/KMQ



Commitments to Action

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



INTER-OFFICE MEMORANDUM

August 30, 2018

SUBJECT: APPROVAL OF RESOLUTION: FY2019 BUDGETARY TRANSFERS

FROM: Aaron Zahn, Interim Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND

The budget ordinance includes the authority for JEA to transfer from time to time, without Council approval, appropriated funds from one of the purposes for which funds are appropriated to another such purpose during the fiscal year. The ordinance requires that the City Council Auditor be provided, at the end of each quarter, a copy or a written summary of the documentation of all transfers made between approved budget line items. In the past, the Board has delegated to the Managing Director authority to make transfers during the fiscal year within the budget line items.

DISCUSSION

The proposed Resolution authorizes the Managing Director to approve transfers between approved budget line items within the JEA budget for Fiscal Year 2019. Authorization is limited to \$5.0 million per transfer; however, in the event of an emergency or for year-end adjustments, the Managing Director is authorized to approve budget transfers exceeding \$5.0 million. Emergency and year-end transfers exceeding \$5.0 million will be brought to the Board for ratification. The Resolution states that the JEA staff will provide to the City Council Auditor at the end of each quarter a copy or written summary of the documentation of all transfers made between approved budget line items.

RECOMMENDATION

Staff recommends that the Board approve the attached Resolution 2018-11, which allows the Managing Director to process budget transfers within JEA budget for FY2019. This authorization is limited to \$5.0 million per transfer, except in the event of an emergency or year-end adjustments, where transfers over \$5.0 million will be brought to the Board for ratification.

Aaron Zahn, Interim Managing Director/CEO

AFZ/RFW/KMQ

Resolution No. 2018-11

**A RESOLUTION AUTHORIZING THE MANAGING DIRECTOR TO
AFFECT TRANSFERS WITHIN THE ACCOUNTS OF THE FISCAL
YEAR 2019 OPERATING AND CAPITAL BUDGETS FOR JEA,
AND PROVIDING FOR AN EFFECTIVE DATE.**

WHEREAS, each year, the City Council approves the JEA Budget, and authorizes the Board to make allocations, allotments, and transfers within the approved budget for JEA; and

WHEREAS, each year, the Board of Directors authorizes the Managing Director to make allocations, allotments, and transfers within the approved budget for JEA, within a limit set by Resolution; now therefore

BE IT RESOLVED by the JEA Board of Directors that:

1. The Managing Director is authorized to approve transfers between line items within the JEA budget for Fiscal Year 2019, providing the transfers are within the total budget as approved by the City Council.
2. This Authorization is limited to \$5.0 million per transfer except in the event of an emergency or year-end adjustments, where the Managing Director is authorized to approve budget transfers exceeding \$5.0 million. Emergency and year-end transfers exceeding \$5.0 million will be brought to the Board of Directors for ratification.
3. There shall be a copy or a summary of the written documentation of all transfers made between approved budget line items provided to the Council Auditor at the end of each quarter.
4. This Resolution shall be effective immediately upon passage.

Dated this _____ day of _____ 2018.

JEA

By: _____
Chair

Form Approved:

Jody L. Brooks
Chief Legal Officer

IV. A.

2018/2019 Corporate Goals

October 2, 2018

SUBJECT: 2018/2019 CORPORATE GOALS

Purpose:

☒ Information Only

☐ Action Required

☐ Advice/Direction

Issue: JEA's fiscal year begins October 1. In preparation for the New Year, the Senior Leadership Team drafted a set of goals and associated measures that could be cascaded through the entire organization and used to transparently measure corporate performance throughout the fiscal year. The team then set individual goals, including key results that would collectively drive corporate performance.

Significance: At an Executive Leadership Team workshop on October 1 these goals were then cascaded to all JEA Directors, who each set their own goals aligned both vertically and horizontally to drive corporate performance. At a separate workshop on October 17, 2018, the process will be repeated with managers, ensuring alignment throughout the organization for the next fiscal year.

Effect: The corporate goals are presented to the Board today for feedback and direction. The goals reflect the four measures of value in JEA's Strategic Framework. Our FY19 proposed corporate goals are to increase the value of JEA today and in the future by increasing:

- Customer Value,
- Financial Value,
- Community Impact Value, and
- Environmental Value.

Cost or Benefit: The attached dashboard has been refined for FY19 and illustrates how these goals will be measured for this fiscal year in the first section. We will continue to include the second two sections – metrics we watch (but do not typically materially influence within a fiscal year), and strategic metrics - long term influence which will guide our strategic planning this year.

Recommended Board action: This item is being presented for discussion purposes only. Staff requests that the Board provide feedback and direction on JEA's proposed FY19 corporate goals.

For additional information, contact: Aaron Zahn 665-4396 or Melissa Dykes 665-7054

Submitted by: AFZ/MD



Commitments to Action

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

INTER-OFFICE MEMORANDUM

October 2, 2018

SUBJECT: 2018/2019 CORPORATE GOALS

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

TO: JEA Board of Directors

BACKGROUND:

JEA's fiscal year begins October 1. In preparation for the New Year, the Senior Leadership Team drafted a set of goals and associated measures that could be cascaded through the entire organization and used to transparently measure corporate performance throughout the fiscal year. The team then set individual goals, including key results that would collectively drive corporate performance. At an Executive Leadership Team workshop on October 1 these goals were then cascaded to all JEA Directors, who each set their own goals aligned both vertically and horizontally to drive corporate performance. At a separate workshop on October 17, 2018, the process will be repeated with managers, ensuring alignment throughout the organization for the next fiscal year.

DISCUSSION:

The corporate goals are presented to the Board today for feedback and direction. The goals reflect the four measures of value in JEA's Strategic Framework. Our FY19 proposed corporate goals are to increase the value of JEA today and in the future by increasing:

- Customer Value,
- Financial Value,
- Community Impact Value, and
- Environmental Value.

The attached dashboard has been refined for FY19 and illustrates how these goals will be measured for this fiscal year in the first section. We will continue to include the second two sections – metrics we watch (but do not typically materially influence within a fiscal year), and strategic metrics – long term influence which will guide our strategic planning this year.

RECOMMENDATION:

This item is being presented for discussion purposes only. Staff requests that the Board provide feedback and direction on JEA's proposed FY19 corporate goals.

Aaron F. Zahn, Interim Managing Director/CEO

AFZ/MHD



Corporate Metrics Dashboard

As of September 30, 2018

Metrics for FY19 Goals	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2018 Goal	Variance
Customer Value									
JDP Customer Satisfaction Index - Residential	4th Quartile	3rd Quartile	3rd Quartile	1st Quartile	2nd Quartile	1st Quartile	2nd Quartile	1st Quartile	-
JDP Customer Satisfaction Index - Business	4th Quartile	4th Quartile	1st Quartile	1st Quartile	1st Quartile	1st Quartile	1st Decile	1st Decile	-
Customer Response Time (min.): W/WW System	70	69	67	69	67	68	76	67	13%
Overall First Contact Resolution Index	N/A	N/A	0.79	0.81	0.79	0.79	0.79	0.80	-2%
Estimated Time of Restoration Accuracy	-	-	88%	85%	89%	82%	80%	N/A	N/A
Grid Performance: Frequency (outages/year)	2.4	1.7	1.7	1.7	1.4	1.6	1.4	1.8	-22%
Grid Performance: Outage Duration (minutes/year)	84	68	71	99	71	99.5	67	80	-16%
Grid Performance: CEMIS (% cust. > 5 outages/year)	n/a	n/a	2.34	2.10	1.40	1.07	0.40	1.00	-60%
Water Unplanned Outages (% cust.)	2%	1%	1%	2%	4%	1%	5%	3%	60%
Water Distribution System Pressure (avg min < 30 psi)	34.9	20.0	2.1	2.8	2.1	3.7	1.8	2.5	-28%
Financial Value									
Net Write-Offs	0.19%	0.15%	0.15%	0.16%	0.14%	0.14%	0.13%	0.20%	-35%
Generation Fleet Reliability (forced outages rate)	0.7%	1.6%	3.0%	1.8%	2.0%	2.2%	2.1%	2.3%	-9%
Percent of Net O&M Budget	92%	90%	88%	93%	93%	93%	93%	N/A	N/A
Cost Reduction Metric (\$000)	n/a	n/a	n/a	n/a	\$25,156	\$10,087	\$10,495	\$7,500	40%
Community Impact Value									
Capital Invested (\$000)	\$273,774	\$234,718	\$158,392	\$204,708	\$298,045	\$307,918	\$374,456	N/A	N/A
Safety (RIR)	1.48	1.84	2.38	1.65	1.82	2.10	1.48	1.40	6%
JEA Volunteers	237 Activities	465 Activities	670 Activities	753 Activities	985 Activities	913 Activities	760 Activities	N/A	N/A
JSEB Spend (\$000)	\$9,168	\$10,121	\$7,302	\$9,318	\$9,983	\$13,365	\$15,688	N/A	N/A
Environmental Value									
Electric System Environmental Compliance (permit exceedances)	5	4	3	2	4	6	2	5	-60%
Consumptive Use Permit Compliance	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Nitrogen to the River (tons)	650	767	579	556	524	556	552	550	0%
Sanitary Sewer Overflows (SSO's) (per 100 miles of pipe)	0.58	0.55	0.68	0.52	0.61	1.07	0.63	0.30	110%

2019 Goal
1st Quartile
1st Decile
65
0.80
80%
1.6
75
1.00
2%
2.0
0.15%
2.0%
95%
\$9,100
\$437,774 – \$574,578
1.40
4,800 Hours
\$13,000
4
Yes
616
0.58

MANAGEMENT DISCUSSION

Financial

Electric Enterprise:

- FY18 sales up 2.6% compared to FY17
- Sales per customer are up 1.0% compared to FY17
- Degree days are up 13.9% compared to FY17 due to a colder winter
- Total customers are up 1.6% compared to FY17
- Revenues decreased \$115m vs. FY17YTD with SJRPP and stabilization decreases partially offset by higher sales.
- Expenses increased \$26m vs. FY17YTD with Scherer regulatory and outage, maintenance, and stabilization increases being partially offset by the decreases related to the SJRPP shutdown.
- Fuel and purchased power down \$20m due to lower costs, mostly offset by higher net volume.

Water and Sewer:

- Water sales are down 2.8% compared to FY17
- Sewer sales are down 1.4% compared to FY17
- Reclaimed sales are down 5.2% compared to FY17
- Sales per customer are down 4.8%
- Rain days are up 22.4% compared to FY17, irrigation for FY18 down 15.9% versus FY17
- Total customers are up 2.6% compared to FY17
- Revenues decreased by \$24m vs. FY17YTD due to lower sales and stabilization decreases.
- Expenses increased \$5m vs. YTD FY17 with increases in maintenance, overhead, and depreciation being partially offset by regulatory.

DES

- Stable, minimal change from FY17YTD

FEMA reimbursement: \$2.2m of \$11m received

Operations

Two (2) OSHA recordables safety incident for JEA in the month of September. Final RIR available end of October.

Electric:

- Outage duration running high due to storms. JEA launched a new program this year aimed at reducing outage duration.
- The JEA fleet Forced Outage Rate has been running in line with prior 6-year performance and performed slightly better than the FY2018 target.
- Started FY18 with a set of unit issues in October. Fleet performance during the subsequent months has been much better.
- High unit reliability contributes to lower fuel and non-fuel expenses.

Water/Sewer:

- Unplanned Water Main Outages: 118 customers experienced an outage in the month of Septemberr
- Cold weather in January increased service calls quantities and repairs.
- CUP: Average daily flow of 113 MGD was 16% below CY limit of 135 MGD; reclaimed usage at 17 MGD
- Nitrogen to River: 552 tons due to high flows in October, repairs at Buckman post-hurricane, and construction at Arlington East for a clarifier addition; JEA has a limit of 683 tons per year and provides the COJ with 37 tons

Metrics We Watch	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual
Financial Value							
Change in Net Position (\$000)	\$182,642	\$79,975	\$156,269	\$323,008	\$210,016	\$254,620	\$156,556
Debt to Capitalization	75%	73%	70%	69%	66%	63%	59%
City Contribution (\$000)	\$104,188	\$106,687	\$109,188	\$111,688	\$129,187	\$115,823	\$116,620
Electric sales (000's MWh)	13,855	11,930	12,172	12,434	12,561	12,050	12,364
Water Sales (000's kgal)	35,345	33,088	32,468	34,558	36,358	37,245	36,187
Sewer Sales (000's kgal)	24,490	23,624	23,527	24,922	25,818	26,713	26,340
Reclaim Sales (000's kgal)	1,330	1,110	1,301	1,784	2,644	3,290	3,120
Community Impact Value							
Utility Scale Solar Energy (000's MWh)	21	21	20	21	21	26	55
New Partnerships and Student Programs	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Voluntary Attrition	46	36	44	32	33	35	35
Diverse Slate of Candidates (% of recruitments)	N/A	N/A	N/A	97.6%	98.6%	100%	100%
Economic Development Program Participants	N/A	0	0	1	0	0	4
Environmental Value							
Reclaimed Water Customer Growth*	35%	40%	43%	31%	27%	25%	22%

2019 Goal
\$138,102
57%
\$117,648
12,000
37,000
27,000
4,000
75
2
33
95%
2
12%

Strategic Metrics - Long Term Influence	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual
Customer Value							
Residential Electric Bill in FL (% of State Median)	101%	101%	99%	99.5%	101%	100%	98%
Residential Water/Sewer Bill in FL (% of State Median)	110%	104%	102%	100%	96%	94%	92%
Financial Value							
Consolidated Return on Equity	13%	8%	10%	12%	13%	13%	9%
Return on Net Assets	3%	1%	2%	5%	3%	4%	3%
Unlevered Free Cash Flow: EBITDA less CAPEX (\$000)	\$606,131	\$532,872	\$632,212	\$591,925	\$547,897	\$573,259	\$351,976
Net Position (Book Value of Equity) (\$000)	\$1,991,311	\$2,071,286	\$2,196,006	\$2,166,909	\$2,376,928	\$2,631,545	\$2,740,279
City Contribution NPV	-	-	-	-	-	-	\$1,998,311
Electric Credit Ratings	Aa2/AA-/AA-	Aa2/AA-/AA	Aa2/AA-/AA	Aa2/AA-/AA	Aa2/AA-/AA	Aa2/AA-/AA	Aa2/A+/AA
W/WW Credit Ratings	Aa2/AA/AA	Aa2/AA/AA	Aa2/AA/AA	Aa2/AA/AA	Aa2/AAA/AA	Aa2/AAA/AA	Aa2/AAA/AA
Community Impact Value							
Employee engagement (survey)	-	71%	-	74%	72%	79%	81%
Environmental Value							
Emissions (CO ₂ /MWh)	1,381	1,498	1,642	1,475	1,558	1,358	1,143
Aquifer Withdrawal Limit	104	100	103	107	112	114	112
Residential Water Use Efficiency (gal. per capita per day)	88	80	75	79	81	82	75

*May contain reclaimed customers temporarily supplied with potable water

IV. B.

Fuel Strategy – Gas Prepay Parameters & Solar Purchase Power Agreements

October 1, 2018

SUBJECT:	FUEL STRATEGY – GAS PREPAY PARAMETERS AND SOLAR PURCHASE POWER AGREEMENTS
-----------------	--

Purpose:	<input checked="" type="checkbox"/> Information Only	<input type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
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Issue: In September 2018, staff presented information about the Fuel Stabilization Fund, and options to increase and protect the Fund balance. This item explores two of those options: gas prepays and fuel diversity, specifically solar photovoltaic (PV) Purchase Power Agreements (PPAs), and provides an update on natural gas hedging.

Significance: High. These measures are intended to help keep JEA's Fuel Rate intact and to lock in advantageous pricing for the future.

Effect: Hedging programs and gas prepay will help to keep fuel rates stable. The universal solar expansion supports JEA's Energy Mix initiative. These new projects will also help lower the cost of our JEA SolarSmart offering, and allow for further expansion through the JEA SolarMax rate.

Cost or Benefit: It is a benefit to our customers and the environment, as we lock in low renewable energy prices and add a substantial amount of carbon-free generation, supporting the Board's 2017 Energy Mix Policy. The hedging program and gas prepay also help support lower fuel prices.

Recommended Board action: This item is being provided for information. Natural gas prepay contracts are still being identified and negotiated. When complete, the contracts will be brought to the Board for approval. Solar PPAs are expected to be negotiated this month. At a future board meeting, staff will bring forward a recommendation to approve the five (5) Purchase Power Agreements with EDF Renewables North America for five (5) 50-MW solar facilities, located on JEA-owned property in Duval County, at a future meeting.

For additional information, contact: Ryan Wannemacher or Steve McInall

Submitted by: AFZ/MHD/MJB/sgm



Commitments to Action

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

INTER-OFFICE MEMORANDUM

October 1, 2018

SUBJECT: **FUEL STRATEGY – GAS PREPAY PARAMETERS AND SOLAR
PURCHASE POWER AGREEMENTS**

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

TO: JEA Board of Directors

BACKGROUND:

In September 2018, staff presented information regarding the Fuel Stabilization Fund (FSF) and elements of a Fuel Strategy to help recover the FSF. Two of those elements, Gas Prepay Contracts and Fuel Diversity are discussed below. An update on the Hedging Strategy is also included.

Hedging strategy – JEA is currently implementing natural gas hedge strategies for 2020 and 2021 targeting up to 50% of average annual expected volume, with plans to execute 2019 when economic. The strategy includes targeting gas prices at or below the basis for the current Fuel Charge. The current plan encompasses a +3 year window as long as outlook is favorable, which is approximately the limit of the marketplace. Staff is assessing physical needs monthly, along with intra-month price targets. There are also plans to renew/replace the Shell contract with a similar supply.

Gas prepay contracts – Staff is currently investigating various gas prepay arrangements. These transactions allow municipal utilities to enter into contracts for long-term supplies of natural gas. These could offer potential savings of \$0.30/MMBTU less than index prices (\$2.00 to \$3.00/MWh on gas generation).

Fuel diversity – Renewable Purchase Power Agreements offer a natural hedge on fuel prices. JEA's increased solar portfolio will help stabilize the Fuel Charge.

In October 2017 the JEA Board of Directors approved a solar policy to pursue five (5) 50-megawatt solar photovoltaic (PV) facilities, and approved the purchase of properties for said purpose (Resolution 2017-36). This memorandum is intended to update the Board on progress and prepare for Purchase Power Agreement (PPA) approval at a later date.

DISCUSSION:

Natural gas hedges for 2020 and 2021 are in place, up to a level of just under 50% of the forecast natural gas usage. Hedges were placed with Wells Fargo and the Royal Bank of Canada under an International Swaps and Derivatives Association (ISDA) Master Agreement. Calendar strips of 60,000 MMBTU/day, as well as summer (June, July and August) and winter (December, January and February) strips of 10,000 MMBTU/day were executed. The average price for the 2020 hedges is \$2.656/MMBTU, and for the 2021 hedges, \$2.585/MMBTU. The notional value for all the hedges is approximately \$124 million.

Staff continues to monitor 2019 to execute similar hedges, if and when the forecast drops to our target range, and is exploring other options to lock in favorable natural gas pricing.

Gas prepaids have been utilized by hundreds of municipal utilities over the past 15 years to lower the price of natural gas. Current market conditions would allow JEA to save in excess of \$0.30/MMBTU (approximately 10-15% vs. current market pricing). To date, JEA has not participated in prepaid gas supply agreements. JEA staff is evaluating gas prepayment opportunities and expects to bring parameters to the Board at a future meeting.

Regarding the Solar PPAs, staff has secured, or contracted for, property to host the five solar facilities. Solar farms will be located at the following (see figure for locations):

1. Cecil Commerce Solar Center – on JEA's existing "Peterson" tract, purchased in 2000
2. Beaver Street Solar Center – on JEA's existing "Miller" tract, purchased in 2001
3. Deep Creek Solar Center – purchased under Resolution 2017-36
4. Westlake Solar Center – purchased under Resolution 2017-36
5. Forest Trail Solar Center – under contract, to be purchased under Resolution 2017-36

Approximately \$34 million will be spent on the three properties purchased under Resolution 2017-36, well within the \$50 million allotted in the resolution.

Staff issued a Request for Qualifications to solar PV vendors to provide PPAs in October 2017, for which thirty-eight responses were received. The top seven respondents were invited to respond to a Request for Proposal, which was released on January 2, 2018. On April 26, 2018, JEA awarded all five sites to EDF Renewables North America, who had the lowest responsive price. The second-place company, NextEra Florida Renewables, protested the award to the procurement officer and then to the Procurement Appeals Board. On July 12, 2018, the Procurement Appeals Board upheld the award to EDF Renewables North America. Negotiations on the five PPAs, leases, and interconnection agreements began shortly after the award, and are now near completion.

Key elements of the contracts are as follows:

- 25-year base term with two 5-year extensions, one at Seller option, one mutual
- "Take and Pay" – JEA pays EDF only for energy delivered, at set price (fixed for contract term)
- Payments to JEA in the event of Seller default
- Estimated 610,000 MWh per year of production
- PPA rate below \$26/MWh
- Estimated \$400 M direct payments to EDF over 25 years
- JEA owns property and leases sites to EDF
- JEA responsible for land and interconnection costs
- JEA has buyout options at 10 years, 20 years and 25 years
- Separate PPA for each site
- Zero carbon, generates Renewable Energy Credits
- No transmission costs
- Not firm capacity

RECOMMENDATION:

This item is being provided for information. Natural gas prepay contracts are still being identified and negotiated. When complete, the contracts will be brought to the Board for approval. Solar PPAs are expected to be negotiated this month. At a future board meeting, staff will bring forward a recommendation to approve the five (5) Purchase Power Agreements with EDF Renewables North America for five (5) 50-MW solar facilities, located on JEA-owned property in Duval County, at a future meeting.

Aaron F. Zahn, Interim Managing Director/CEO

AFZ/RW/MJB/sgm

Current and Future Solar Sites



Sites shown in gold are the five 50-MW sites.

[Return to
Agenda](#)

IV. B.
10/16/2018



Fuel Strategy Gas Prepay Parameters and Solar Purchase Power Agreements



WHAT IS JEA'S LONG TERM ACTION PLAN?

Hedging Strategy

- Currently implementing natural gas hedge strategies for 2020 and 2021 targeting up to 50% of average annual expected volume

Expense Reclassification

- Reclassification of one-time SJRPP expenses related to the shutdown providing relief to the FSF

Gas Prepay Contracts

- Investigating gas prepay arrangements which allow municipal utilities to contract for long-term supplies of natural gas and could offer potential savings

Fuel Diversity

- A diversified generating fleet that includes renewable PPAs and solid fuel will help stabilize rate

Distributed Energy Resources

There is peak shaving potential of DER, i.e. batteries controlled by JEA

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GAS HEDGING

Gas Hedging

Current Hedges

2018 Strip at 60,000 MMBTU/day at \$2.645/MMBTU. Through October, this hedge has saved \$4.8 million compared to market.

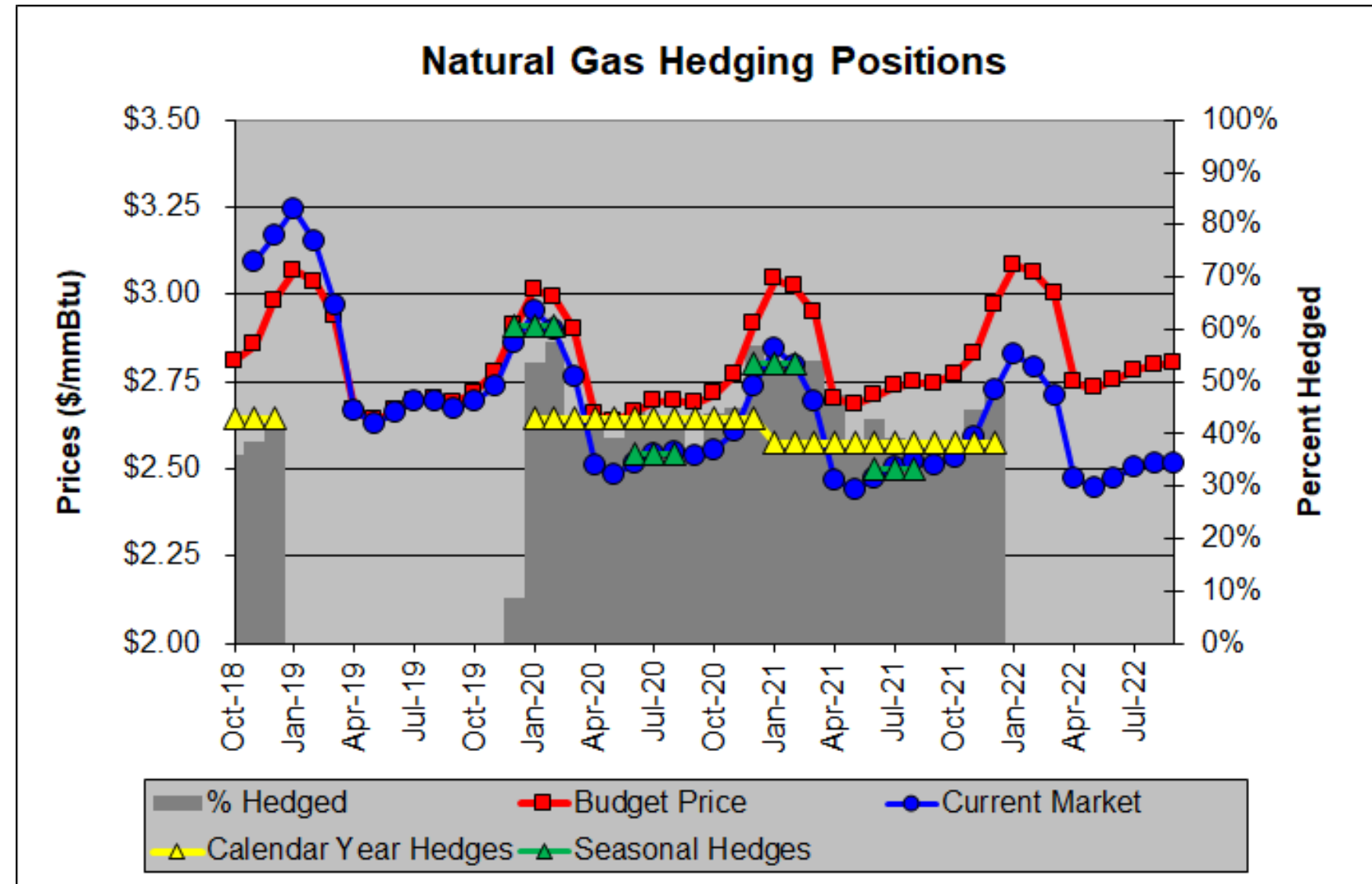
2020 and 2021 Gas Hedges in place for 60,000 MMBTU/day Calendar Strips and 10,000 MMBTU/day Winter and Summer.

Average price:

2020 – \$2.656/MMBTU

2021 – \$2.585/MMBTU

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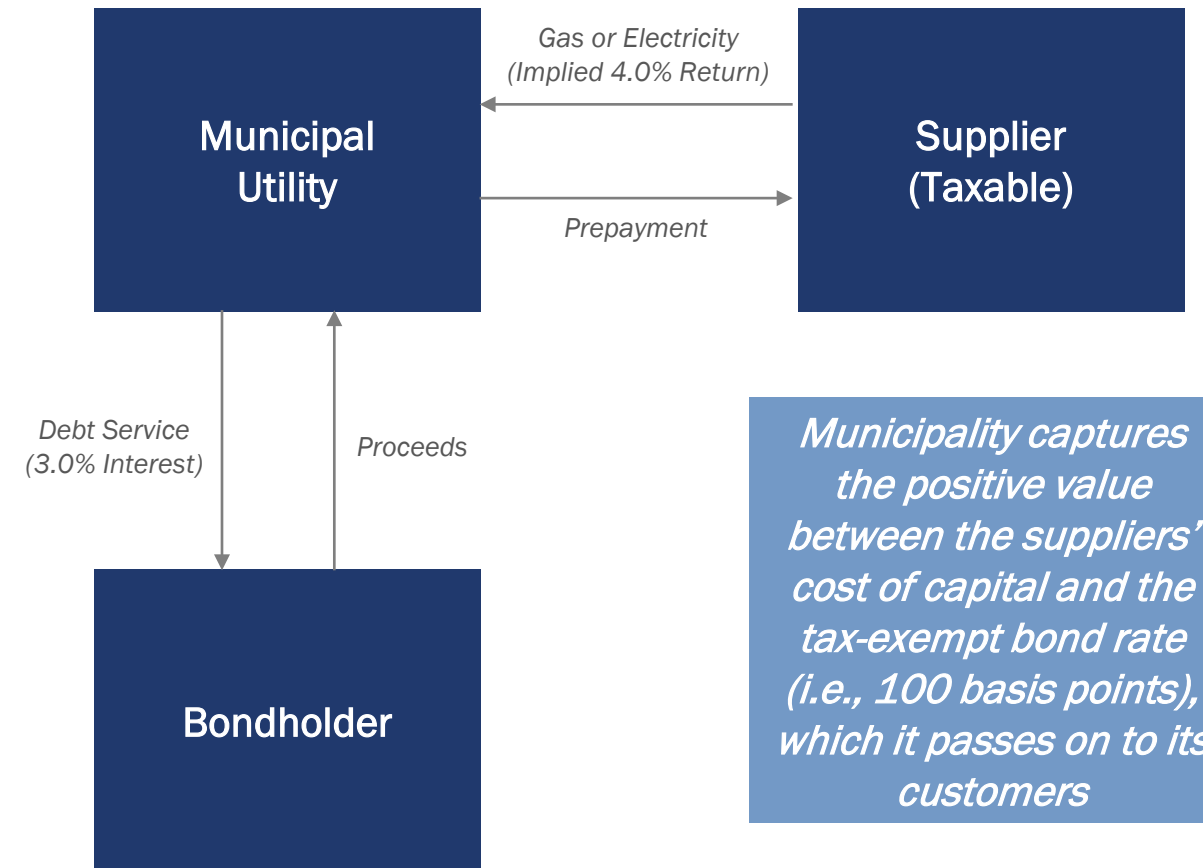


GAS PREPAYMENTS

What is a gas prepayment?

Conceptual Prepay Diagram

Prepayments allow municipal utilities to use tax-exempt financing to lock-in a long-term energy supply at below market pricing.



Note: Numbers are theoretic for demonstrative purposes only.

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Municipal natural gas prepayments 2003 to present

Since 2003 there have been 52 transactions totaling over \$38.4 billion

Dated Date	Issuer	Par Amount 000s	Term	Supplier	Dated Date	Issuer	Par Amount 000s	Term	Supplier
9/25/18	Public Energy Authority of Kentucky	996,005	30	BP	10/4/07	Main Street Natural Gas - Series A	496,710	20	Merrill
8/24/18	Tennessee Energy Acquisition Corp.	517,785	30	Goldman	10/3/07	Southern California Public Power Authority	504,445	30	Goldman
8/16/18	Patriots Energy Group Financing Agency	832,350	30	RBC	9/17/07	Lower Alabama Gas District	382,970	20	SG
6/20/18	Southeast Alabama Gas Supply District	970,385	30	MS	8/14/07	Indiana Municipal Gas Purchasing Authority	308,570	15	JPM
5/15/18	Southeast Alabama Gas Supply District	721,780	30	Goldman	7/24/07	Texas Municipal Gas Acquisition Corp. II	1,934,305	20	JPM
5/11/18	Main Street Natural Gas	1,000,215	30	RBC	6/21/07	SA Energy Acquisition Corp.	644,260	20	Goldman
3/9/18	Black Belt Energy Gas District	685,885	30	Goldman	6/18/07	Southeast Alabama Gas District	906,725	20	SG
2/7/18	Main Street Natural Gas	1,020,945	30	RBC	5/31/07	Northern California Gas Authority No.1	757,055	20	MS
2/1/18	Public Energy Authority of Kentucky	833,090	30	MS	2/21/07	Central Plains Energy Project (Proj. No. 1)	529,130	20	Goldman
11/7/17	Tennessee Energy Acquisition Corp.	678,250	30	Goldman	1/9/07	Main Street Natural Gas - Series A	528,255	15	JPM
6/29/17	Black Belt Energy Gas District	447,205	30	RBC	1/9/07	Main Street Natural Gas - Series B	527,360	15	Merrill
5/24/16	Black Belt Energy Gas District	523,675	30	RBC	1/7/07	Roseville Natural Gas Financing Authority	209,350	20	Merrill
2/23/16	Lower Alabama Gas District	599,350	30	Goldman	12/20/06	Tennessee Energy Acquisition Corp.	1,060,220	20	Goldman
11/19/12	Texas Municipal Gas Acquisition Corp.	1,395,655	20	Macquarie	12/20/06	Texas Municipal Gas Acquisition Corp.	2,417,995	20	Merrill
5/2/12	Central Plains Energy Project (Proj. No. 3)	608,675	30	Goldman	12/1/06	Municipal Energy Acquisition Corp.	648,975	12	JPM
11/4/10	CA Statewide Comm. Dev. Auth (SMUD)	778,765	30	RBC	9/20/06	Florida Gas Utility	694,175	20	UBS
8/4/10	Main Street Natural Gas	774,000	30	RBC	8/1/06	Louisiana Municipal Gas Authority	223,705	10	JPM
11/19/09	New Mexico Muni Energy Acquisition Auth.	780,965	30	RBC	7/20/06	Tennessee Energy Acquisition Corp.	1,994,475	20	Goldman
9/10/09	M-S-R Energy Authority, CA	901,620	30	Citi	7/20/06	Tennessee Energy Acquisition Corp.	132,545	20	Goldman
8/19/09	Central Plains Energy Project (Proj. No. 2)	718,445	30	RBC	6/29/06	Clarksville Natural Gas Acquisition Corp.	240,530	15	Merrill
6/27/08	Public Authority for Colorado Energy	653,210	30	Merrill	6/27/06	City of Vernon	430,880	15	Citi
4/29/08	Main Street Natural Gas	709,060	30	Lehman	6/15/06	Public Energy Authority of Kentucky	1,030,769	10	BP
3/26/08	Lancaster Port Authority (Ohio)	348,750	30	RBC	3/1/06	The Tennergy Corporation	746,230	10	JPM
12/21/07	Public Energy Authority of Kentucky	456,095	20	SG	8/25/05	American Public Energy Agency	349,783	10	BP
10/18/07	Long Beach Bond Finance Authority	887,360	30	Merrill	5/19/05	Municipal Gas Authority of Mississippi	424,988	10	BP
10/12/07	Salt Verde Financial Corporation	1,132,505	30	Citi	12/11/03	American Public Energy Agency	305,960	10	BP

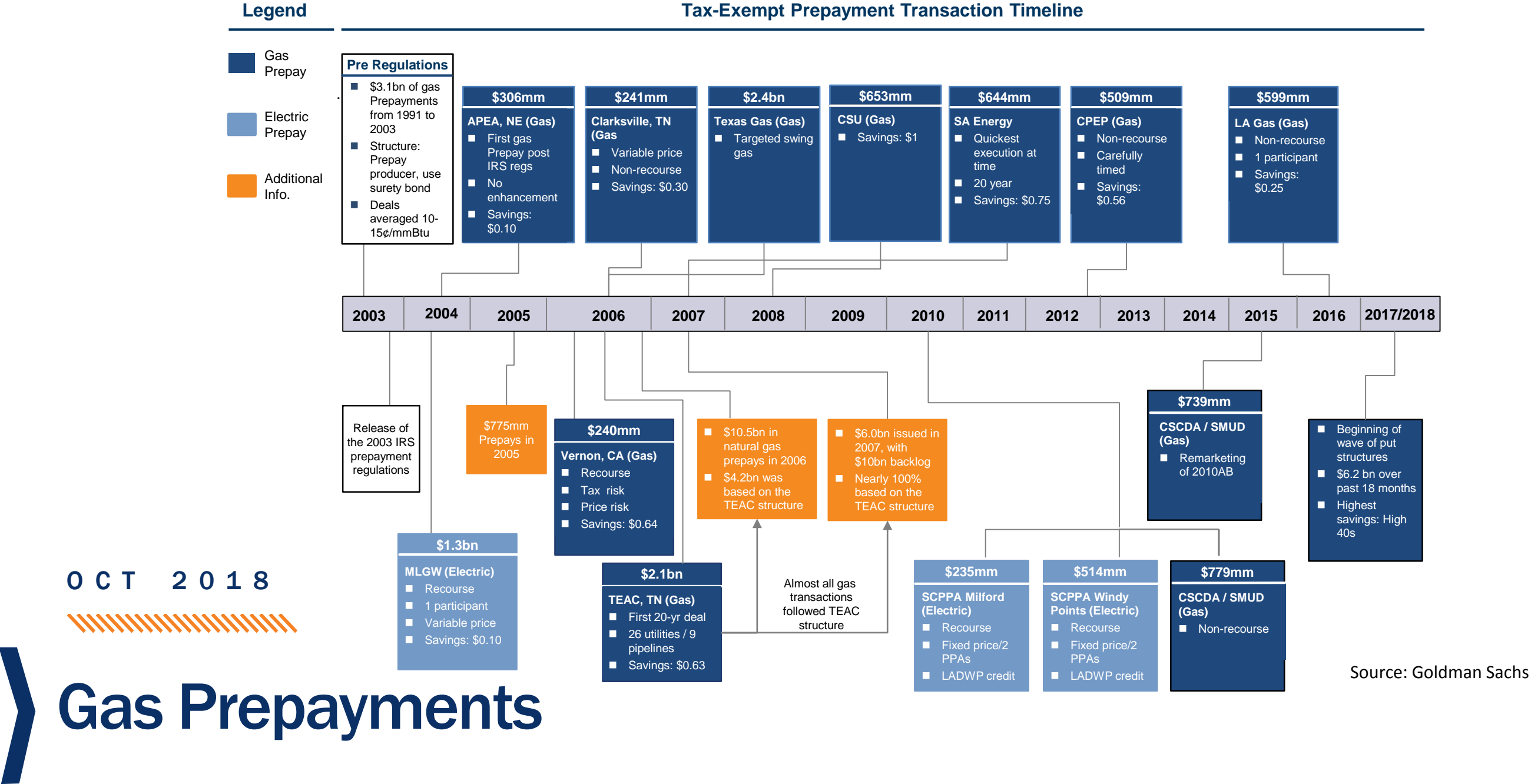
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Transactions structured by Ryan Wannemacher or Melissa Dykes

Source: Transaction Official Statements

Original Wave of Transactions was in 2006-2007 before a Quiet Patch was Reached for Almost 10 Years



The Savings (or Discount to Index) is Based on Market Conditions and is Driven by Five Key Variables

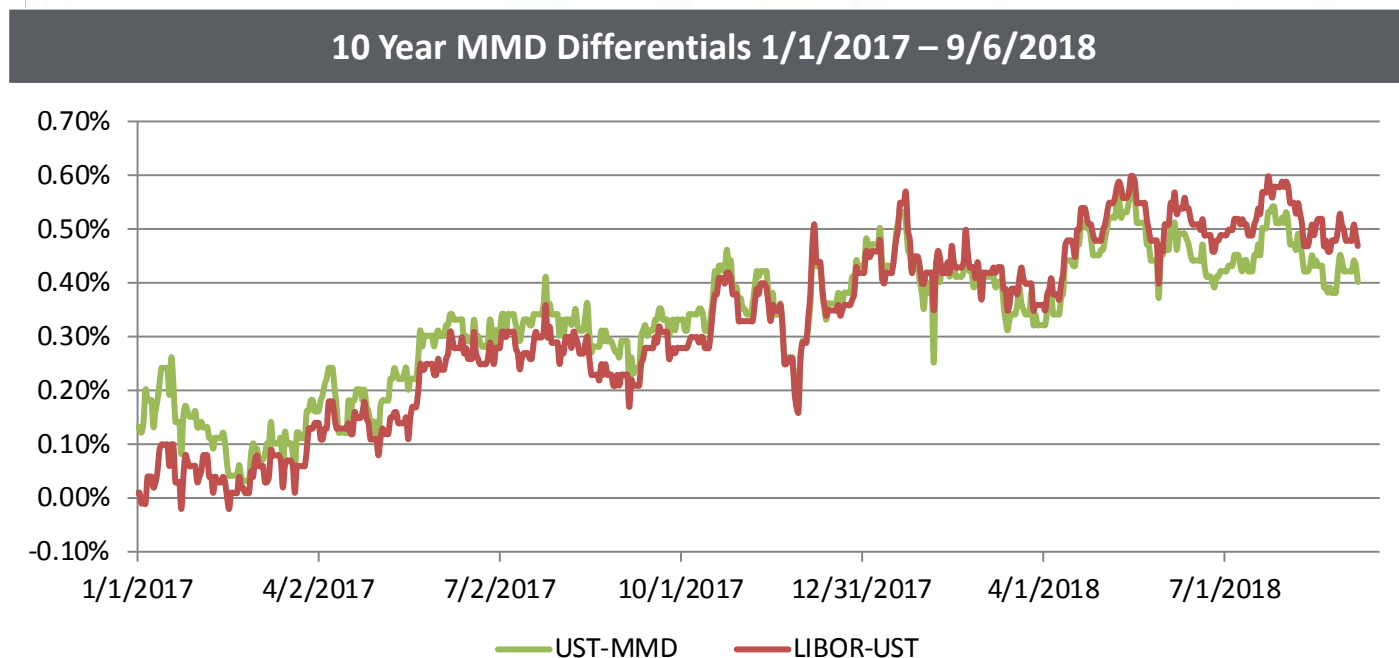
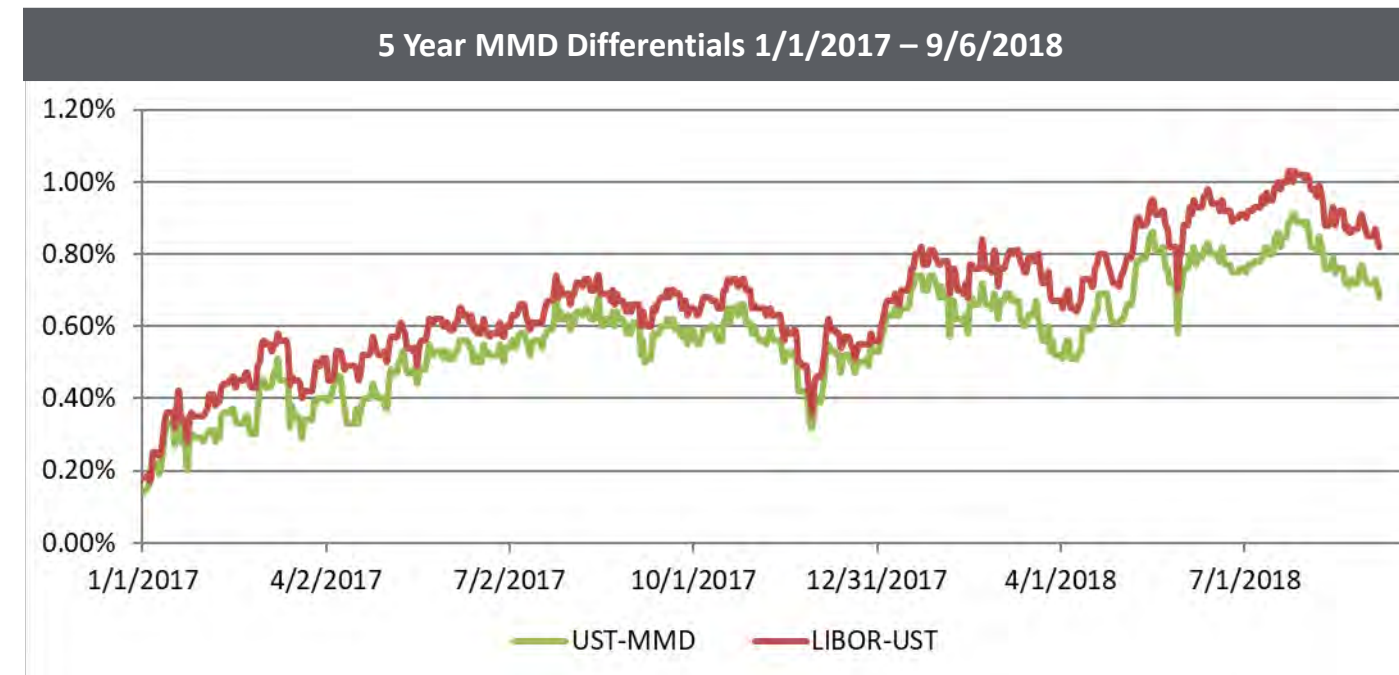
Factors that Affect Prepay Savings	Change in Factor Resulting in Increased Savings		Cause of Change
Tax-Exempt Funding Rate Issuer tax-exempt borrowing cost <i>(Effectively Gas Supplier's tax-exempt borrowing cost)</i>	Lower	↓	Tax-Exempt Market
Supplier Discount Rate Supplier cost of capital, used to discount future gas deliveries to arrive at Issuer prepayment	Higher	↑	Taxable Market
Gas Prices Price of gas used for sizing transaction	Higher	↑	Gas Market
Overall Interest Rates The spread differential between Issuer and Supplier's borrowing costs	Higher	↑	Economy
Term of Contract Length of prepayment transaction	Longer		Issuer's Choice

Rising interest rates are supportive of continued prepayment activity

Differentials between Municipal Market Data (MMD) and both LIBOR and U.S. Treasury Rates (UST) have recovered from tax reform induced tightening

5 and 10 year differentials are at some of the highest levels since 1/1/2017

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A portfolio approach to gas prepayments

Staff is currently evaluating proper risk mitigation thresholds and plans to bring recommendations to the Board at a later date

- Transactions are non-recourse to the issuer and the participating municipal utilities. However, in the event of a termination, participating municipal utilities like JEA would no longer receive a discount to index pricing
- Many utilities have taken a portfolio approach to prepayments
- Staff is contemplating asking the board for a delegated resolution to allow for gas prepayments under certain key parameters:
 - ✓ Issuer vs. participant role
 - ✓ Varying supplier counterparties and funding structures
 - ✓ Threshold for minimum savings
 - ✓ Maximum individual supplier exposure
 - ✓ Maximum prepaid volumes

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SOLAR POWER PURCHASE AGREEMENT

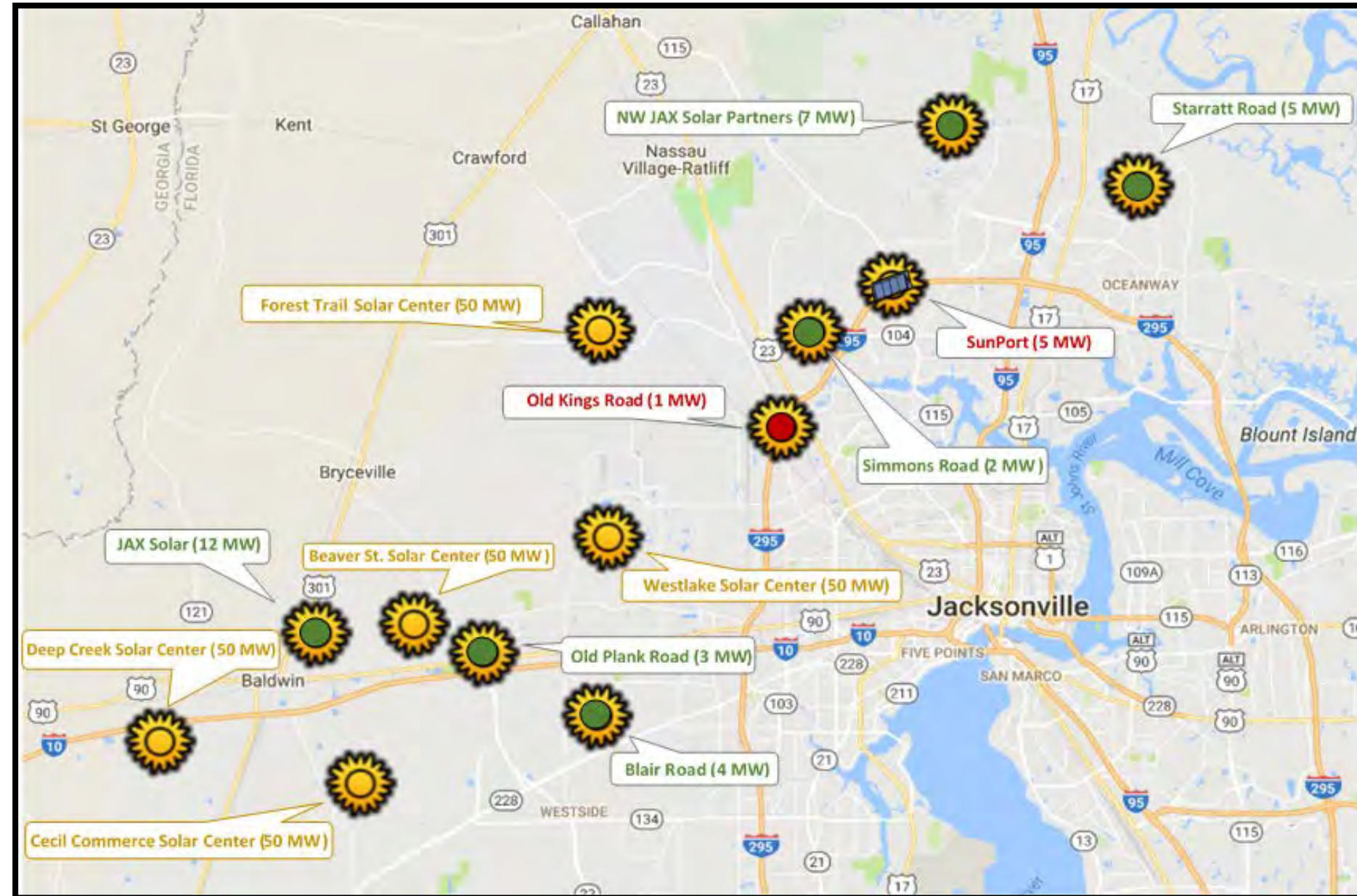
Large Scale Solar Project

- **Developer: EDF-DS**
- **Currently Negotiating**
 - **Contract**
 - **Land Lease**
 - Beaver Street Solar Center – Miller Tract
 - Cecil Commerce Solar Center – Peterson Tract
 - Deep Creek Solar Center - Purchased
 - Forest Trail Solar Center – Under Contract
 - Westlake Solar Center – Purchased
 - **Distribution Interconnection**

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Existing and New Solar Locations



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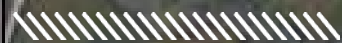
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BEAVER STREET SOLAR CENTER

Gross Area: 2,000 Ac
~400 acres to be used for facility



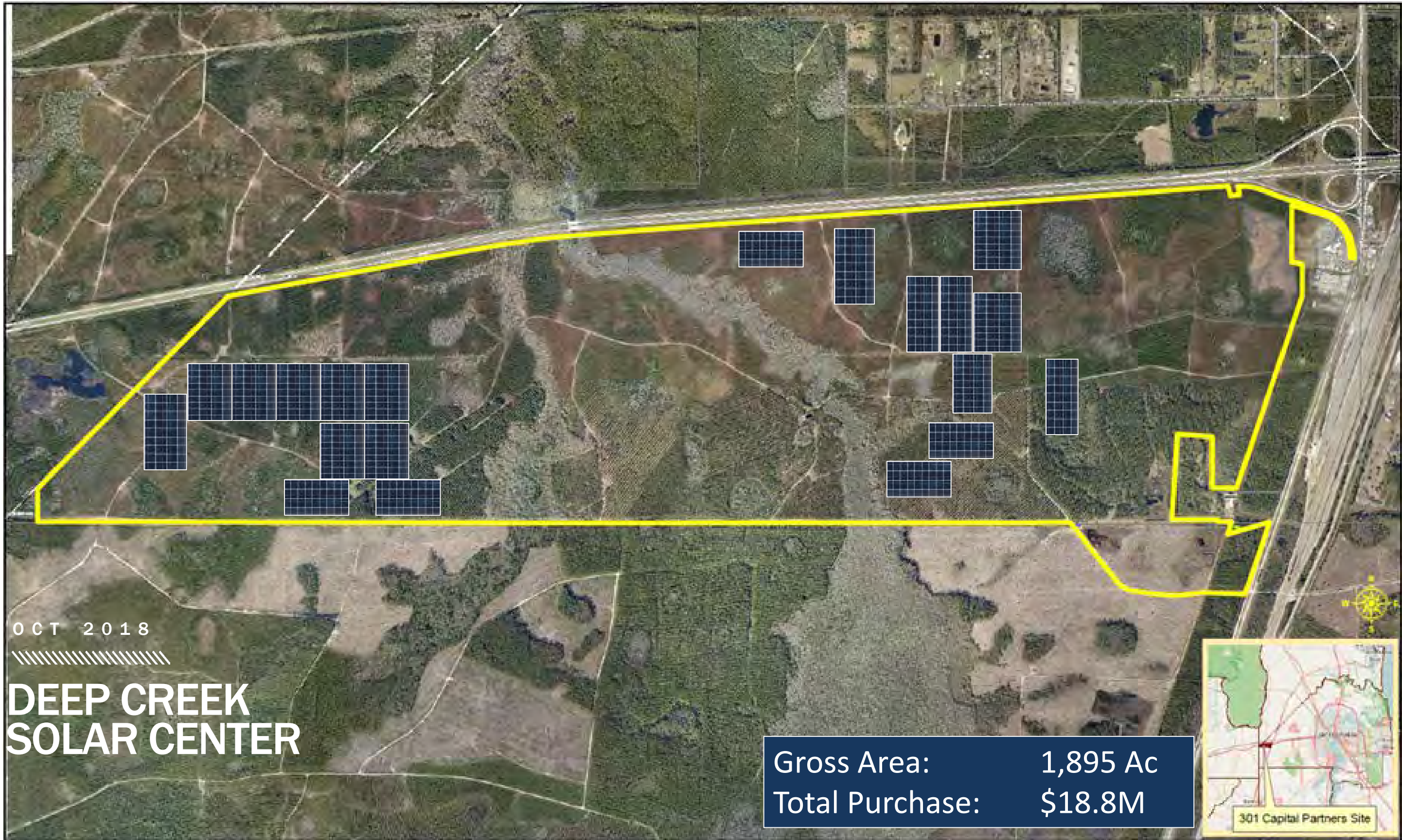
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CECIL COMMERCE SOLAR CENTER

Gross Area: 3,000 Ac
~400 acres to be used
for facility



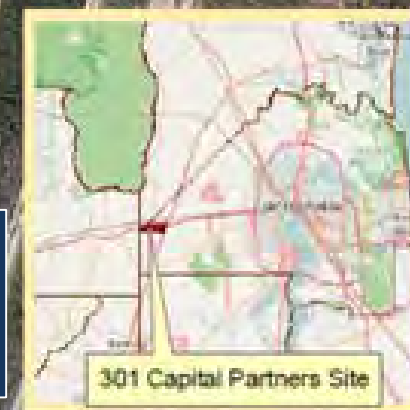


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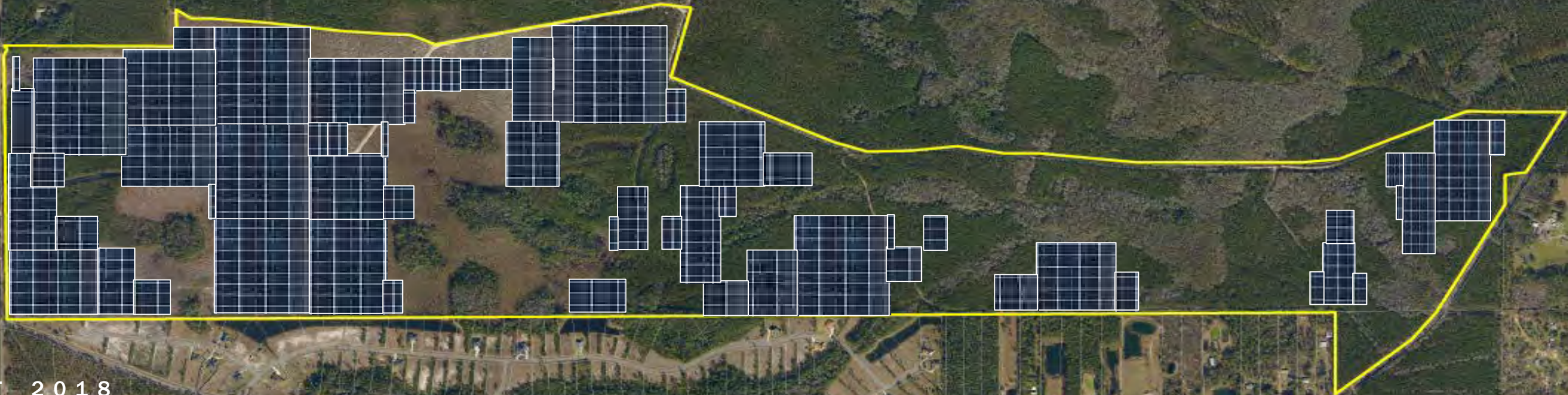


DEEP CREEK SOLAR CENTER

Gross Area:	1,895 Ac
Total Purchase:	\$18.8M



NASSAU
DUVAL



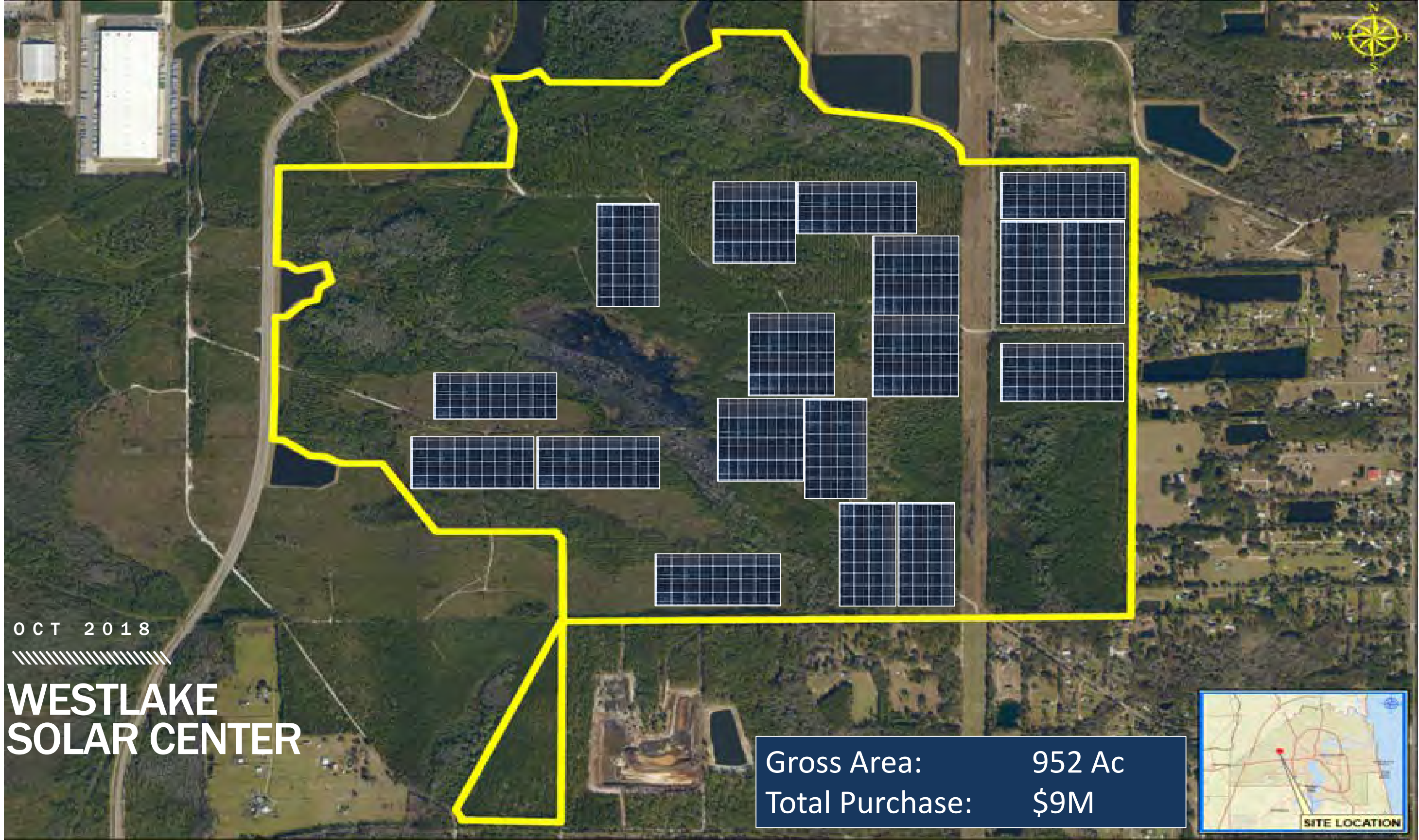
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FOREST TRAIL SOLAR CENTER

Gross Area:	600.98 Ac
Total Purchase:	\$6.6M





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WESTLAKE SOLAR CENTER

Gross Area:	952 Ac
Total Purchase:	\$9M





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SOLAR / NUCLEAR PPA COMPARISON

Purchase Power Agreement (PPA) Comparison

Contract Issue	5 x 50 MW Solar	Vogle
Term	25 years + two 5-year extensions 1 st extension at Seller Option 2 nd extension mutual	20 years
Project Ownership	EdF owns project, JEA owns land	MEAG. No JEA ownership
Payment Obligation	“Take and Pay” – payment by JEA only for energy delivered. JEA pays for land and interconnections in advance, ~\$67M	“Take or Pay” – payment by JEA for debt portion regardless of energy delivery
Default Provisions	In event of Seller Default, JEA will receive approximately \$10M per project (\$50M total), representing approximately 20% of EdF construction costs	JEA is responsible for 20 yrs of debt service on approximately \$2.9B in construction costs, plus fuel and O&M costs

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Purchase Power Agreement (PPA) Comparison

Contract Issue	5 x 50 MW Solar	Vogle
Estimated Annual Production (MWh)	610,000	1,624,000
Total Lifetime Production (MWh)	15,250,000 (25 years) 3M MWh per 5 year extension	32,480,000
Cost per MWh	<\$26, PPA Cost not including cost for land and interconnection Rate is flat for contract term	\$120, including debt service, Production tax credits, fuel, O&M Average rate shown, rate will vary
Cost per MWh, total	<\$33, including cost for land and interconnection	Same as above
Estimated Total Payments	\$400M (PPA only, base contract)	\$4.2B (debt service, fuel, O&M)

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Purchase Power Agreement (PPA) Comparison

Contract Issue	5 x 50 MW Solar	Vogle
Number of Contracts	5 PPAs, 5 Leases, 5 Interconnection Agreements	1 PPA
Buyout Provisions	JEA buyout option at 10 years, 20 years and 25 years.	None
Cap on Costs to JEA	Yes	No
Capacity	Non-Firm	Firm
Transmission	None – In territory	1-wheel, approximately \$7.5M/yr
CO2 Emissions	Zero	Zero
Renewable Energy Credits	15,250,000 (base contract)	None

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Questions

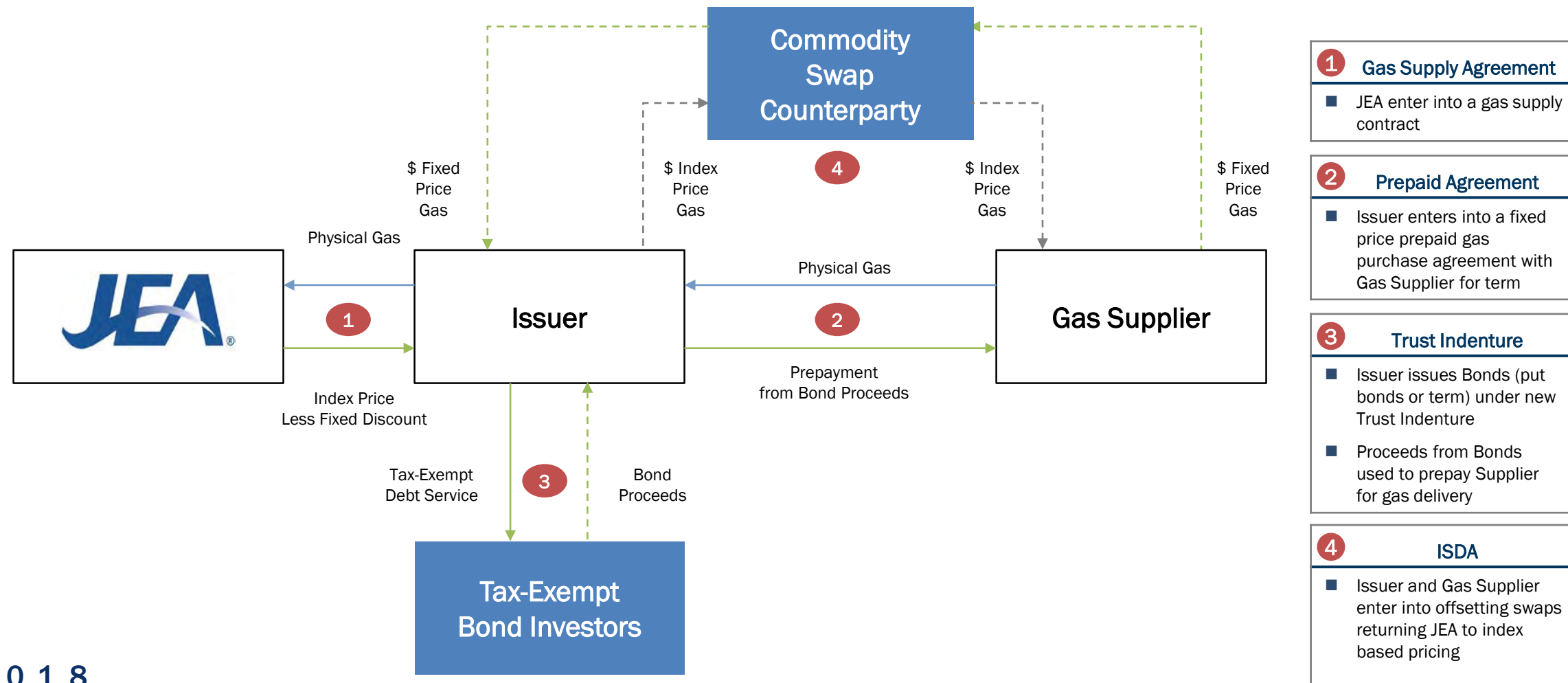
JEA®



A white geometric graphic on the left side of the slide, consisting of several parallel lines that create a sense of depth and movement, resembling a stylized arrow or a series of steps.

APPENDIX

The Base Gas Prepay Structure Utilizes Four Key Contractual Relationships



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Gas Prepayments

Regulations allowing tax exempt prepayments are specific

IRS regulations published in 2003

- The IRS regulations effectively permit municipalities to benefit from the difference between the supplier's discount rate and the tax-exempt rate on the bonds issued to fund the prepayment

Key Requirements of IRS Rules:

- Prepayments for electricity or natural gas to be used by a municipal utility
- Must be a prepayment rather than a deposit or a loan
- If a commodity swap is used, the swap counterparty cannot be the provider of the commodity prepayment contract
- Regulations are silent as to whether the prepayment must be to the unit of the commodity or can be structured as a fixed dollar amount of the commodity based upon market prices

Sizing:

- IRS regulations ("Regs") have an expectation based test: Expected use over the course of the transaction to meet native load
- Energy Policy Act of 2005 ("Act") provides a historic brightline: Average annual amount of gas purchased for sale to retail customers in the most recent 5 calendar years

O C T 2 0 1 8



Favorable risk allocation – “Take-and-pay” structure



Risk

Supplier default on gas delivery

Participant does not have enough qualified use

Rating agency treatment of prepaid gas as debt

Commodity swap counterparty fails to perform

Economics decline after initial put period

Mitigation

Participant only pays for gas if/when Supplier delivers the gas

Issuer/Gas Supplier will remarket the gas

Rating agencies do not count participant supply agreements as debt

Issuer can replace swap counterparty within a specified period with no impact to transaction

Build a portfolio of supply agreements with various counterparties to mitigate reoffering risk

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IV. C.

Corporate Headquarters – Downtown Campus Update

October 2, 2018

SUBJECT: CORPORATE HEADQUARTERS - CAMPUS UPDATE

Purpose:

☒ Information Only

☐ Action Required

☐ Advice/Direction

Issue: JEA has been in the planning stages for a replacement corporate headquarters for the past few years in order to address business continuity risks while meeting our headquarters needs in a cost-efficient manner. The Board provided input on qualitative selection criteria at the July and August 2018 Board meetings that will be used to score options received through a competitive solicitation.

Significance: The goal is to provide the best solution for JEA's current and future business needs, including hurricane readiness, and continue to allow JEA to attract and retain an engaged workforce. JEA staff engaged CBRE in 2017 to provide Owner's Representative services, which includes: development of a program to meet JEA's needs, change management and employee engagement, and commercial and market evaluation. After evaluation of various approaches, a built solution was determined to be most advantageous. CBRE's scope was expanded to include development advisory and brokerage services to assist in developing the solicitation materials, marketing for the solicitation, and providing financial analysis for the anticipated responses.

Effect: Through the upcoming solicitation, respondents will be required to provide a site or building, conceptual design and site fit, a delivery team, financing terms (lease or purchase) and demonstrate experience and financial capabilities to develop a project of this size. The solicitation will be issued the week of October 8. Responses are expected in December, and a short list of top ranked respondents is scheduled to be presented to the Board for consideration in January 2019. The shift in timeline from December to January recognizes the complexity of the solicitation process and the time required for both preparation of customized proposals by respondents and a complex scoring process by the CBRE and JEA teams. Once a selection has been approved, CBRE and JEA will negotiate full terms with the selected respondent for presentation of a final contract in approximately March 2019.

Cost or Benefit: JEA and CBRE will evaluate responses against the criteria developed by the Board and provide a thorough quantitative and qualitative analysis of the solutions submitted. The review of top ranked submittals will be presented to the Board in January 2019, allowing time for a negotiated contract to be presented to the Board in the spring.

Recommended Board action: This item is being presented for update purposes only. Staff will continue to update the Board throughout the process.

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

October 2, 2018

SUBJECT: CORPORATE HEADQUARTERS – CAMPUS UPDATE

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

TO: JEA Board of Directors

BACKGROUND:

JEA has been in the planning stages for a replacement corporate headquarters for the past few years in order to address business continuity risks while meeting our headquarters needs in a cost-efficient manner. The Board provided input on qualitative selection criteria at the July and August 2018 Board meetings that will be used to score options received through a competitive solicitation.

The goal is to provide the best solution for JEA's current and future business needs, including hurricane readiness, and continue to allow JEA to attract and retain an engaged workforce. JEA staff engaged CBRE in 2017 to provide Owner's Representative services, which includes: development of a program to meet JEA's needs, change management and employee engagement, and commercial and market evaluation. After evaluation of various approaches, a built solution was determined to be most advantageous. CBRE's scope was expanded to include development advisory and brokerage services to assist in developing the solicitation materials, marketing for the solicitation, and providing financial analysis for the anticipated responses.

DISCUSSION:

Through the upcoming solicitation, respondents will be required to provide a site or building, conceptual design and site fit, a delivery team, financing terms (lease or purchase) and demonstrate experience and financial capabilities to develop a project of this size. The solicitation will be issued the week of October 8th. JEA staff will continue to develop more detailed program-related information that will be provided as supplements to the solicitation.

Responses are expected in December. JEA and CBRE will evaluate responses against the criteria developed by the Board and provide a thorough quantitative and qualitative analysis of the solutions submitted, and a short list of top ranked respondents is scheduled to be presented to the Board for consideration in January 2019. The shift in timeline from December to January recognizes the complexity of the solicitation process and the time required for both preparation of customized proposals by respondents and a complex scoring process by the CBRE and JEA teams. Once a selection has been approved, CBRE and JEA will negotiate full terms with the selected respondent for presentation of a final contract in approximately March 2019.

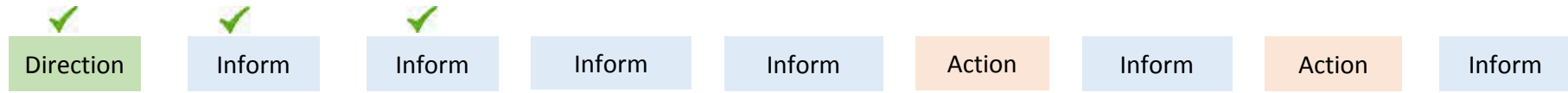
RECOMMENDATION:

This item is being presented for update purposes only. Staff will continue to update the Board throughout the process.

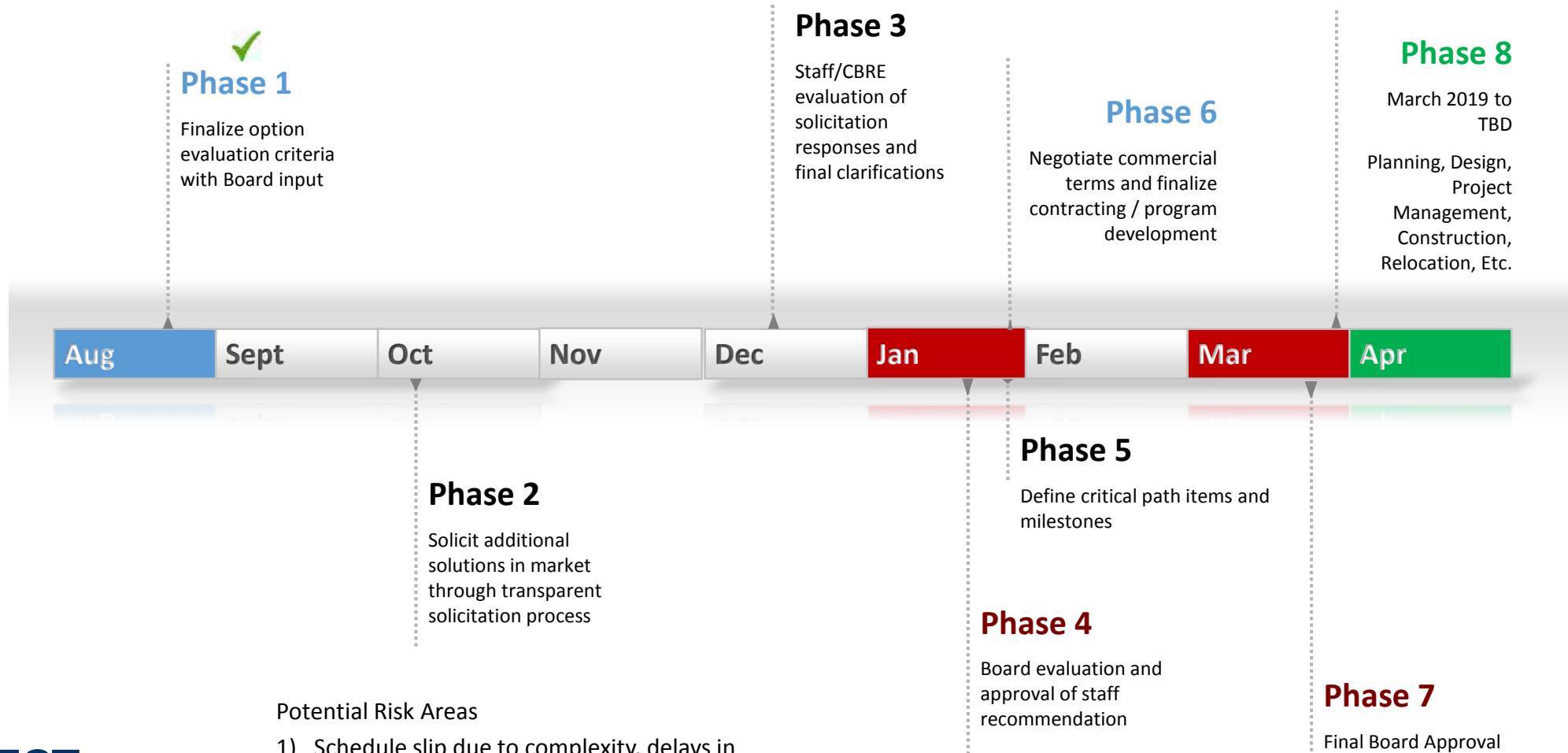
Aaron F. Zahn, Interim Managing Director/CEO

AFZ/MHD

Board Involvement



IV. C.
10/16/2018



Potential Risk Areas

- 1) Schedule slip due to complexity, delays in project control and developer approvals
- 2) Finalizing scope allocation and subsequent capital spend estimates during planning & negotiations

JEA CAMPUS CRITERIA SUMMARY	
QUALITATIVE SUMMARY (2/3 Total Score)	% WEIGHT
Customer engagement/customer value	5
Building program accommodation (flexibility on campus program elements)	30
Workforce engagement/culture change opportunity	20
Development schedule (business continuity consideration)	20
Beneficial to economic development/downtown development	10
Timing and risk to contract (site control)	15
Percentage qualitative	100
QUANTITATIVE SUMMARY (1/3 Total Score)	% WEIGHT
Total or annualized cost	50
Life cycle costs	50
Percentage quantitative	100

IV. D.

Transition Update and Draft Guiding Principles

October 1, 2018

SUBJECT:	TRANSITION UPDATE & GUIDING PRINCIPLES
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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.

Building upon the Board's "Strategic Framework" document, the SLT and ~400 Directors and Managers of JEA have built consensus on a draft of "JEA's Guiding Principles." This document is provided for information only at this time. The Guiding Principles is intended to be a starting point for the Strategic Planning process to start December 2018.

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: This agenda item is provided for information only.

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

Submitted by: AFZ



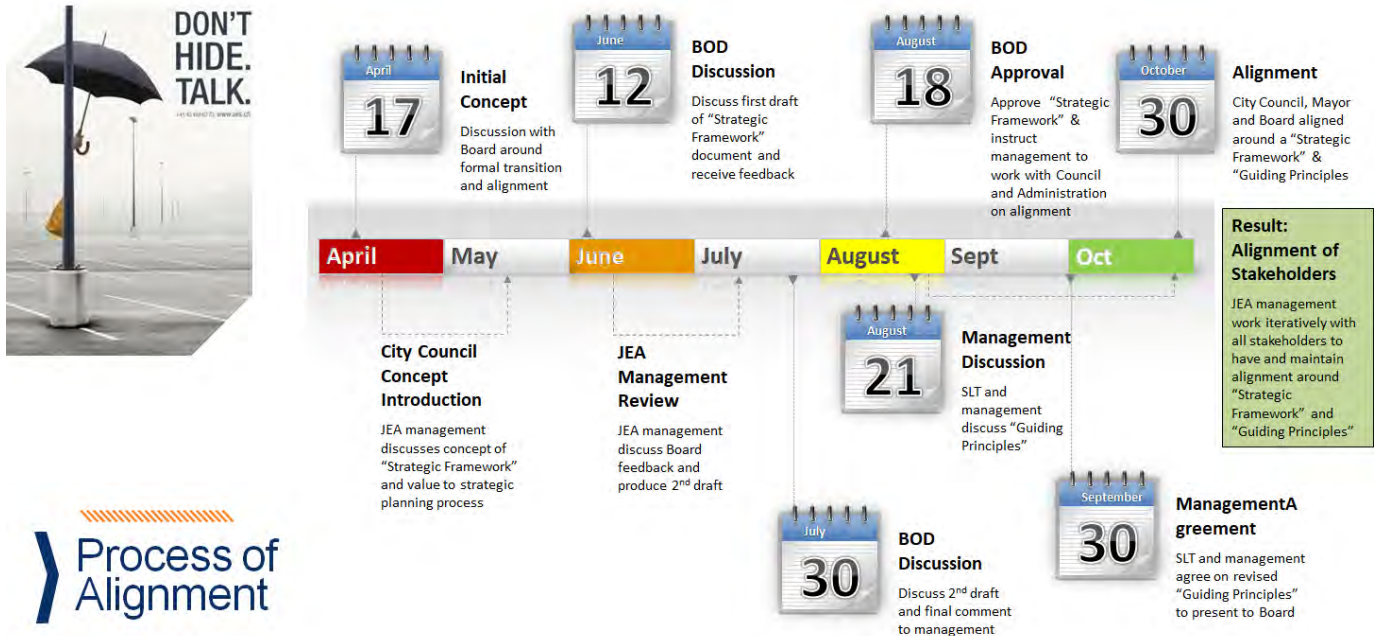
Commitments to Action

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



GUIDING PRINCIPLES THE YEAR OF INNOVATION

“Strategic Framework” & “Guiding Principles” Draft Timeline



Above is the expected timeline and high level process used by the Board and SLT to obtain external and internal alignment of JEA with the expectations of Stakeholders

Structural Set Up

The basic structure of this document and the concepts below:

- 1) Vision (**WHY we exist** / attainable idea / who we want to be in the future)
- 2) Mission (**HOW we are going to pursue our vision** / measureable objective aligning to our vision / what we need to do today)
- 3) Corporate Metrics / Goals (**WHAT key results we measure** to tell us we’re headed the right direction aligned with our mission – the things we measure to tell us we’re headed in the right direction of our Mission / Vision)
 - a. Note: This is the level of the Board of Director’s “Strategic Framework” Document that provides guidance on the areas of value against which performance will be measured
- 4) Core competencies (areas of focus necessary to always drive results e.g. the measures of the Mission)
- 5) Cultural Values (how we act when no one is looking...)

Overview of JEA's Future Building Blocks and Guiding Principles



Modify “Building a unified community” to “**Accelerating Utility Innovation**”

The step wise functions are timeless and vision / mission independent.

Vision: Improve lives by accelerating innovation.

Mission: Provide the best service by becoming the center of our customer’s energy and water experience.

Corporate Measures: (e.g. the Measures of Progress for JEA’s Mission)

Our mission will be guided by and evaluated against how we as Employees drive these four basic Corporate Measures of JEA’s value.

The **Basic Goal is to maximize each value both now and in the future:**

1) Customer value

What a customer expects to get in exchange for the price they pay.

2) Financial value

The monetary value and risk profile, both today and tomorrow, of JEA as it relates to the City.

3) Community impact value

Improving the quality of life through innovative and cost-effective service offerings, employee volunteerism and ambassadorship, relevant and timely communications, and support of economic development and job growth throughout JEA’s service territory. Foster a collaborative and respectful corporate culture that provides exceptional employee value to equip the JEA team to deliver outstanding service and value to its community.

4) Environmental value

Ensuring a sustainable environment for future generations.

Our Core Competencies:

The things we need to be exceptionally and uniquely good at in order to yield better and better results of our Corporate Measures which drive our Mission to demonstrate our Vision....

1) Deliver an unparalleled positive customer experience.

2) Work together to elevate the entire team.

3) Innovate and evolve to match our customer’s needs with market trends.

Prioritization and Investment Matrix:

If we have agreement on the Corporate Measures and the Core Competencies, then all activities of JEA may be measured and prioritized against the below matrix. Those investments or activities that yield the highest results in the below matrix should take priority. Further, this is a tool that may be utilized to communicate “merit of idea” throughout the organization (up to your manager, down to your reports and across to your peers).

		Core Competencies		
		Customer experience	Elevate Team & Talent	Innovate and Evolve
Corporate Measures	Customer value			
	Financial value			
	Community impact value			
	Environmental value			

JEA's Cultural Values

(In every action, system and communication, JEA and its employees strive to abide by our Cultural Values) Safety

The health and wellbeing of our employees and community is paramount to the success of JEA. The work we do at JEA is dangerous and we are committed to habitually protecting our employees and community. Beyond the moral obligation, JEA's value is increased by delivering safety excellence. Measures and strategies designed to prevent, control, reduce or eliminate hazards and risks should be developed and applied continuously to keep pace with technological and economic changes.

Service

Obsessively believe that JEA and our employee's service to our customer and each other is critical to JEA's success. Commit to fostering a service-first culture. Serving with excellence is a choice. Establish a crystal clear plan to ensure customers feel JEA is committed to the best possible service. Foster a collaborative "How can I help?" culture internally. Value and measure the service we provide customers and each other. We volunteer with a spirit of service to build community because it's the one we live in.

Integrity

Trust in truth and transparency. Realize that you have nothing to fear from telling or knowing the truth. Have integrity and demand it from others. Never say anything about someone that you wouldn't say to them directly and give people the benefit of the doubt. Don't let loyalty to people stand in the way of truth and the well-being of the organization. Be open, honest, fair, respectful and ethical at all times.

Growth²

Be committed to elevating yourself and JEA. In order to continue to serve our customers and community with excellence our business must grow. Now more than ever we need to be flexible and adapt to the changing utility industry and our customers' changing needs and expectations to improve service to our customers and community while growing as our industry evolves. We also expect our employees to be life-long learners so we provide the training and individual development programs to aid in this accomplishment. Growth means an increase in knowledge, value, wellbeing, or sustainability. Growth is continuous and not always linear. Growth only occurs at JEA when knowledge, value, wellbeing, or sustainability are committed to writing, a process or an institutional system.

Accountability

Each and every employee should operate as an owner of JEA who is responsible for delivering outcomes and results. Hold yourself and others accountable and appreciate them for holding you accountable. If you've agreed with someone that something is supposed to go a certain way, make sure it goes that way—unless you

get in sync about doing it differently. Create a culture in which it is “okay” to make mistakes and unacceptable not to learn from them. Be loyal to the common mission and not to anyone who is not operating consistently with it. Get over “blame” and “credit” and get on with “accurate” and “inaccurate.” Create an environment in which everyone has the right to understand what makes sense and no one has the right to hold a critical opinion without speaking up.

Ideas

Every one of us has a voice. JEA should have a culture of an “Idea Meritocracy.” Recognize that having an effective idea meritocracy requires that ideas be encouraged and brought forward constructively. We understand content and merit of each person’s ideas before agreeing or disagreeing. Disagreeing must be done efficiently and respectfully. Recognize and learn how to get beyond disagreements. Once a decision is made for the benefit of the organization; everyone should get behind it even though individuals may still disagree.

Points of Progress

- **City Council and Board 1:1 meetings complete to provide input to “Strategic Framework” for JEA**
- **New format for Board agendas (Operations, Strategy and Subject Matter Exploration) created to provide better public transparency and Board interaction**
- **Iterative work with Board, SLT, City and Stakeholders to draft Strategic Framework**
- **SLT Workshops on Future of JEA**
 - Started April and ongoing in alignment with discussions with Board around Strategic Framework
 - Intend to create comprehensive draft “Guiding Principles” document for Board review that builds from the “Strategic Framework” and allows a cascade of initiatives top-to-bottom and bottom-to-top throughout JEA
- **10-Year Strategic Planning Update (Estimated start Q4 2018)**
 - JEA should be positioned with alignment, tools and systems to start strategic planning by October BOD meeting
 - Envision solid foundation to be set for Permanent CEO with work product from: (1) SLT workshops; (2) listening tour; (3) collaboration on key stakeholder reports - City Council subcommittee, JCC, DuPont, etc. (4) selection of strategic planning consultant; (5) “Strategic Framework” approved by board; (5) final 2018/2019 budget; (6) a “Guiding Principles” document; (7) updated CTR (commitment to results) process cascade throughout organization – previously CTA (commitments to action); and (7) new management dashboards with consolidated financial reporting

Points of Concern

- **Maintaining alignment of Stakeholders will be critical**
 - Value to our Customer
 - Financial Value
 - Community Impact Value
 - Environmental Value
- **Time to ‘pivot’ is critical for JEA in updating business strategy and plan**
 - Creating updated strategic plan that maps to “Strategic Framework” direction from the Board needs to be comprehensive and will more than likely be 1+ year process
 - Competitive and market pressures are persistent therefore all time is lost time
- **Culture**
 - Utilities are not built to pivot
- **Capital**
 - Leverage and pivots are like oil and water
- **City Council engagement on future Charter changes necessary to migrate business**
- **Vogtle will weigh on JEA**

V. A.

Electrification

October 3, 2018

SUBJECT: ELECTRIFICATION – AN EMERGING MARKET

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

Issue: With the development and launch of two electrification programs in 2014, On-Road and Non-Road Programs, JEA actualized two new revenue streams, increased JEA's customer satisfaction and reduced greenhouse gas emissions. To expand on this success, JEA is beginning the process of conducting a broader market study, identifying the local opportunities and developing a short-term and long-term Electrification Strategic Plan to fully leverage our opportunities in this market. The Electrification program performance is reported monthly to the Board in the operational report by the CCO.

Significance: New technologies have improved product/system energy efficiencies and significantly reduced customer's energy requirements. Widespread use of LED and CFL light bulbs, high efficient air conditioners and high efficient washing machines reducing water heating are leading contributors to scaled energy reduction. 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 sales, JEA needs to consider expanding operations into other related business lines to diversify its revenue streams and ensure continued financial health." Electrification programs are expected to be new revenue producing businesses.

Effect: New Electrification programs will provide additional revenue growth, put downward pressure on rates, improve JEA's system efficiencies and reduce JEA's environmental footprint. These programs will provide added 1) value to the customer, 2) financial value, 3) community impact value, and 4) environmental value.

Cost or Benefit: The Electrification Strategic Plan will provide JEA with a present and future market assessment, a cost benefit analysis and an implementation plan for short-term and long-term projects.

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

For additional information, contact: Kerri Stewart, Chief Customer Officer,

Submitted by: AFZ/MHD/MJB/SGM



Commitments to Action

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

INTER-OFFICE MEMORANDUM

October 3, 2018

SUBJECT: ELECTRIFICATION – AN EMERGING MARKET

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

TO: JEA Board of Directors

BACKGROUND:

New technologies have improved product/system efficiencies and significantly reduced customer's energy requirements over past years. 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 sales, JEA needs to consider expanding operations into other related business lines to diversify its revenue streams and ensure continued financial health." Electrification programs are expected to be new revenue producing businesses.

DISCUSSION:

To expand on JEA's initial Electrification market success since 2014, we are beginning the process of conducting a broader market study, identifying the local opportunities and developing a short-term and long-term Electrification Strategic Plan. The Electrification Strategic Plan will provide JEA with a present and future market assessment, a cost benefit analysis, and an implementation plan for short-term and long-term projects.

New Electrification programs will provide additional revenue growth, put downward pressure on rates, improve JEA's system efficiencies, and reduce JEA's environmental footprint. These programs will provide added 1) value to the customer; 2) financial value; 3) community impact value and 4) environmental value.

RECOMMENDATION:

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

Aaron F. Zahn, Interim Managing Director/CEO

AFZ/KS



V. A.
10/16/2018



David Pickles

Senior Vice President – Energy, Aviation, Infrastructure

David Pickles is a Senior Vice President with ICF's Commercial Energy Division, where he leads the Beneficial Electrification Practice and the Sales Team. He also leads strategy engagements with utilities seeking to enter new markets and offer innovative products and services. His team has provided a broad range of program implementation, advisory, analytic and customer engagement services to more than 50 utilities across North America. Prior to joining ICF, David served as Director of Navigant's Market Strategy practice, CTO of Honeywell's Energy Information Services business and Vice President of Marketing and Operations for the CSW/AEP energy services business. David began his career as a regulator, on the staffs of the Iowa Utilities Board and Iowa Consumer Advocates Office.

[Return to
Agenda](#)

V. A.
10/16/2018



Electrification

An Emerging Market

Kerri Stewart

Chief Customer Officer

10/16/2018

Agenda

- JEA Electrification 101
- JEA Strategy To Date
- JEA's Bold Electrification Future
- Introduction to ICF
- Business Drivers for Electrification
- Approaches to Electrification
- Program Examples
- Considerations with Electrification
- A Strategic Path Forward for JEA

Electrification 101: What is Electrification?

Electrification describes the adoption of electric end-use technologies.

- *Electric Power Research Institute*

Electrification is the shift from any non-electric source of energy to electricity at the point of final consumption.

- *National Renewable Energy Lab*

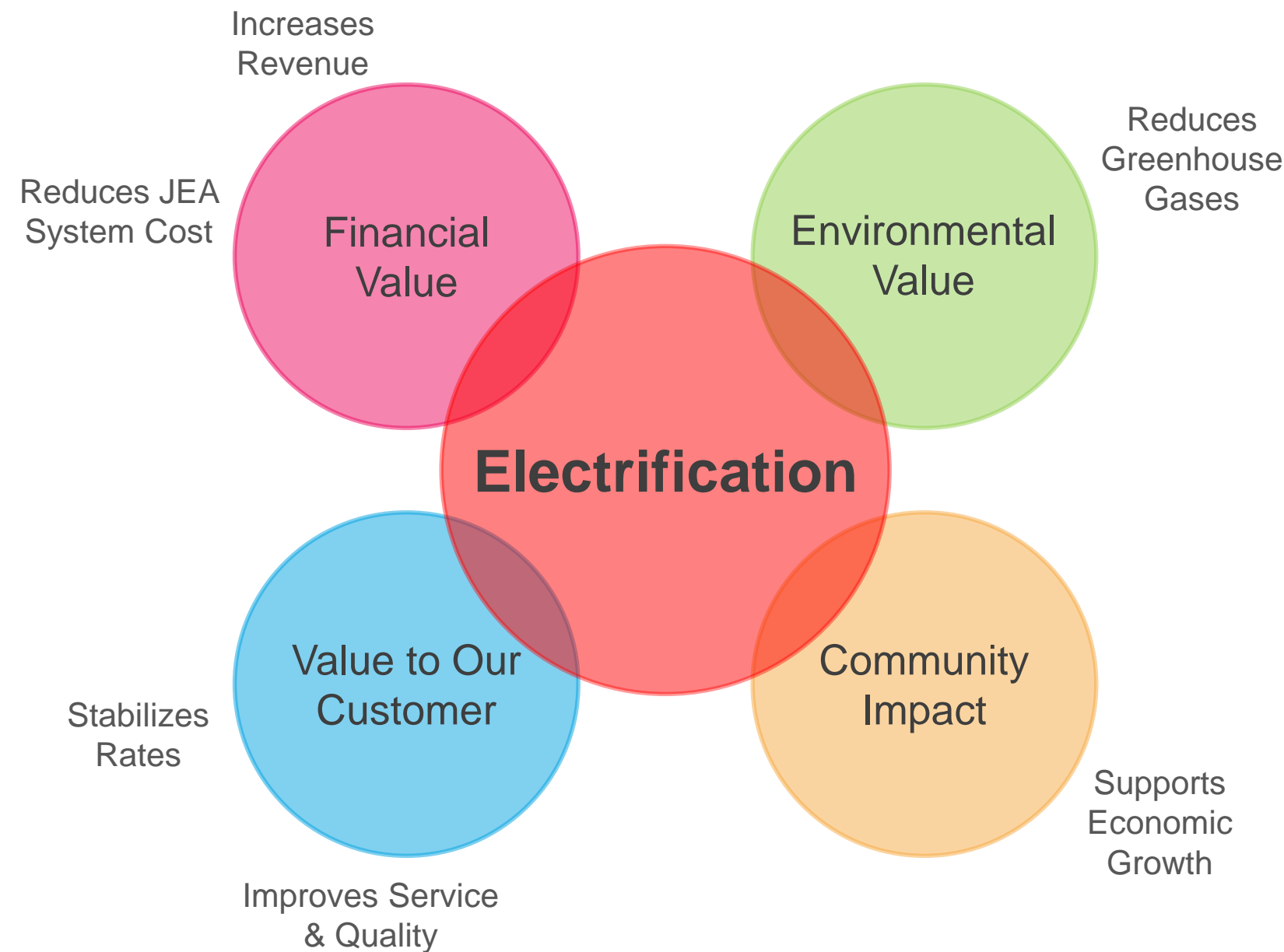
Beneficial Electrification requires that it be cost-effective for JEA, good for all customers (whether they participate in the program or not), and good or neutral for the environment.

- *ICF*



Source: Nexant, *Electrification and the Utility of the Future*, <http://www.nexant.com/resources/electrification-and-utility-future>

Why Electrification is so Important for JEA?



Supports All JEA's Core Values

JEA Strategy to Date



Leader Since 2014

On-Road Electrification Program

- Incentives on new Electric Vehicles
- Strategic partnership with Transportation Planning Organization (TPO) and Drive Electric Florida

Non-Road Program

- Conversion of commercial and industrial diesel/propane equipment to electric
- Direct business to business customer analysis and sales

On-Road Program Summary



Components

- EV Educational Forums
- Charging Infrastructures Support
- Trusted Advisor
- Promotional Outreach



Incentives

New Electric Vehicle	JEA Incentive
Battery size less than 15kWh	\$500
Battery size of 15kWh or higher	\$1,500



Results

- ✓ 1,032 EVs in Jacksonville
- ✓ ~\$400k revenue
- ✓ Program ROI (171 qualified participants) = 135%
- ✓ High market growth projected

Non-Road Electro-technology (NRE) Program Summary



Components

- Marketing
- Vendor Training
- Consultation with JEA Customers
- Technical Support
- Financial analysis
- QA/QC inspections
- Incentive Payment



Incentives

Electrotechnology	JEA Incentive
Forklifts	\$300
Airport Ground Support Equipment	\$100 – \$600
Truck Refrigeration Units	\$200
Heavy-Duty Truck Stop Electrification	\$200
Cranes	\$15,000 – \$75,000
Golf Carts	\$50
Welders	\$500



Results

- ✓ \$8.8M revenue
- ✓ 67% of new sales off-peak
- ✓ Annual Budget ~\$900k
- ✓ Program ROI = +1200%
- ✓ 267 participants
- ✓ 100% customer satisfaction

Strong Non-Road Participation and Customer Satisfaction

Sample Feedback

"The program is exactly as advertised and works very well, [the program] has been excellent to work with and always keeps us abreast of opportunities that we may not have thought of."

J. Peacock Southeastern Toyota/JM Family Enterprises

"We could not be happier with the program and with JEA. JEA treats us very well and we do appreciate that."

Jack McDuffie, Sysco Foods

"When we first entertained the idea of going to electric from diesel with our cranes we were skeptical. The program works very well for us, we have reduced our annual costs, electric versus diesel, and are looking forward soon to more conversions to electric."

Lynn Westbrook, Jacksonville Port Authority

"BMW is very happy with the program...We are very grateful to JEA."

Christopher McMurray, BMW Distribution Center

Notable Participants



The background of the slide is a photograph of a busy port at night. A large container ship is docked, with its side visible, featuring the word 'LINE' and several 'MAERSK' logos. Two large gantry cranes are positioned over the ship, with 'JAYPORT' written on their upper sections. The scene is illuminated by port lights, creating a high-contrast, industrial atmosphere.

JEA's Bold Electrification Future

There exists an opportunity to increase the scale and scope of both the on-road and non-road program. By adding additional technologies, program design elements, and budget, JEA may be able to:

- Quadruple the revenue and values from the programs
- Put downward pressure on rates
- Provide a more flexible and efficient JEA load shape
- Significantly reduce JEA's (and its customers') environmental footprint

JEA is currently conducting a study with ICF to quantify the costs and risks of pursuing this opportunity. The study will be complete in 2019.



David Pickles

Senior Vice President – Commercial Energy

Introduction to ICF



More than
5,000 People

55% Female Leaders and Gender Pay Equity

\$1.2B In annual revenue

1 Providing More Electrification Services to Utilities than any other Consultancy

9  **Global Sectors**

Energy, Transportation, Government, Environment, Health, Education, Retail, Consumer, and Hospitality Sectors

Electrification Services

Strategic Planning
Technology Screening
Market Assessment
System/Locational Impact Analysis
Environmental Impact Analysis
Cost-Effectiveness Evaluation
Program Design
Marketing & Outreach
Program Delivery
Program Evaluation

Electrification Clients

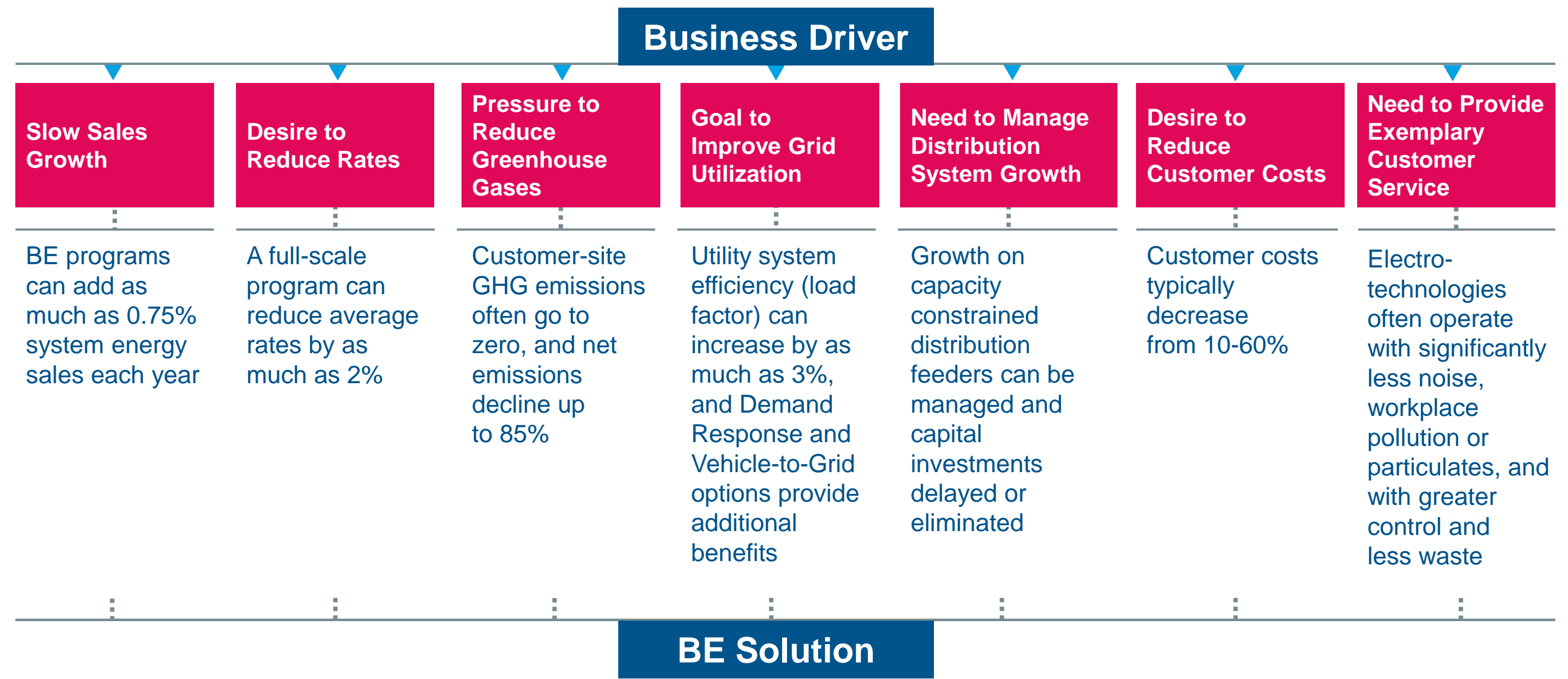
Utilities



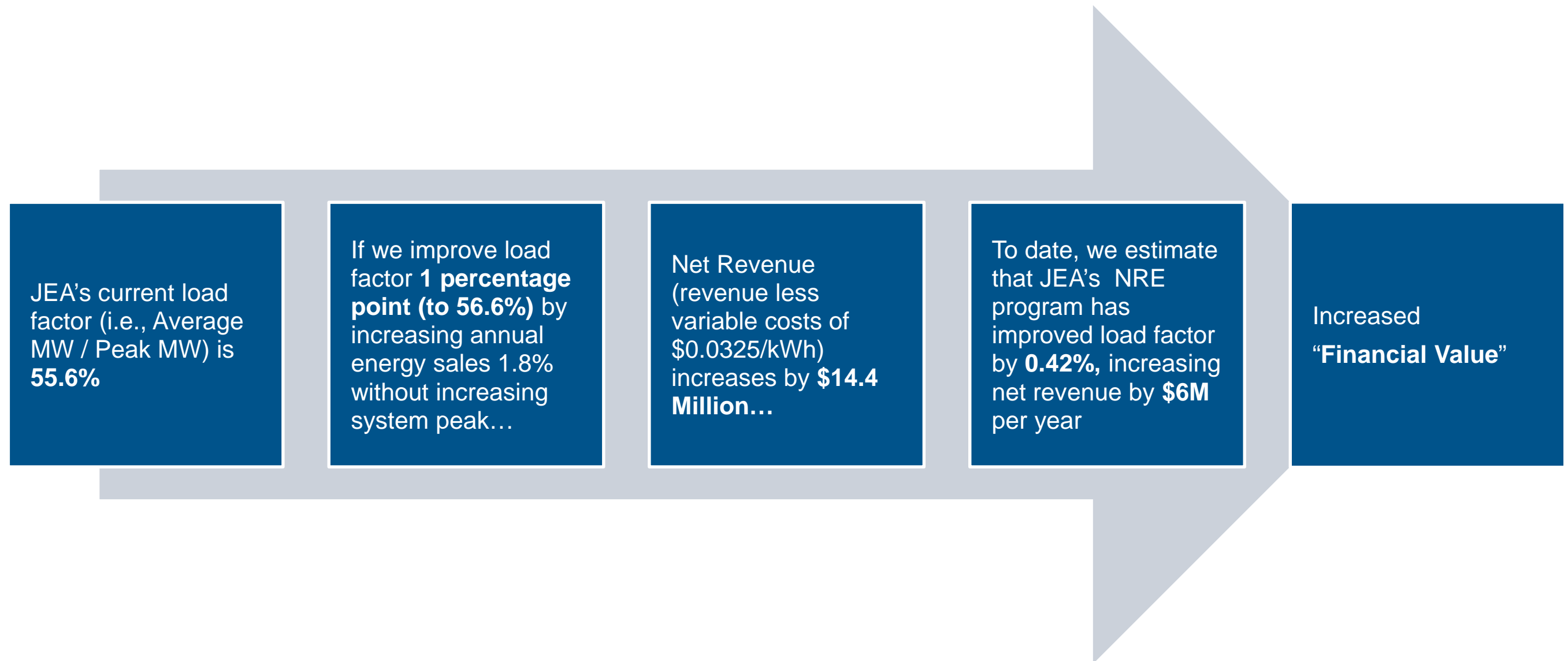
Non-Utilities



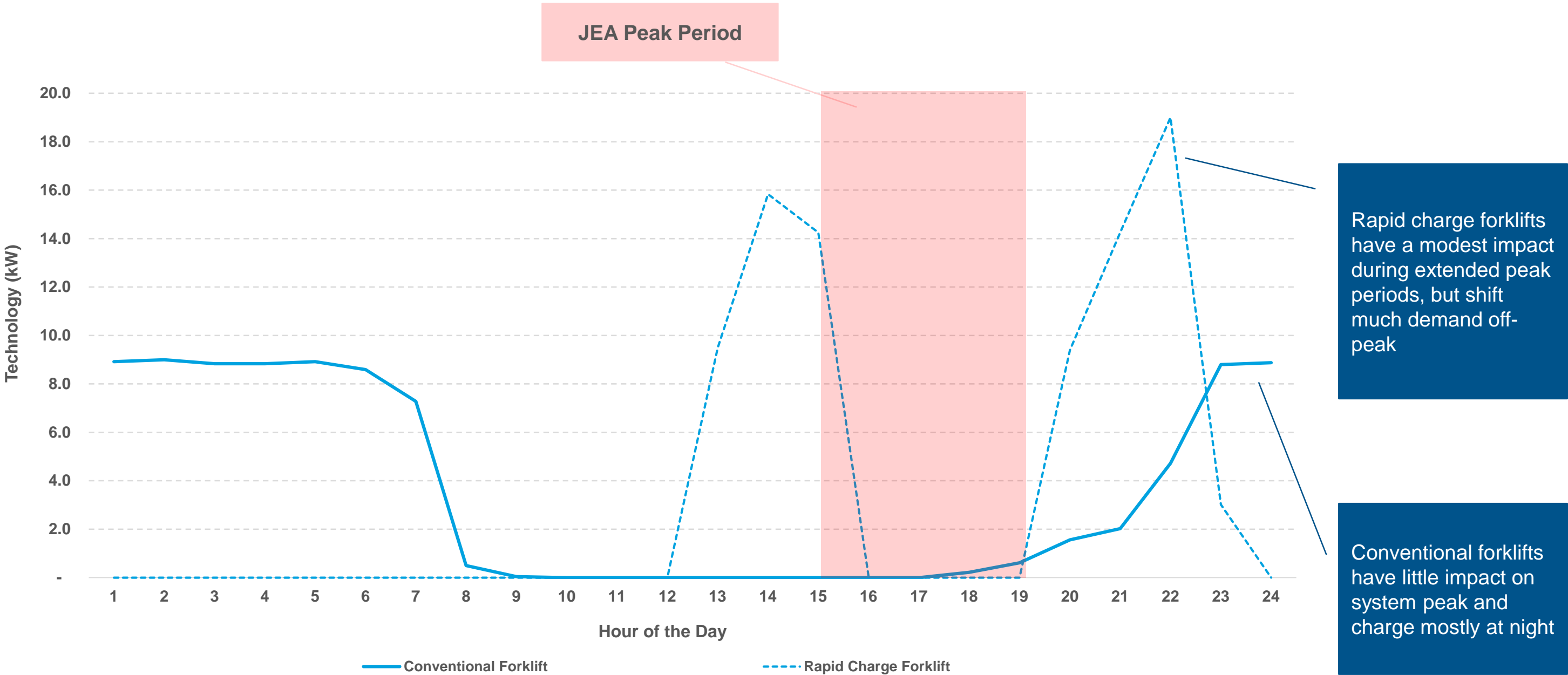
Business Drivers of Beneficial Electrification (BE)



The Power of Improving System Utilization (Load Factor) by Increasing Off-Peak Sales















JEA System Loadshape on 2017 Peak Day vs. Forklift Loadshapes






Possible Expanded Approaches to Beneficial Electrification









Technologies

 Non-Road & Material Handling	 Manufacturing
 On-Road, Light-Duty	 Infrastructure (Ports/Airports)
 On-Road, MD & HD	 HVAC
 On-Road, Buses	 Water Heating
 Food Preparation	 Recreational
 Custom	 Trains

Locations

 Home
 Multi-family
 Workplace or Destination
 In-route
 Fleets

Strategies

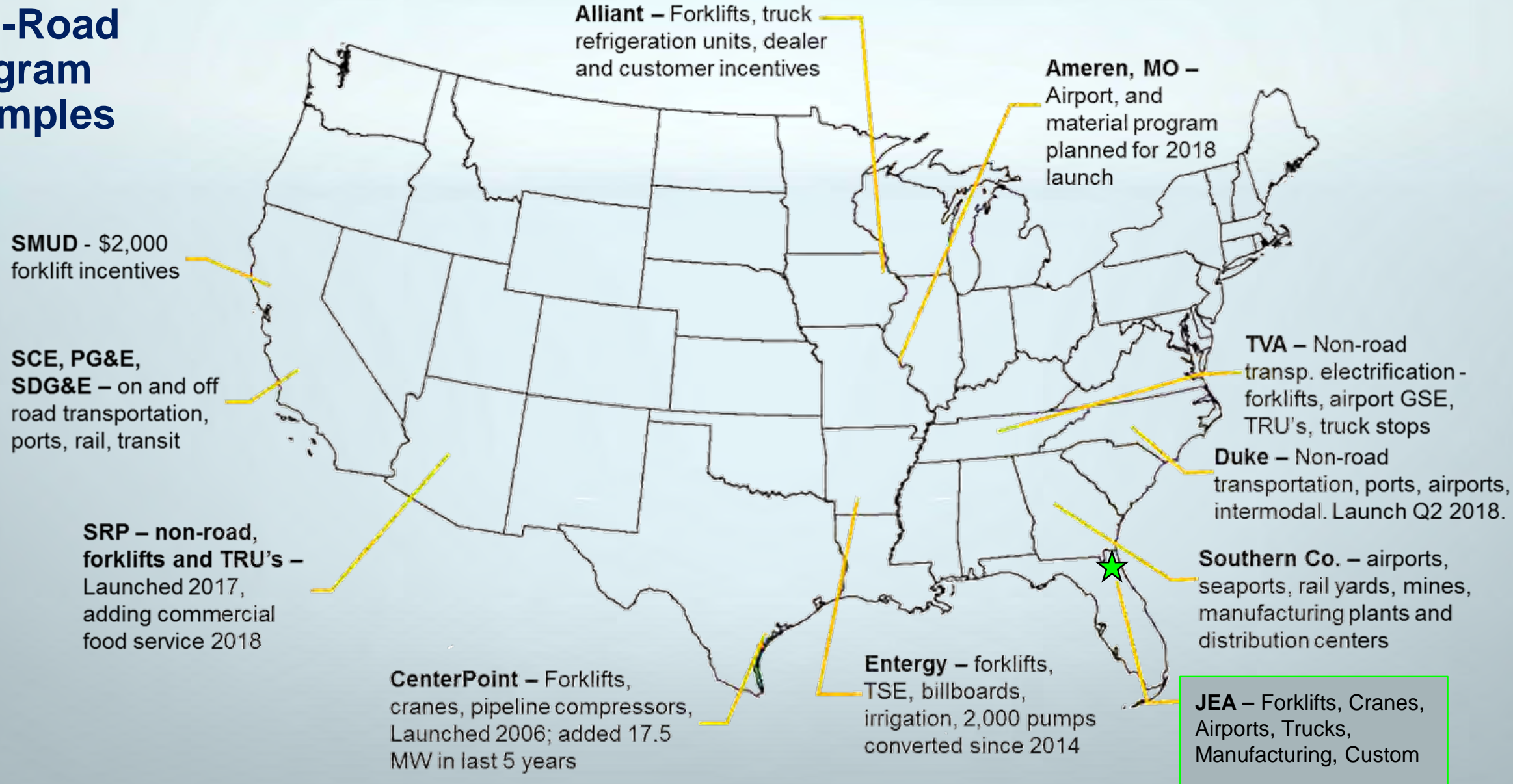
 Infrastructure Deployment
 Rate Design
 Education & Outreach
 Incentives
 Financing
 Partnership Planning
 Managed Charging
 Active Load Management (DR, V2G)

Many Additional Technologies Provide Significant Benefits

	Material Handling and Port Equipment			Airport Ground Support Equipment				On-Road		
	Rapid Charge Forklift	E/S TRU	RTG Cranes	Ground Power Units	Pushbacks	Baggage Tractors	Belt Loaders	Light-duty Vehicles	Transit Buses	Refuse Trucks
Annual kWh	27,190	15,000	600,000	148,000	61,420	23,360	12,260	4,000	50,000	35,000
% kWh Off Peak	56%	100%	63%	56%	74%	77%	77%	75% (+)	80% (+)	100%
Peak kW	7.6	0.0	124.7	35	19.4	7.2	3.8	7	50	0
JEA Net Annual Margin	\$2,560	\$1,320	\$64,160	\$12,900	\$8,040	\$3,230	\$1,690	\$326	\$3,092	\$2,164
JEA Present Value Lifetime Net Margin	\$19,760	\$9,560	\$695,450	\$100,240	\$62,100	\$24,960	\$13,100	\$2,510	\$23,806	\$16,664
Lifetime Site GHG Saved (Metric Ton)	337	237	12,164	1,325	550	250	131	36	534	553
Lifetime Site NOx Saved (Metric Ton)	0.3	1.0	24.3	6.0	2.5	0.6	0.4	0.2	1.6	2.3

JEA Leads the Pack in Scope and Relative Impact

Non-Road Program Examples



Considerations in Electrification

- Loads & locations to avoid
- Free riders
- Incentive strategy
- Fuel competition
- Allocation of benefits
- Operations of responsive technologies
- Integration with JEA and national initiatives (VW, Smart City, etc.)
- Recovery of costs
- Competitive markets
- Defining cost effectiveness

Assessing Cost-Effectiveness from Multiple Perspectives

Benefit Cost Tests	Key Question Asked	Benefits	Costs
Ratepayer Impact Measure (RIM)	Will utility rates increase?	Incremental Revenue	Program Incentives Program Overhead Incremental Electricity Supply
Participant (PCT)	Will participants benefit over the measure life?	Incentives Fuel Savings O&M Savings	Incremental Equipment Cost Incremental Electricity Supply
Modified Total Resource Cost (mTRC)	Will the total cost of energy in the utility service territory decrease?	O&M Savings Cost of IC Energy Supply	Net Participants Electric Supply and Net Participants Incremental Capital Cost Program Overhead Program Incentives Paid to “Free Riders”

Strategic Questions We Will be Addressing with JEA

- How do we capitalize on the momentum created by the existing program?
- What is the size and value of future electrification opportunities?
 - On-Road
 - Non-Road
 - Controlled charging/load management
- Which technologies and customers show the greatest promise?
- Which program designs are most appropriate?
- How can we be sure we do not create future generation or distribution problems?
- What are the best entry strategies and where can we cooperate with others?
- What are the risks and how do we mitigate them?
- What are the financial expectations and measures of performance?
- How to resource internally and externally?
- Who are our best partners and how to partner?

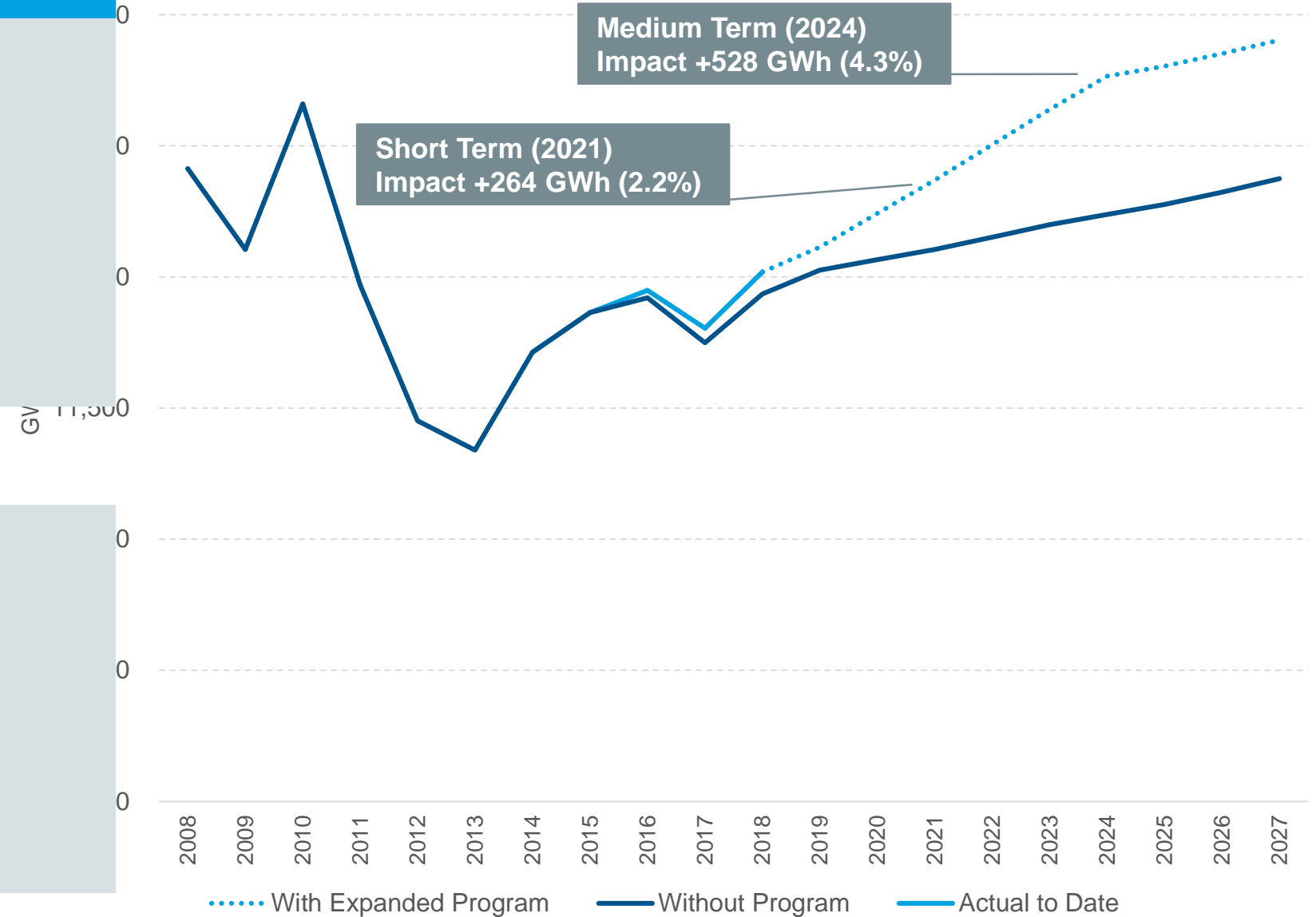
Guiding Principles

- Evaluate against JEA's core values
 - Value to our customer
 - Financial value
 - Community impact value
 - Environmental value
- Create a flexible and scalable platform
- Focus on cost-effectiveness and financial returns
- Consider capacity constraints (recognizing that some on-peak load will come along with significant off-peak sales growth)
- Align with JEA investments in AML, solar, storage, rate design, and other programs
- Strengthen customer satisfaction and JEA brand
- Be innovative; Be bold

What Might It Look Like for JEA?*



JEA Annual Sales to Ultimate Customers



*Note: Under evaluation in JEA's Electrification Strategic Plan.

Short-Term Opportunities*

Potential Projects and Opportunities

- Tug Boats at the Jacksonville Port Authority Ports, Naval Air Station Jacksonville, Mayport Naval Ship Yard, and possibly docking stations downtown on the Saint Johns River.
- Port Gantry Cranes (4)
- Mayport Ferry – ship for transporting vehicle and passengers.
- Shore Power for ships (instead of running generators) – ports listed above plus the cruise line port in Jacksonville.
- Vehicle-to-Grid (V2G) and Battery-to-Grid Pilots
- Locomotive Cold-Storage Generators (Florida East Coast Railways opportunity)
- Buses (both city and school)
- Drayage-Yard Trucks (primarily utilized at and around the ports.)
- Local Delivery FedEx, UPS, Amazon, and JTA (Jacksonville Transportation Authority) trucks
- “Garbage” Trucks
- Hangar doors (Boeing, Flightstar, local airports, Air National Guard, Naval Air Station Jacksonville, Mayport Naval Base)

**Note: Under evaluation in JEA's Electrification Strategic Plan.*

Next Steps

- 1) Agreement on forward business case initiative
- 2) Inventory and review JEA's current portfolio of initiatives
- 3) On-road assessment
- 4) Expanded non-road assessment
- 5) Identify and assess potential technologies and designs
- 6) Develop business cases
- 7) Recommend strategic plan

III. A.

Appendix A

Board Meeting Minutes September 18, 2018

The JEA Board met in regular session on Tuesday, September 18, 2018, on the 19th Floor, 21 W. Church Street, Jacksonville, Florida. Present were Alan Howard, Husein Cumber, Frederick Newbill, April Green and Camille Johnson. John Campion attended telephonically. Kelly Flanagan was absent and excused during the first portion of the meeting, but joined during the Litigation Shade Meeting.

Agenda Item I – Welcome

- A. The meeting was **called to order** at 12:03 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 Secretary Newbill.
- 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** – Mr. Jim Overton, representing Scenic Jacksonville, addressed the Board regarding undergrounding.
- B. **Council Liaison's Comments** – The Honorable Matt Schellenberg had no comments.
- C. **Office of the Mayor Liaison's Comment** – Dr. Johnny Gaffney was not in attendance.

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 Secretary Newbill and second by Ms. Johnson, Appendix A was unanimously approved and Appendix B through E were received for information.

Appendix A: Board Workshop Minutes August 21, 2018 – approved

Appendix B: Monthly Financial Statements – received for information

Appendix C: 2019 Final Board of Directors Meeting Schedule – received for information

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

Appendix E: Follow-up Information on Breakdown of Water Use – received for information

- B. **Monthly Financial and Operations Dashboard** – Melissa Dykes, President/Chief Operations Officer, presented the supplemental dashboard, which was provided at the

Board Member's seat. Ms. Dykes stated the dashboard is aligned with the Strategic Framework as approved by the Board, as well as the four measures of value including: customer value, financial value, community impact value and environmental value. Ms. Dykes added the dashboard has been sectioned into three different areas including: metrics we watch, critical operation metrics – short term influence and strategic metrics – long term influence. Ms. Dykes also noted the dashboard has been redesigned to capture the corporate goals for FY2019. The report for October will include fiscal year 2018 year end results, as well as the goals for fiscal year 2019. Ms. Dykes reviewed additional metrics as they relate to the Pay for Performance program. Chair Howard and Mr. Zahn commended the finance team, as well as the Senior Leadership Team on their work. This presentation was received for information.

- C. Strategic Planning Consultant Selection** – Aaron Zahn, Interim Managing Director/CEO presented at the August 2018 Board Meeting, the Board approved JEA to proceed with the selection of an external utility consultant to assist staff with producing a 10-year strategic plan to identify the resources and initiatives needed to effectively anticipate and respond to the rapid changes in competition, technology and the utility industry. Per the Board's direction in July, a competitive procurement was initiated for an external consultant. Through JEA's competitive procurement process, a three-person team independently evaluated proposals received from ten different companies for strategic planning and implementation services. Based on the scoring, McKinsey & Company was selected to perform strategic planning and implementation consulting services. Mr. Zahn called upon Jenny McCollum, Director, Procurement Services to provide additional information regarding the fee for McKinsey & Company. **On motion** by Secretary Newbill and second by Mr. Cumber, the Board unanimously approved the recommendation for the selection of McKinsey & Company to perform strategic planning and implementation consulting services.
- D. Regulatory Action Approval Postemployment Benefits Other Than Pensions** – Ryan Wannemacher, Interim Chief Financial Officer, presented the Governmental Accounting Standards Board (GASB) 75, Financial Reporting for Postemployment Benefit Plans Other Than Pensions Plans (OPEB) establishes new accounting and financial reporting requirements for OPEB plans. Effective for fiscal year ending September 30, 2018, JEA will be required to record a net OPEB liability on its Balance Sheet. In addition, an OPEB expense will be required to be recorded in the Statement of Changes in Net Position (Income Statement) to recognize most changes in the OPEB liability in the current period. Mr. Wannemacher requested regulatory treatment in order to defer these changes in the net OPEB liability. **On motion** by Vice Chair Cumber and second by Secretary Newbill, Board Members held discussions and unanimously approved the establishment of OPEB liability and deferral of changes in the related net OPEB liability as regulatory items. In addition, the Board approved that annual OPEB contributions be included as a cost in developing the annual revenue requirements for the establishment of customer rates.
- E. Reclassification of SJRPP Expenses** – Ryan Wannemacher, Interim Chief Financial Officer, presented JEA is incurring \$25 million worth of expenses (\$14 million in FY2018) related to the termination of transportation agreements, termination of rail-car leases and repairs and fuel disposal. Mr. Wannemacher stated that in the normal course of business, these types of expenses would be recorded as a fuel expense and paid from fuel revenues, as outlined in the Pricing Policy. However, because these one-time expenses are associated with the shutdown of SJRPP, it is recommended that they be charged as Non-fuel Purchased Power expenses. This reclassification will increase

O&M Expenses and will reduce Fuel Expenses. On **motion** by Ms. Johnson and second by Ms. Green, Board Members held discussions and unanimously approved the reclassification of one-time expenses related to the shutdown of SJRPP from Fuel Expense to Operations and Maintenance Expense.

Agenda Item IV – Strategy (Discussion Only)

- A. Fuel Strategy** – Ryan Wannemacher, Interim Chief Financial Officer, presented the Fuel Stabilization Fund (FSF) was established in 2005 to allow for a stable Fuel Charge through commodity market swings. Mr. Wannemacher informed the Board that the JEA Pricing Policy states “The target balance in the Fuel Stabilization Fund is equal to 15% of the greater of (i) the maximum 12-month historical fuel cost or (ii) the projected 12-month fuel cost.” Currently, the maximum 12-month historical fuel cost was set in 2011 at \$630 million rendering a \$95 million target balance. The current projected FSF balance for FY2018 is \$63 million and \$48 million for the end of FY2019. Mr. Wannemacher provided a review on how JEA arrived at the current status. As planned, JEA provided a one-time fuel credit to customers in response to an overfunded FSF. Lower fuel cost projections led to adjusting the Fuel Charge in FY16 and FY17. Over time, unplanned commodity prices increased above projections. Additionally, one-time expenses related to SJRPP negatively impacted the balance. Mr. Wannemacher provided a review of JEA’s long-term action plan which included a hedging strategy, expense reclassification, gas prepay contracts, fuel diversity and Distributed Energy Resources (DER). Mr. Wannemacher provided the current remedies, which could include an update to the Pricing Policy or an increase in the Fuel Charge. Mr. Wannemacher stated staff will bring recommendations on revisions to the Pricing Policy back at the next scheduled meeting. This presentation was received for information.
- B. Transition Plan Update** – Aaron Zahn, Interim Managing Director/CEO provided an update on the transition plan. Mr. Zahn stated he believes the plan is almost complete and requested the Board to consider identifying a Lead Director and/or Chairman to provide governance of strategic planning process to interface with management as JEA moves forward with the strategic planning process. Board Chair Howard thanked the Senior Leadership Team for their work. This presentation was received for information.

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

- A. Electrification** – Due to time constraints, Chair Howard deferred this presentation to a future JEA Board Meeting.

Agenda Item VI – Committee Report

- A. CEO Search Committee Report** – Committee Chair Cumber provided an update under VII. B. Other New Business.

Agenda Item VII – Other Business

- A. Old Business** – Chair Howard provided an update on Plant Vogtle.

Litigation Shade Meeting

Chair Howard turned the meeting over to Ms. Brooks, Chief Legal Officer.

Ms. Brooks stated pursuant to Section 286.011 (8), Florida Statutes, and as requested by the Office of General Counsel, a litigation shade meeting was called for by the Board of Directors to consider settlement negotiation and hold a strategy session related to litigation expenditures as to the following cases:

City of Jacksonville and JEA v. Municipal Electric Authority of Georgia, Case No. 2018-CA-6197 (Circuit Court, Fourth Judicial Circuit, Duval County, Florida) and Municipal Electric Authority of Georgia v. JEA, Case No. 1:18-cv-4295 (United States District Court, Northern District of Georgia). This meeting was requested by Ms. Brooks to take place on the 16th floor as duly noticed. Ms. Brooks stated only the individuals provided in the Litigation Shade Meeting Notice are allowed to be present. In addition, a court reporter will be on hand. Ms. Brooks stated that due to time constraints to research the laws, Mr. Campion would not be able to attend the meeting telephonically.

*Chair Howard stated a draft resolution has been provided to Board Members regarding Plant Vogtle. Ms. Brooks provided minor edits on pages 3 and 8. Board Member Cumber requested time for Board Members to review the resolution. On **motion** by Vice Chair Cumber and second by Secretary Newbill, Board Members held discussions related to additional edits. With no further discussion, the Board unanimously approved Resolution 2018-13 as amended. Mr. Zahn requested Board Members to schedule time with staff to receive updates as needed.*

Board Chair Howard recessed the meeting at 1:08 PM and Board Members proceeded to the 16th floor to attend the Litigation Shade Meeting.

Following the Litigation Shade Meeting, Board Chair Howard called the meeting back to order at 2:04 PM; Ms. Flanagan joined the meeting.

- B. Other New Business** – Board Vice Chair and CEO Search Committee Chair Cumber provided an update on the CEO Search process. Committee Members will individually conduct interviews on October 9-11, 2018. The Committee will then meet on October 17, 2018 to narrow the list of candidates. Prior to the interviews, Committee Members will receive a list of questions to assist in guiding the interview process. Following the October 17, 2018 Committee Meeting, Board Members will then individually conduct phone interviews with the narrowed list of candidates. The November 27, 2018 JEA Board Meeting will consist of public interviews of the remaining candidates with an abbreviated Board agenda.
- C. Open Discussion** – Chair Howard stated a report on the Request for Proposal for the new JEA Headquarters will be provided at the October 16, 2018 meeting.
- D. Interim Managing Director/CEO's Report** – Mr. Zahn, Interim Managing Director/CEO recognized the ten JEA crews that departed to provide mutual aid support in South Carolina as a result of Hurricane Florence.
- E. Chair's Report** – Chair Howard highlighted the United Way giving program. Chair Howard recognized Elizabeth Paulson, Manager, Customer Assistance Programs for assisting an elderly customer in need, as well as the Senior Leadership Team for meeting with over 400 managers to fine tune JEA's Guiding Principles. Chair Howard thanked the legal team, including Jason Gabriel. Jody Brooks and others for their support regarding JEA matters.

Agenda Item VIII – Closing Considerations

A. Announcements – Next Board Meeting – October 16, 2018

B. Adjournment

With no further business claiming the attention of the Board, Chair Howard adjourned the meeting at 2:11 PM.

APPROVED BY:

SECRETARY

DATE: _____

Board Meeting recorded by:

Melissa M. Charleroy
Executive Assistant

III. A.

Appendix B

Sole Source & Emergency Procurement
Report

October 2, 2018

SUBJECT:	SOLE SOURCE & EMERGENCY PROCUREMENT/PROCUREMENT APPEALS BOARD REPORT
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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: 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: PEM/MHD/JPM/JGM



Commitments to Action

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



INTER-OFFICE MEMORANDUM

October 2, 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 September 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 September 30, 2018

Formal Awards	Number	%	Dollar Amount	%
Total	52		\$ 86,578,762	
Sole Source Awards	1	1.92%	\$ 2,516,101	2.91%
Emergency Awards	0	0.00%	\$ 0	0.00%

Informal Awards	Number	%	Dollar Amount	%
Total	2722		\$ 16,623,343	
Sole Source Awards	0	0.00%	\$ 0	0.00%
Emergency Awards	0	0.00%	\$ 0	0.00%

RECOMMENDATION:

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

Aaron Zahn, Managing Director/Interim CEO

PEM/MHD/JPM/JGM

Total Sole Source & Emergency Procurement Actions

	FY18 Q1	FY18 Q2	FY18 Q3	FY18 Q4
Total Awards	\$183.13M	\$183.79M	\$95.49M	\$103.20M
Sole Source (\$)	\$0.0M	\$0.0M	\$0.0M	\$2.52M
Sole Source (%)	0%	0%	0%	2.44%
Emergency (\$)	\$2.03M	\$0.01M	\$0.11M	\$0.0M
Emergency (%)	1.11%	0.01%	0.12%	0%
Combined SS/E (%)	1.11%	0.01%	0.12%	2.44%

Formal Sole Source Awards by Department - Detailed Listing					
12 months ending September 30, 2018					
Sole Source Awards (1 Items totaling \$2,516,100.99)					
Award Date	Amount	Requesting Dept.	Vendor	Description	Sourcing Basis
8/23/2018	\$2,516,100.99	Paul Cosgrave (Information Technology)	Cologix, Inc	JEA Primary Data Center Relocation and Emergency Operational Location Office Space	Sole Source: JEA has negotiated a five (5) year leasing agreement with Cologix to relocate JEA's primary data center and to continue to utilize JEA's existing emergency operational office space lease for emergency events. JEA will relocate the primary data center from the current downtown 21 W Church St. location to the offsite Category 5 rated Cologix location at 4800 Spring Park Rd., to reduce risk to JEA and increase accessibility during emergency events. This request is also to continue the existing emergency operational office space lease with Cologix for emergency events.
Total	\$2,516,100.99				
Formal Emergency Awards by Department - Detailed Listing					
12 months ending September 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 July 12, 2018 Hearing
Before the JEA Procurement Appeals Board (PAB)

Protestor: NextEra Florida Renewables, LLC (“NextEra”)

Solicitation: JEA Request for Proposal – Large Scale Solar Photovoltaic Power Purchase Agreement

WHEREAS, on April 26, 2018, JEA notified NextEra of its decision to award the Contract for JEA’s Large Scale Solar Photovoltaic Power Purchase Agreement (“**Contract**”) to EDF Renewables Distributed Solutions, Inc. (“**EDF**”);

WHEREAS, by letter dated May 3, 2018, NextEra’s attorney filed a formal protest (the “Protest”) with respect to JEA’s notice of decision to award the Contract to EDF pursuant to JEA’s email to NextEra dated April 26, 2018, as supplemented by NextEra’s attorney by letter dated May 26, 2018;

WHEREAS, on June 7, 2018, JEA’s Chief Procurement Officer, after taking into consideration (i) the Protest and information presented at the Chief Procurement Officer’s informal protest meeting held on May 30, 2018 and supplemental information submitted by NextEra’s attorney by letter dated June 1, 2018 (ii) EDF’s attorney submitting rebuttal documentation by letters dated May 8, 2018, May 30, 2018 and June 4, 2018, determined that the Protest was untimely and also without merit on the substance of the Protest and EDF should be awarded the Contract;

WHEREAS, by email dated June 9, 2018, NextEra’s attorney, filed an Appeal and brief with JEA’s Procurement Appeals Board (“**PAB**”) with respect to JEA’s Chief Procurement Officer’s decision to award the Contract to EDF (the “Appeal”) and EDF’s attorney filed its response brief on June, 15, 2018 via email;

WHEREAS, on July 12, 2018, the PAB (consisting of Paul Cosgrave, Chair, Ted Hobson and Angie Hiers) conducted a protest hearing on the Appeal, beginning at approximately 11 AM and ending at approximately 1:00 pm;

WHEREAS, the PAB heard arguments and testimony from (i) the NextEra, through its Vice President of Development, Matt Valle, and its attorney, Derek Bruce (ii) EDF, through its attorney, Matthew T. Jackson, (iii) John McCarthy, JEA’s Chief Procurement Officer and Jody Brooks, JEA’s Chief Legal Officer and the attorney representing JEA’s Chief Procurement Officer;

WHEREAS, written information was provided prior to the hearing to the PAB members by JEA, NextEra and EDF; and

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

1. On a motion by Angie Hiers, seconded by Ted Hobson and unanimously approved by the members of the PAB, the PAB denied the Appeal of NextEra for the reason of being untimely and upheld the June 7, 2018 decision of JEA's Chief Procurement Officer which stated, among other things, that the Protest was untimely and the decision to award the Contract to EDF was in the best interest of JEA.
2. The PAB's denial of the Appeal was based on competent and substantial evidence presented to the PAB at the Appeal hearing on July 12, 2018, and such evidence may be found in the record of the proceeding.

Entered this 12th day of July, 2018, in Jacksonville, Florida.



Paul Cosgrave Chair

III. A.

Appendix C

Monthly Financial Statements

[Return to Agenda](#)

III. A.
Appendix C
10/16/2018



Monthly Financial Statements

September 2018 (preliminary)

Monthly Financial Statements

September 2018

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

	2018	2017
Assets		
Current assets:		
Cash and cash equivalents	\$ 441,206	\$ 489,559
Investments	85,310	25,122
Customer accounts receivable, net of allowance (\$1,830 in 2018 and \$2,101 in 2017)	232,858	221,353
Miscellaneous accounts receivable	15,415	22,076
Interest receivable	2,831	2,015
Inventories:		
Fuel inventory - Electric System	31,597	67,866
Fuel inventory - Plant Scherer	5,274	4,906
Materials and supplies - Water and Sewer	56,350	48,336
Materials and supplies - Electric System	665	19,249
Materials and supplies - Plant Scherer	2,189	2,136
Total current assets	873,695	902,618
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	114,576	124,475
Investments	731,627	936,708
Accounts and interest receivable	62	984
Total restricted assets	846,265	1,062,167
Costs to be recovered from future revenues	802,735	541,021
Investment in The Energy Authority	6,811	6,283
Other assets	14,024	14,511
Total noncurrent assets	1,669,835	1,623,982
Capital assets:		
Land and easements	194,552	194,554
Plant in service	11,231,096	11,039,255
Less accumulated depreciation	(6,518,751)	(5,733,893)
Plant in service, net	4,906,897	5,499,916
Construction work in progress	473,362	313,883
Net capital assets	5,380,259	5,813,799
Total assets	7,923,789	8,340,399
Deferred outflows of resources		
Unrealized pension contributions and losses	171,367	173,578
Unamortized deferred losses on refundings	143,723	133,356
Accumulated decrease in fair value of hedging derivatives	88,207	125,269
Unrealized asset retirement obligation	40,478	-
Unrealized OPEB contributions and losses	4,078	5,240
Total deferred outflows of resources	447,853	437,443
Total assets and deferred outflows of resources	\$ 8,371,642	\$ 8,777,842

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

	2018	2017
Liabilities		
Current liabilities:		
Accounts and accrued expenses payable	\$ 127,296	\$ 109,140
Customer deposits	59,883	57,278
City of Jacksonville payable	9,734	9,683
Utility taxes and fees payable	9,549	9,541
Compensated absences due within one year	1,423	3,528
Total current liabilities	207,885	189,170
Current liabilities payable from restricted assets:		
Debt due within one year	185,790	229,095
Renewal and replacement reserve	54,370	82,577
Interest payable	73,737	82,221
Construction contracts and accounts payable	53,369	54,961
Total current liabilities payable from restricted assets	367,266	448,854
Noncurrent liabilities:		
Net pension liability	544,203	554,337
Asset retirement obligation	33,832	-
Compensated absences due after one year	29,431	28,271
Net OPEB liability	18,835	39,508
Environmental liabilities	16,818	17,672
Other liabilities	4,829	4,079
Total noncurrent liabilities	647,948	643,867
Long-term debt:		
Bonds payable and commercial paper payable, less current portion	3,813,680	4,172,160
Unamortized premium, net	152,891	112,475
Fair value of debt management strategy instruments	86,355	125,269
Total long-term debt	4,052,926	4,409,904
Total liabilities	5,276,025	5,691,795
Deferred inflows of resources		
Revenues to be used for future costs	296,502	489,705
Unrealized pension gains	50,124	11,960
Unrealized OPEB gains	8,712	659
Total deferred inflows of resources	355,338	502,324
Net position		
Net investment in capital assets	1,841,695	1,577,061
Restricted	542,037	613,454
Unrestricted	356,547	393,208
Total net position	2,740,279	2,583,723
Total liabilities, deferred inflows of resources, and net position	\$ 8,371,642	\$ 8,777,842

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

Page 4

	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	\$ 285,611	\$ 65,840	\$ -	\$ 351,451	86,219	\$ 3,536	\$ 441,206
Investments	83,268	2,042	-	85,310	-	-	85,310
Customer accounts receivable, net of allowance (\$1,830)	180,731	-	-	180,731	51,267	860	232,858
Miscellaneous accounts receivable	14,509	778	(1,956)	13,331	2,084	-	15,415
Interest receivable	1,801	12	-	1,813	1,018	-	2,831
Inventories:							
Fuel inventory - Electric System	30,582	1,015	-	31,597	-	-	31,597
Fuel inventory - Plant Scherer	5,274	-	-	5,274	-	-	5,274
Materials and supplies - Water and Sewer	-	-	-	-	56,350	-	56,350
Materials and supplies - Electric System	-	665	-	665	-	-	665
Materials and supplies - Plant Scherer	2,189	-	-	2,189	-	-	2,189
Total current assets	603,965	70,352	(1,956)	672,361	196,938	4,396	873,695
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	203	74,113	-	74,316	36,842	3,418	114,576
Investments	419,536	23,330	-	442,866	288,761	-	731,627
Accounts and interest receivable	7	47	-	54	8	-	62
Total restricted assets	419,746	97,490	-	517,236	325,611	3,418	846,265
Costs to be recovered from future revenues	296,444	261,277	-	557,721	244,987	27	802,735
Investment in The Energy Authority	6,811	-	-	6,811	-	-	6,811
Other assets	10,181	-	-	10,181	3,843	-	14,024
Total noncurrent assets	733,182	358,767	-	1,091,949	574,441	3,445	1,669,835
Capital assets:							
Land and easements	123,626	6,660	-	130,286	61,215	3,051	194,552
Plant in service	5,426,682	1,316,043	-	6,742,725	4,431,995	56,376	11,231,096
Less accumulated depreciation	(3,072,611)	(1,312,559)	-	(4,385,170)	(2,108,027)	(25,554)	(6,518,751)
Plant in service, net	2,477,697	10,144	-	2,487,841	2,385,183	33,873	4,906,897
Construction work in progress	174,527	-	-	174,527	297,681	1,154	473,362
Net capital assets	2,652,224	10,144	-	2,662,368	2,682,864	35,027	5,380,259
Total assets	3,989,371	439,263	(1,956)	4,426,678	3,454,243	42,868	7,923,789
Deferred outflows of resources							
Unrealized pension contributions and losses	83,649	34,238	-	117,887	53,480	-	171,367
Unamortized deferred losses on refundings	85,165	4,186	-	89,351	54,178	194	143,723
Accumulated decrease in fair value of hedging derivatives	71,954	-	-	71,954	16,253	-	88,207
Unrealized asset retirement obligation	-	40,478	-	40,478	-	-	40,478
Unrealized OPEB contributions and losses	2,488	-	-	2,488	1,590	-	4,078
Total deferred outflows of resources	243,256	78,902	-	322,158	125,501	194	447,853
Total assets and deferred outflows of resources	\$ 4,232,627	\$ 518,165	\$ (1,956)	\$ 4,748,836	\$ 3,579,744	\$ 43,062	\$ 8,371,642

Combining Statement of Net Position

(in thousands - unaudited) September 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	\$ 101,299	\$ 7,668	\$ (840)	\$ 108,127	\$ 19,070	\$ 99	\$ 127,296
Customer deposits	44,267	-	-	44,267	15,616	-	59,883
City of Jacksonville payable	7,623	-	-	7,623	2,111	-	9,734
Utility taxes and fees payable	9,549	-	-	9,549	-	-	9,549
Compensated absences due within one year	1,115	-	-	1,115	304	4	1,423
Total current liabilities	163,853	7,668	(840)	170,681	37,101	103	207,885
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	-	54,370	-	54,370	-	-	54,370
Interest payable	37,613	5,603	-	43,216	29,841	680	73,737
Construction contracts and accounts payable	16,596	1,742	(1,116)	17,222	35,886	261	53,369
Total current liabilities payable from restricted assets	184,899	63,435	(1,116)	247,218	117,447	2,601	367,266
Noncurrent liabilities:							
Net pension liability	321,885	16,523	-	338,408	205,795	-	544,203
Asset retirement obligation	-	33,832	-	33,832	-	-	33,832
Compensated absences due after one year	20,868	-	-	20,868	8,529	34	29,431
Net OPEB liability	11,489	-	-	11,489	7,346	-	18,835
Environmental liabilities	16,818	-	-	16,818	-	-	16,818
Other liabilities	4,509	-	-	4,509	320	-	4,829
Total noncurrent liabilities	375,569	50,355	-	425,924	221,990	34	647,948
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	76,748	2,474	-	79,222	73,703	(34)	152,891
Fair value of debt management strategy instruments	70,102	-	-	70,102	16,253	-	86,355
Total long-term debt	2,166,200	281,359	-	2,447,559	1,570,576	34,791	4,052,926
Total liabilities	2,890,521	402,817	(1,956)	3,291,382	1,947,114	37,529	5,276,025
Deferred inflows of resources							
Revenues to be used for future costs	258,755	10,624	-	269,379	27,123	-	296,502
Unrealized pension gains	26,250	7,091	-	33,341	16,783	-	50,124
Unrealized OPEB gains	5,314	-	-	5,314	3,398	-	8,712
Total deferred inflows of resources	290,319	17,715	-	308,034	47,304	-	355,338
Net position							
Net investment in capital assets	515,449	2,138	-	517,587	1,325,600	(1,492)	1,841,695
Restricted	316,700	26,164	1,116	343,980	195,319	2,738	542,037
Unrestricted	219,638	69,331	(1,116)	287,853	64,407	4,287	356,547
Total net position	1,051,787	97,633	-	1,149,420	1,585,326	5,533	2,740,279
Total liabilities, deferred inflows of resources, and net position	\$ 4,232,627	\$ 518,165	\$ (1,956)	\$ 4,748,836	\$ 3,579,744	\$ 43,062	\$ 8,371,642

JEA
Combining Statement of Net Position
(in thousands - unaudited) September 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
Assets							
Current assets:							
Cash and cash equivalents	\$ 340,063	\$ 41,950	\$ -	\$ 382,013	\$ 103,741	\$ 3,805	\$ 489,559
Investments	20,629	4,493	-	25,122	-	-	25,122
Customer accounts receivable, net of allowance (\$2,101)	170,673	-	-	170,673	50,130	550	221,353
Miscellaneous accounts receivable	31,695	16,590	(27,230)	21,055	1,021	-	22,076
Interest receivable	1,065	7	-	1,072	943	-	2,015
Inventories:							
Fuel inventory - Electric System	33,138	34,728	-	67,866	-	-	67,866
Fuel inventory - Plant Scherer	4,906	-	-	4,906	-	-	4,906
Materials and supplies - Water and Sewer	-	-	-	-	48,336	-	48,336
Materials and supplies - Electric System	-	19,249	-	19,249	-	-	19,249
Materials and supplies - Plant Scherer	2,136	-	-	2,136	-	-	2,136
Total current assets	604,305	117,017	(27,230)	694,092	204,171	4,355	902,618
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	-	79,077	-	79,077	42,168	3,230	124,475
Investments	442,080	192,794	-	634,874	301,834	-	936,708
Accounts and interest receivable	20	952	-	972	12	-	984
Total restricted assets	442,100	272,823	-	714,923	344,014	3,230	1,062,167
Costs to be recovered from future revenues	297,241	4,042	-	301,283	239,711	27	541,021
Investment in The Energy Authority	6,283	-	-	6,283	-	-	6,283
Other assets	8,713	-	-	8,713	5,798	-	14,511
Total noncurrent assets	754,337	276,865	-	1,031,202	589,523	3,257	1,623,982
Capital assets:							
Land and easements	123,585	6,660	-	130,245	61,258	3,051	194,554
Plant in service	5,326,764	1,316,707	-	6,643,471	4,340,544	55,240	11,039,255
Less accumulated depreciation	(2,867,037)	(851,023)	-	(3,718,060)	(1,991,742)	(24,091)	(5,733,893)
Plant in service, net	2,583,312	472,344	-	3,055,656	2,410,060	34,200	5,499,916
Construction work in progress	103,920	2,093	-	106,013	205,890	1,980	313,883
Capital assets, net	2,687,232	474,437	-	3,161,669	2,615,950	36,180	5,813,799
Total assets	4,045,874	868,319	(27,230)	4,886,963	3,409,644	43,792	8,340,399
Deferred outflows of resources							
Unrealized pension contributions and losses	95,814	16,505	-	112,319	61,259	-	173,578
Unamortized deferred losses on refundings	78,503	10,834	-	89,337	43,816	203	133,356
Accumulated decrease in fair value of hedging derivatives	101,350	-	-	101,350	23,919	-	125,269
Unrealized OPEB contributions and losses	3,197	-	-	3,197	2,043	-	5,240
Total deferred outflows of resources	278,864	27,339	-	306,203	131,037	203	437,443
Total assets and deferred outflows of resources	\$ 4,324,738	\$ 895,658	\$ (27,230)	\$ 5,193,166	\$ 3,540,681	\$ 43,995	\$ 8,777,842

JEA
Combining Statement of Net Position
(in thousands - unaudited) September 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	\$ 83,707	\$ 11,062	\$ (3,221)	\$ 91,548	\$ 17,535	\$ 57	\$ 109,140
Customer deposits	42,192	-	-	42,192	15,086	-	57,278
City of Jacksonville payable	7,689	-	-	7,689	1,994	-	9,683
Utility taxes and fees payable	9,541	-	-	9,541	-	-	9,541
Compensated absences due within one year	2,025	660	-	2,685	811	32	3,528
Total current liabilities	145,154	11,722	(3,221)	153,655	35,426	89	189,170
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	-	82,577	-	82,577	-	-	82,577
Interest payable	40,458	9,571	-	50,029	31,501	691	82,221
Construction contracts and accounts payable	16,222	24,399	(24,009)	16,612	38,235	114	54,961
Total current liabilities payable from restricted assets	191,785	157,877	(24,009)	325,653	120,756	2,445	448,854
Noncurrent liabilities:							
Net pension liability	330,025	13,312	-	343,337	211,000	-	554,337
Compensated absences due after one year	18,988	1,553	-	20,541	7,719	11	28,271
Net OPEB liability	24,100	-	-	24,100	15,408	-	39,508
Environmental liabilities	17,672	-	-	17,672	-	-	17,672
Other liabilities	2,948	-	-	2,948	1,131	-	4,079
Total noncurrent liabilities	393,733	14,865	-	408,598	235,258	11	643,867
Long-term debt:							
Bonds payable and commercial paper payable, less current portion	2,171,305	408,885	-	2,580,190	1,555,485	36,485	4,172,160
Unamortized premium (discount), net	55,556	11,175	-	66,731	45,783	(39)	112,475
Fair value of debt management strategy instruments	101,350	-	-	101,350	23,919	-	125,269
Total long-term debt	2,328,211	420,060	-	2,748,271	1,625,187	36,446	4,409,904
Total liabilities	3,058,883	604,524	(27,230)	3,636,177	2,016,627	38,991	5,691,795
Deferred inflows of resources							
Revenues to be used for future costs	277,552	192,731	-	470,283	19,422	-	489,705
Unrealized pension gains	4,867	3,981	-	8,848	3,112	-	11,960
Unrealized OPEB gains	402	-	-	402	257	-	659
Total deferred inflows of resources	282,821	196,712	-	479,533	22,791	-	502,324
Net position							
Net investment in capital assets	425,023	(48,850)	-	376,173	1,202,706	(1,818)	1,577,061
Restricted	336,210	39,530	24,009	399,749	211,166	2,539	613,454
Unrestricted	221,801	103,742	(24,009)	301,534	87,391	4,283	393,208
Total net position	983,034	94,422	-	1,077,456	1,501,263	5,004	2,583,723
Total liabilities, deferred inflows of resources, and net position	\$ 4,324,738	\$ 895,658	\$ (27,230)	\$ 5,193,166	\$ 3,540,681	\$ 43,995	\$ 8,777,842

JEA
Schedule of Cash and Investments
(in thousands - unaudited) September 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	\$ 86,294	\$ 49,416	\$ 135,710	\$ 43,480	\$ 799	\$ 179,989
Rate stabilization:						
Fuel	74,376	-	74,376	-	-	74,376
Debt management	29,884	-	29,884	14,209	2,737	46,830
Environmental	42,163	-	42,163	12,914	-	55,077
Purchased Power	53,493	-	53,493	-	-	53,493
DSM/Conservation	3,470	-	3,470	-	-	3,470
Total rate stabilization funds	203,386	-	203,386	27,123	2,737	233,246
Customer deposits	44,242	-	44,242	15,616	-	59,858
General reserve	-	18,466	18,466	-	-	18,466
Self insurance reserve funds:						
Self funded health plan	8,139	-	8,139	-	-	8,139
Property insurance reserve	10,000	-	10,000	-	-	10,000
Total self insurance reserve funds	18,139	-	18,139	-	-	18,139
Environmental liability reserve	16,818	-	16,818	-	-	16,818
Total unrestricted cash and investments	\$ 368,879	\$ 67,882	\$ 436,761	\$ 86,219	\$ 3,536	\$ 526,516
Restricted assets						
Renewal and replacement funds	\$ 189,922	\$ 52,610	\$ 242,532	\$ 141,415	\$ 1,078	\$ 385,025
Debt service reserve account	65,433	11,307	76,740	102,850	-	179,590
Debt service funds	167,483	7,446	174,929	81,242	2,340	258,511
Environmental funds	-	-	-	1,159	-	1,159
Construction funds	203	-	203	284	-	487
Subtotal	423,041	71,363	494,404	326,950	3,418	824,772
Unrealized holding gain (loss) on investments	(3,302)	66	(3,236)	(1,347)	-	(4,583)
Other funds	-	26,014	26,014	-	-	26,014
Total restricted cash and investments	\$ 419,739	\$ 97,443	\$ 517,182	\$ 325,603	\$ 3,418	\$ 846,203

JEA
Schedule of Cash and Investments
(in thousands - unaudited) September 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	\$ 54,800	\$ 16,154	\$ 70,954	\$ 69,233	\$ 1,068	\$ 141,255
Rate stabilization:						
Fuel	131,716	-	131,716	-	-	131,716
Debt management	29,884	-	29,884	14,209	2,737	46,830
Environmental	36,417	-	36,417	5,213	-	41,630
Purchased Power	25,189	-	25,189	-	-	25,189
DSM/Conservation	3,695	-	3,695	-	-	3,695
Total rate stabilization funds	226,901	-	226,901	19,422	2,737	249,060
Customer deposits	42,105	-	42,105	15,086	-	57,191
General reserve	-	30,289	30,289	-	-	30,289
Self insurance reserve funds:						
Self funded health plan	9,214	-	9,214	-	-	9,214
Property insurance reserve	10,000	-	10,000	-	-	10,000
Total self insurance reserve funds	19,214	-	19,214	-	-	19,214
Environmental liability reserve	17,672	-	17,672	-	-	17,672
Total unrestricted cash and investments	\$ 360,692	\$ 46,443	\$ 407,135	\$ 103,741	\$ 3,805	\$ 514,681
Restricted assets						
Renewal and replacement funds	\$ 201,368	\$ 82,433	\$ 283,801	\$ 150,319	\$ 899	\$ 435,019
Debt service reserve account	65,433	140,337	205,770	107,488	-	313,258
Debt service funds	174,529	51,280	225,809	82,208	2,331	310,348
Construction funds	-	-	-	15	-	15
Environmental funds	-	-	-	1,839	-	1,839
Subtotal	441,330	274,050	715,380	341,869	3,230	1,060,479
Unrealized holding gain (loss) on investments	750	(4,082)	(3,332)	2,133	-	(1,199)
Other funds	-	1,903	1,903	-	-	1,903
Total restricted cash and investments	\$ 442,080	\$ 271,871	\$ 713,951	\$ 344,002	\$ 3,230	\$ 1,061,183

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	264,486	-	264,486	169,097	-	433,583
SJRPP	-	259,165	259,165	-	-	259,165
Water environmental projects	-	-	-	59,859	-	59,859
Unfunded OPEB costs	14,315	-	14,315	9,154	-	23,469
Storm costs to be recovered	14,402	-	14,402	4,537	27	18,966
Debt issue costs	3,241	2,112	5,353	2,340	-	7,693
Costs to be recovered from future revenues	296,444	261,277	557,721	244,987	27	802,735
Fuel stabilization	74,376	-	74,376	-	-	74,376
Environmental	42,163	-	42,163	12,914	-	55,077
Nonfuel purchased power	53,493	-	53,493	-	-	53,493
Scherer	47,230	-	47,230	-	-	47,230
Debt management stabilization	29,884	-	29,884	14,209	-	44,093
Excess pension contributions	-	10,624	10,624	-	-	10,624
Self-insurance medical reserve	8,139	-	8,139	-	-	8,139
Customer benefit stabilization	3,470	-	3,470	-	-	3,470
Revenues to be used for future costs	258,755	10,624	269,379	27,123	-	296,502

JEA
Regulatory Accounting Balances
(in thousands - unaudited) September 2017

DESCRIPTION	Electric System and Bulk Power Supply System	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JFA
Unfunded pension costs	239,078	788	239,866	152,853	-	392,719
Scherer	10,831	-	10,831	-	-	10,831
Water environmental projects	-	-	-	68,409	-	68,409
Unfunded OPEB costs	21,305	-	21,305	13,622	-	34,927
Storm costs to be recovered	23,377	-	23,377	4,595	27	27,999
Debt issue costs	2,650	3,254	5,904	232	-	6,136
Costs to be recovered from future revenues	297,241	4,042	301,283	239,711	27	541,021
Fuel stabilization	131,715	-	131,715	-	-	131,715
Environmental	36,417	-	36,417	5,213	-	41,630
Nonfuel purchased power	25,189	-	25,189	-	-	25,189
SJRPP and Scherer	41,438	192,731	234,169	-	-	234,169
Debt management stabilization	29,884	-	29,884	14,209	-	44,093
Self-insurance medical reserve	9,214	-	9,214	-	-	9,214
Customer benefit stabilization	3,695	-	3,695	-	-	3,695
Revenues to be used for future costs	277,552	192,731	470,283	\$ 19,422	-	489,705

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

	Month September		Year-to-Date September	
	2018	2017	2018	2017
Operating revenues				
Electric - base	\$ 80,395	\$ 71,704	\$ 793,314	\$ 819,011
Electric - fuel and purchased power	26,744	50,596	473,888	563,195
Water and sewer	34,513	49,424	423,480	448,057
District energy system	860	773	8,348	8,185
Other	7,881	4,080	90,952	36,729
Total operating revenues	150,393	176,577	1,789,982	1,875,177
Operating expenses				
Operations and maintenance:				
Fuel	49,775	42,474	421,052	458,794
Purchased power	12,643	6,200	109,194	77,456
Maintenance and other operating expenses	40,702	48,881	429,989	392,142
Depreciation	28,119	32,206	360,609	386,699
Utility taxes and fees	6,594	6,509	71,307	69,683
Recognition of deferred costs and revenues, net	20,771	855	21,887	(1,987)
Total operating expenses	158,604	137,125	1,414,038	1,382,787
Operating income	(8,211)	39,452	375,944	492,390
Nonoperating revenues (expenses)				
Interest on debt	(12,648)	(14,258)	(153,112)	(166,811)
Debt management strategy	(1,016)	(1,268)	(13,395)	(16,181)
Investment income, net	1,520	2,349	11,826	10,576
Allowance for funds used during construction	1,414	793	11,764	11,774
Other nonoperating income, net	588	872	9,857	5,918
Earnings from The Energy Authority	954	576	4,074	6,335
Other interest, net	(109)	(32)	(1,825)	(451)
Total nonoperating expenses, net	(9,297)	(10,968)	(130,811)	(148,840)
Income before contributions and special items	(17,508)	28,484	245,133	343,550
Contributions (to) from				
General Fund, City of Jacksonville, Florida	(9,719)	(9,652)	(116,620)	(115,823)
Developers and other	7,536	2,775	82,157	66,875
Reduction of plant cost through contributions	(4,167)	(1,199)	(54,114)	(42,069)
Total contributions	(6,350)	(8,076)	(88,577)	(91,017)
Special items				
SJRPP deferred revenues, net	-	-	451,037	-
SJRPP impairment loss	-	-	(451,037)	-
Total special items	-	-	-	-
Change in net position	(23,858)	20,408	156,556	252,533
Net position, beginning of period	2,764,137	2,563,315	2,583,723	2,376,925
Prior period adjustment	-	-	-	(43,011)
Effect of change in accounting	-	-	-	(2,724)
Net position, beginning of period, as restated	2,764,137	2,563,315	2,583,723	2,331,190
Net position, end of period, as restated	\$ 2,740,279	\$ 2,583,723	\$ 2,740,279	\$ 2,583,723

Combining Statement of Revenues, Expenses and Changes in Net Position
(in thousands - unaudited) for the month ended September 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	\$ 80,796	\$ -	\$ -	\$ 80,796	\$ -	\$ -	\$ (401)	\$ 80,395
Electric - fuel and purchased power	27,967	1,876	(1,593)	28,250	-	-	(1,506)	26,744
Water and sewer	-	-	-	-	34,583	-	(70)	34,513
District energy system	-	-	-	-	-	901	(41)	860
Other	2,044	4,989	-	7,033	1,104	-	(256)	7,881
Total operating revenues	110,807	6,865	(1,593)	116,079	35,687	901	(2,274)	150,393
Operating expenses								
Operations and maintenance:								
Fuel	37,500	12,275	-	49,775	-	-	-	49,775
Purchased power	14,236	-	(1,593)	12,643	-	-	-	12,643
Maintenance and other operating expenses	29,416	(3,584)	-	25,832	16,293	851	(2,274)	40,702
Depreciation	15,909	34	-	15,943	11,973	203	-	28,119
Utility taxes and fees	5,731	-	-	5,731	863	-	-	6,594
Recognition of deferred costs and revenues, net	19,074	688	-	19,762	1,009	-	-	20,771
Total operating expenses	121,866	9,413	(1,593)	129,686	30,138	1,054	(2,274)	158,604
Operating income	(11,059)	(2,548)	-	(13,607)	5,549	(153)	-	(8,211)
Nonoperating revenues (expenses)								
Interest on debt	(6,880)	(876)	-	(7,756)	(4,777)	(115)	-	(12,648)
Debt management strategy	(820)	-	-	(820)	(196)	-	-	(1,016)
Investment income, net	1,195	96	-	1,291	216	13	-	1,520
Allowance for funds used during construction	509	-	-	509	902	3	-	1,414
Other nonoperating income, net	349	31	-	380	208	-	-	588
Earnings from The Energy Authority	954	-	-	954	-	-	-	954
Other interest, net	(109)	-	-	(109)	-	-	-	(109)
Total nonoperating expenses, net	(4,802)	(749)	-	(5,551)	(3,647)	(99)	-	(9,297)
Income before contributions	(15,861)	(3,297)	-	(19,158)	1,902	(252)	-	(17,508)
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(7,623)	-	-	(7,623)	(2,096)	-	-	(9,719)
Developers and other	118	-	-	118	7,418	-	-	7,536
Reduction of plant cost through contributions	(118)	-	-	(118)	(4,049)	-	-	(4,167)
Total contributions	(7,623)	-	-	(7,623)	1,273	-	-	(6,350)
Change in net position	(23,484)	(3,297)	-	(26,781)	3,175	(252)	-	(23,858)
Net position, beginning of period	1,075,271	100,930	-	1,176,201	1,582,151	5,785	-	2,764,137
Net position, end of period	\$ 1,051,787	\$ 97,633	\$ -	\$ 1,149,420	\$ 1,585,326	\$ 5,533	\$ -	\$ 2,740,279

Combining Statement of Revenues, Expenses and Changes in Net Position
(in thousands - unaudited) for the month ended September 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	\$ 72,027	\$ -	\$ -	\$ 72,027	\$ -	\$ -	\$ (323)	\$ 71,704
Electric - fuel and purchased power	40,568	24,056	(12,814)	51,810	-	-	(1,214)	50,596
Water and sewer	-	-	-	-	49,448	-	(24)	49,424
District energy system	-	-	-	-	-	816	(43)	773
Other	3,558	-	-	3,558	713	-	(191)	4,080
Total operating revenues	116,153	24,056	(12,814)	127,395	50,161	816	(1,795)	176,577
Operating expenses								
Operations and maintenance:								
Fuel	26,451	16,023	-	42,474	-	-	-	42,474
Purchased power	19,014	-	(12,814)	6,200	-	-	-	6,200
Maintenance and other operating expenses	28,888	5,893	-	34,781	15,399	496	(1,795)	48,881
Depreciation	17,373	3,563	-	20,936	11,072	198	-	32,206
Utility taxes and fees	5,631	-	-	5,631	878	-	-	6,509
Recognition of deferred costs and revenues, net	(278)	(990)	-	(1,268)	2,123	-	-	855
Total operating expenses	97,079	24,489	(12,814)	108,754	29,472	694	(1,795)	137,125
Operating income	19,074	(433)	-	18,641	20,689	122	-	39,452
Nonoperating revenues (expenses)								
Interest on debt	(6,931)	(1,993)	-	(8,924)	(5,218)	(116)	-	(14,258)
Debt management strategy	(1,034)	-	-	(1,034)	(234)	-	-	(1,268)
Investment income, net	1,037	384	-	1,421	920	8	-	2,349
Allowance for funds used during construction	178	-	-	178	610	5	-	793
Other nonoperating income, net	632	31	-	663	209	-	-	872
Earnings from The Energy Authority	576	-	-	576	-	-	-	576
Other interest, net	(32)	-	-	(32)	-	-	-	(32)
Total nonoperating expenses, net	(5,574)	(1,578)	-	(7,152)	(3,713)	(103)	-	(10,968)
Income before contributions	13,500	(2,011)	-	11,489	16,976	19	-	28,484
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(7,690)	-	-	(7,690)	(1,962)	-	-	(9,652)
Developers and other	-	-	-	-	2,775	-	-	2,775
Reduction of plant cost through contributions	-	-	-	-	(1,199)	-	-	(1,199)
Total contributions	(7,690)	-	-	(7,690)	(386)	-	-	(8,076)
Change in net position	5,810	(2,011)	-	3,799	16,590	19	-	20,408
Net position, beginning of period, as restated	977,224	96,433	-	1,073,657	1,484,673	4,985	-	2,563,315
Net position, end of period, as restated	\$ 983,034	\$ 94,422	\$ -	\$ 1,077,456	\$ 1,501,263	\$ 5,004	\$ -	\$ 2,583,723

Combining Statement of Revenues, Expenses and Changes in Net Position
(in thousands - unaudited) for the twelve months ended September 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	\$ 796,822	\$ -	\$ -	\$ 796,822	\$ -	\$ -	\$ (3,508)	\$ 793,314
Electric - fuel and purchased power	456,317	87,749	(56,982)	487,084	-	-	(13,196)	473,888
Water and sewer	-	-	-	-	424,121	-	(641)	423,480
District energy system	-	-	-	-	-	8,756	(408)	8,348
Other	22,116	60,089	-	82,205	11,561	-	(2,814)	90,952
Total operating revenues	1,275,255	147,838	(56,982)	1,366,111	435,682	8,756	(20,567)	1,789,982
Operating expenses								
Operations and maintenance:								
Fuel	356,877	64,175	-	421,052	-	-	-	421,052
Purchased power	166,176	-	(56,982)	109,194	-	-	-	109,194
Maintenance and other operating expenses	244,011	52,296	-	296,307	149,646	4,603	(20,567)	429,989
Depreciation	203,075	10,987	-	214,062	144,144	2,403	-	360,609
Utility taxes and fees	60,831	-	-	60,831	10,476	-	-	71,307
Recognition of deferred costs and revenues, net	16,577	(859)	-	15,718	6,169	-	-	21,887
Total operating expenses	1,047,547	126,599	(56,982)	1,117,164	310,435	7,006	(20,567)	1,414,038
Operating income	227,708	21,239	-	248,947	125,247	1,750	-	375,944
Nonoperating revenues (expenses)								
Interest on debt	(76,009)	(20,292)	-	(96,301)	(55,437)	(1,374)	-	(153,112)
Debt management strategy	(10,798)	-	-	(10,798)	(2,597)	-	-	(13,395)
Investment income, net	6,910	1,196	-	8,106	3,617	103	-	11,826
Allowance for funds used during construction	3,912	-	-	3,912	7,802	50	-	11,764
Other nonoperating income, net	6,025	1,068	-	7,093	2,764	-	-	9,857
Earnings from The Energy Authority	4,074	-	-	4,074	-	-	-	4,074
Other interest, net	(1,597)	-	-	(1,597)	(228)	-	-	(1,825)
Total nonoperating expenses, net	(67,483)	(18,028)	-	(85,511)	(44,079)	(1,221)	-	(130,811)
Income before contributions	160,225	3,211	-	163,436	81,168	529	-	245,133
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(91,472)	-	-	(91,472)	(25,148)	-	-	(116,620)
Developers and other	1,597	-	-	1,597	80,560	-	-	82,157
Reduction of plant cost through contributions	(1,597)	-	-	(1,597)	(52,517)	-	-	(54,114)
Total contributions	(91,472)	-	-	(91,472)	2,895	-	-	(88,577)
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	68,753	3,211	-	71,964	84,063	529	-	156,556
Net position, beginning of year	983,034	94,422	-	1,077,456	1,501,263	5,004	-	2,583,723
Net position, end of period	\$ 1,051,787	\$ 97,633	\$ -	\$ 1,149,420	\$ 1,585,326	\$ 5,533	\$ -	\$ 2,740,279

Combining Statement of Revenues, Expenses and Changes in Net Position
(in thousands - unaudited) for the twelve months ended September 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	\$ 822,513	\$ -	\$ -	\$ 822,513	\$ -	\$ -	\$ (3,502)	\$ 819,011
Electric - fuel and purchased power	447,631	268,899	(140,162)	576,368	-	-	(13,173)	563,195
Water and sewer	-	-	-	-	448,348	-	(291)	448,057
District energy system	-	-	-	-	-	8,692	(507)	8,185
Other	29,448	-	-	29,448	9,560	-	(2,279)	36,729
Total operating revenues	1,299,592	268,899	(140,162)	1,428,329	457,908	8,692	(19,752)	1,875,177
Operating expenses								
Operations and maintenance:								
Fuel	289,949	168,845	-	458,794	-	-	-	458,794
Purchased power	217,618	-	(140,162)	77,456	-	-	-	77,456
Maintenance and other operating expenses	219,434	46,445	-	265,879	141,445	4,570	(19,752)	392,142
Depreciation	199,743	42,754	-	242,497	141,838	2,364	-	386,699
Utility taxes and fees	59,121	-	-	59,121	10,562	-	-	69,683
Recognition of deferred costs and revenues, net	(3,344)	(9,929)	-	(13,273)	11,286	-	-	(1,987)
Total operating expenses	982,521	248,115	(140,162)	1,090,474	305,131	6,934	(19,752)	1,382,787
Operating income	317,071	20,784	-	337,855	152,777	1,758	-	492,390
Nonoperating revenues (expenses)								
Interest on debt	(81,329)	(24,064)	-	(105,393)	(60,023)	(1,395)	-	(166,811)
Debt management strategy	(13,021)	-	-	(13,021)	(3,160)	-	-	(16,181)
Investment income, net	5,177	1,522	-	6,699	3,832	45	-	10,576
Allowance for funds used during construction	6,102	-	-	6,102	5,644	28	-	11,774
Other nonoperating income, net	4,595	389	-	4,984	934	-	-	5,918
Earnings from The Energy Authority	6,335	-	-	6,335	-	-	-	6,335
Other interest, net	(417)	-	-	(417)	(34)	-	-	(451)
Total nonoperating expenses, net	(72,558)	(22,153)	-	(94,711)	(52,807)	(1,322)	-	(148,840)
Income before contributions	244,513	(1,369)	-	243,144	99,970	436	-	343,550
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(92,271)	-	-	(92,271)	(23,552)	-	-	(115,823)
Developers and other	906	-	-	906	65,969	-	-	66,875
Reduction of plant cost through contributions	(906)	-	-	(906)	(41,163)	-	-	(42,069)
Total contributions	(92,271)	-	-	(92,271)	1,254	-	-	(91,017)
Change in net position	152,242	(1,369)	-	150,873	101,224	436	-	252,533
Net position, beginning of year	832,508	138,802	-	971,310	1,401,047	4,568	-	2,376,925
Prior period adjustment	-	(43,011)	-	(43,011)	-	-	-	(43,011)
Effect of change in accounting	(1,716)	-	-	(1,716)	(1,008)	-	-	(2,724)
Net position, beginning of year, as restated	830,792	95,791	-	926,583	1,400,039	4,568	-	2,331,190
Net position, end of period	\$ 983,034	\$ 94,422	\$ -	\$ 1,077,456	\$ 1,501,263	\$ 5,004	\$ -	\$ 2,583,723

Statement of Cash Flows
(in thousands - unaudited)

	Year-to-Date September	
	2018	2017
Operating activities		
Receipts from customers	\$ 1,740,598	\$ 1,758,515
Payments to suppliers	(790,962)	(738,231)
Payments to employees	(267,569)	(249,193)
Other operating activities	93,902	4,541
Net cash provided by operating activities	775,969	775,632
Noncapital and related financing activities		
Contribution to General Fund, City of Jacksonville, Florida	(116,569)	(115,694)
Net cash used in noncapital financing activities	(116,569)	(115,694)
Capital and related financing activities		
Defeasance of debt	(993,690)	(159,345)
Proceeds from issuance of debt	821,000	90,405
Acquisition and construction of capital assets	(384,577)	(308,133)
Interest paid on debt	(182,849)	(193,483)
Repayment of debt principal	(229,095)	(181,525)
Capital contributions	28,043	24,805
Other capital financing activities	63,197	2,528
Net cash used in capital and related financing activities	(877,971)	(724,748)
Investing activities		
Purchase of investments	(1,037,966)	(1,803,447)
Proceeds from sale and maturity of investments	1,179,471	1,861,596
Investment income, net	15,301	17,593
Distributions from The Energy Authority	3,513	6,182
Net cash provided by (used in) investing activities	160,319	81,924
Net change in cash and cash equivalents	(58,252)	17,114
Cash and cash equivalents, beginning of year	614,034	596,920
Cash and cash equivalents, end of period	\$ 555,782	\$ 614,034
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 375,944	\$ 492,390
Adjustments:		
Depreciation and amortization	361,889	388,040
Recognition of deferred costs and revenues, net	21,887	(1,987)
Other nonoperating income, net	1,072	(1,072)
Changes in noncash assets and noncash liabilities:		
Accounts receivable	26,486	(14,185)
Accounts receivable, restricted	16	32
Inventories	46,419	(24,692)
Other assets	8,273	(27,625)
Accounts and accrued expenses payable	1,664	23,262
Current liabilities payable from restricted assets	(49,998)	4,409
Other noncurrent liabilities and deferred inflows	(17,683)	(62,940)
Net cash provided by operating activities	\$ 775,969	\$ 775,632
Noncash activity		
Contributions of capital assets	\$ 54,114	\$ 42,069
Unrealized losses on fair value of investments, net	\$ (3,386)	\$ (7,710)

JEA
Combining Statement of Cash Flows
(in thousands - unaudited) for the twelve months ended September 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	\$ 1,249,048	\$ 104,261	\$ (34,089)	\$ 1,319,220	\$ 430,685	\$ 8,446	\$ (17,753)	\$ 1,740,598
Payments to suppliers	(655,986)	(81,496)	34,089	(703,393)	(104,124)	(4,012)	20,567	(790,962)
Payments to employees	(160,943)	(44,669)	-	(205,612)	(61,403)	(554)	-	(267,569)
Other operating activities	25,123	60,089	-	85,212	11,504	-	(2,814)	93,902
Net cash provided by operating activities	457,242	38,185	-	495,427	276,662	3,880	-	775,969
Noncapital and related financing activities								
Contribution to General Fund, City of Jacksonville, Florida	(91,538)	-	-	(91,538)	(25,031)	-	-	(116,569)
Net cash used in noncapital financing activities	(91,538)	-	-	(91,538)	(25,031)	-	-	(116,569)
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	(180,050)	-	-	(180,050)	(203,474)	(1,053)	-	(384,577)
Interest paid on debt	(97,134)	(16,685)	-	(113,819)	(67,659)	(1,371)	-	(182,849)
Repayment of debt principal	(135,105)	(41,330)	-	(176,435)	(51,020)	(1,640)	-	(229,095)
Capital contributions	-	-	-	-	28,043	-	-	28,043
Other capital financing activities	44,011	(6,974)	-	37,037	26,160	-	-	63,197
Net cash used in capital and related financing activities	(389,543)	(193,269)	-	(582,812)	(291,095)	(4,064)	-	(877,971)
Investing activities								
Purchase of investments	(506,359)	(252,593)	-	(758,952)	(279,014)	-	-	(1,037,966)
Proceeds from sale and maturity of investments	462,211	428,653	-	890,864	288,607	-	-	1,179,471
Investment income (loss), net	10,225	(2,050)	-	8,175	7,023	103	-	15,301
Distributions from The Energy Authority	3,513	-	-	3,513	-	-	-	3,513
Net cash provided by (used in) investing activities	(30,410)	174,010	-	143,600	16,616	103	-	160,319
Net change in cash and cash equivalents	(54,249)	18,926	-	(35,323)	(22,848)	(81)	-	(58,252)
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	\$ 285,814	\$ 139,953	\$ -	\$ 425,767	\$ 123,061	\$ 6,954	\$ -	\$ 555,782
Reconciliation of operating income to net cash provided by operating activities								
Operating income	\$ 227,708	\$ 21,239	\$ -	\$ 248,947	\$ 125,247	\$ 1,750	\$ -	\$ 375,944
Adjustments:								
Depreciation and amortization	203,075	10,987	-	214,062	145,424	2,403	-	361,889
Recognition of deferred costs and revenues, net	16,577	(859)	-	15,718	6,169	-	-	21,887
Other nonoperating income, net	102	700	-	802	270	-	-	1,072
Changes in noncash assets and noncash liabilities:								
Accounts receivable	13,184	15,812	-	28,996	(2,200)	(310)	-	26,486
Accounts receivable, restricted	13	-	-	13	3	-	-	16
Inventories	2,136	52,297	-	54,433	(8,014)	-	-	46,419
Other assets	7,540	-	-	7,540	733	-	-	8,273
Accounts and accrued expenses payable	10,761	(10,441)	-	320	1,330	14	-	1,664
Current liabilities payable from restricted assets	-	(49,998)	-	(49,998)	-	-	-	(49,998)
Other noncurrent liabilities and deferred inflows	(23,854)	(1,552)	-	(25,406)	7,700	23	-	(17,683)
Net cash provided by operating activities	\$ 457,242	\$ 38,185	\$ -	\$ 495,427	\$ 276,662	\$ 3,880	\$ -	\$ 775,969
Noncash activity								
Contributions of capital assets	\$ 1,597	\$ -	\$ -	\$ 1,597	\$ 52,517	\$ -	\$ -	\$ 54,114
Unrealized gains (losses) on fair value of investments, net	\$ (4,052)	\$ 4,146	\$ -	\$ 94	\$ (3,480)	\$ -	\$ -	\$ (3,386)

Combining Statement of Cash Flows

(in thousands - unaudited) for the twelve months ended September 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	\$ 1,207,855	\$ 269,957	\$ (143,764)	\$ 1,334,048	\$ 433,658	\$ 8,282	\$ (17,473)	\$ 1,758,515
Payments to suppliers	(605,225)	(201,043)	143,764	(662,504)	(91,308)	(4,171)	19,752	(738,231)
Payments to employees	(159,127)	(31,336)	-	(190,463)	(58,234)	(496)	-	(249,193)
Other operating activities	3,601	-	-	3,601	3,246	(27)	(2,279)	4,541
Net cash provided by operating activities	447,104	37,578	-	484,682	287,362	3,588	-	775,632
Noncapital and related financing activities								
Contribution to General Fund, City of Jacksonville, Florida	(92,225)	-	-	(92,225)	(23,469)	-	-	(115,694)
Net cash used in noncapital financing activities	(92,225)	-	-	(92,225)	(23,469)	-	-	(115,694)
Capital and related financing activities								
Defeasance of debt	(153,210)	-	-	(153,210)	(6,135)	-	-	(159,345)
Proceeds from issuance of debt	90,405	-	-	90,405	-	-	-	90,405
Acquisition and construction of capital assets	(128,665)	-	-	(128,665)	(177,345)	(2,123)	-	(308,133)
Interest paid on debt	(102,667)	(20,226)	-	(122,893)	(69,199)	(1,391)	-	(193,483)
Repayment of debt principal	(102,240)	(43,785)	-	(146,025)	(33,875)	(1,625)	-	(181,525)
Capital contributions	-	-	-	-	24,805	-	-	24,805
Other capital financing activities	(167)	389	-	222	2,306	-	-	2,528
Net cash used in capital and related financing activities	(396,544)	(63,622)	-	(460,166)	(259,443)	(5,139)	-	(724,748)
Investing activities								
Purchase of investments	(641,438)	(572,124)	-	(1,213,562)	(589,885)	-	-	(1,803,447)
Proceeds from sale and maturity of investments	714,603	585,322	-	1,299,925	561,671	-	-	1,861,596
Investment income, net	7,158	3,855	-	11,013	6,535	45	-	17,593
Distributions from The Energy Authority	6,182	-	-	6,182	-	-	-	6,182
Net cash provided by (used in) investing activities	86,505	17,053	-	103,558	(21,679)	45	-	81,924
Net change in cash and cash equivalents	44,840	(8,991)	-	35,849	(17,229)	(1,506)	-	17,114
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	\$ 340,063	\$ 121,027	\$ -	\$ 461,090	\$ 145,909	\$ 7,035	\$ -	\$ 614,034
Reconciliation of operating income to net cash provided by (used in) operating activities								
Operating income	\$ 317,071	\$ 20,784	\$ -	\$ 337,855	\$ 152,777	\$ 1,758	\$ -	\$ 492,390
Adjustments:								
Depreciation and amortization	199,743	42,754	-	242,497	143,179	2,364	-	388,040
Recognition of deferred costs and revenues, net	(3,344)	(9,929)	-	(13,273)	11,286	-	-	(1,987)
Other nonoperating income (loss), net	45	-	-	45	(1,117)	-	-	(1,072)
Changes in noncash assets and noncash liabilities:								
Accounts receivable	(2,083)	1,058	-	(1,025)	(12,751)	(409)	-	(14,185)
Accounts receivable, restricted	28	-	-	28	4	-	-	32
Inventories	(1,582)	(19,603)	-	(21,185)	(3,507)	-	-	(24,692)
Other assets	(23,056)	-	-	(23,056)	(4,542)	(27)	-	(27,625)
Accounts and accrued expenses payable	21,878	(2,327)	-	19,551	3,780	(69)	-	23,262
Current liabilities payable from restricted assets	-	4,409	-	4,409	-	-	-	4,409
Other noncurrent liabilities and deferred inflows	(61,596)	432	-	(61,164)	(1,747)	(29)	-	(62,940)
Net cash provided by operating activities	\$ 447,104	\$ 37,578	\$ -	\$ 484,682	\$ 287,362	\$ 3,588	\$ -	\$ 775,632
Noncash activity								
Contributions of capital assets	\$ 906	\$ -	\$ -	\$ 906	\$ 41,163	\$ -	\$ -	\$ 42,069
Unrealized losses on fair value of investments, net	\$ (2,193)	\$ (2,556)	\$ -	\$ (4,749)	\$ (2,961)	\$ -	\$ -	\$ (7,710)

Electric System and Plant Scherer

Changes in Debt Service, R & R and Construction Funds

(in thousands - unaudited) for the twelve months ended September 2018 and September 2017

	September 2018			September 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:						
Revenue transfers for debt service	209,186	-	-	216,892	-	-
R & R and OCO	-	148,107	-	-	195,984	-
Proceeds from property sales	-	19,220	-	-	1,923	-
Debt issuance	-	-	805	-	-	430
Increase in accounts payable	-	374	-	-	6,307	-
Total additions	209,186	167,701	805	216,892	204,214	430
Deductions:						
Debt service payments	216,231	-	-	186,996	-	-
Increase in utility plant	-	181,635	-	-	134,977	-
Debt service reserve releases	-	-	-	-	37,200	-
Debt issue costs and discounts	-	-	602	-	-	430
Total deductions	216,231	181,635	602	186,996	172,177	430
Ending balance	\$ 232,916	\$ 212,051	\$ 203	\$ 239,962	\$ 225,984	\$ -
Recap:						
Renewal and replacement fund:						
Cash & investments	\$ 189,922			\$ 201,368		
Storm costs to be recovered	14,402			23,377		
Accounts / notes receivable:						
Accounts receivable	7,720			1,219		
Street light & other customer loans	7			20		
	<u>\$ 212,051</u>			<u>\$ 225,984</u>		
Construction fund:						
Generation projects		\$ 101			\$ -	
T&D and other capital projects		102			-	
		<u>\$ 203</u>			<u>\$ -</u>	

Water and Sewer System

Changes in Debt Service, R & R and Construction Funds

(in thousands - unaudited) for the twelve months ended September 2018 and September 2017

	September 2018				September 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	-	159,785	-	-	-	116,586	-	-
Revenue transfers for debt service	113,637	-	-	-	114,873	-	-	-
Contribution in aid of construction	-	28,043	-	-	-	24,805	-	-
Increase in accounts payable	-	-	-	-	-	10,477	-	-
Debt issuance	-	-	894	-	-	-	-	-
Proceeds from property sales	-	252	-	-	-	199	-	-
Septic tank phase out fees	-	-	-	-	-	86	-	-
Unused funds returned to R&R	-	-	-	-	-	137	-	-
Total additions	113,637	188,080	894	-	114,873	152,290	-	-
Deductions:								
Debt service payments	114,603	-	-	-	98,075	-	-	-
Increase in utility plant	-	194,967	-	-	-	176,519	(167)	-
Debt service reserve releases	4,638	-	-	-	598	-	-	-
Decrease in accounts payable	-	1,670	-	679	-	-	167	820
Debt issue costs and discounts	-	-	625	-	-	-	-	-
Unused funds returned to R&R	-	-	-	-	-	-	137	-
Total deductions	119,241	196,637	625	679	98,673	176,519	137	820
Ending balance	\$ 184,092	\$ 146,727	\$ 284	\$ 1,159	\$ 189,696	\$ 155,284	\$ 15	\$ 1,839
Renewal and replacement fund:								
Cash & investments		\$ 141,415				\$ 150,319		
Storm costs to be recovered		4,537				4,595		
Accounts / notes receivable:								
Accounts receivable		767				358		
Notes receivable		8				12		
		<u>\$ 146,727</u>				<u>\$ 155,284</u>		
Construction fund:								
Project funds			<u>\$ 284</u>				<u>\$ 15</u>	
Environmental fund:								
Cash & investments			<u>\$ 1,159</u>				<u>\$ 1,839</u>	
			<u>\$ 1,159</u>				<u>\$ 1,839</u>	

Electric System		Month				Prior Year Month	
Budget vs. Actual	ANNUAL BUDGET	BUDGET	ACTUAL	Variance		ACTUAL	Variance
September 2018 and 2017	2017-18	2017-18	2017-18	%		2016-17	%
Fuel Related Revenues & Expenses							
Fuel Rate Revenues	\$ 417,649,053	\$ 37,180,266	\$ 38,563,657	3.72%	\$	33,844,388	13.94%
Fuel Expense and Purchased Power:							
Fuel Expense - Electric System	315,411,659	25,961,753	33,815,484			23,435,519	
Fuel Expense - SJRPP	37,886,015	-	(13,426,101)			9,884,637	
Other Purchased Power	96,315,996	9,567,507	7,580,798			6,800,338	
Subtotal Energy Expense	449,613,670	35,529,260	27,970,181	21.28%		40,120,494	30.28%
Transfer to (from) Rate Stabilization, Net	(32,799,915)	(32,799,915)	10,562,334			(6,333,243)	
Fuel Related Uncollectibles	835,298	52,206	57,977			57,137	
Total	417,649,053	2,781,551	38,590,492	-1287.37%		33,844,388	-14.02%
Fuel Balance	-	34,398,715	(26,835)			-	
Nonfuel Related Revenues							
Base Rate Revenues	802,292,405	71,422,274	72,509,065			65,130,958	
Conservation Charge Revenue	1,000,000	89,035	125,757			110,186	
Environmental Charge Revenue	7,942,200	707,036	732,498			644,026	
Investment Income	6,714,534	559,544	2,104,168			936,707	
Natural Gas Revenue Pass Through	2,383,913	198,659	29,239			34,330	
Other Revenues	30,551,894	2,545,991	2,341,055			4,210,686	
Total	850,884,946	75,522,539	77,841,782	3.07%		71,066,893	9.53%
Nonfuel Related Expenses							
Non-Fuel O&M	198,934,896	11,470,140	25,138,140			26,436,657	
DSM / Conservation O&M	7,892,054	651,385	1,440,458			927,943	
Environmental O&M	2,050,500	168,588	947,941			188,538	
Rate Stabilization - DSM	(382,054)	(31,838)	(718,483)			(240,477)	
Rate Stabilization - Environmental	5,891,700	490,975	(215,443)			455,488	
Natural Gas Expense Pass Through	2,290,414	190,086	51,633			45,619	
Debt Principal - Electric System	124,980,000	11,143,750	10,433,929			12,775,325	
Debt Interest - Electric System	94,262,937	7,855,245	7,972,368			8,189,093	
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	105,586,200	16,586,200	(6,502,058)			3,785,632	
City Contribution Expense	91,471,795	7,622,650	7,622,650			7,689,224	
Taxes & Uncollectibles	1,210,993	118,318	125,423			125,855	
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	121,013,062	61,293,794	25,842,367			3,351,318	
Total Nonfuel Expenses	850,884,946	125,532,830	78,652,809	37.34%		72,438,489	-8.58%
Non-Fuel Balance	-	(50,010,291)	(811,027)			(1,371,596)	
Total Balance	-	(15,611,576)	(837,862)			(1,371,596)	
Total Revenues	1,268,533,999	112,702,805	116,405,439	3.29%		104,911,281	10.96%
Total Expenses	1,268,533,999	128,314,381	117,243,301	8.63%		106,282,877	-10.31%
KWH Sold - Territorial	13,020,000,000	1,159,076,093	1,196,374,458	3.22%		1,052,365,000	13.68%
KWH Sold - Off System	-	-	673,000			11,698,000	
	13,020,000,000	1,159,076,093	1,197,047,458	3.28%		1,064,063,000	12.50%

* Gross debt service

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

Electric System

Budget vs. Actual September 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	\$ 417,649,053	\$ 398,293,429	-4.63%	\$ 394,188,702	1.04%
Fuel Expense and Purchased Power:						
Fuel Expense - Electric System	315,411,659	315,411,659	328,159,602		253,203,918	
Fuel Expense - SJRPP	37,886,015	37,886,015	19,772,709		101,511,597	
Other Purchased Power	96,315,996	96,315,996	107,245,211		87,637,742	
Subtotal Energy Expense	449,613,670	449,613,670	455,177,522	-1.24%	442,353,257	-2.90%
Transfer to (from) Rate Stabilization, Net	(32,799,915)	(32,799,915)	(57,339,075)		(48,399,792)	
Fuel Related Uncollectibles	835,298	626,474	454,982		235,237	
Total	417,649,053	417,440,229	398,293,429	4.59%	394,188,702	-1.04%
Fuel Balance	-	208,824	-		-	
Nonfuel Related Revenues						
Base Rate Revenues	802,292,405	802,292,405	763,676,880		742,271,048	
Conservation Charge Revenue	1,000,000	1,000,000	905,640		673,949	
Environmental Charge Revenue	7,942,200	7,942,200	7,572,146		7,384,047	
Investment Income	6,714,534	6,714,534	10,946,799		7,340,835	
Natural Gas Revenue Pass Through	2,383,913	2,383,913	536,739		490,431	
Other Revenues	30,551,894	30,551,894	25,690,879		94,963,974	
Total	850,884,946	850,884,946	809,329,083	-4.88%	853,124,284	-5.13%
Nonfuel Related Expenses						
Non-Fuel O&M	198,934,896	198,957,837	197,810,887		191,411,468	
DSM / Conservation O&M	7,892,054	7,892,054	7,260,160		6,505,202	
Environmental O&M	2,050,500	2,027,559	1,826,626		941,772	
Rate Stabilization - DSM	(382,054)	(382,054)	(225,135)		180,240	
Rate Stabilization - Environmental	5,891,700	5,891,700	5,745,520		6,442,275	
Natural Gas Expense Pass Through	2,290,414	2,290,414	653,688		611,286	
Debt Principal - Electric System	124,980,000	124,980,000	124,980,000		129,900,000	
Debt Interest - Electric System	94,262,937	94,262,937	90,056,945		95,113,611	
Bond Buy-Back Principal - Electric System	10,110,614	10,110,614	-		69,099,658	
Rate Stabilization - Debt Management	-	-	-		(12,242,000)	
R&R - Electric System	65,608,800	65,608,800	65,608,800		62,198,300	
Operating Capital Outlay	105,586,200	105,586,200	82,497,942		133,785,632	
City Contribution Expense	91,471,795	91,471,795	91,471,795		92,270,692	
Taxes & Uncollectibles	1,210,993	1,419,817	1,066,473		646,594	
Nonfuel Purchased Power:						
* SJRPP D/S Principal	7,812,969	7,812,969	7,812,969		26,496,885	
* SJRPP D/S Interest	12,150,065	12,150,065	11,782,611		15,804,110	
** Other Non-Fuel Purchased Power	121,013,062	121,013,063	120,979,802		33,958,559	
Total Nonfuel Expenses	850,884,946	851,093,770	809,329,083	4.91%	853,124,284	5.13%
Non-Fuel Balance	-	(208,824)	-		-	
Total Balance	-	-	-		-	
Total Revenues	1,268,533,999	1,268,533,999	1,207,622,512	-4.80%	1,247,312,986	-3.18%
Total Expenses	1,268,533,999	1,268,533,999	1,207,622,512	4.80%	1,247,312,986	3.18%
KWH Sold - Territorial	13,020,000,000	13,020,000,000	12,364,339,391	-5.04%	12,050,132,342	2.61%
KWH Sold - Off System	-	-	35,429,000		150,635,000	
	13,020,000,000	13,020,000,000	12,399,768,391	-4.76%	12,200,767,342	1.63%

* Gross debt service

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

Water and Sewer System

Budget vs. Actual September 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	\$ 38,369,746	\$ 33,753,855		\$ 36,951,768	
Capacity & Extension Fees	21,000,000	1,811,528	3,368,976		1,570,025	
Capital Contributions	-	-	-		4,960	
Investment Income	4,854,301	404,525	1,180,467		932,985	
Other Income	34,091,486	1,893,516	2,491,667		924,436	
Total	516,796,507	42,479,315	40,794,965	-3.97%	40,384,174	1.02%
EXPENSES						
O & M Expenses	147,334,052	7,958,255	16,914,363		15,331,156	
Debt Principal - Water & Sewer	51,720,000	4,310,000	4,310,000		4,251,663	
Debt Interest - Water & Sewer	69,061,284	5,442,204	5,705,983		5,905,851	
Rate Stabilization - Environmental	7,701,048	7,701,048	(15,370)	(773,046)		
R&R - Water & Sewer	24,473,800	2,039,483	2,039,483		1,897,242	
Operating Capital Outlay	151,801,519	24,655,931	8,166,047		(17,646,303)	
Operating Capital Outlay - Capacity/Extension	28,042,962	8,792,962	3,368,975		1,570,025	
Operating Capital Outlay - Contributions	-	-	-		4,960	
Operating Capital Outlay - Environmental	9,481,818	(6,186,781)	1,008,650		2,122,838	
City Contribution Expense	25,148,020	2,095,668	2,095,668		1,962,688	
Uncollectibles & Fees	685,277	57,106	49,000		52,000	
Interlocal Agreements	346,727	346,727	-		-	
Emergency Reserve	1,000,000	1,000,000	-		-	
Total Expenses	516,796,507	58,212,603	43,642,799	25.03%	14,679,074	-197.31%
Total Balance	\$ -	\$ (15,733,288)	\$ (2,847,834)		\$ 25,705,100	
Sales kgals						
Water	42,000,000	3,456,849	3,174,177	-8.18%	2,997,524	5.89%
Sewer	34,650,000	2,956,779	2,500,868	-15.42%	2,470,163	1.24%
Total	76,650,000	6,413,628	5,675,045	-11.52%	5,467,687	3.79%

Budget vs. Actual September 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	\$ 456,850,720	\$ 421,936,538		\$ 424,593,870	
Capacity & Extension Fees	21,000,000	21,000,000	27,998,325		24,775,699	
Capital Contributions	-	-	44,638		29,759	
Investment Income	4,854,301	4,854,301	7,070,187		6,747,809	
Other Income	34,091,486	34,091,486	35,789,246		11,650,430	
Total	516,796,507	516,796,507	492,838,934	-4.64%	467,797,567	5.35%
EXPENSES						
O & M Expenses	147,334,052	147,334,052	147,334,052		139,447,187	
Debt Principal - Water & Sewer	51,720,000	51,720,000	51,720,000		51,019,996	
Debt Interest - Water & Sewer	69,061,284	69,061,284	65,999,462		68,537,254	
Bond Buy-Back Principal - Water & Sewer	-	-	-		6,155,451	
Rate Stabilization - Debt Management	-	-	-		(6,081,000)	
Rate Stabilization - Environmental	7,701,048	7,701,048	7,701,048		3,428,339	
R&R - Water & Sewer	24,473,800	24,473,800	24,473,800		22,766,900	
Operating Capital Outlay	151,801,519	151,801,519	135,311,636		93,819,455	
Operating Capital Outlay - Capacity/Extension	28,042,962	28,042,962	27,998,324		24,775,699	
Operating Capital Outlay - Contributions	-	-	44,638		29,759	
Operating Capital Outlay - Environmental	9,481,818	9,481,818	6,168,895		11,372,162	
City Contribution Expense	25,148,020	25,148,020	25,148,020		23,552,258	
Uncollectibles & Fees	685,277	685,277	592,332		267,221	
Interlocal Agreements	346,727	346,727	346,727		287,373	
Emergency Reserve	1,000,000	1,000,000	-		-	
Total Expenses	516,796,507	516,796,507	492,838,934	4.64%	439,378,054	-12.17%
Total Balance	\$ -	\$ -	\$ -		\$ 28,419,513	
Sales kgals						
Water	42,000,000	42,000,000	36,186,559	-13.84%	37,245,188	-2.84%
Sewer	34,650,000	34,650,000	29,460,361	-14.98%	30,003,081	-1.81%
Total	76,650,000	76,650,000	65,646,920	-14.35%	67,248,269	-2.38%

District Energy System

Budget vs. Actual September 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	\$ 905,806	\$ 901,412		\$ 815,163	
Investment Income	-	-	12,479		7,663	
Total	9,125,828	905,806	913,891	0.89%	822,826	11.07%
EXPENSES						
O & M Expenses	4,870,403	366,518	850,934		493,508	
Debt Principal - DES	1,660,000	138,333	138,333		136,667	
Debt Interest - DES	1,359,084	113,257	113,257		115,205	
R&R - DES	440,362	36,697	36,404		36,471	
Operating Capital Outlay	795,979	313,454	795,979		502,563	
Total Expenses	9,125,828	968,259	1,934,907	-99.83%	1,284,414	-50.65%
Total Balance	\$ -	\$ (62,453)	\$ (1,021,016)		\$ (461,588)	

Budget vs. Actual September 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	\$ 9,125,828	\$ 8,756,604		\$ 8,691,514	
Investment Income	-	-	102,755		44,668	
Total	9,125,828	9,125,828	8,859,359	-2.92%	8,736,182	1.41%
EXPENSES						
O & M Expenses	4,870,403	4,870,403	4,607,446		4,573,514	
Debt Principal - DES	1,660,000	1,660,000	1,660,000		1,640,000	
Debt Interest - DES	1,359,084	1,359,084	1,359,084		1,382,454	
R&R - DES	440,362	440,362	436,850		437,650	
Operating Capital Outlay	795,979	795,979	795,979		702,564	
Total Expenses	9,125,828	9,125,828	8,859,359	2.92%	8,736,182	-1.41%
Total Balance	\$ -	\$ -	\$ -		\$ -	

Electric System

Schedule of Debt Service Coverage

(in thousands - unaudited)

	Month September		Year-to-Date September	
	2018	2017	2018	2017
Revenues				
Electric	\$ 117,397	\$ 105,531	\$ 1,229,625	\$ 1,206,919
Investment income ⁽¹⁾	1,924	814	9,525	5,939
Earnings from The Energy Authority	954	576	4,074	6,335
Other, net ⁽²⁾	2,040	3,565	22,216	29,490
Plus: amount paid from the rate stabilization fund into the revenue fund	2,405	8,222	88,415	79,216
Less: amount paid from the revenue fund into the rate stabilization fund	(11,039)	(1,158)	(64,901)	(15,991)
Total revenues	113,681	117,550	1,288,954	1,311,908
Operating expenses ⁽³⁾				
Fuel	33,816	23,436	328,160	253,204
Purchased power ⁽⁴⁾	23,014	25,446	244,478	284,436
Other operations and maintenance	25,199	26,318	204,982	199,511
Utility taxes and fees	5,628	5,533	59,551	57,951
Total operating expenses	87,657	80,733	837,171	795,102
Net revenues	\$ 26,024	\$ 36,817	\$ 451,783	\$ 516,806
Debt service	\$ 6,027	\$ 5,981	\$ 71,890	\$ 71,557
Less: investment income on sinking fund	(180)	(124)	(1,436)	(1,431)
Less: Build America Bonds subsidy	(127)	(127)	(1,521)	(1,516)
Debt service requirement	\$ 5,720	\$ 5,730	\$ 68,933	\$ 68,610
Senior debt service coverage ⁽⁵⁾	4.55 x	6.43 x	6.55 x	7.53 x
Net revenues (from above)	\$ 26,024	\$ 36,817	\$ 451,783	\$ 516,806
Debt service requirement (from above)	\$ 5,720	\$ 5,730	\$ 68,933	\$ 68,610
Plus: aggregate subordinated debt service on outstanding subordinated bonds	10,826	13,404	129,469	137,892
Less: Build American Bonds subsidy	(171)	(173)	(2,045)	(2,070)
Total debt service requirement and aggregate subordinated debt service	\$ 16,375	\$ 18,961	\$ 196,357	\$ 204,432
Senior and subordinated debt service coverage ⁽⁶⁾	1.59 x	1.94 x	2.30 x	2.53 x
Fixed charge coverage ⁽⁷⁾	1.11 x	1.44 x	1.73 x	1.86 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 September		Year-to-Date September	
	2018	2017	2018	2017
Revenues				
Operating	\$ 8,778	\$ 6,432	\$ 78,302	\$ 66,818
Investment income	25	26	162	150
Total revenues	8,803	6,458	78,464	66,968
Operating expenses ⁽¹⁾				
Fuel	3,684	3,015	28,717	36,745
Other operations and maintenance	1,415	1,161	17,545	14,522
Total operating expenses	5,099	4,176	46,262	51,267
Net revenues	\$ 3,704	\$ 2,282	\$ 32,202	\$ 15,701
Aggregate debt service	\$ 829	\$ 806	\$ 9,943	\$ 9,679
Less: Build America Bonds subsidy	(55)	(58)	(667)	(699)
Aggregate debt service	\$ 774	\$ 748	\$ 9,276	\$ 8,980
Debt service coverage ⁽²⁾	4.79 x	3.05 x	3.47 x	1.75 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 September		Year-to-Date September	
	2018	2017	2018	2017
Revenues				
JEA	\$ -	\$ 13,372	\$ 98,013	\$ 134,020
FPL	-	11,242	28,360	128,737
Investment income	-	432	(4,289)	3,828
Total revenues	-	25,046	122,084	266,585
Operating expenses ⁽¹⁾				
Fuel	-	16,023	48,858	168,845
Other operations and maintenance	-	3,002	11,877	38,110
Total operating expenses	-	19,025	60,735	206,955
Net revenues	\$ -	\$ 6,021	\$ 61,349	\$ 59,630
Aggregate debt service	\$ -	\$ 3,960	\$ 11,260	\$ 47,521
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 September		Year-to-Date September	
	2018	2017	2018	2017
Revenues				
Operating	\$ 18,400	\$ 1,550	\$ 34,196	\$ 14,572
Investment income	115	40	1,339	250
Total revenues	18,515	1,590	35,535	14,822
Operating expenses	12,275	-	15,389	-
Net revenues	\$ 6,240	\$ 1,590	\$ 20,146	\$ 14,822
Aggregate debt service	\$ 1,077	\$ 1,079	\$ 12,925	\$ 12,950
Less: Build America Bonds subsidy	(30)	(32)	(367)	(389)
Aggregate debt service	\$ 1,047	\$ 1,047	\$ 12,558	\$ 12,561
Debt service coverage ⁽¹⁾	5.96 x	1.52 x	1.60 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 September		Year-to-Date September	
	2018	2017	2018	2017
Revenues				
Water	\$ 13,758	\$ 20,625	\$ 171,216	\$ 181,313
Water capacity fees	1,100	560	9,730	8,859
Sewer	20,809	28,051	260,606	264,469
Sewer capacity fees	2,268	1,009	18,268	15,916
Investment Income	1,181	936	7,097	6,793
Other ⁽¹⁾	1,104	713	11,831	9,560
Plus: amounts paid from the rate stabilization fund into the revenue fund	2,061	2,915	16,128	26,842
Less: amounts paid from the revenue fund into the rate stabilization fund	(2,045)	(2,143)	(23,829)	(24,276)
Total revenues	40,236	52,666	471,047	489,476
Operating expenses				
Operations and maintenance ⁽²⁾	17,156	16,277	160,122	152,007
Total operating expenses	17,156	16,277	160,122	152,007
Net revenues	\$ 23,080	\$ 36,389	\$ 310,925	\$ 337,469
Aggregate debt service	\$ 7,985	\$ 8,151	\$ 95,818	\$ 97,699
Less: Build America Bonds subsidy	(208)	(209)	(2,495)	(2,500)
Aggregate debt service	\$ 7,777	\$ 7,942	\$ 93,323	\$ 95,199
Senior debt service coverage ⁽³⁾	2.97 x	4.58 x	3.33 x	3.54 x
Net revenues (from above)	\$ 23,080	\$ 36,389	\$ 310,925	\$ 337,469
Aggregate debt service (from above)	\$ 7,777	\$ 7,942	\$ 93,323	\$ 95,199
Plus: aggregate subordinated debt service on outstanding subordinated debt	1,530	1,458	18,084	17,592
Total aggregate debt service and aggregate subordinated debt service	\$ 9,307	\$ 9,400	\$ 111,407	\$ 112,791
Senior and subordinated debt service coverage excluding capacity fees ⁽⁴⁾	2.12 x	3.70 x	2.54 x	2.77 x
Senior and subordinated debt service coverage including capacity fees ⁽⁴⁾	2.48 x	3.87 x	2.79 x	2.99 x
Fixed charge coverage	2.25 x	3.66 x	2.57 x	2.78 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 September		Year-to-Date September	
	2018	2017	2018	2017
Revenues				
Service revenues	\$ 901	\$ 816	\$ 8,756	\$ 8,692
Investment income	13	8	103	45
Total revenues	914	824	8,859	8,737
Operating expenses ⁽¹⁾				
Operations and maintenance	851	496	4,603	4,570
Total operating expenses	851	496	4,603	4,570
Net revenues	\$ 63	\$ 328	\$ 4,256	\$ 4,167
Aggregate debt service ⁽²⁾	\$ 252	\$ 251	\$ 3,019	\$ 3,022
Debt service coverage ⁽³⁾	0.25 x	1.31 x	1.41 x	1.38 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
September 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	1.510%	2027-2036	51,680,000	-
Series Three 2008 B-1	1.905%	2018-2040	60,020,000	400,000
Series Three 2008 B-2	1.510%	2025-2040	41,900,000	-
Series Three 2008 B-3	1.510%	2024-2036	37,000,000	-
Series Three 2008 B-4	1.905%	2018-2036	49,410,000	400,000
Series Three 2008 C-1	1.518%	2024-2034	44,145,000	-
Series Three 2008 C-2	1.518%	2024-2034	43,900,000	-
Series Three 2008 C-3	1.645%	2030-2038	25,000,000	-
Series Three 2008 D-1	1.905%	2018-2036	108,900,000	2,625,000
Total Variable Rate Senior Bonds			461,955,000	3,425,000
Series 2000 A	1.530%	2021-2035	30,965,000	-
Series 2000 F-1	1.645%	2026-2030	37,200,000	-
Series 2000 F-2	1.550%	2026-2030	24,800,000	-
Series 2008 D	1.496%	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		3.441%	\$ 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	71.1%	65.8%	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
September 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	1.538%	2028-2042	51,820,000	-
2008 Series B	1.522%	2023-2041	85,290,000	-
Total Variable Rate Senior Bonds			167,480,000	5,520,000
2008 Series A-1	1.500%	2018-2038	50,950,000	2,100,000
2008 Series A-2	1.495%	2030-2038	25,600,000	-
2008 Series B-1	1.495%	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	3.243%	2021	3,000,000	-
Total Other Obligations			3,000,000	-
Weighted Average Cost(3) / Total Outstanding Debt		3.620%	\$ 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	49.5%	52.9%	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
September 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
September 2018
All Funds

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INVESTMENT	BOOK VALUE	YIELD	% OF TOTAL	LAST MONTH	6 MONTH AVERAGE
* Treasuries	\$ 169,742,930	2.22%	12.35%	15.24%	13.91%
Agencies					
Federal Farm Credit Bank	57,372,254	1.81%	4.17%	4.93%	6.23%
Federal Home Loan Bank	238,195,992	2.22%	17.33%	19.06%	19.19%
Total	295,568,246	2.14%	21.50%	23.99%	25.42%
Municipal Bonds	223,128,068	2.58%	16.23%	16.67%	17.00%
Commercial Paper	133,073,654	2.31%	9.68%	18.63%	14.72%
U.S. Treasury Money Market Funds (1)	19,538,445	1.95%	1.42%	7.27%	6.20%
Agency Money Market Funds (2)	3,425,000	1.97%	0.25%	1.86%	1.49%
FEITF Money Market Fund	57,500,000	2.18%	4.18%	4.21%	3.73%
Florida Prime Fund	136,900,000	2.79%	9.96%	7.69%	6.73%
Wells Fargo Bank Accounts (3)					
Electric, Scherer	193,962,085	1.92%	14.11%	1.69%	4.28%
SJRPP	56,225,035	1.92%	4.09%	2.26%	4.76%
Water & Sewer, DES	85,360,370	1.92%	6.21%	0.47%	1.75%
Total Portfolio	\$ 1,374,423,834	2.33%	100.00%	100.00%	100.00%

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

Weighted Avg. Annual Yield for September 2018, Excluding Bank & Money Market Funds: 2.30%

Weighted Avg. Annual Yield for September 2018, Including Bank & Money Market Funds: 2.33%

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
September 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	1.431	2.286	n/a	68% 1 mth Libor
3	Morgan Stanley	1/27/2005	10/1/2039	82,575,000	-	4.351	1.509	2.842	n/a	SIFMA
4	JPMorgan	1/27/2005	10/1/2035	85,600,000	-	3.661	1.431	2.230	n/a	68% 1 mth Libor
6	JPMorgan	1/27/2005	10/1/2037	39,175,000	-	3.716	1.431	2.285	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	1.509	2.398	n/a	SIFMA
9	Merrill Lynch	3/8/2007	10/1/2041	-	85,290,000	3.895	1.509	2.386	n/a	SIFMA
10	Goldman Sachs	1/31/2008	10/1/2036	51,680,000	-	3.836	1.509	2.327	n/a	SIFMA
Total				<u>\$ 406,810,000</u>	<u>\$ 115,660,000</u>	Wtd Avg Spread		2.323		

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

	Month September			Year-to-Date September		
	2018	2017	Variance	2018	2017	Variance
Electric revenues sales (000's omitted):						
Residential	\$ 61,278	\$ 54,376	12.69%	\$ 618,171	\$ 584,663	5.73%
Commercial	36,829	32,617	12.91%	392,484	388,707	0.97%
Industrial	18,318	15,766	16.19%	201,911	199,265	1.33%
Public street lighting	1,070	1,064	0.56%	12,873	13,069	-1.50%
Sales for resale - territorial	48	1,426	-96.63%	4,364	16,572	-73.67%
Electric revenues - territorial	117,543	105,249	11.68%	1,229,803	1,202,276	2.29%
Sales for resale - off system	21	445	-95.28%	1,110	5,241	-78.82%
Electric revenues	117,564	105,694	11.23%	1,230,913	1,207,517	1.94%
Less: rate stabilization & recovery	(8,634)	7,064	222.23%	23,514	63,225	62.81%
Less: allowance for doubtful accounts	(167)	(163)	2.45%	(1,288)	(598)	115.38%
Net electric revenues	108,763	112,595	-3.40%	1,253,139	1,270,144	-1.34%
MWh sales						
Residential	541,543	477,291	13.46%	5,414,721	5,108,945	5.99%
Commercial	390,319	339,792	14.87%	4,050,130	3,988,514	1.54%
Industrial	259,807	216,222	20.16%	2,801,673	2,736,687	2.37%
Public street lighting	4,705	4,849	-2.97%	59,176	65,721	-9.96%
Sales for resale - territorial	-	14,211	-100.00%	38,640	150,268	-74.29%
Total MWh sales - territorial	1,196,374	1,052,365	13.68%	12,364,340	12,050,135	2.61%
Sales for resale - off system	673	11,698	-94.25%	35,429	150,635	-76.48%
Total MWh sales	1,197,047	1,064,063	12.50%	12,399,769	12,200,770	1.63%
Number of accounts (1)						
Residential	414,022	406,059	1.96%	410,060	403,164	1.71%
Commercial	52,659	51,999	1.27%	52,376	51,856	1.00%
Industrial	198	201	-1.49%	197	204	-3.43%
Public street lighting	3,817	3,752	1.73%	3,777	3,727	1.34%
Sales for resale	1	2	-50.00%	1	2	-50.00%
Total average accounts	470,697	462,013	1.88%	466,411	458,953	1.63%
Residential averages						
Revenue per account - \$	148.01	133.91	10.53%	1,507.51	1,450.19	3.95%
kWh per account	1,308	1,175	11.32%	13,205	12,672	4.21%
Revenue per kWh - ¢	11.32	11.39	-0.61%	11.42	11.44	-0.17%
Degree days						
Heating degree days	-	-	-	1,103	782	321
Cooling degree days	531	425	106	3,153	2,955	198
Total degree days	531	425	106	4,256	3,737	519
Degree days - 30 year average	396			4,014		

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

	Month September			Year-to-Date September		
	2018	2017	Variance	2018	2017	Variance
Water						
<i>Revenues (000's omitted):</i>						
Residential	\$ 7,039	\$ 11,704	-39.86%	\$ 91,954	\$ 96,615	-4.82%
Commercial and industrial	4,021	5,542	-27.44%	47,494	47,969	-0.99%
Irrigation	2,718	3,400	-20.06%	32,004	36,836	-13.12%
Total water revenues	13,778	20,646	-33.27%	171,452	181,420	-5.49%
Less: rate stabilization	(1,258)	(1,269)	-0.87%	(14,293)	(8,586)	66.47%
Less: allowance for doubtful accounts	(20)	(21)	-4.76%	(236)	(107)	120.56%
Net water revenues	\$ 12,500	\$ 19,356	-35.42%	\$ 156,923	\$ 172,727	-9.15%
<i>Kgal sales (000s omitted)</i>						
Residential	1,395,586	1,397,832	-0.16%	16,932,812	17,624,952	-3.93%
Commercial and industrial	1,311,284	1,175,077	11.59%	14,023,130	13,402,094	4.63%
Irrigation	467,307	424,615	10.05%	5,230,617	6,218,142	-15.88%
Total kgals sales	3,174,177	2,997,524	5.89%	36,186,559	37,245,188	-2.84%
<i>Number of accounts (1):</i>						
Residential	288,896	281,907	2.48%	285,404	278,838	2.35%
Commercial and industrial	25,823	25,533	1.14%	25,702	25,423	1.10%
Irrigation	37,151	37,005	0.39%	37,053	36,755	0.81%
Total average accounts	351,870	344,445	2.16%	348,159	341,016	2.09%
<i>Residential averages:</i>						
Revenue per account - \$	24.37	41.52	-41.31%	322.19	346.49	-7.01%
Kgals per account	4.83	4.96	-2.62%	59.33	63.21	-6.14%
Revenue per kgals - \$	5.04	8.37	-39.78%	5.43	5.48	-0.91%
Sewer						
<i>Revenues (000's omitted):</i>						
Residential	\$ 10,717	\$ 15,515	-30.92%	\$ 139,174	\$ 143,967	-3.33%
Commercial and industrial	8,848	11,305	-21.73%	108,126	107,446	0.63%
Total sewer revenues	19,565	26,820	-27.05%	247,300	251,413	-1.64%
Less: rate stabilization	1,274	2,041	-37.58%	6,592	11,152	-40.89%
Less: allowance for doubtful accounts	(29)	(30)	-3.33%	(353)	(160)	120.63%
Net sewer revenues	20,810	28,831	-27.82%	253,539	262,405	-3.38%
<i>Kgal sales (000s omitted)</i>						
Residential	1,181,552	1,221,578	-3.28%	14,623,682	15,225,124	-3.95%
Commercial and industrial	997,102	1,017,154	-1.97%	11,716,940	11,487,646	2.00%
Total kgals sales	2,178,654	2,238,732	-2.68%	26,340,622	26,712,770	-1.39%
<i>Number of accounts (1):</i>						
Residential	255,861	249,148	2.69%	252,531	246,187	2.58%
Commercial and industrial	18,404	18,233	0.94%	18,340	18,149	1.05%
Total average accounts	274,265	267,381	2.57%	270,871	264,336	2.47%
<i>Residential averages:</i>						
Revenue per account - \$	41.89	62.27	-32.73%	551.12	584.79	-5.76%
kgals per account	4.62	4.90	-5.71%	57.91	61.84	-6.36%
Revenue per kgals - \$	9.07	12.70	-28.58%	9.52	9.46	0.63%
Reuse						
<i>Revenues (000's omitted):</i>						
Reuse revenues	\$ 1,273	\$ 1,261	0.95%	\$ 13,659	\$ 13,216	3.35%
<i>Kgal sales (000s omitted)</i>						
Reuse sales (kgals)	322,214	231,431	39.23%	3,119,739	3,290,311	-5.18%
<i>Number of accounts (1):</i>						
Reuse accounts	12,645	10,283	22.97%	11,498	9,391	22.44%
Rainfall						
	Diff in inches			Diff in inches		
Normal	8.19	8.19		52.39	52.39	
Actual	3.41	13.33	(9.92)	57.41	72.89	(15.48)
Rain Days	14	6	8	120	98	22

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

	Month September			Year-to-Date September		
	2018	2017	Variance	2018	2017	Variance
Generated power:						
Steam:						
<i>Fuel oil</i>						
Fuel expense	\$ 23,805	\$ (199,295)	-111.94%	\$ 4,187,332	\$ 140,538	2879.50%
Barrels #6 oil consumed	220	(1,843)	-111.94%	38,702	1,299	2879.37%
\$/ per barrel consumed	\$ 108.20	\$ 108.14	0.06%	\$ 108.19	\$ 108.21	-0.01%
kWh oil generated (1)	-	-		23,686,188	376,100	6197.84%
Cost per MWh - oil	\$ -	\$ -		\$ 176.78	\$ 373.67	-52.69%
<i>Natural gas units #1-3</i>						
Gas expense - variable	\$ 6,394,692	\$ 2,501,047	155.68%	\$ 58,059,155	\$ 46,407,174	25.11%
MMBTU's consumed	1,959,073	780,920	150.87%	19,461,812	13,649,336	42.58%
\$/ per MMBTU consumed	\$ 3.26	\$ 3.20	1.92%	\$ 2.98	\$ 3.40	-12.26%
kWh - gas generated (1)	177,608,688	69,820,502	154.38%	1,605,049,831	1,257,691,437	27.62%
Cost per MWh - gas	\$ 36.00	\$ 35.82	0.51%	\$ 36.17	\$ 36.90	-1.97%
Cost per MWh - gas & oil - steam	\$ 36.14	\$ 32.97	9.62%	\$ 38.22	\$ 37.00	3.29%
<i>Coal</i>						
Coal expense	\$ 1,736,098	\$ 2,223,923	-21.94%	\$ 27,903,515	\$ 15,898,507	75.51%
kWh generated	77,277,331	64,205,536	20.36%	889,139,338	516,210,623	72.24%
Cost per MWh - coal	\$ 22.47	\$ 34.64	-35.14%	\$ 31.38	\$ 30.80	1.90%
<i>Pet coke and limestone</i>						
Expense	\$ 8,322,414	\$ 4,491,965	85.27%	\$ 65,286,701	\$ 31,882,991	104.77%
kWh generated	187,774,486	123,133,144	52.50%	1,601,197,764	945,873,555	69.28%
Cost per MWh - pet coke and limestone	\$ 44.32	\$ 36.48	21.49%	\$ 40.77	\$ 33.71	20.96%
Cost per MWh - coal & petcoke - steam	\$ 37.95	\$ 35.85	5.86%	\$ 37.42	\$ 32.68	14.51%
Combustion turbine:						
<i>Fuel oil</i>						
Fuel expense	\$ 68,391	\$ 42,832	59.67%	\$ 3,663,513	\$ 841,634	335.29%
Barrels #2 oil consumed	407	269	51.30%	37,588	6,899	444.83%
\$/ per barrel consumed	\$ 168.04	\$ 159.23	5.53%	\$ 97.46	\$ 121.99	-20.11%
kWh - oil generated	137,301	65,938	108.23%	14,708,463	2,081,453	606.64%
Cost per MWh - oil	\$ 498.11	\$ 649.58	-23.32%	\$ 249.08	\$ 404.35	-38.40%
<i>Natural gas (includes landfill)</i>						
Gas expense Kennedy & landfill - variable	\$ 1,144,254	\$ 178,867	539.72%	\$ 3,969,895	\$ 1,383,120	187.02%
MMBTU's consumed	340,603	50,133	579.40%	1,276,027	407,415	213.20%
\$/ per MMBTU consumed	\$ 3.36	\$ 3.57	-5.84%	\$ 3.11	\$ 3.39	-8.36%
kWh - gas generated (1)	30,443,368	4,128,212	637.45%	99,958,709	31,459,981	217.73%
Cost per MWh - gas	\$ 37.59	\$ 43.33	-13.25%	\$ 39.72	\$ 43.96	-9.66%
Gas expense BB simple - variable	\$ 244,298	\$ 660,848	-63.03%	\$ 3,658,692	\$ 3,126,528	17.02%
MMBTU's consumed	\$ 81,650	229,276	-64.39%	1,368,915	1,039,608	31.68%
\$/ per MMBTU consumed	\$ 2.99	\$ 2.88	3.81%	\$ 2.67	\$ 3.01	-11.13%
kWh - gas generated (1)	7,123,376	20,726,900	-65.63%	108,956,032	91,980,281	18.46%
Cost per MWh - gas simple	\$ 34.30	\$ 31.88	7.56%	\$ 33.58	\$ 33.99	-1.21%
Gas expense BB combined - variable	\$ 7,186,232	\$ 7,015,213	2.44%	\$ 85,779,022	\$ 85,698,716	0.09%
MMBTU's consumed	2,501,733	2,407,051	3.93%	31,820,343	27,912,786	14.00%
\$/ per MMBTU consumed	\$ 2.87	\$ 2.91	-1.44%	\$ 2.70	\$ 3.07	-12.20%
kWh - gas generated (1)	352,473,784	344,851,307	2.21%	4,154,030,128	3,980,597,038	4.36%
Cost per MWh - gas combined	\$ 20.39	\$ 20.34	0.22%	\$ 20.65	\$ 21.53	-4.09%
Gas expense GEC simple - variable	\$ 2,160,581	\$ 961,313	124.75%	\$ 13,346,018	\$ 6,681,742	99.74%
MMBTU's consumed	684,825	219,614	211.83%	4,068,561	2,254,305	80.48%
\$/ per MMBTU consumed	\$ 3.15	\$ 4.38	-27.92%	\$ 3.28	\$ 2.96	10.67%
kWh - gas generated	62,167,767	19,806,393	213.88%	331,680,251	205,277,741	61.58%
Cost per MWh - gas simple	\$ 34.75	\$ 48.54	-28.39%	\$ 40.24	\$ 32.55	23.62%
Cost per MWh - gas & oil ct	\$ 23.88	\$ 22.74	5.03%	\$ 23.45	\$ 22.67	3.43%
Natural gas expense - fixed	\$ 3,488,922	\$ 3,134,796	11.30%	\$ 39,647,144	\$ 37,937,611	4.51%
Total generated power:						
Fuels expense	\$ 30,769,687	\$ 21,011,509	46.44%	\$ 305,500,987	\$ 229,998,561	32.83%
kWh generated	895,006,101	646,737,932	38.39%	8,828,406,704	7,031,548,209	25.55%
Cost per MWh	\$ 34.38	\$ 32.49	5.82%	\$ 34.60	\$ 32.71	5.79%

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

Cost of fuels

Fuel oil #6	\$ 23,805	\$ (199,295)	\$ 4,187,332	\$ 140,538
Natural gas units #1-3 with landfill - variable	6,394,692	2,501,047	58,059,155	46,407,174
Coal	1,736,098	2,223,923	27,903,515	15,898,507
Petcoke	8,322,414	4,491,965	65,286,701	31,882,991
Fuel oil #2	68,391	42,832	3,663,513	841,634
Natural gas - simple cycle (BB & GEC) - variable	3,549,133	1,801,028	20,974,605	11,191,390
Natural gas - combined (BB) - variable	7,186,232	7,015,213	85,779,022	85,698,716
Natural gas - fixed	3,488,922	3,134,796	39,647,144	37,937,611
Total	\$ 30,769,687	\$ 21,011,509	\$ 305,500,987	\$ 229,998,561

	Month September			Year-to-Date September		
	2018	2017	Variance	2018	2017	Variance
Production Statistics (Continued)						
Purchased power:						
<i>Plant Scherer</i>						
Purchases	\$ 8,005,246	\$ 5,683,215	40.86%	\$ 69,026,622	\$ 57,837,508	19.35%
kWh purchased	132,283,000	112,719,000	17.36%	1,124,849,000	1,395,572,000	-19.40%
Cost per MWh	\$ 60.52	\$ 50.42	20.03%	\$ 61.37	\$ 41.44	48.07%
<i>TEA & other</i>						
Purchases	\$ 12,642,903	\$ 6,200,673	103.90%	\$ 109,194,033	\$ 77,456,888	40.97%
kWh purchased	232,109,433	134,817,477	72.17%	2,381,087,510	1,681,154,607	41.63%
Cost per MWh	\$ 54.47	\$ 45.99	18.43%	\$ 45.86	\$ 46.07	-0.47%
<i>SJRPP</i>						
Purchases	\$ 1,592,876	\$ 12,813,513	-87.57%	\$ 56,981,726	\$ 140,161,515	-59.35%
kWh purchased	-	259,520,000	-100.00%	539,759,000	2,559,076,000	-78.91%
Cost per MWh		\$ 49.37		\$ 105.57	\$ 54.77	92.75%
Total purchased power:						
Purchases	\$ 22,241,025	\$ 24,697,401	-9.95%	\$ 235,202,381	\$ 275,455,911	-14.61%
kWh purchased	364,392,433	507,056,477	-28.14%	4,045,695,510	5,635,802,607	-28.21%
Cost per MWh	\$ 61.04	\$ 48.71	25.31%	\$ 58.14	\$ 48.88	18.95%
Subtotal - generated and purchased power:	\$ 53,010,712	\$ 45,708,910	15.97%	\$ 540,703,368	\$ 505,454,472	6.97%
Fuel interchange sales	(20,941)	(444,054)	-95.28%	(1,109,990)	(5,239,757)	-78.82%
Earnings of The Energy Authority	(954,348)	(492,098)	93.93%	(4,078,816)	(4,576,837)	-10.88%
EPA Allowance Purchases	-	-		-	233,775	-100.00%
Realized and Unrealized (Gains) Losses	(455,000)	10,500	-4433.33%	(4,191,460)	322,500	-1399.68%
Fuel procurement and handling	2,473,067	1,310,777	88.67%	13,395,309	11,500,578	16.48%
By product reuse	1,027,730	1,102,733	-6.80%	13,454,765	11,148,504	20.69%
Total generated and net purchased power:						
Cost, net	55,081,220	47,196,768	16.71%	558,173,176	518,843,235	7.58%
kWh generated and purchased	1,259,398,534	1,153,794,409	9.15%	12,874,102,214	12,667,350,816	1.63%
Cost per MWh	\$ 43.74	\$ 40.91	6.92%	\$ 43.36	\$ 40.96	5.85%
Reconciliation:						
Generated and purchased power per above	\$ 55,081,220	\$ 43.74		\$ 558,173,176	\$ 43.36	
SJRPP operating expenses:						
SJRPP O & M	(13,883,560)	(11.02)		(19,050,981)	(1.48)	
SJRPP debt service	(961,003)	(0.76)		(22,395,322)	(1.74)	
SJRPP R & R	(174,414)	(0.14)		4,237,286	0.33	
SCHERER operating expenses:						
Scherer power production	(753,114)	(0.60)		(10,284,309)	(0.80)	
Scherer R & R	(2,906,698)	(2.31)		(22,764,435)	(1.77)	
Scherer transmission	(557,914)	(0.44)		(5,980,659)	(0.46)	
Scherer taxes	(103,051)	(0.08)		(1,279,535)	(0.10)	
Florida and other capacity	(6,776,140)	(5.38)		(13,781,932)	(1.07)	
MEAG	(995,145)	(0.79)		(11,695,767)	(0.91)	
Rounding	-	-		-	-	
Energy expense per budget page	\$ 27,970,181	\$ 22.21		\$ 455,177,522	\$ 35.36	

	Month September		Year-to-Date September	
	2018	2017	2018	2017
MWh sales				
JEA	-	259,520	539,759	2,559,076
FPL saleback	-	161,486	332,467	1,693,082
FPL direct portion	-	105,252	218,056	1,063,040
Total MWh sales	-	526,258	1,090,282	5,315,198
Fuel costs	\$ 494,578	\$ 9,901,583	\$ 33,762,430	\$ 101,626,088
(Includes fuel handling expenses)				
Less interest credits: inventory bank	(15,779)	(17,238)	(89,505)	(126,663)
Plus (less): true-up interest	142	293	4,825	12,172
Total	478,941	9,884,638	33,677,750	101,511,597
Cost per MWh		\$ 38.09	\$ 62.39	\$ 39.67
Operating and maintenance expenses	(16,729)	1,875,296	5,126,771	23,746,233
Less: operations bank interest	(4,753)	(1,554)	(37,370)	(19,613)
Less: annual variable o & m true-up	-	-	3,444	(36,136)
Total	(21,482)	1,873,742	5,092,845	23,690,484
Cost per MWh		\$ 7.22	\$ 9.44	\$ 9.26
Debt service contribution				
Principal	143,333	2,208,073	7,812,969	26,496,885
Interest	933,772	1,349,442	12,150,065	16,193,308
Less credits:				
Reserve Issue 2	-	(196,820)	4,082,537	(2,433,242)
Reserve Issue 3	(14,209)	(11,842)	(253,535)	(155,413)
Debt service Issue 2	-	(104,722)	43,365	(171,274)
Debt service Issue 3	(6,795)	(12,516)	(31,402)	(22,730)
Bond proceeds COB	-	(1,789)	(135,442)	(75,112)
General reserve Issue 2	(354)	(18,562)	(185,851)	(168,595)
General reserve Issue 3	(11,199)	(15,483)	(91,079)	(72,122)
Build America Bonds subsidy	(30,621)	(32,433)	(367,454)	(389,198)
Inventory carrying costs	-	(61,213)	(323,456)	(791,132)
Total	1,013,927	3,102,135	22,700,717	38,411,375
Cost per MWh		\$ 11.95	\$ 42.06	\$ 15.01
R & R contribution	174,414	309,387	2,449,447	3,712,640
Less: interest credit	(52,924)	(90,965)	(252,299)	(821,937)
Less: cumulative capital recovery amount	-	(2,265,424)	(6,686,734)	(26,342,644)
Total	121,490	(2,047,002)	(4,489,586)	(23,451,941)
Cost per MWh		\$ (7.89)	\$ (8.32)	\$ (9.16)
Debt service coverage	-	2,108,000	2,022,000	8,430,000
Transfer to JEA	-	(2,108,000)	(2,022,000)	(8,430,000)
Total	-	-	-	-
Cost per MWh		\$ -	\$ -	\$ -
Total	\$ 1,592,876	\$ 12,813,513	\$ 56,981,726	\$ 140,161,515
kWh purchased	-	259,520,000	539,759,000	2,559,076,000
Cost per MWh		\$ 49.37	\$ 105.57	\$ 54.77

III. A.

Appendix D

Monthly Financial and Operations Detail

[Return to Agenda](#)

III. A.
Appendix D
10/16/2018

Operations Update

as of September 30, 2018

Board of Directors









October 16, 2018



Electric System Update



Electric Monthly Operations Scorecard

Electric System	FY2017	FY2018 Goal	FY2018	Status
JEA Safety RIR	2.0	1.40	1.48	
Sales Forecast (million MWh)	12.1	12.4	12.4	
T&D Grid Performance Customer Outage				
<i>Frequency (outages/year)</i>	1.6	1.8	1.4	
<i>Electric Outage Duration (minutes/year)</i>	99.5	80	67	
<i>Transmission Line Faults (# per 100 miles)</i>	1.9	2.5	2.2	
<i>CEMI₅ (% cust. > 5 outages/year)</i>	1.07	1.0	0.4	
Generating Plant Performance				
<i>Generation Fleet Reliability (forced outages rate)</i>	2.17	2.3	2.1	
<i>Environmental Compliance (permit exceedances)</i>	6	5	2	

Significant Occurrences or Concerns This Month

- Outage duration running high due to storms. JEA launched a new program this year aimed at reducing outage duration.
- The JEA fleet Forced Outage Rate has been running in line with prior 6-year performance.
- Started FY18 with a set of unit issues in October. November through September have been much better.



Electric System: Financial Results and Cost Metrics

(\$ in thousands)

Revenues	FY18 Actual	FY17 Actual	FY18 Budget	FY18 vs FY17 (%)	Variance (%)
Fuel Revenue	\$398,293	\$394,188 ¹	\$397,761	\$4,105	1.0%
Base Revenue	772,155	750,330 ¹	772,652	21,825	2.9%
Other Revenue	37,174	45,938	39,650	(8,764)	(19.1%)
Total Revenues	\$1,207,622	\$1,190,456	\$1,210,063	\$17,166	1.4%
(\$2m)					
Select Expenses					
Fuel Expense	\$455,633	\$442,588	\$430,561	(\$13,045)	(2.9%)
Fuel Fund Transfers	(57,339)	(48,400)	(32,800)	8,939	
O & M Expense	207,551	199,470	228,801	(8,081)	(4.1%)
Non-fuel Purchased Power	140,575 ⁴	76,260	85,372	(64,315)	(84.3%)
Net Revenues	\$449,545	\$517,074	\$492,947	(\$67,528)	(13.1%)
(\$43m)					
Capital Expenditures	\$174,320 ³	\$134,782	\$205,195 ²	(\$39,538)	(29.3%)
Debt Service	\$196,288	\$204,477	\$204,971	\$8,189	4.0%

Electric Costs/MWh	Non-Fuel
Target	\$56.88
Actual	55.34
Difference	\$1.54

Fuel Fund	(\$ in millions)
Beginning Balance	\$131.7
Surplus/Defecit	(57.3)
Ending Balance	\$74.4

Financial Metrics	FY18 Actual
Coverage:	2.3x
Days Liquidity/Cash:	317 / 219
Debt/Asset:	71%
Total Debt:	\$2.4B (\$326m lower)



¹ Includes rate change in December 2016

² Council approved limit for capital expenditures in FY18 is \$205 million

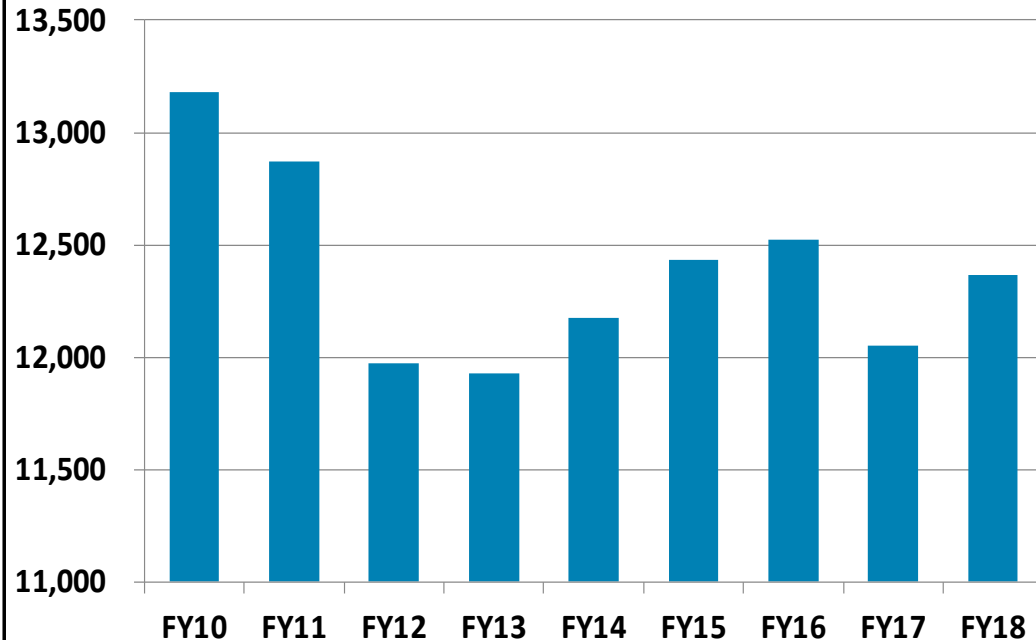
³ Includes \$28 million for Solar Land purchase

⁴ Includes \$40 million contribution to Rate Stabilization – Non-fuel Purchased Power for Plant Vogtle

Electric System: MWh Sales

MWh Sales

(in Thousands)



Month	FY18	FY17	%
Oct	1,065,925	951,426	12.0%
Nov	833,994	863,238	(3.4%)
Dec	989,619	905,219	9.3%
Jan	1,205,005	932,807	29.2%
Feb	733,718	759,141	(3.3%)
Mar	889,143	914,242	(2.7%)
Apr	855,216	933,563	(8.4%)
May	1,050,255	1,084,832	(3.2%)
Jun	1,124,820	1,094,475	2.8%
Jul	1,170,996	1,298,608	(9.8%)
Aug	1,249,276	1,260,217	(0.9%)
Sep	1,196,374	1,052,365	13.7%
Total	12,364,339	12,050,133	2.6%

Unit Sales Driver: FY18 MWh increase due to a colder winter, evidenced by 13.9% increase in Degree Days.



YTD Degree Days		
30-yr. Avg.	FY18	FY17
4,014	4,256	3,737

YTD Customer Accounts		
FY18	FY17	%
466,411	458,953	1.6%

Total System	2.6%
Residential	6.0%
Comm./Industrial	0.71%
Interruptible	8.2%
Wholesale (FPU)	(74.3%)

FY 2018 Performing Objectives

Electric Systems Reliability Metrics

T&D Grid Performance	Metric	FY2018	FY2018 Target	FY2017	FY2016
Customer Outage Frequency	# of Outages per Year	1.4	1.8	1.55	1.4
Electric Outage Duration	# of Minutes out per Year	67	80	99.5	71
Transmission Line Faults	# of Faults per 100 miles	2.2	2.5	1.9	0.7
CEMI ₅	% Customers > 5 outages per yr	0.4	1.0	1.07	1.4

Electric Service Reliability

- Outage frequency and duration have been reduced significantly over the last 8 years; running flat over last several years
- The typical JEA customer sees 1.4 outages per year and a total outage duration of about 67 minutes
- Improvement trend over past three years for CEMI₅. 1,949 (0.40%) of our customers have experienced more than 5 outages in the past 12 months

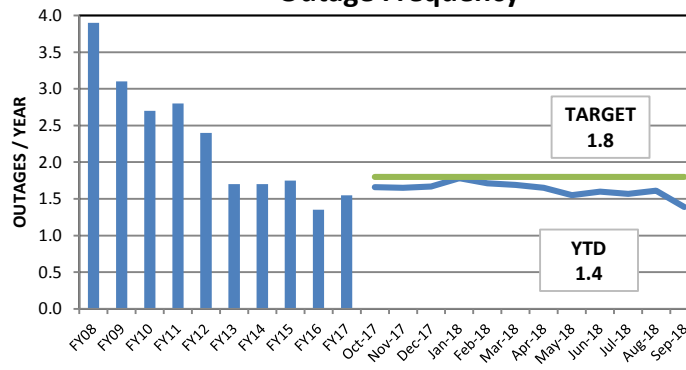
Transmission Line Reliability

- Overall downward trend over the last eight years
- FY18 (2.2) is better than target.

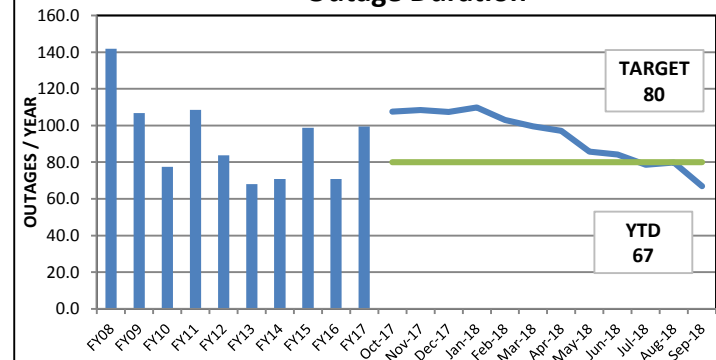
Other Operational Metrics

- Continue showing favorable trends over time

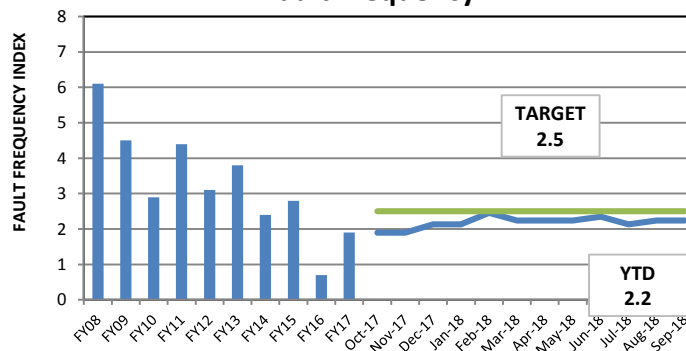
Electric Service Reliability Outage Frequency



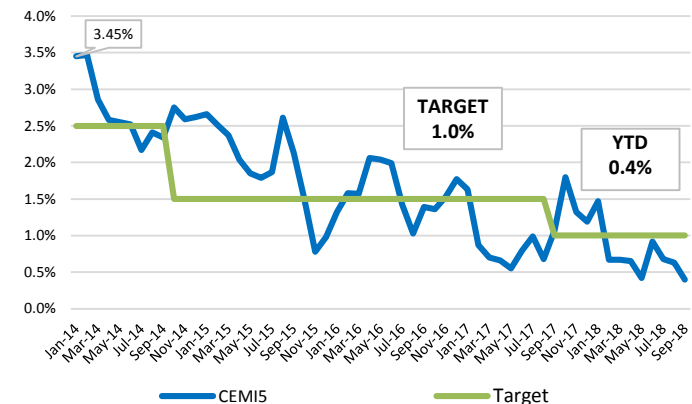
Electric Service Reliability Outage Duration



Transmission Line Reliability Fault Frequency



CEMI-5

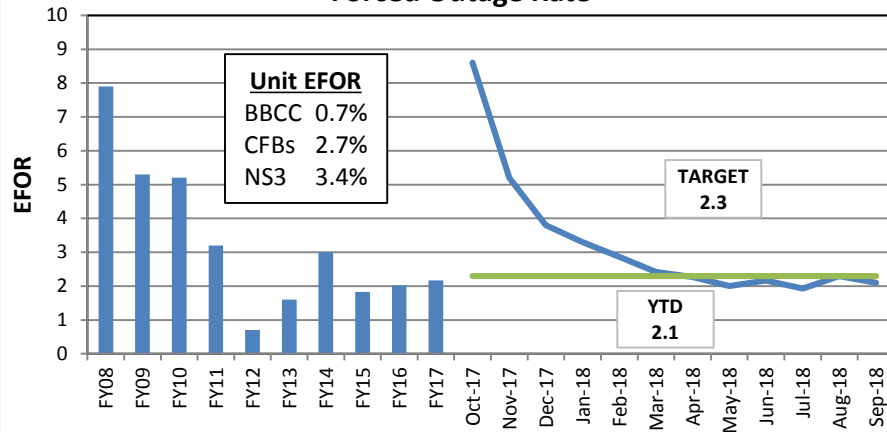


JEA FY 2018 Performing Objectives

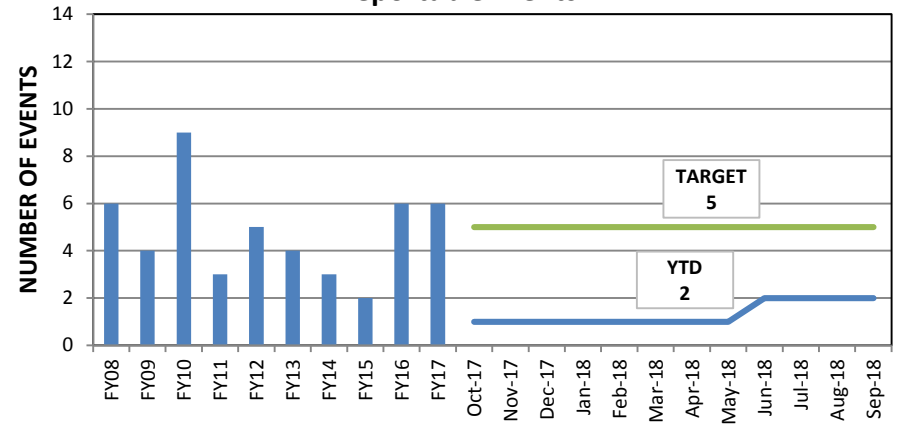
Electric Systems Reliability Metrics

Generating Plant Performance	Metric	FY2018	FY2018 Target	FY2017	FY2016
Generation Fleet Reliability	Forced Outages Rate	2.1	2.3	2.17	2.0
Environmental Compliance	Permit Exceedances	2	5	6	6

JEA Fleet Reliability
Forced Outage Rate



Environmental Compliance
Reportable Events



Generating Fleet Reliability

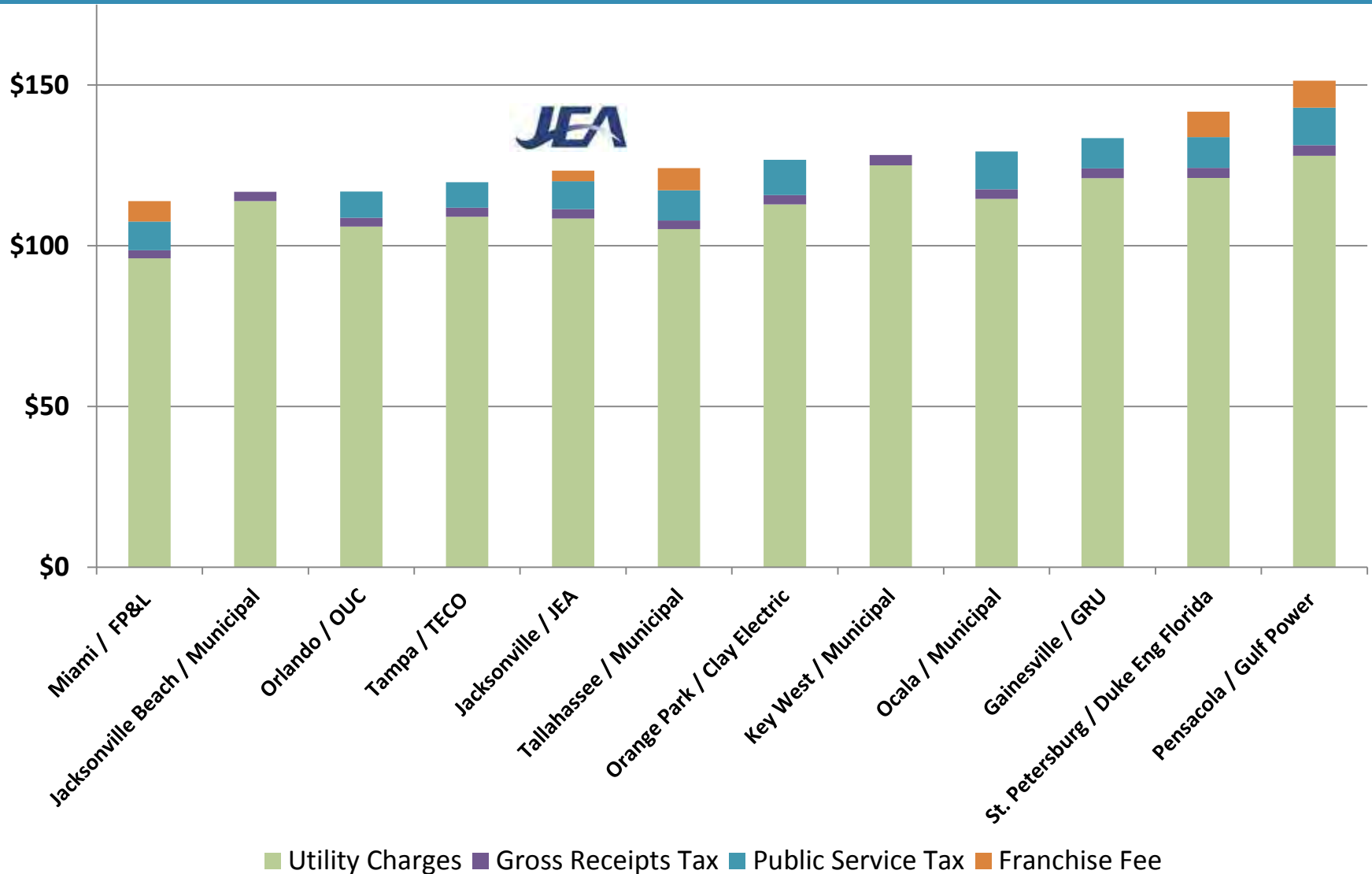
- The JEA fleet Forced Outage Rate has been running in line with prior 6-year performance and currently running slightly better than the FY2018 target.
- Started FY18 with a set of unit issues in October. Fleet performance during the subsequent months has been much better.
- High unit reliability contributes to lower fuel and non-fuel expenses.

Environmental Compliance

- Excellent environmental performance in prior years. No air permit exceedances occurred in FY16 or FY17.
- We experienced 2 reportable events at Northside thus far during FY2018.
- JEA remains actively engaged in and preparing for all new and emerging environmental regulations.

Florida Utilities Monthly Residential Electric Bill Comparison







(Consumption @ 1,000 kWh)
Residential Rates as of September 2018



Water/Wastewater Update



Water & Wastewater Monthly Operations Scorecard

Water & Wastewater	FY2017	FY2018 Goal	FY2018	Status
JEA Safety RIR	2.0	1.40	1.48	
Water Sales Forecast (kGals in 1000's)	37,245	37,615	36,187	
Water Unplanned Outages (# cust.)	4,893	9,000	16,731	
CUP Compliance	Yes	Yes	Yes	
Nitrogen to the River (tons)	558	550	552	
Sanitary Sewer Overflows (SSO's)	57*	30	34	

Significant Occurrences or Concerns This Month

- Three (3) OSHA recordable safety incidents for JEA in the month of August
- Unplanned Water Main Outages: 118 customers experienced an outage in the month of September
- CUP: Average daily flow of 113 MGD was 16% below CY limit of 135 MGD; reclaimed usage at 17 MGD
- Nitrogen to River: 552 tons due to high flows in October, repairs at Buckman post-hurricane, and construction at Arlington East for a clarifier addition; JEA has a limit of 683 tons per year and provides the COJ with 37 tons
- SSO's Impacting Waters of the US: 34 YTD, root cause analysis is performed on each SSO

Water and Sewer System: Financial Results and Cost Metrics

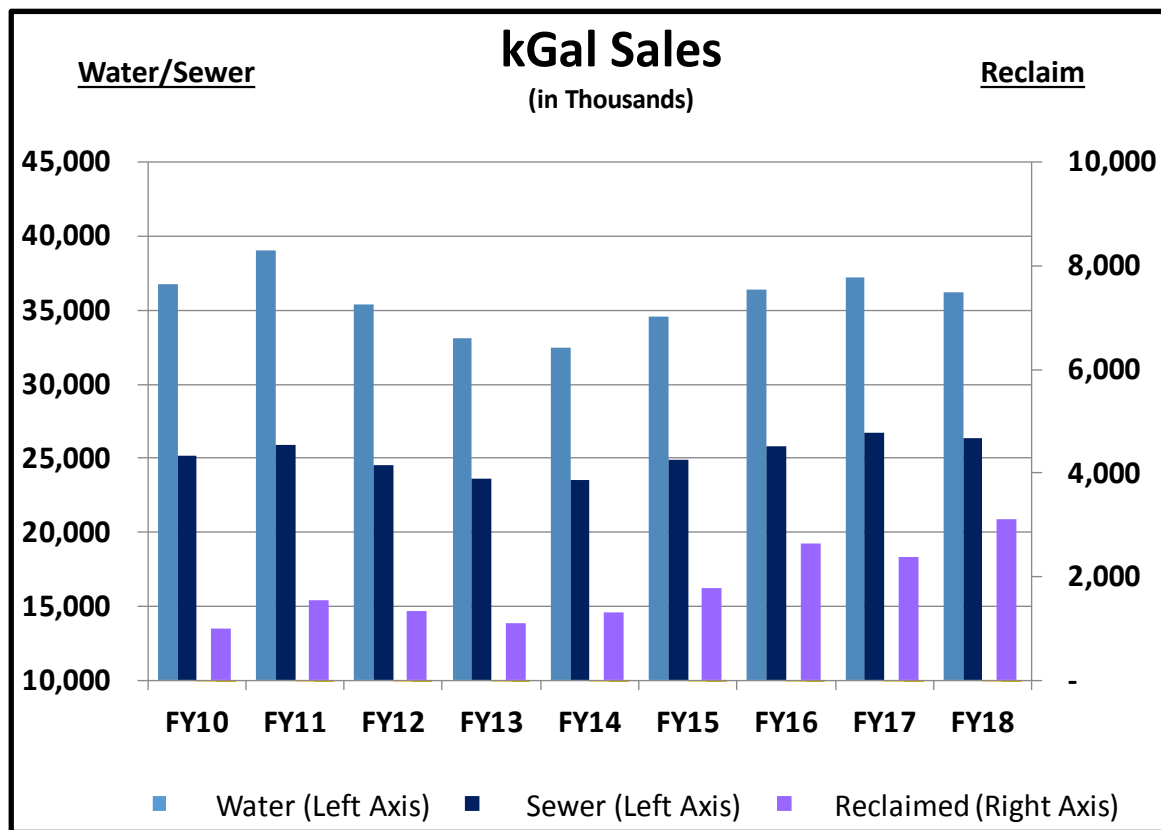
(\$ in thousands)

Revenues	FY18 Actual	FY17 Actual	FY18 Budget	FY18 vs FY17 (\$)	Variance (%)
Water & Sewer Revenues	\$421,937	\$424,594	\$438,619	(\$2,657)	(0.6%)
Other Revenue	70,902	43,204	59,946	27,698	64.1%
Total Revenues	\$492,839	\$467,798	\$498,565	\$25,041	5.4%
<div> <div></div> <div>(\$6m)</div> <div></div> </div>					
Select Expenses					
O&M Expense	\$147,334	\$139,447	\$153,394	(\$7,887)	(5.7%)
Net Revenues	\$344,913	\$337,469	\$342,030	\$7,444	2.2%
<div> <div></div> <div>\$3m</div> <div></div> </div>					
Capital Expenditures	\$199,314	\$187,593	\$236,500 ¹	(\$11,721)	(6.2%)
Debt Service	\$111,407	\$112,791	\$116,948	\$1,384	1.2%

Cost/Kgal	Water	Sewer
Target	\$4.40	\$9.85
Actual	4.65	10.07
Difference	(\$0.25)	(\$0.22)

Metrics	FY18 Actual
Coverage:	2.8x
Days Liquidity/Cash:	548 / 454
Debt/Asset:	50%
Total Debt:	\$1.5B (\$74m lower)

Water and Sewer System: kGal Sales



Month	FY18	FY17	%
Oct	2,992	3,129	(4.4%)
Nov	3,037	3,068	(1.0%)
Dec	2,883	2,923	(1.4%)
Jan	2,790	2,768	0.8%
Feb	2,553	2,624	(2.7%)
Mar	3,191	3,168	0.7%
Apr	3,006	3,476	(13.5%)
May	3,270	3,736	(12.5%)
Jun	3,001	2,833	5.9%
Jul	3,133	3,480	(10.0%)
Aug	3,157	3,043	3.7%
Sep	3,174	2,998	5.9%
Total	36,187	37,246	(2.8%)

Unit Sales Driver: FY18 rain days up 22.0 days. Irrigation for FY18 down 15.9% versus FY17.

YTD Customer Accounts			
	FY18	FY17	%
Water	348,159	341,016	2.1%
Sewer	270,871	264,336	2.5%
Reclaimed	11,498	9,391	22.4%

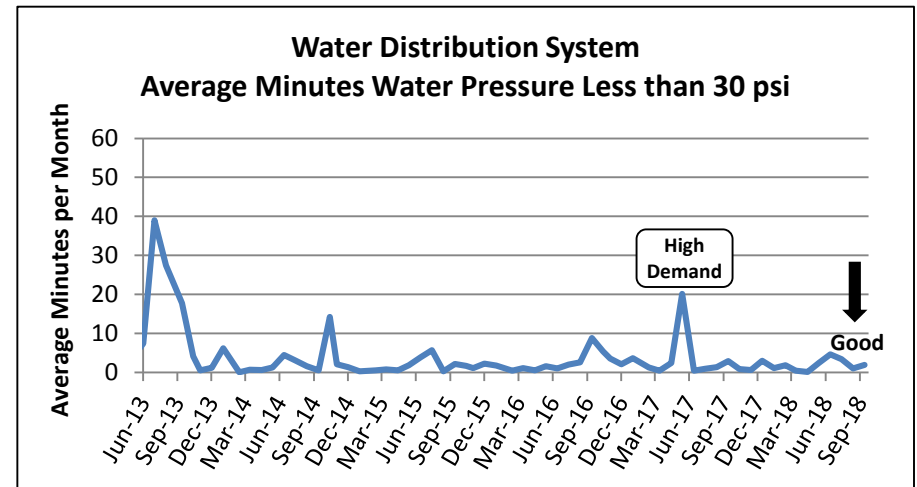
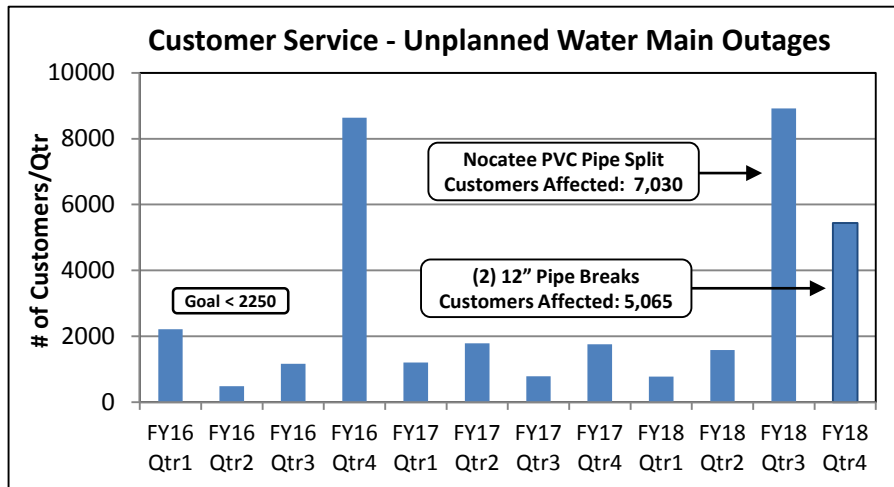
YTD Rainfall			
	30-Yr. Avg.	FY18	FY17
Inches	52.4	57.4	72.9
Days	113.6	120.0	98.0

Total System	(2.8%)
Residential	(3.9%)
Comm./Industrial	4.6%
Irrigation	(15.9%)

Customer Reliability

Water and Wastewater System

Water Grid Performance	Metric	FY2018	FY2018 Target	FY2017	FY2016
Water Main Outages	# of Customers per Year	16,731	9,000	4,893	12,735



Unplanned Water Outages

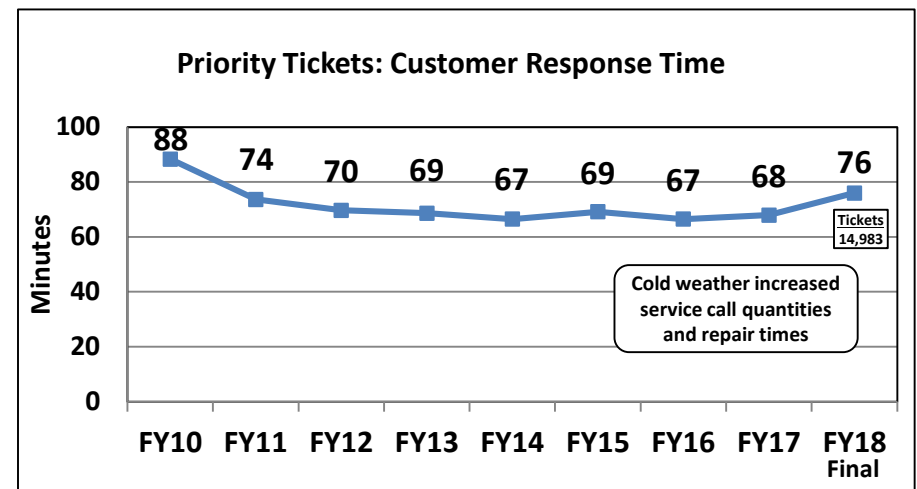
Number of customers affected by unplanned outages

Water Pressure (minutes per month < 30 psi)

Measured by 130 pressure monitoring stations in the distribution system. Pressure must be greater than 30 psi, and is expected to be greater than 50 psi.

Customer Response Time

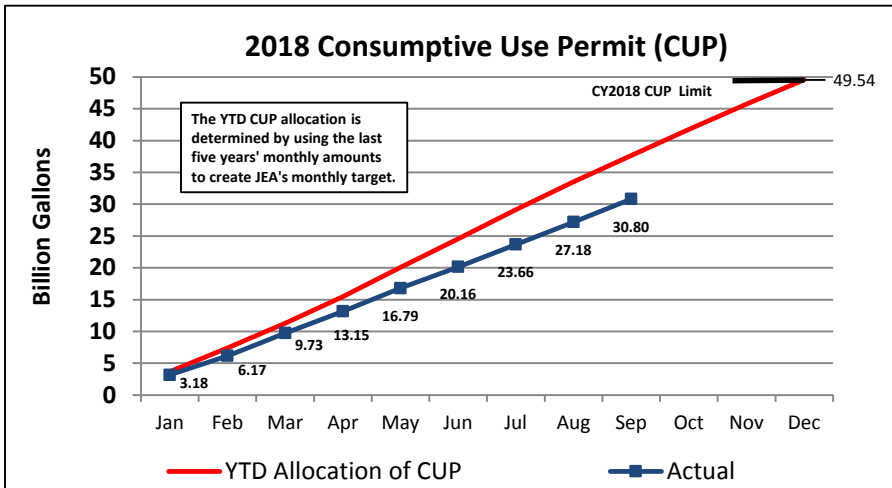
Average time from a customer call to the ticket completion or transfer to a field crew for a more extensive repair



Environmental Compliance

Water System – Consumptive Use Permit (CUP)

Compliance	Metric – CY Basis	CY2018	2018 Target	2017	2016	2015
Water	CUP Limits (MGD)	113	135 limit	114 (133 limit)	112 (131 limit)	107 (129 limit)
South Grid	Wellfield Allocation (MGD)	47.34	< 50.23 limit	48.62 (<50.23 limit)	52.95 (<50.23 limit)	47.50 (<50.23 limit)
Reclaim	Usage (MGD)	17.16	17	20	16	13



CUP Condition 44: South Grid Wellfield Allocation Limits

Actuals							Post Sep -14 Limit
Critical Wellfields	2013	2014	2015	2016	2017	CY 2018	
Deerwood III	6.96	7.01	6.67	7.88	7.64	7.29	7.00
Ridenour	5.97	6.39	6.66	7.64	6.68	6.57	6.85
Oakridge	8.78	6.23	4.99	5.79	5.49	6.03	5.65
Greenland		1.53	4.27	4.16	3.99	4.34	4.53
Brierwood	5.58	4.53	2.84	3.36	2.98	2.51	3.02
Subtotal	27.29	25.69	25.43	28.83	26.78	26.74	27.05
Other Wellfields	22.21	20.92	22.07	24.12	21.85	20.60	23.18
Total South Grid	49.50	46.61	47.50	52.95	48.62	47.34	50.23
Total System ADF MGD	100	104	107	112	114	113	135

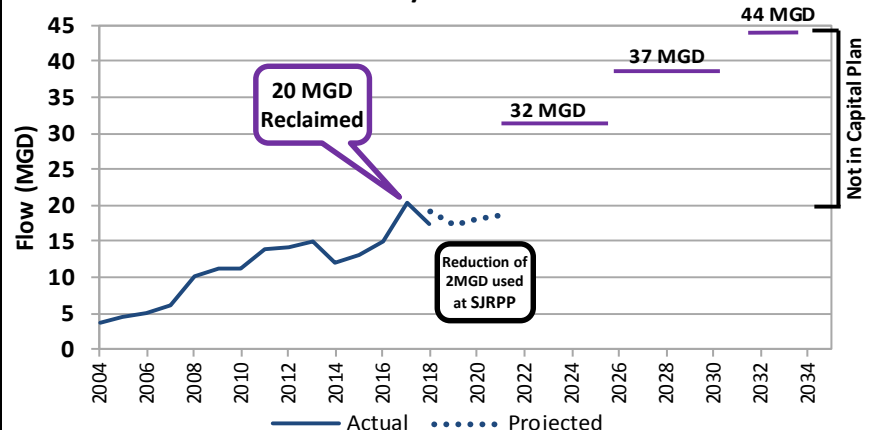
St. Johns River Water Management District CUP

Condition 12: YTD average daily flow is 16% below CY limit of 135 MGD

Condition 44: South Grid Wellfields are 6% below the base limit in CY18, and have annual operational flexibility of 20% above allocation limits.

Conditions 37/38: Use of reclaimed water "to the maximum extent technologically, economically, and environmentally feasible". The annual CUP limit continues to increase beginning in FY21 if 32 MGD is achieved.

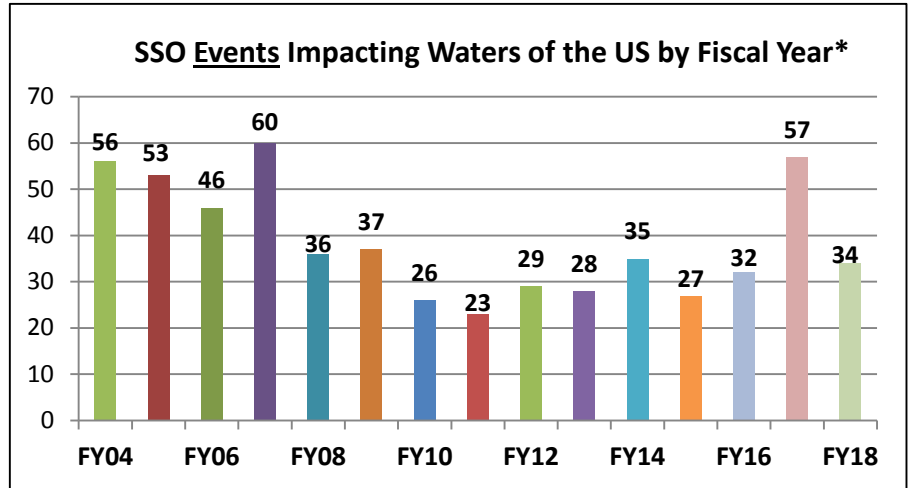
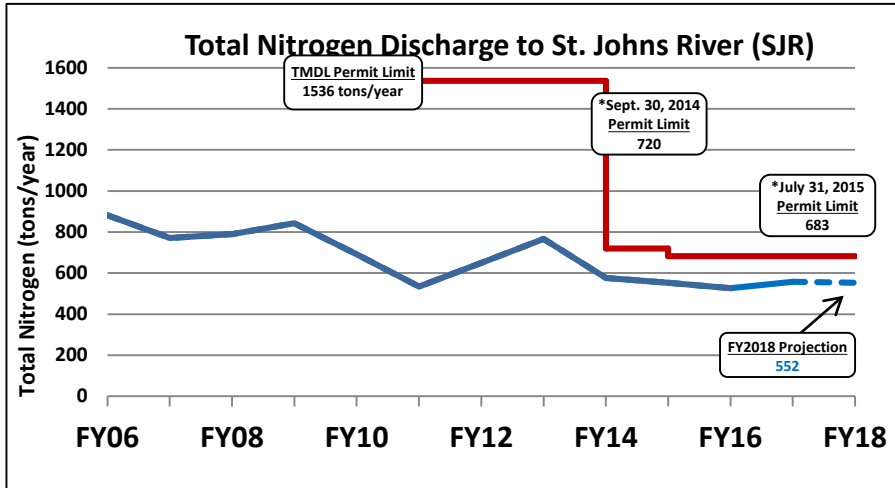
CUP Conditions 37/38: Reclaimed Water Use



Environmental Compliance

Wastewater System

Compliance	Metric	FY2018	FY2018 Target	FY2017	FY2016
Sewer	Nitrogen (N) Tons – FY basis	552	550	558 (TMDL of 683*)	527 (TMDL of 683*)
Sewer	SSOs – US Waters	34	30	57	32

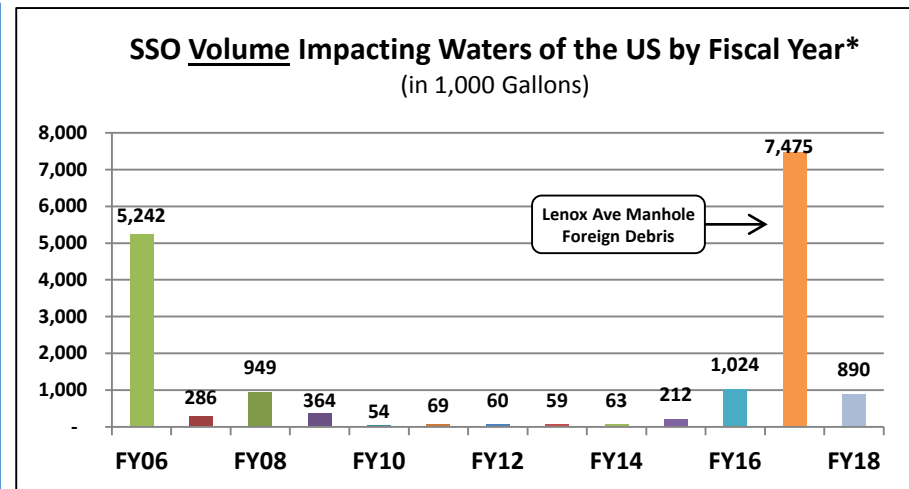


Nitrogen Discharge to St. Johns River

- Total Maximum Daily Load (TMDL) is 683 tons (rolling 12 month total).
- FY18 projection is 552 tons supported by treatment efficiency during warm weather periods.

Sanitary Sewer Overflows (SSOs to US Waters)

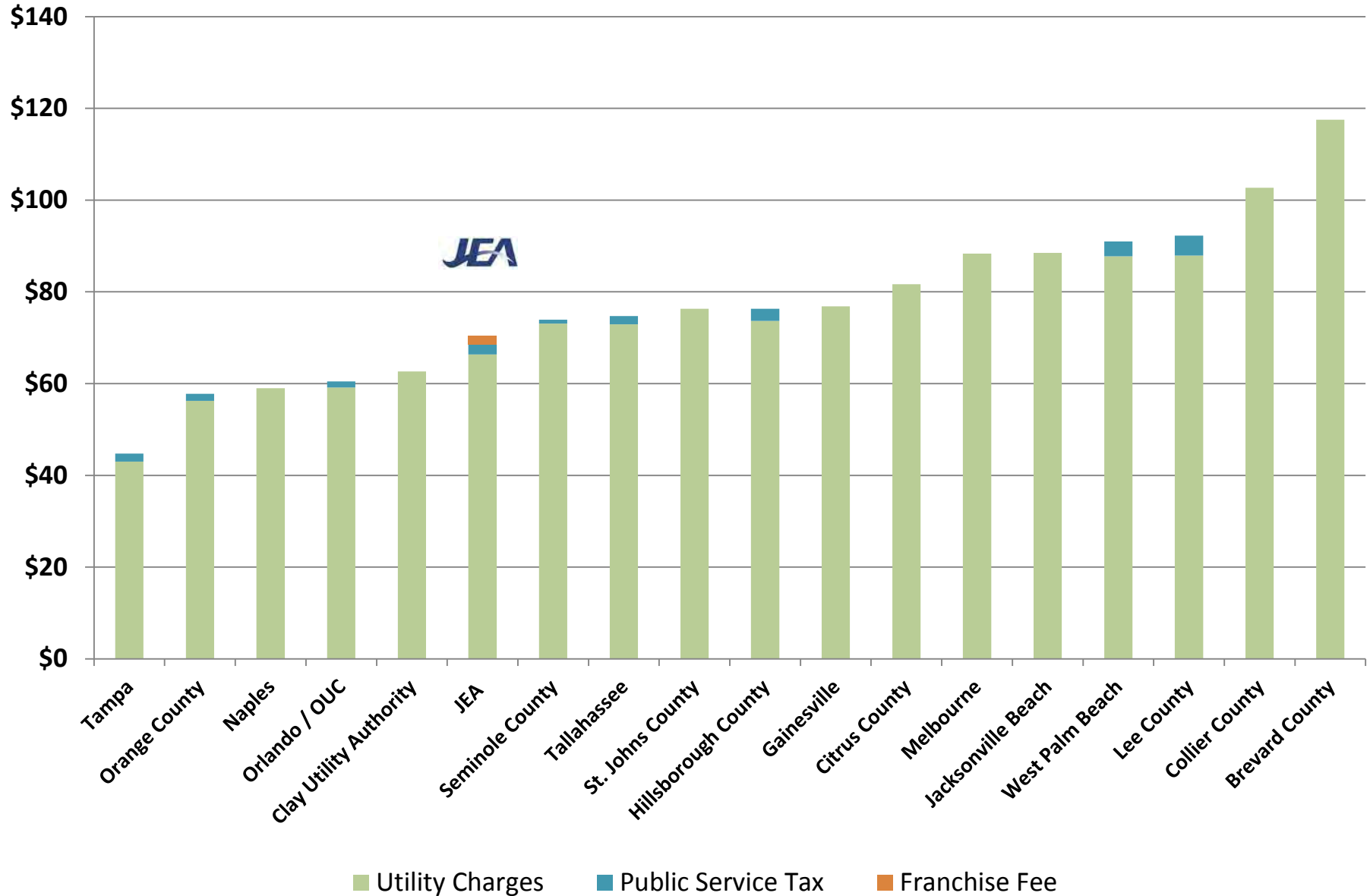
- FY04 – FY07: 54 per year average
- FY08-FY16: 30 per year average
- Thirty-Four (34) SSO's impacting US Waters during FY18



*Aligned with the PSC Rule for Electric Reliability Reporting, the Operational Metrics will exclude the impact of all service interruptions associated with a storm named by the National Hurricane Center.

Water & Sewer Rates in Florida

Residential Service with a 5/8" meter and 6 kgals of Consumption
Residential Rates as of September 2018



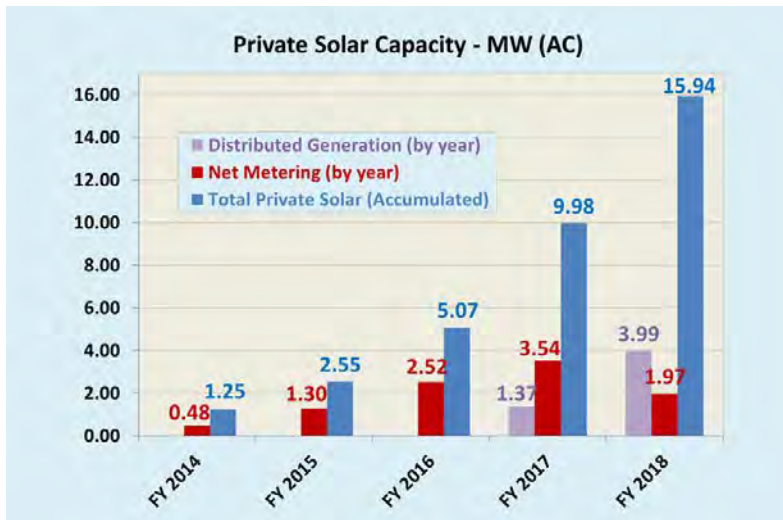
Customer Experience Update



Customer Experience Monthly Operations Scorecard

Customer Experience	FY2016	FY2017	FY2018	Status
JDP Customer Satisfaction Index - Residential	2 nd Q	1 st Q	2 nd Q	●
JDP Customer Satisfaction Index - Business	1 st Q	1 st Q	1 st Q	●
Overall First Contact Resolution Index	79.4%	79.4%	78.9%	●
Self Service Utilization	76.0%	79.6%	82.0%	●
Net Write-Offs	0.14%	0.15%	0.13%	●

Significant Occurrences or Concerns This Month



New Residential Solar 2017 vs. 2018							
	Apr	May	Jun	Jul	Aug	Sep	Total
2017	20	46	37	28	32	15	178
2018	33	18	17	17	15	15	115

New Solar + Battery Incentive Program							
	Apr	May	Jun	Jul	Aug	Sep	Total
2018	9	5	3	2	0	1	20



FY19 Customer Satisfaction Goal

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

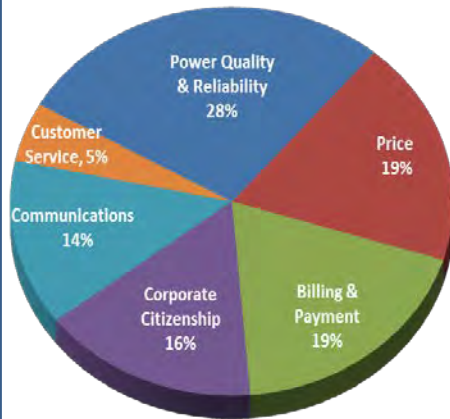
Residential (R)

FY17	FY18	Per 1	Per 2	Per 3	Per 4	YTD 19
1Q 747	2Q 737	2Q 750				2Q 750

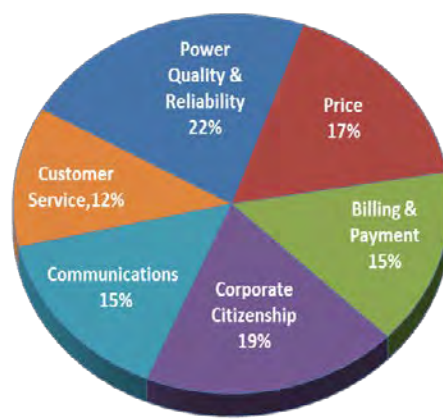
Business (B)

FY17	FY18	Per 1	Per 2	YTD 19
1Q 779	1Q 802			

Residential



Business



FY19 Residential # of companies ranked: 142

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

	FY18	Per 1	Per 2	Per 3	Per 4	YTD 19
R	2Q 788	1Q 849				1Q 849
B	1Q 843					

Power Quality & Reliability

	FY18	Per 1	Per 2	Per 3	Per 4	YTD 19
R	2Q 781	2Q 792				2Q 792
B	1Q 823					

Empower Customers to Make Informed Decisions

Billing & Payment

	FY18	Per 1	Per 2	Per 3	Per 4	YTD 19
R	2Q 794	2Q 811				2Q 811
B	1Q 844					

Communication

	FY18	Per 1	Per 2	Per 3	Per 4	YTD 19
R	1Q 696	2Q 695				2Q 695
B	1Q 796					

Price

	FY18	Per 1	Per 2	Per 3	Per 4	YTD 19
R	2Q 675	1Q 706				1Q 706
B	1Q 760					

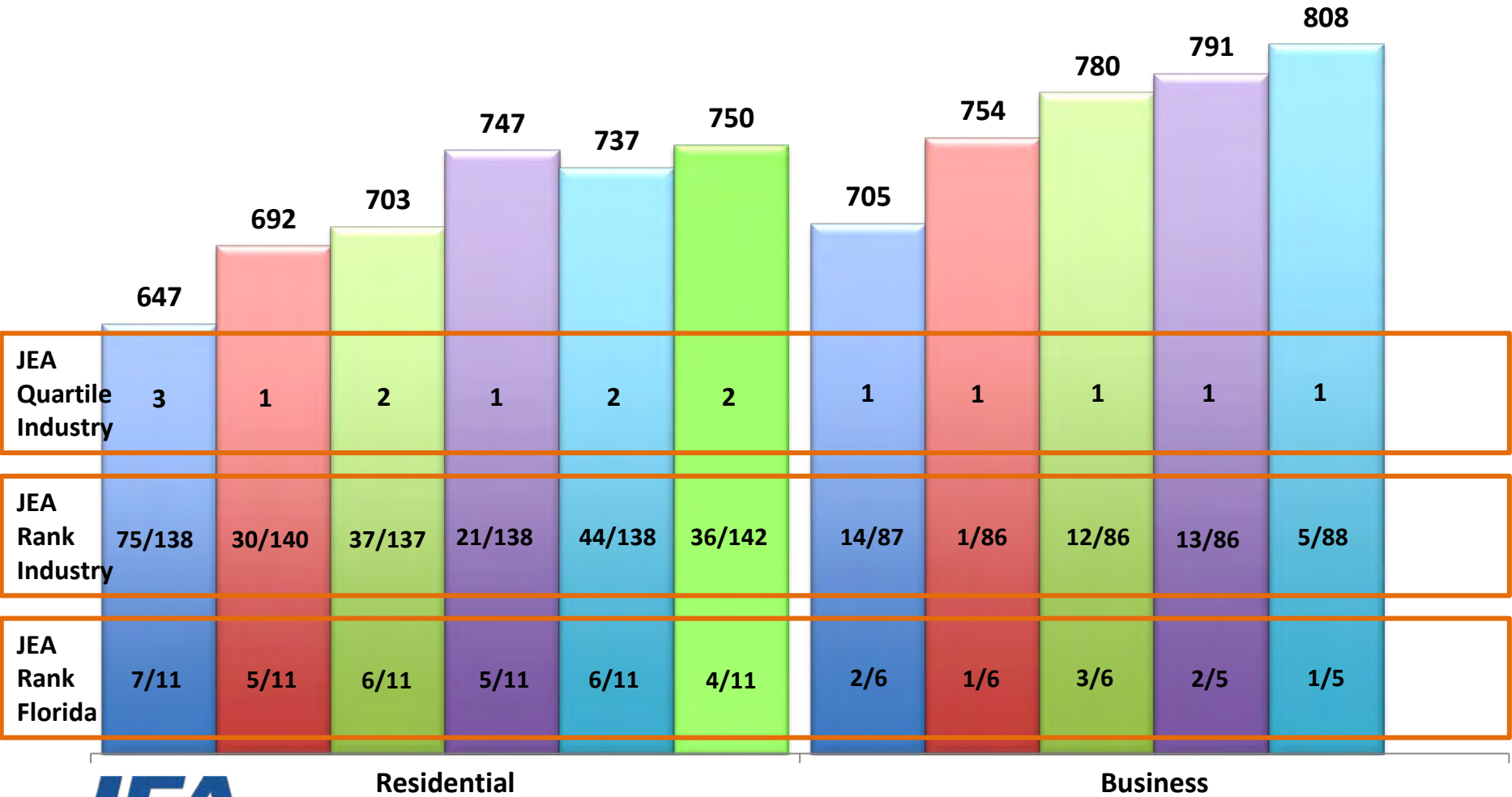
Demonstrate Community Responsibility

Corporate Citizenship

	FY18	Per 1	Per 2	Per 3	Per 4	YTD 19
R	2Q 684	2Q 682				2Q 682
B	1Q 765					

Customer Satisfaction Index Scores by Study Year

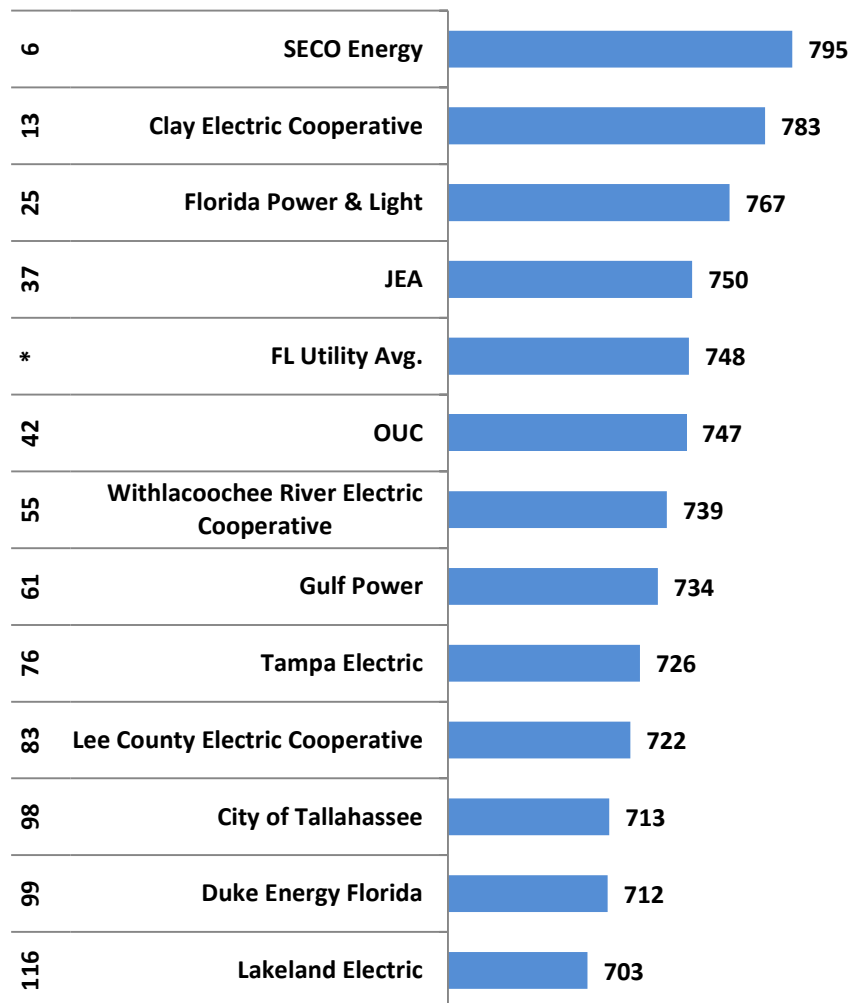
2014 2015 2016 2017 2018 2019



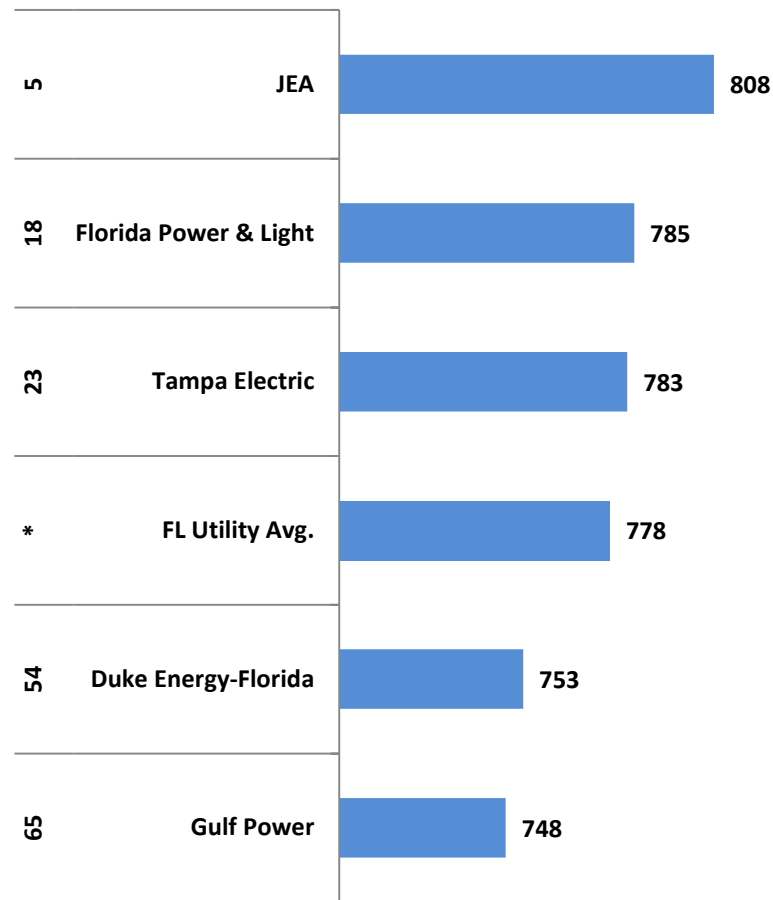
* FY19 Residential W1 YTD

Customer Satisfaction Index Scores – Florida Utilities

Residential 2019 WV1



Business 2018 W1



Financial Update



Key Financial Metrics

Electric System	FY2018	FY2017	Target	Result
Debt Service Coverage	2.3x	2.5x	$\geq 2.2x$	✓
Days Liquidity	317	337	150 to 250 days ¹	✓
<i>Days Cash on Hand</i>	219	234		✓
Debt to Asset %	71%	66%	52% ²	✓

Water and Sewer System	FY2018	FY2017	Target	Result
Debt Service Coverage	2.8x	3.0x	$\geq 1.8x$	✓
Days Liquidity	548	596	150 to 250 days ¹	✓
<i>Days Cash on Hand</i>	454	496		✓
Debt to Asset %	50% ⁴	53%	49% ³	✓

¹ Moody's Aa benchmark: 150 to 250 days










² Long-term target is 52.1%: per Moody's Sector In-Depth Report "Public Power Medians – Sound metrics signal stability as carbon challenges loom", Sept. 2017

³ Long-term target is 49%: calculated peer group from Moody's 214 Aa rated public water-sewer utilities, Dec. 2016











⁴ Revised ratio calculation and inclusion of SJRPP impairment

Financial Results and Cost Metrics

Electric System Metrics

	Rating Agency/ Perform. Goal	FY18 Actual	Score
System Sales (GWh)	12,000	12,364	
Base Revenue Growth	0.5%	2.9%	
Debt Svc. Coverage	2.2x	2.3x	
Days Liquidity (Cash)	280 (180)	317 (219)	
Debt/Asset % ¹	71%	71%	
Non-Fuel/MWh	\$56.88	\$55.34	
Net Funded Debt Reduction	\$135m	\$157m	
Capital Expenditures	\$205m	\$174m	
Moody's/S&P/Fitch	Aa2/AA-/AA	Aa2/A+/AA	

Water and Sewer Systems Metrics

	Rating Agency/ Perform. Goal	FY18 Actual	Score
Water System Sales (kGals)	37,615	36,187	
Base Revenue Growth	1.5%	-0.6%	
Debt Svc. Coverage	2.7x	2.8x	
Days Liquidity (Cash)	502 (404)	548 (454)	
Debt/Asset % ¹	49%	50%	
Water Cost/kgal	\$4.40	\$4.65	
Sewer Cost/kgal	\$9.85	\$10.07	
Net Funded Debt Reduction	\$50m	\$70m	
Capital Expenditures	\$215m	\$199m	
Moody's/S&P/Fitch	Aa2/AA/AA	Aa2/AAA/AA	

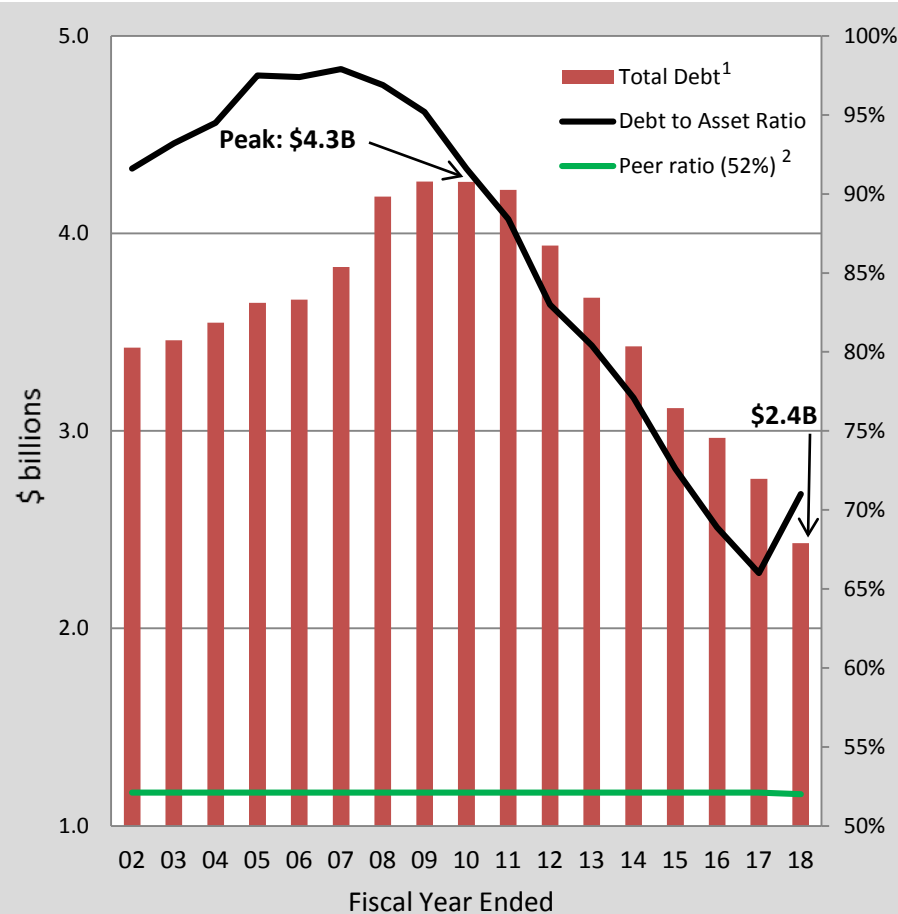
Significant Occurrences or Concerns This Month

- Electric System Sales were 2.6% above 2017, due to a colder winter, evidenced by 13.9% increase in Degree Days.

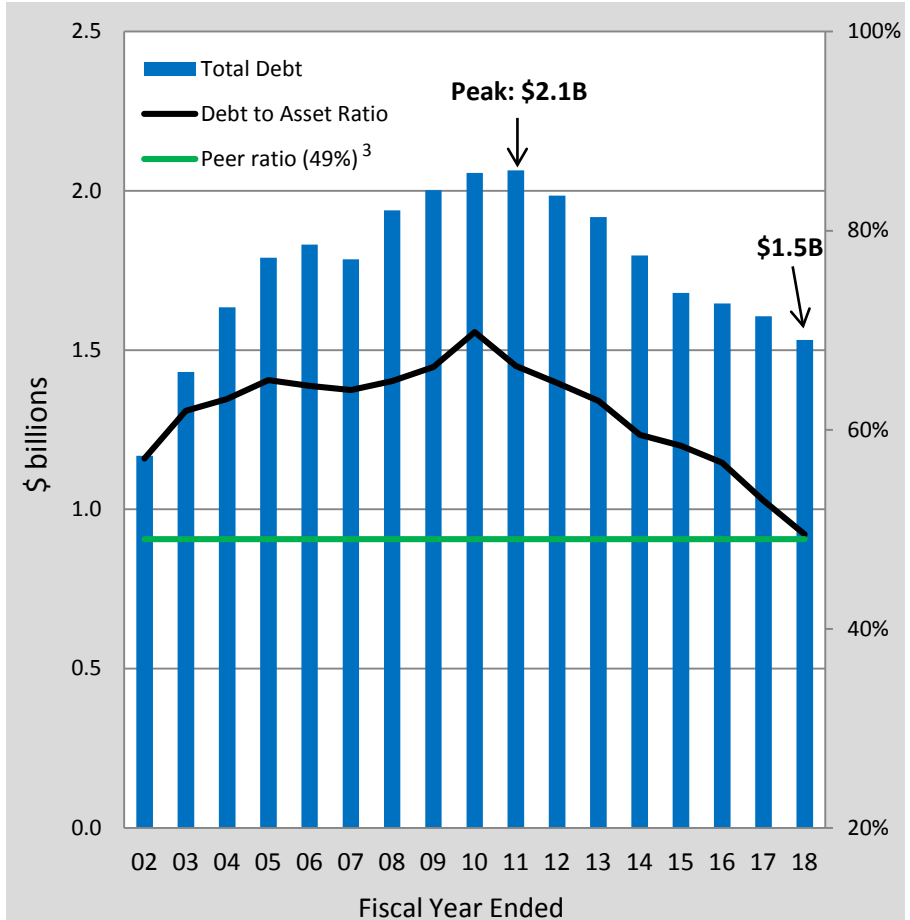
¹ Revised ratio calculation and inclusion of SJRPP impairment

Debt and Debt to Asset Ratios

Electric System



Water and Sewer System



¹ Includes JEA, Scherer and SJRPP

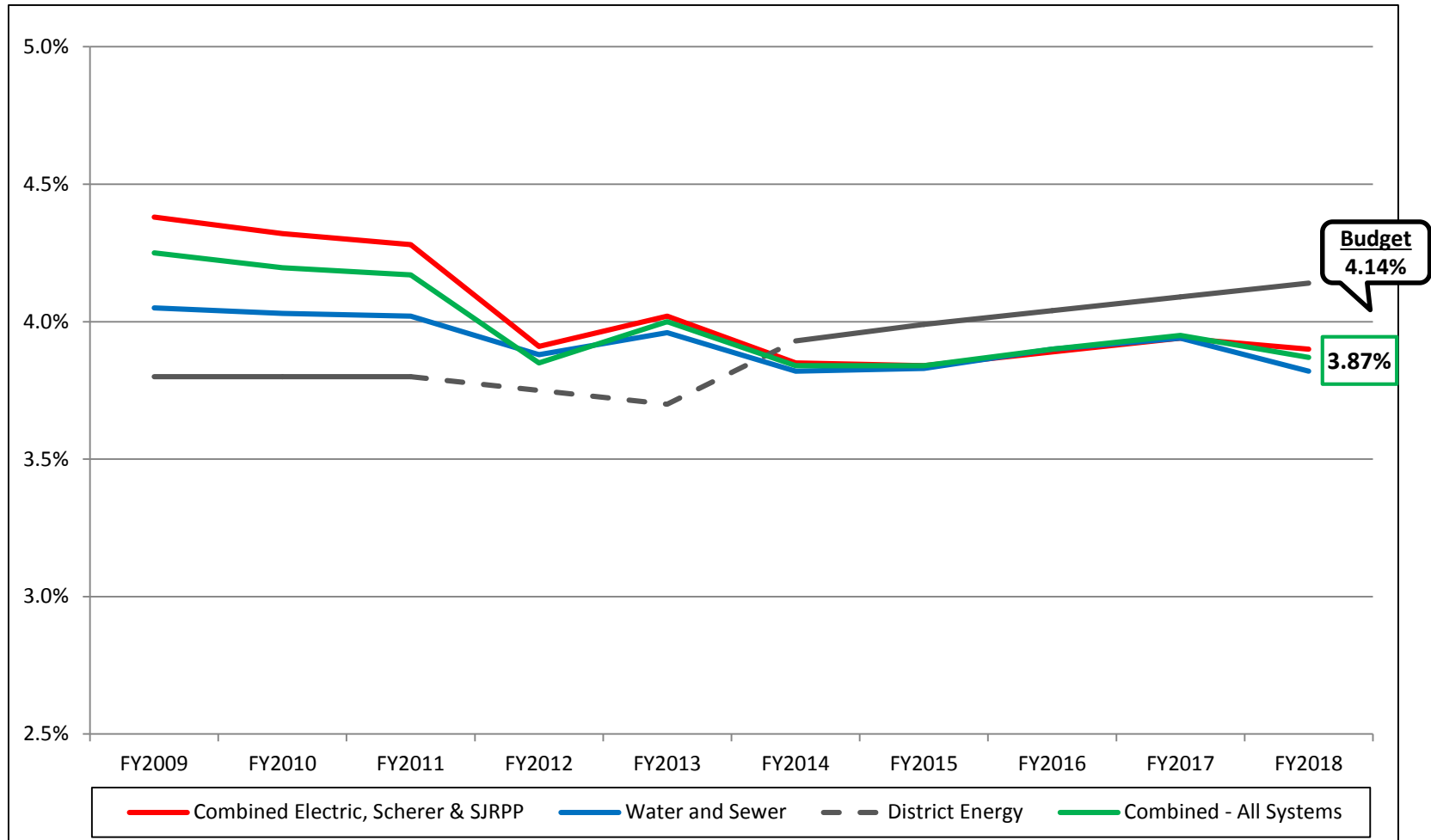
² Per Moody's Sector In-Depth Report "Public Power Medians – Sound metrics signal stability as carbon challenges loom", Sept. 2017

³ As calculated from Moody's Municipal Financial Ratio Analysis database of 209 Aa rated public water-sewer utilities, Jan. 10, 2017

⁴ Changes to the Debt to Asset Ratio for both Electric and Water and Sewer Systems reflect a new calculation methodology published by Moody's

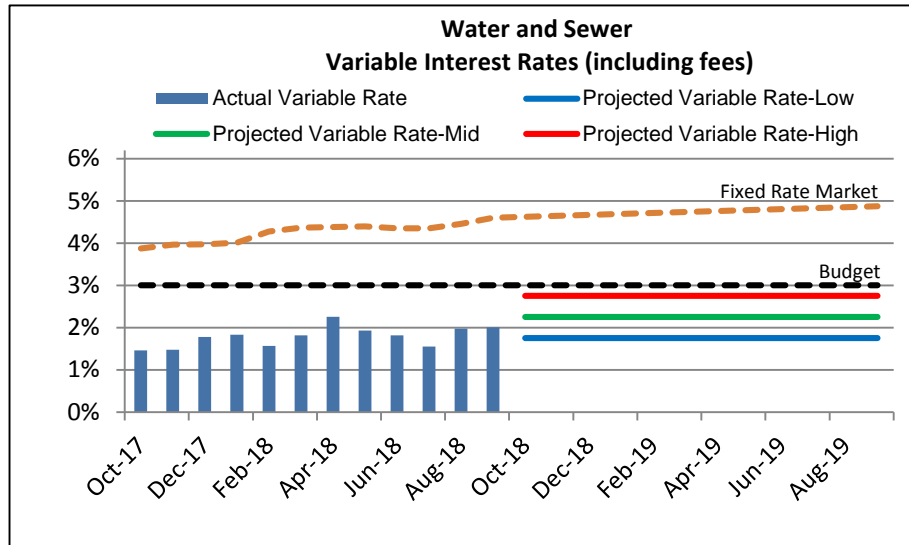
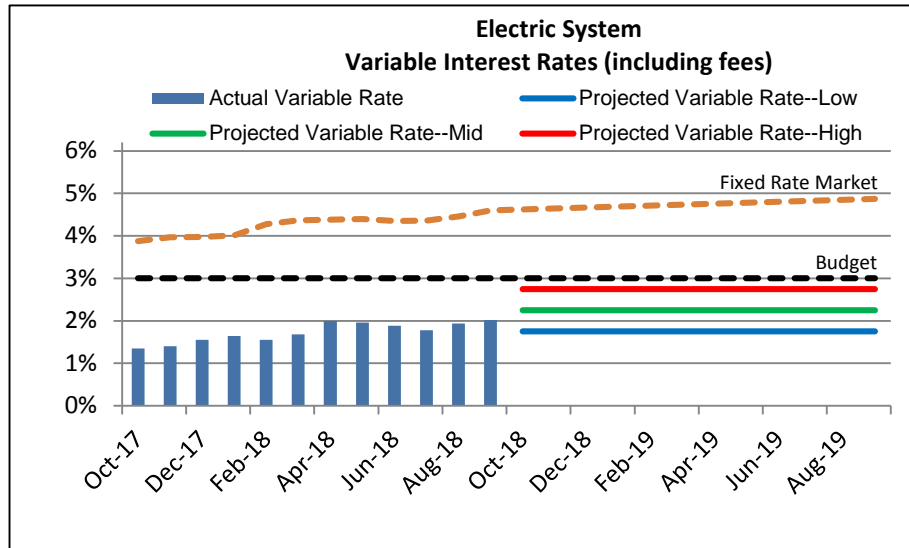
Combined Debt Outstanding

Weighted Average
Interest Rates*



- Fiscal year end interest rates are net of BABs subsidy, original issue premiums / discounts and includes variable debt liquidity / remarketing fees and interest rate swap payments.
- - - - During FY2008 – FY2013 DES was funded with variable rate debt at an average of 1 percent.

Variable Rate Debt Risk Analysis



Total variable rate debt of \$872 with \$522 swapped to fixed rate

Liquidity Facilities and Direct Purchase Bonds (DPBs)			
Bank	Moody's/S&P/Fitch	\$ (in millions)	%
Wells Fargo Bank N.A. (100% DPBs)	Aa2/A+/AA-	\$218	26
JP Morgan Chase Bank N.A.	Aa3/A+/AA	199	24
Royal Bank of Canada	A2/AA-/AA	193	23
US Bank, N.A.	A1/AA-/AA-	146	17
Sumitomo	A1/A/A	52	6
State Street Bank	Aa3/AA-/AA	31	4
Total		\$839	

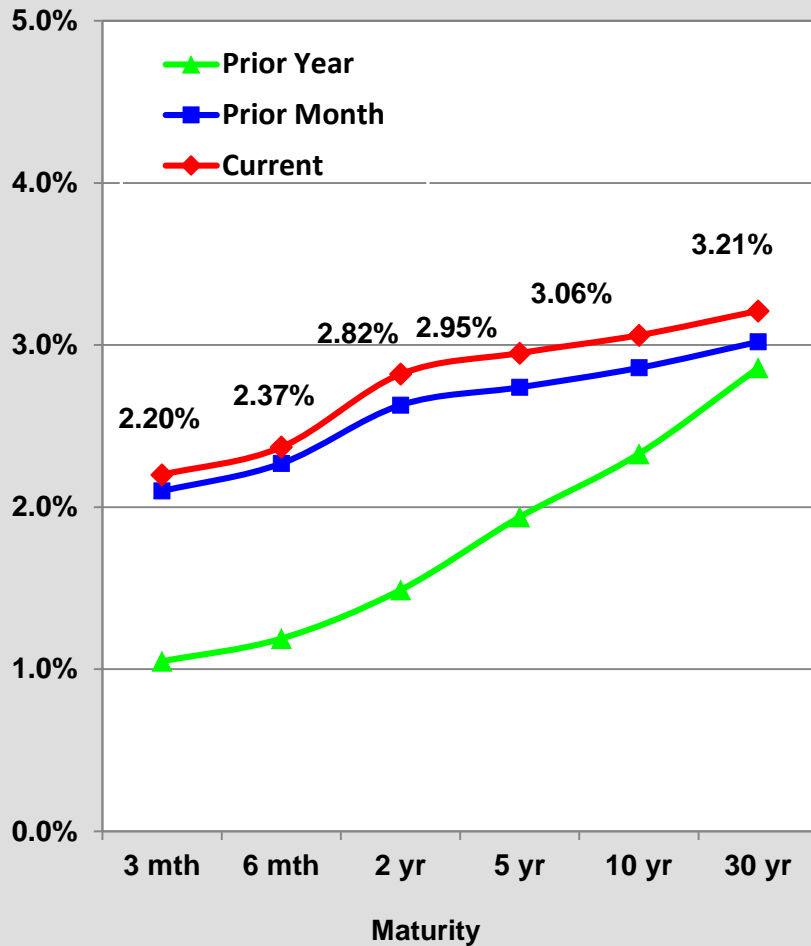
Swap Providers			
Bank	Moody's/S&P/Fitch	\$ (in millions)	%
Morgan Stanley Capital Services	A3/BBB+/A	\$176	34
Goldman Sachs Mitsui Marine Derivative Products	Aa2/AA-/NR	136	26
JP Morgan Chase Bank N.A.	Aa3/A+/AA	125	24
Merrill Lynch	A3/A-/A+	85	16
Total		\$522	

Items of Interest

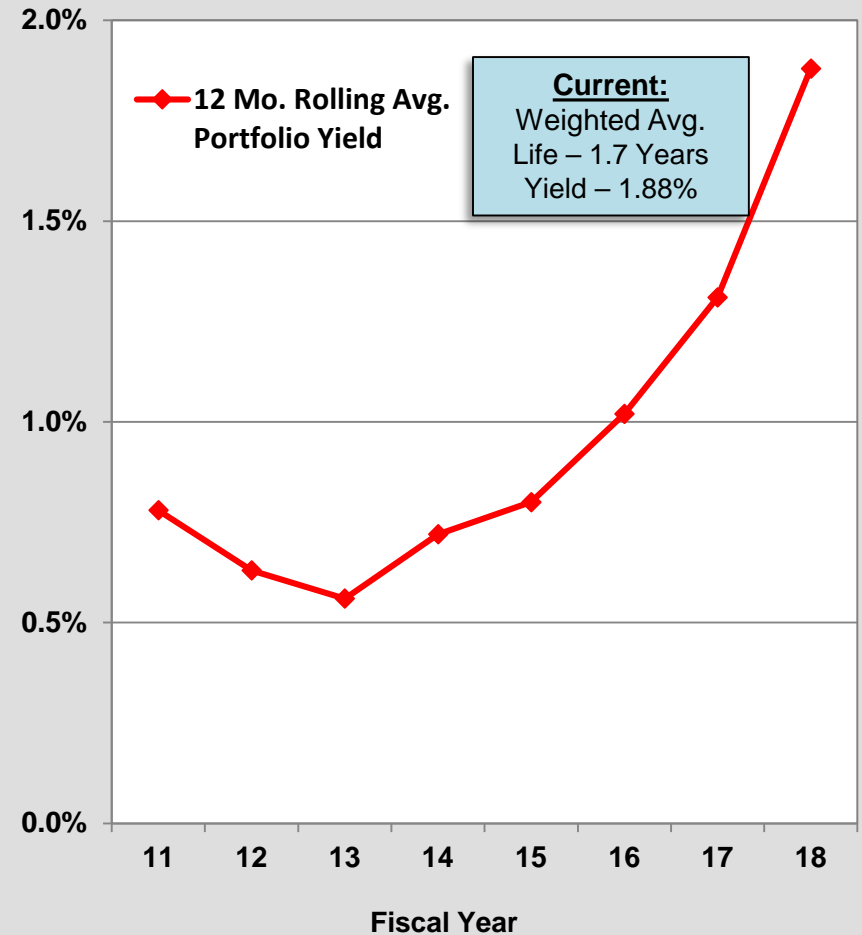
- Variable debt as a percentage of total debt:
 - Unhedged variable at 8% for Electric and 11% for Water and Sewer
 - Hedged variable at 17% for Electric and 7% for Water and Sewer
- Liquidity facilities / direct purchase bonds are with highly rated providers
- State Street liquidity facility renewed in Feb 2018
- US Bank liquidity facilities renewed in Oct 2017 and Jun 2018
- Royal Bank of Canada liquidity facilities renewed in Aug 2018
- 2018 liquidity facility renewals include: Wells Fargo Bank and Sumitomo
- Variable rate reserve to mitigate risk of higher rates – \$44 million
- Used \$18 million of variable rate reserve on 2017 debt defeasances

Combined Investments Outstanding

U. S. Treasury Yield Curve



Investment Portfolio Yield



III. A.

Appendix E

Monthly FY18 Communications & Engagement Calendar and Plan Update

JEA Community Engagement Calendar - September - November 2018

	A	B	C	D	E
1	Date	Event/Activity	Location	Time	Type
2	Sep-18				
3	9/5 - 9/6/2018	Ms. Mary's Boutique at PACE	2933 University Blvd. N.	9am	Volunteer Activity
4	9/5/2018	Feeding NE FL Food Bank	1116 Edgewood Ave.	8:30am	Volunteer Activity
5	9/5 - 9/8/2018	FCNMHP Mega Adoption	Fairgrounds	8am	Volunteer Activity
6	9/7/2018	Salvation Army Soup Kitchen	900 W. Adams St.	10am	Volunteer Activity
7	9/7/2018	UNF IEEE Group	NGS Tour	12pm	Ambassador Facility Tour
8	9/10/2018	USO NDD	2560 Mayport Rd.,	1pm	Volunteer Activity
9	9/10/2018	Normandy Vilage Elem. Robotics Club	8257 Herlong Blvd.	3:30pm	Ambassador Speaker
10	9/11/2018	Matthew Gilbert Midd. Robotics Club	1424 Freanklin St	2pm	Ambassador Speaker
11	9/13/2018	Farm Share	Jessie St.	9am	Volunteer Activity
12	9/13/2018	Eden Gardens	9179 Garden St.	8am	Volunteer Activity
13	9/14/2018	International Coastal Cleanup	Joe Carlucci Park & Sisters Creek BR	7:30am	Volunteer Activity
14	9/14/2018	Barkin' Biscuits at BGF	223 Mill Creek Rd.	9am	Volunteer Activity
15	9/14/2018	Berry Good Farms	223 Mill Creek Rd.	9am	Volunteer Activity
16	9/14/2018	Tulsa Welding School	NX Jax Solar Tour	9:30am	Ambassador Facility Tour
17	9/14/2018	MaliVai Washington Robotics Club	1096 W 6th St	3:30pm	Ambassador Speaker
18	9/17/2018	Barnabas Food Pantry	1303 Jasmine St.	9am	Volunteer Activity
19	9/19/2018	Catty Shack Wildlife Refuge	1860 Starratt Rd.	10am	Volunteer Activity
20	9/20/2018	Salvation Army Soup Kitchen	900 W. Adams St.	10am	Volunteer Activity
21	9/20/2018	BEAM	850 6th Ave.	1pm	Volunteer Activity
22	9/20/2018	Recovered Treasures CRM	5343 Normandy Blvd.	10am	Volunteer Activity
23	9/20/2018	Cathedral Terrace Café	601 Newman St.	11am	Volunteer Activity
24	9/21/2018	Lutheran Services Head Start	1095 A Philip Randoiph	9am	Volunteer Activity
25	9/21/2018	Pollution Prevention Week	Location in progress - TBD	7:30am	Volunteer Activity
26	9/21/2018	CRM Lunch Service	234 W. State St.	11:30am	Volunteer Activity
27	9/21/2018	Caregiver Conference	WJCT Studios	8:30am - 4pm	Ambassador Event

JEA Community Engagement Calendar - September - November 2018

	A	B	C	D	E
28	9/22/2018	Community Health & Wellness Fair	Solid Rock Church - 1418 Van Buren	10am	Ambassador Event
29	9/24/2018	Callahan Food Distribution	543350 US Hwy 1	12:30pm	Volunteer Activity
30	9/24/2018	USO NDD	2560 Mayport Rd.,	1pm	Volunteer Activity
31	9/26/2018	Catholic Charities Food Pantry	134 E. Church St.	9:30am	Volunteer Activity
32	9/27/2018	PACE Family Event	2933 University Blvd. N.	9am	Volunteer Activity
33	9/27- 30/2018	Fall Home & Patio Show	Prime Osborn	10am - 9pm	Ambassador Event
34	9/28/2018	Feeding NE FL Food Bank	1116 Edgewood Ave.	8:30am	Volunteer Activity
35	9/28/2018	MOSH JEA Exhibit Cleanup	1025 Museum Circle	8am	Volunteer Activity
36					
37	Oct-18				
38	10/1/2018	JU Conservation Ecology Class	Arlington East Wastewater Plant Tour	1:30pm	Ambassador Facility Tour
39	10/6/2018	Northwest Jax Comm. Develop. Corp.	3416 Moncrief Ave.	9am	Ambassador Speaker
40	10/8/2018	JU Conservation Ecology Class	Jax Solar Tour	2pm	Ambassador Facility Tour
41	10/8/2018	United Way Golf Tournament	St Johns Golf Club	9am	Volunteer Activity
42	10/11/2018	Eden Gardens	9179 Garden St.	8am	Volunteer Activity
43	10/11/2018	JU Marine Science Institute	Main St Lab Tour	11am	Ambassador Facility Tour
44	10/12/2018	Barkin' Biscuits at BGF	223 Mill Creek Rd.	9am	Volunteer Activity
45	10/12/2018	Berry Good Farms	223 Mill Creek Rd.	9am	Volunteer Activity
46	10/12/2018	Lighthouse Christian School	6801 Merrill Rd.	9am	Ambassador Speaker
47	10/15/2018	Cub Scout Pack 23	Main St Lab Tour	9:30am	Ambassador Facility Tour
48	10/18/2018	Non-Profit Breakfast	JEA Tower	7:30am	Ambassador Event
49	10/18/2018	Farm Share	Jessie St.	9am	Volunteer Activity
50	10/19/2018	Catty Shack Wildlife Refuge	1860 Starratt Rd.	10am	Volunteer Activity
51	10/18 - 21/2018	Southern Women's Show	Prime Osborn	10am - 9pm	Ambassador Event
52	10/22/2018	JU Conservation Ecology Class	NGS Tour	2pm	Ambassador Facility Tour
53	10/23/2018	Carpenter's Shop	1601 University Blvd. North	6:30pm	Ambassador Event
54					
55	Nov-18				
56	11/10/2018	Lutheran Presbyterian Event	1901 Philips Highway	10am	Ambassador Event
57	11/14/2018	Girl Scouts	Main St Lab Tour	2pm	Ambassador Facility Tour
58					



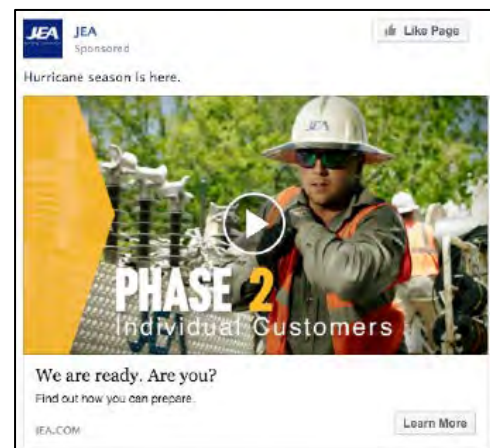
FY18 Customer & Community Engagement Overview and October Update

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

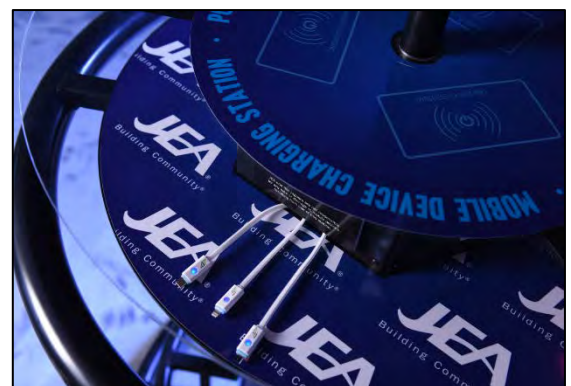
Restoration 1-2-3

JEA's Restoration 1-2-3 educational campaign will conclude in October. The campaign has reached our customers more than 40 million times since it began in July through TV, radio, online ads, digital billboards as well as social media, print ads and JEA bill inserts. The Restoration 1-2-3 campaign was designed to help customers understand JEA's process for restoring power after a major storm and what they can do to help. The campaign also encourages 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 extended power outages.



JEA Mobile Device Charging Stations

JEA, in partnership with the Jacksonville Jaguars, this season has installed 16 mobile device charging stations around TIAA Bank Field and Daily's Place. These stations give those attending Jaguars football games, events at TIAA Bank Field or Daily's Place the opportunity to charge mobile devices free of charge. Twelve electric-powered stations that can charge up to 18 devices each are now inside TIAA Bank Field. Additionally solar-powered charging stations are inside TIAA Bank Field and on each side of Daily's place, which can charge up to 12 devices at a time.



Community Engagement

JEA employees participated in numerous Ambassador events and Volunteer activities throughout the month of September, with Ambassadors participating in 17 activities and volunteers serving 549 hours in the community.

JEA Ambassadors

In September, JEA Ambassadors participated in the 2018 Fall Home & Patio Show and the Caregiver Conference. Upon request, Ambassadors delivered presentations to three Robotics Club at local middle schools and five facility tours we conducted for UNF and Tulsa Welding School students.

Employee Volunteerism

In September, 133 JEA employees volunteered in the community, connecting with customers and assisting with numerous nonprofit projects and activities. From volunteering at BEAM to helping feed the needy at Feeding Northeast Florida Food Bank, JEA employees gave generously of their time and talents for the benefit of our community.

Last month, JEA employee volunteers assisted with Ms. Mary's Boutique at PACE, First Coast No More Homeless Pets, Salvation Army Soup Kitchen, USO No Dough Dinner, Farm Share, Eden Gardens, International Coastal Cleanup, Barking Good Biscuits, Berry Good Farms, Barnabas Food Pantry, Catty Shack Ranch, Salvation Army Soup Kitchen, Recovered Treasures, Cathedral Terrace Café, Lutheran Services Head Start, City Rescue Mission, Callahan Food Distribution, Catholic Charities Food Pantry, and MOSH.



JEA employees volunteering at Catty Shack Ranch Wildlife Refuge

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	182,952,069
• Number of Paid Communications Contacts (Radio, Television, Out of Home, Online, Print)	124,699,090
• Number of Other Communications Contacts (Bill Insert, Bill Envelop, Brochure, etc.)	12,992,100
• Number of E-communications Contacts (jea.com Visitors, Email, Social Media, Videos)	46,458,043
• Number of Community Engagement Communications Contacts (Events, Public Speaking, Presentations, Training, Workshops, etc.)	802,836

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