
From: Jones, Madricka L. - Executive Staff Assistant <joneml@jea.com>
Sent: Monday, July 22, 2019 12:23 PM
To: Kyle, Gina A. - Manager Media Relations
Subject: Package
Attachments: BOD FULL BOARD PACKAGE - JULY 23, 2019 v2.pdf

Good morning,

The board package was posted to jea.com over the weekend. I have not sent an email notifying media just yet.

Regards,

Madricka Jones

Executive Staff Assistant to

Aaron Zahn, Managing Director/CEO and

JEA Board of Directors

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JEA BOARD MEETING AGENDA

July 23, 2019 • 9:00 a.m.

21 W. Church Street, 19th Floor



I. WELCOME	
A.	Call to Order
B.	Time of Reflection
C.	Pledge to Flag
D.	Introductions
E.	Adoption of the Agenda – Action
F.	Safety Briefing – Aaron Zahn, Managing Director/CEO
G.	Sunshine Law/Public Records Statement – Lynne Rhode, Chief Legal Officer

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

III. OPERATIONS (DISCUSSION / ACTION)				
Definition: The "Operations" section of the Board Meeting is for business matters requiring Board discussion, Board action, or for matters being submitted to the Board as information only.				
	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 June 25, 2019		Action
	Appendix B:	Approval of Bond Counsel		Action
B.	Monthly Reports and Updates – The following monthly reports and updates are submitted to the Board as information only. These items require no explanation, discussion, presentation or action.			
	Monthly Reports and Updates (Provided in Appendices)			
	Appendix B:	Monthly Financial Statements		Information
	Appendix C:	Monthly FY18 Communications & Engagement Calendar and Plan Update		Information
	Appendix D:	Sole Source & Emergency Procurement/Procurement Appeals Board Report		Information
	Appendix E:	Corporate Campus Update		Information
C.	Monthly Financial and Operations Dashboard		Melissa Dykes, President/COO	Information
D.	Strategic Planning		Senior Leadership Team	Action
	A.	Scenario 2A: Traditional Utility Response Implementation Plan	Senior Leadership Team	

		B. Scenario 2B: Traditional Utility Response + Traditional : Legislative Approach to Eliminating Major Business Constraints	Senior Leadership Team	
		C. Scenario 3: Non-traditional utility response	Senior Leadership Team	

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.	N/A		

V.	SUBJECT MATTER EXPLORATION (OPPORTUNITIES & RISKS – PRESENTATION)			
	Definition: The “Subject Matter Exploration” section of the Board Meeting will be used to brief the Board Members on market, environment, business or other generally important matters. Staff and/or 3 rd party experts will provide presentations on a specific subject and the Board will be afforded an opportunity for Q&A at the end.			
	Item(s)		Speaker/Title	
	A	N/A		

VI.	COMMITTEE REPORTS			
	Item(s)		Speaker/Title	Discussion Action/Information
	A.	Total Compensation and Employee Benefits	Camille Johnson, Committee Chair	Action

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

VIII.	CLOSING CONSIDERATIONS			
	Item(s)			
	A.	Announcements – Next Board Meeting August 27, 2019		
	B.	Adjournment		

Board Calendar

Board Meetings: 9:00 a.m. – Fourth Tuesday of Every Month (exception(s): November 19, 2019 and December 17, 2019)

Committees: Finance & Audit Committee: August 19, 2019

CEO Search Committee: TBD

Compensation Committee: TBD

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

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

JEA BOARD MINUTES
June 25, 2019

The JEA Board met in regular session on Tuesday, June 25, 2019, on the 19th Floor, 21 W. Church Street, Jacksonville, Florida. Present were April Green, Camille Lee-Johnson, Alan Howard, Reverend Fredrick Newbill, and Andy Allen. John Campion was absent and excused.

Agenda Item I – Welcome

- A.** The meeting was **called to order** at 9:02 AM by Chair April Green.
- B.** A **Moment of Reflection** was observed by all.
- C.** The **Pledge of Allegiance** was led by Chair Green.
- D.** **Adoption of Agenda** – The agenda was approved on **motion** by Ms. Johnson and second by Mr. Howard.
- E.** **Introductions** were made by board members present, Aaron Zahn, and Lynne Rhode.
- F.** The **Safety Briefing** was given by Aaron Zahn, Managing Director/Chief Executive Officer.
- G.** **Sunshine Law/Public Records Statement** – Lynne Rhode, Office of General Counsel (OGC), stated this Board Meeting is being held in compliance with Florida's Government in the Sunshine Law, §286.011. The complete statement can be found in section I. F. of the Board package.

Agenda Item II – Comments / Presentations

- A.** **Comments from the Public** – There were no public comments
- B.** **Council Liaison's was not present at the Board Meeting.**
- C.** **St Johns River Water Management District (SJRWMD) Alternative Water Supply Presentation** – Herschel Vinyard, Chief Administrative Officer introduced Dr. Ann Shortelle, President of (SJRWMD) who gave a presentation on SJRWMD partnership with JEA and some of the cost share opportunities. Dr. Shortelle presented JEA with two checks for two projects on water reuse and water conservation.

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 Mr. Howard and second by Reverend Newbill, Appendix A was approved.

Appendix A: Board Meeting Minutes May 28, 2019 – approved

- B.** **Monthly Reports and Updates** – The following monthly reports and updates are submitted to the Board as information only. These items require no explanation, discussion, presentation or action.

Appendix A: Monthly Financial Statements – received for information

Appendix B: Monthly Financial and Operations Detail – received for information

Appendix C: Monthly FY19 Communications & Engagement Calendar and Plan

Update – received for information

- C. Proposed FY2020 Operating and Capital Budgets** – Ryan Wannemacher, Chief Financial Officer, stated JEA is responsible for submitting the budget to City Council by July 1. Mr. Wannemacher explained that the proposed FY20 Budget was presented to the Finance & Audit Committee at both the March and May meeting for feedback. Mr. Wannemacher stated the FY2020 budget is approximately \$70 million lower than FY19 and there are no proposed rate changes in either the electric or water/wastewater systems. Mr. Wannemacher also stated that JEA plans to cash fund the investment of over \$500 million for infrastructure in Northeast Florida with no new debt. Staff recommends the Board of Directors approve the proposed operating and capital FY2020 budget and authorize staff to prepare and transmit the recommended budgets to Jacksonville City Council for final action by July 1, transmit the five year capital improvement plan as required by the City of Jacksonville Planning Department, and approve JEA's share of the SJRPP and Plant Scherer operating and capital budgets. In addition, staff recommends the Board authorize the Managing Director/CEO to adjust the budget approved by the Board of Directors and submitted to Council, if necessary, within the total approved budget amounts for each system.

On **motion** by Reverend Newbill and second by Alan Howard, the board approved the recommendations on the proposed FY2020 budget from Mr. Wannemacher.

- D. Monthly Financials and Operations Dashboard** – Melissa Dykes, President & Chief Operating Officer highlighted changes in a few metrics on the financial dashboard between May and June. Deryle Calhoun, VP & Chief Water/Wastewater Officer joined the presentation to highlight the impact of third party damages on the budget and the efforts being made to reduce the instances. This presentation was received for information only.
- E. Flex Pricing – Pilot Update** – Kerri Stewart, VP & Chief Customer Officer provided an update on the program that was formerly known as "Demand Rate Pilot". There was a name change in the program to "Flex Pricing Pilot" and there are currently two rates being tested. The purpose of the presentation was to highlight the pilot's progress, the metrics being studied, provide an update on the home energy management pilot (a subset of the Flex Pricing Pilot), and what to expect going forward. The pilot was launched June 1 and should start to reflect in participants' July bills. There has been substantial participant feedback; a response team has been created to mitigate any issues that arise. This presentation was received for information only.

Agenda Item IV – Strategy (Discussion Only)

April Green noted at May's Board Meeting the SLT presented what was considered Status Quo, which is what JEA would look like if business continued as it is. The board challenged the SLT to come up with different scenarios on how to respond to the evidently changing trends in the industry.

- A. Strategic Planning Overview – Baseline/Scenario 1: Status Quo and Scenario 2: Traditional Response** – Lynne Rhode, Chief Legal Officer, read a disclaimer stating that this presentation is only for purposes of planning and developing a strategic plan. The full disclaimer can be found in the board package. Aaron Zahn, Managing Director/CEO explained that these scenarios were not only developed by the SLT, but also in collaboration with the McKinsey team and other industry associates. Anton Derkach, Senior Partner McKinsey Co., provided a reminder of where they are in the process and what scenario based strategic planning is. Management has been working closely with McKinsey has been working on a detailed iterative scenario based planning, which was presented in Status Quo. Mr. Derkach also explained why scenario based planning was chosen and the principles of strategic

Ryan Wannemacher, Chief Financial Officer, began the presentation by stating that Energy Policy Act of 2005 had a significant impact on the industry and caused a 17% decrease in residential sales and a 30% commercial sales decrease. Mr. Wannemacher reviewed Status Quo, which was presented in the May Board of Directors meeting. Mr. Wannemacher stated sales continue to decrease even though customer base is increasing and provided details on how sales are being affected by solar growth and other renewable energy technology. Status Quo analysis shows that sales will continue to decline and with no action there will be a 52% electric and 16% water base rate increase. Mr. Wannemacher stated Status Quo does not assume substantial off-grid movement by commercial and industrial customers, which would further exacerbate the decline in sales.

Aaron Zahn, Managing Director/CEO explained that technology disruption is an industry wide issue and not just a JEA issue. Mr. Zahn further explained that other companies overcame these issues by recalibrating their approach. The management team, McKinsey, employees, and community leaders have been coming with initiatives to help JEA innovate. He explained there are constraints that are stopping JEA from taking advantage of all of the initiatives (which are further explained in Appendix C of the presentation).

Melissa Dykes, President/COO, provided details on the Traditional Utility Response which utilize the tools available but also recognizes the constraints. This scenario includes a management response that better positions the company in the long-term from a risk and customer impact force perspective around degradation. Ms. Dykes explained the two primary tools available in this scenario are cost reduction and rate increases.

Aaron Zahn, Managing Director/CEO, provided details on the “Non-Traditional” utilities response and why JEA is developing this strategic plan. Conversations around the concepts in this scenario began at the Innovation Summit in October 2018. *(A video recapping the Innovation Summit was presented.)* Mr. Zahn asked the Board to instruct staff to finalize a traditional utility response, in the event there is not an opportunity to grow change, and to also allow the opportunity to look at our constraints and consider charter changes to finalize a plan and bring back in the future.

Board member Alan Howard moved that staff be directed to present a plan for implementation of Status Quo 2 and plan for exploring ways to move beyond the constraints, second by Reverend Newbill. **Motion** was approved unanimously.

Mr. Zahn added that staff will bring back a sensitivity analysis on the major customers.

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

A. N/A

Agenda Item VI – Committee Report

A. **Compensation Committee** – Committee Chair Johnson presented the committee report to the Board. Ms. Johnson highlighted that the committee has been working with Towers Watson to put together an formal compensation framework that aligns with the strategic plan.

1. **Adoption of Agenda – June 18, 2019** – received for information
2. **Approval of Minutes – January 15, 2019** – received for information

3. Total Market Compensation Presentation – received for information

4. Compensation Program Agenda – received for information

Committee Chair Johnson **moved** that the JEA Board of Directors to approve JEA's management development of the framework and authorize staff to implement the plan and bring back to the board for final approval, second by Alan Howard, **motion** was approved unanimously.

- B. Corporate Campus Update and Lease Consideration** – Nancy Kilgo, Director of Special Projects and David Edwards, Attorney at Edwards & Cohen provided an update on the new corporate campus. Ms. Kilgo provided details on the site report and stated that a 90-day termination clause was added for strategic planning. David Edwards provided details on the lease report. Board members were provided hard copies of all of the lease amendments.

RESOLUTION 2019-05

A RESOLUTION APPROVING THE LEASE AGREEMENT BETWEEN RYAN COMPANIES US, INC. AND JEA; AUTHORIZING THE CHIEF EXECUTIVE OFFICER AND MANAGING DIRECTOR, OR HIS DESIGNEE, TO EXECUTE THE LEASE AGREEMENT AND ANY AND ALL OTHER NECESSARY DOCUMENTS IN CONNECTION WITH THE LEASE AGREEMENT; AUTHORIZING THE CHIEF EXECUTIVE OFFICE AND MANAGING DIRECTOR TO MAKE TECHNICAL AMENDMENTS TO THE LEASE AGREEMENT; PROVIDING FOR AN EFFECTIVE DATE.

On **motion** by Reverend Frederick Newbill and second by Alan Howard Resolution 2019-05 was approved unanimously.

Agenda Item VII – Other Business

- A. Old Business** – N/A
- B. Other New Business** – N/A
- C. Open Discussion** – None
- D. Managing Director/CEO's Report** – Mr. Zahn stated that he has been meeting with employees at several locations to let them know their importance. He asked Board to continue to echo the message of the employees' importance.
- E. Chair's Report** – Chair Green spoke on the rapidly changing industry and encourage the Board of Directors, Stakeholders, and the community to do research on impact of changing industry technologies on organizations. Ms. Green stated that she is confident that the Leadership team, based on today's request, will find solution that will take our customers, community, and environment into consideration.

The agenda, consent agenda, and May's Board of Directors meeting minutes were unanimously approved.

Agenda Item VIII – Closing Considerations

A. Announcements – Next Board Meeting – July 23, 2019

B. Adjournment

With no further business claiming the attention of the Board, Chair Green adjourned the meeting at 11:01 AM.

APPROVED BY:

SECRETARY

DATE: _____

Board Meeting recorded by:

Madricka L. Jones, Executive Staff Assistant



INTER-OFFICE MEMORANDUM

July 23, 2019

SUBJECT: APPROVAL OF BOND COUNSEL

FROM: Aaron F. Zahn, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

The Office of General Counsel has selected top ranked special counsel to assist JEA with bond related legal services. In accordance with City of Jacksonville Procurement Code Section 126.310 and JEA Procurement Code Section 4-306, management seeks Board approval of the bond counsel.

DISCUSSION:

Greenberg Traurig is the top ranked special counsel selected. Greenberg Traurig attorneys have extensive public finance capabilities and are highly experienced in the municipal bond arena in Florida. JEA has an ongoing need for bond counsel with Florida expertise.

RECOMMENDATION:

Staff recommends that the Board approve top ranked Greenberg Traurig to provide bond counsel to JEA and authorize Office of General Counsel to negotiate and execute a contract for legal services with Greenberg Traurig.

Aaron F. Zahn, Managing Director/CEO

AFZ/LCR

**OFFICE OF GENERAL COUNSEL
CITY OF JACKSONVILLE**



CITY HALL, ST. JAMES BUILDING
117 WEST DUVAL STREET, SUITE 480
JACKSONVILLE, FLORIDA 32202

July 23, 2019

Lynne C. Rhode, Esquire
Chief Legal Officer
JEA
21 W. Church St.
Jacksonville, FL 32082

Re: Bond Counsel for JEA

Dear Ms. Rhode:

Pursuant to your request, the General Counsel has ranked the top firms for provision of additional bond-related services to JEA, as set forth in section 126.310, *Ordinance Code*. After review of the potential firms, the best qualified firms are ranked as follows:

1. Greenberg Traurig; and
2. Broad & Cassel.

We understand that the Board will consider this evaluation and recommendation of the above-ranked firms at its July 23, 2019 regular meeting. If approved, the Board should authorize Office of General Counsel staff to negotiate the contract for Bond Counsel. If you fail to achieve an acceptable contract with the top ranked firm, then you should declare an impasse, terminate negotiations and proceed with the next-ranked firm until you achieve a signed contract for Bond Counsel services.

Please let me know if you have any questions.

Sincerely,

Lawsikia Hodges
Deputy General Counsel

Enclosure

Acknowledged and Agreed:

Jason R. Gabriel
General Counsel

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Monthly Financial
Statements

June 2019

Monthly Financial Statements

June 2019

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JEA
Statements of Net Position
(in thousands)

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	June 2019 (unaudited)	September 2018
Assets		
Current assets:		
Cash and cash equivalents	\$ 208,459	\$ 441,206
Investments	201,573	85,310
Customer accounts receivable, net of allowance (\$1,580 and \$1,830, respectively)	228,989	232,858
Miscellaneous accounts receivable	17,487	15,459
Interest receivable	3,238	2,831
Inventories:		
Materials and supplies - Water and Sewer	55,759	56,350
Materials and supplies - Plant Scherer	2,289	2,189
Materials and supplies - Electric System	210	665
Fuel - Electric System	32,620	31,597
Fuel - Plant Scherer	4,009	5,274
Total current assets	754,633	873,739
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	124,624	114,576
Investments	425,851	731,627
Accounts and interest receivable	86	62
Total restricted assets	550,561	846,265
Costs to be recovered from future revenues	784,156	808,096
Investment in The Energy Authority	7,135	7,030
Other assets	13,708	15,656
Total noncurrent assets	1,355,560	1,677,047
Capital assets:		
Land and easements	195,445	194,552
Plant in service	11,519,878	11,231,096
Less accumulated depreciation	(6,760,915)	(6,518,751)
Plant in service, net	4,954,408	4,906,897
Construction work in progress	460,808	473,362
Net capital assets	5,415,216	5,380,259
Total assets	7,525,409	7,931,045
Deferred outflows of resources		
Unrealized pension contributions and losses	171,367	171,367
Unamortized deferred losses on refundings	135,536	143,722
Accumulated decrease in fair value of hedging derivatives	139,473	86,356
Unrealized asset retirement obligation	50,588	29,173
Unrealized OPEB contributions and losses	4,078	4,078
Total deferred outflows of resources	501,042	434,696
Total assets and deferred outflows of resources	\$ 8,026,451	\$ 8,365,741

Statements of Net Position
(in thousands)

	June 2019 (unaudited)	September 2018
Liabilities		
Current liabilities:		
Accounts and accrued expenses payable	\$ 113,169	\$ 126,655
Customer deposits	60,491	59,883
City of Jacksonville payable	9,851	9,733
Utility taxes and fees payable	8,947	9,550
Compensated absences due within one year	2,659	1,423
Total current liabilities	195,117	207,244
Current liabilities payable from restricted assets:		
Debt due within one year	192,555	185,790
Interest payable	33,449	73,737
Renewal and replacement reserve	48,598	54,370
Construction contracts and accounts payable	20,602	53,369
Total current liabilities payable from restricted assets	295,204	367,266
Noncurrent liabilities:		
Net pension liability	544,203	544,203
Asset retirement obligation	33,254	22,526
Compensated absences due after one year	28,507	29,431
Net OPEB liability	18,835	18,835
Environmental liabilities	16,568	16,818
Other liabilities	8,614	2,978
Total noncurrent liabilities	649,981	634,791
Long-term debt:		
Debt payable, less current portion	3,428,080	3,813,680
Unamortized premium, net	123,499	152,891
Fair value of debt management strategy instruments	133,196	86,356
Total long-term debt	3,684,775	4,052,927
Total liabilities	4,825,077	5,262,228
Deferred inflows of resources		
Revenues to be used for future costs	246,234	286,832
Unrealized pension gains	50,124	50,124
Unrealized OPEB gains	8,712	8,712
Accumulated increase in fair value of hedging derivatives	-	2,536
Total deferred inflows of resources	305,070	348,204
Net position		
Net investment in capital assets	2,271,625	1,856,725
Restricted for:		
Capital projects	147,260	331,157
Debt service	145,047	187,172
Other purposes	39,880	23,708
Unrestricted	292,492	356,547
Total net position	2,896,304	2,755,309
Total liabilities, deferred inflows of resources, and net position	\$ 8,026,451	\$ 8,365,741

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

	Month June		Year-to-Date June	
	2019	2018	2019	2018
Operating revenues				
Electric - base	\$ 78,996	\$ 73,827	\$ 593,165	\$ 591,250
Electric - fuel and purchased power	40,417	42,900	314,417	359,614
Water and sewer	40,735	34,393	330,553	313,741
District energy system	756	691	5,806	5,852
Other	2,934	2,148	24,620	76,964
Total operating revenues	163,838	153,959	1,268,561	1,347,421
Operating expenses				
Operations and maintenance:				
Fuel	29,930	34,191	249,175	294,459
Purchased power	15,232	9,765	101,069	80,045
Maintenance and other operating expenses	29,490	32,705	289,880	329,952
Depreciation	29,995	29,072	272,297	274,981
State utility and franchise taxes	6,891	6,280	52,102	51,206
Recognition of deferred costs and revenues, net	3,478	(4,403)	16,598	77
Total operating expenses	115,016	107,610	981,121	1,030,720
Operating income	48,822	46,349	287,440	316,701
Nonoperating revenues (expenses)				
Interest on debt	(12,108)	(12,366)	(105,744)	(117,155)
Debt management strategy	(947)	(1,087)	(8,381)	(10,270)
Investment income	5,696	828	32,128	6,931
Allowance for funds used during construction	1,546	1,093	11,331	7,987
Other nonoperating income, net	807	613	6,095	6,364
Earnings from The Energy Authority	646	792	1,745	3,304
Other interest, net	(209)	(179)	(1,341)	(1,521)
Total nonoperating expenses, net	(4,569)	(10,306)	(64,167)	(104,360)
Income before contributions	44,253	36,043	223,273	212,341
Contributions (to) from				
General Fund, City of Jacksonville, Florida	(9,804)	(9,719)	(103,390)	(87,465)
Developers and other	7,482	7,628	68,312	56,551
Reduction of plant cost through contributions	(5,069)	(4,390)	(47,200)	(37,117)
Total contributions, net	(7,391)	(6,481)	(82,278)	(68,031)
Change in net position	36,862	29,562	140,995	144,310
Net position, beginning of period	2,859,442	2,743,570	2,755,309	2,628,822
Net position, end of period	\$ 2,896,304	\$ 2,773,132	\$ 2,896,304	\$ 2,773,132

Statement of Cash Flows
(in thousands - unaudited)

	Year-to-Date June	
	2019	2018
Operating activities		
Receipts from customers	\$ 1,199,947	\$ 1,292,446
Payments to suppliers	(533,433)	(595,838)
Payments to employees	(179,632)	(206,875)
Other operating activities	29,677	80,851
Net cash provided by operating activities	516,559	570,584
Noncapital and related financing activities		
Contribution to General Fund, City of Jacksonville, Florida	(103,273)	(87,401)
Net cash used in noncapital financing activities	(103,273)	(87,401)
Capital and related financing activities		
Defeasance of debt	(195,045)	(993,690)
Proceeds received from debt	2,000	821,000
Acquisition and construction of capital assets	(331,151)	(261,688)
Interest paid on debt	(162,090)	(175,385)
Repayment of debt principal	(185,790)	(229,095)
Capital contributions	21,113	19,434
Other capital financing activities	(7,873)	42,107
Net cash used in capital and related financing activities	(858,836)	(777,317)
Investing activities		
Purchase of investments	(402,057)	(814,390)
Proceeds from sale and maturity of investments	605,016	853,430
Investment income	18,251	8,114
Distributions from The Energy Authority	1,641	3,037
Net cash provided by investing activities	222,851	50,191
Net change in cash and cash equivalents	(222,699)	(243,943)
Cash and cash equivalents, beginning of year	555,782	614,034
Cash and cash equivalents, end of period	\$ 333,083	\$ 370,091
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 287,440	\$ 316,701
Adjustments:		
Depreciation and amortization	273,217	275,945
Recognition of deferred costs and revenues, net	16,598	77
Other nonoperating income, net	877	1,050
Changes in noncash assets and noncash liabilities:		
Accounts receivable	(2,541)	47,805
Inventories	1,188	7,426
Other assets	5,715	2,679
Accounts and accrued expenses payable	(25,787)	(23,035)
Current liabilities payable from restricted assets	(4,208)	(7,078)
Other noncurrent liabilities and deferred inflows	(35,940)	(50,986)
Net cash provided by operating activities	\$ 516,559	\$ 570,584
Noncash activity		
Contribution of capital assets from developers	\$ 47,200	\$ 37,117
Unrealized gains (losses) on fair value of investments, net	\$ 13,445	\$ (1,492)

Combining Statement of Net Position
(in thousands - unaudited) June 2019

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Assets							
Current assets:							
Cash and cash equivalents	\$ 102,997	\$ 60,968	\$ -	\$ 163,965	43,087	\$ 1,407	\$ 208,459
Investments	167,320	6,913	-	174,233	27,340	-	201,573
Customer accounts receivable, net of allowance (\$1,580)	171,943	-	-	171,943	56,426	620	228,989
Miscellaneous accounts receivable	15,946	6,912	(9,641)	13,217	4,270	-	17,487
Interest receivable	1,902	25	-	1,927	1,311	-	3,238
Inventories:							
Materials and supplies - Water and Sewer	-	-	-	-	55,759	-	55,759
Materials and supplies - Plant Scherer	2,289	-	-	2,289	-	-	2,289
Materials and supplies - Electric System	-	210	-	210	-	-	210
Fuel inventory - Electric System	32,620	-	-	32,620	-	-	32,620
Fuel inventory - Plant Scherer	4,009	-	-	4,009	-	-	4,009
Total current assets	499,026	75,028	(9,641)	564,413	188,193	2,027	754,633
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	-	90,559	-	90,559	28,983	5,082	124,624
Investments	236,397	10,897	-	247,294	178,557	-	425,851
Accounts and interest receivable	7	71	-	78	8	-	86
Total restricted assets	236,404	101,527	-	337,931	207,548	5,082	550,561
Costs to be recovered from future revenues	295,118	250,628	-	545,746	238,383	27	784,156
Investment in The Energy Authority	7,135	-	-	7,135	-	-	7,135
Other assets	10,640	-	-	10,640	3,064	4	13,708
Total noncurrent assets	549,297	352,155	-	901,452	448,995	5,113	1,355,560
Capital assets:							
Land and easements	124,459	6,660	-	131,119	61,275	3,051	195,445
Plant in service	5,576,277	1,316,043	-	6,892,320	4,570,458	57,100	11,519,878
Less accumulated depreciation	(3,209,852)	(1,312,866)	-	(4,522,718)	(2,211,094)	(27,103)	(6,760,915)
Plant in service, net	2,490,884	9,837	-	2,500,721	2,420,639	33,048	4,954,408
Construction work in progress	191,880	-	-	191,880	268,354	574	460,808
Net capital assets	2,682,764	9,837	-	2,692,601	2,688,993	33,622	5,415,216
Total assets	3,731,087	437,020	(9,641)	4,158,466	3,326,181	40,762	7,525,409
Deferred outflows of resources							
Unrealized pension contributions and losses	83,649	34,238	-	117,887	53,480	-	171,367
Unamortized deferred losses on refundings	79,226	4,026	-	83,252	52,099	185	135,536
Accumulated decrease in fair value of hedging derivatives	112,040	-	-	112,040	27,433	-	139,473
Unrealized asset retirement obligation	32,119	18,469	-	50,588	-	-	50,588
Unrealized OPEB contributions and losses	2,488	-	-	2,488	1,590	-	4,078
Total deferred outflows of resources	309,522	56,733	-	366,255	134,602	185	501,042
Total assets and deferred outflows of resources	\$ 4,040,609	\$ 493,753	\$ (9,641)	\$ 4,524,721	\$ 3,460,783	\$ 40,947	\$ 8,026,451

Combining Statement of Net Position
(in thousands - unaudited) June 2019

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Liabilities							
Current liabilities:							
Accounts and accrued expenses payable	\$ 79,521	\$ 19,348	\$ (2,054)	\$ 96,815	\$ 16,321	\$ 33	\$ 113,169
Customer deposits	44,485	-	-	44,485	16,006	-	60,491
City of Jacksonville payable	7,746	-	-	7,746	2,105	-	9,851
Utility taxes and fees payable	8,947	-	-	8,947	-	-	8,947
Compensated absences due within one year	1,622	-	-	1,622	1,014	23	2,659
Total current liabilities	142,321	19,348	(2,054)	159,615	35,446	56	195,117
Current liabilities payable from restricted assets:							
Debt due within one year	122,380	13,780	-	136,160	54,705	1,690	192,555
Interest payable	16,853	2,782	-	19,635	13,481	333	33,449
Renewal and replacement reserve	-	48,598	-	48,598	-	-	48,598
Construction contracts and accounts payable	4,821	3,306	(2,641)	5,486	15,113	3	20,602
Total current liabilities payable from restricted assets	144,054	68,466	(2,641)	209,879	83,299	2,026	295,204
Noncurrent liabilities:							
Net pension liability	321,885	16,523	-	338,408	205,795	-	544,203
Asset retirement obligation	31,458	1,796	-	33,254	-	-	33,254
Compensated absences due after one year	20,368	-	-	20,368	8,117	22	28,507
Net OPEB liability	11,489	-	-	11,489	7,346	-	18,835
Environmental liabilities	16,568	4,946	(4,946)	16,568	-	-	16,568
Other liabilities	8,537	-	-	8,537	77	-	8,614
Total noncurrent liabilities	410,305	23,265	(4,946)	428,624	221,335	22	649,981
Long-term debt:							
Debt payable, less current portion	1,796,880	265,105	-	2,061,985	1,332,960	33,135	3,428,080
Unamortized premium (discount), net	59,640	1,694	-	61,334	62,195	(30)	123,499
Fair value of debt management strategy instruments	105,763	-	-	105,763	27,433	-	133,196
Total long-term debt	1,962,283	266,799	-	2,229,082	1,422,588	33,105	3,684,775
Total liabilities	2,658,963	377,878	(9,641)	3,027,200	1,762,668	35,209	4,825,077
Deferred inflows of resources							
Revenues to be used for future costs	205,738	10,624	-	216,362	29,872	-	246,234
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	237,302	17,715	-	255,017	50,053	-	305,070
Net position							
Net investment in capital assets	815,633	(7,878)	-	807,755	1,464,862	(992)	2,271,625
Restricted for:							
Capital projects	58,503	-	-	58,503	85,275	3,482	147,260
Debt service	91,030	10,553	-	101,583	42,197	1,267	145,047
Other purposes	4,585	28,078	2,641	35,304	4,576	-	39,880
Unrestricted	174,593	67,407	(2,641)	239,359	51,152	1,981	292,492
Total net position	1,144,344	98,160	-	1,242,504	1,648,062	5,738	2,896,304
Total liabilities, deferred inflows of resources, and net position	\$ 4,040,609	\$ 493,753	\$ (9,641)	\$ 4,524,721	\$ 3,460,783	\$ 40,947	\$ 8,026,451

	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	(1,912)	13,375	2,084	-	15,459
Interest receivable	1,801	12	-	1,813	1,018	-	2,831
Inventories:							
Materials and supplies - Water and Sewer	-	-	-	-	56,350	-	56,350
Materials and supplies - Plant Scherer	2,189	-	-	2,189	-	-	2,189
Materials and supplies - Electric System	-	665	-	665	-	-	665
Fuel inventory - Electric System	30,582	1,015	-	31,597	-	-	31,597
Fuel inventory - Plant Scherer	5,274	-	-	5,274	-	-	5,274
Total current assets	603,965	70,352	(1,912)	672,405	196,938	4,396	873,739
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	301,805	261,277	-	563,082	244,987	27	808,096
Investment in The Energy Authority	7,030	-	-	7,030	-	-	7,030
Other assets	11,813	-	-	11,813	3,843	-	15,656
Total noncurrent assets	740,394	358,767	-	1,099,161	574,441	3,445	1,677,047
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	3,996,583	439,263	(1,912)	4,433,934	3,454,243	42,868	7,931,045
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	4,185	-	89,350	54,178	194	143,722
Accumulated decrease in fair value of hedging derivatives	70,103	-	-	70,103	16,253	-	86,356
Unrealized asset retirement obligation	-	29,173	-	29,173	-	-	29,173
Unrealized OPEB contributions and losses	2,488	-	-	2,488	1,590	-	4,078
Total deferred outflows of resources	241,405	67,596	-	309,001	125,501	194	434,696
Total assets and deferred outflows of resources	\$ 4,237,988	\$ 506,859	\$ (1,912)	\$ 4,742,935	\$ 3,579,744	\$ 43,062	\$ 8,365,741

JEA
Combining Statement of Net Position
(in thousands) 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	Total JEA
Liabilities							
Current liabilities:							
Accounts and accrued expenses payable	\$ 100,614	\$ 7,668	\$ (796)	\$ 107,486	\$ 19,070	\$ 99	\$ 126,655
Customer deposits	44,267	-	-	44,267	15,616	-	59,883
City of Jacksonville payable	7,622	-	-	7,622	2,111	-	9,733
Utility taxes and fees payable	9,550	-	-	9,550	-	-	9,550
Compensated absences due within one year	1,115	-	-	1,115	304	4	1,423
Total current liabilities	163,168	7,668	(796)	170,040	37,101	103	207,244
Current liabilities payable from restricted assets:							
Debt due within one year	130,690	1,720	-	132,410	51,720	1,660	185,790
Interest payable	37,613	5,603	-	43,216	29,841	680	73,737
Renewal and replacement reserve	-	54,370	-	54,370	-	-	54,370
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	-	22,526	-	22,526	-	-	22,526
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	2,658	-	-	2,658	320	-	2,978
Total noncurrent liabilities	373,718	39,049	-	412,767	221,990	34	634,791
Long-term debt:							
Debt 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	70,103	-	-	70,103	16,253	-	86,356
Total long-term debt	2,166,201	281,359	-	2,447,560	1,570,576	34,791	4,052,927
Total liabilities	2,887,986	391,511	(1,912)	3,277,585	1,947,114	37,529	5,262,228
Deferred inflows of resources							
Revenues to be used for future costs	249,085	10,624	-	259,709	27,123	-	286,832
Unrealized pension gains	26,250	7,091	-	33,341	16,783	-	50,124
Unrealized OPEB gains	5,314	-	-	5,314	3,398	-	8,712
Accumulated increase in fair value of hedging derivatives	2,536	-	-	2,536	-	-	2,536
Total deferred inflows of resources	283,185	17,715	-	300,900	47,304	-	348,204
Net position							
Net investment in capital assets	530,479	2,138	-	532,617	1,325,600	(1,492)	1,856,725
Restricted for:							
Capital projects	190,132	(1,760)	-	188,372	141,707	1,078	331,157
Debt service	129,870	1,843	-	131,713	53,799	1,660	187,172
Other purposes	(3,302)	26,081	1,116	23,895	(187)	-	23,708
Unrestricted	219,638	69,331	(1,116)	287,853	64,407	4,287	356,547
Total net position	1,066,817	97,633	-	1,164,450	1,585,326	5,533	2,755,309
Total liabilities, deferred inflows of resources, and net position	\$ 4,237,988	\$ 506,859	\$ (1,912)	\$ 4,742,935	\$ 3,579,744	\$ 43,062	\$ 8,365,741

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

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	\$ 79,326	\$ -	\$ -	\$ 79,326	\$ -	\$ -	\$ (330)	\$ 78,996
Electric - fuel and purchased power	41,652	2,164	(2,158)	41,658	-	-	(1,241)	40,417
Water and sewer	-	-	-	-	40,771	-	(36)	40,735
District energy system	-	-	-	-	-	792	(36)	756
Other	2,012	-	-	2,012	1,203	-	(281)	2,934
Total operating revenues	122,990	2,164	(2,158)	122,996	41,974	792	(1,924)	163,838
Operating expenses								
Operations and maintenance:								
Fuel	29,914	16	-	29,930	-	-	-	29,930
Purchased power	17,390	-	(2,158)	15,232	-	-	-	15,232
Maintenance and other operating expenses	18,521	418	-	18,939	12,051	424	(1,924)	29,490
Depreciation	16,626	34	-	16,660	13,136	199	-	29,995
State utility and franchise taxes	5,871	-	-	5,871	1,020	-	-	6,891
Recognition of deferred costs and revenues, net	(133)	1,172	-	1,039	2,439	-	-	3,478
Total operating expenses	88,189	1,640	(2,158)	87,671	28,646	623	(1,924)	115,016
Operating income	34,801	524	-	35,325	13,328	169	-	48,822
Nonoperating revenues (expenses)								
Interest on debt	(6,650)	(870)	-	(7,520)	(4,476)	(112)	-	(12,108)
Debt management strategy	(755)	-	-	(755)	(192)	-	-	(947)
Investment income	3,239	320	-	3,559	2,123	14	-	5,696
Allowance for funds used during construction	668	-	-	668	876	2	-	1,546
Other nonoperating income, net	356	29	-	385	422	-	-	807
Earnings from The Energy Authority	646	-	-	646	-	-	-	646
Other interest, net	(206)	-	-	(206)	(3)	-	-	(209)
Total nonoperating expenses, net	(2,702)	(521)	-	(3,223)	(1,250)	(96)	-	(4,569)
Income before contributions	32,099	3	-	32,102	12,078	73	-	44,253
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(7,746)	-	-	(7,746)	(2,058)	-	-	(9,804)
Developers and other	60	-	-	60	7,422	-	-	7,482
Reduction of plant cost through contributions	(60)	-	-	(60)	(5,009)	-	-	(5,069)
Total contributions, net	(7,746)	-	-	(7,746)	355	-	-	(7,391)
Change in net position	24,353	3	-	24,356	12,433	73	-	36,862
Net position, beginning of period	1,119,991	98,157	-	1,218,148	1,635,629	5,665	-	2,859,442
Net position, end of period	\$ 1,144,344	\$ 98,160	\$ -	\$ 1,242,504	\$ 1,648,062	\$ 5,738	\$ -	\$ 2,896,304

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

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	\$ 74,093	\$ -	\$ -	\$ 74,093	\$ -	\$ -	\$ (266)	\$ 73,827
Electric - fuel and purchased power	42,959	3,523	(2,582)	43,900	-	-	(1,000)	42,900
Water and sewer	-	-	-	-	34,437	-	(44)	34,393
District energy system	-	-	-	-	-	691	-	691
Other	1,763	(457)	-	1,306	1,092	-	(250)	2,148
Total operating revenues	118,815	3,066	(2,582)	119,299	35,529	691	(1,560)	153,959
Operating expenses								
Operations and maintenance:								
Fuel	34,078	113	-	34,191	-	-	-	34,191
Purchased power	12,347	-	(2,582)	9,765	-	-	-	9,765
Maintenance and other operating expenses	22,332	514	-	22,846	11,021	398	(1,560)	32,705
Depreciation	16,933	34	-	16,967	11,905	200	-	29,072
State utility and franchise taxes	5,385	-	-	5,385	895	-	-	6,280
Recognition of deferred costs and revenues, net	(227)	(4,677)	-	(4,904)	501	-	-	(4,403)
Total operating expenses	90,848	(4,016)	(2,582)	84,250	24,322	598	(1,560)	107,610
Operating income	27,967	7,082	-	35,049	11,207	93	-	46,349
Nonoperating revenues (expenses)								
Interest on debt	(6,653)	(876)	-	(7,529)	(4,722)	(115)	-	(12,366)
Debt management strategy	(874)	-	-	(874)	(213)	-	-	(1,087)
Investment income	397	177	-	574	244	10	-	828
Allowance for funds used during construction	382	-	-	382	707	4	-	1,093
Other nonoperating income, net	360	31	-	391	222	-	-	613
Earnings from The Energy Authority	792	-	-	792	-	-	-	792
Other interest, net	(178)	-	-	(178)	(1)	-	-	(179)
Total nonoperating expenses, net	(5,774)	(668)	-	(6,442)	(3,763)	(101)	-	(10,306)
Income before contributions	22,193	6,414	-	28,607	7,444	(8)	-	36,043
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(7,623)	-	-	(7,623)	(2,096)	-	-	(9,719)
Developers and other	62	-	-	62	7,566	-	-	7,628
Reduction of plant cost through contributions	(62)	-	-	(62)	(4,328)	-	-	(4,390)
Total contributions, net	(7,623)	-	-	(7,623)	1,142	-	-	(6,481)
Change in net position	14,570	6,414	-	20,984	8,586	(8)	-	29,562
Net position, beginning of period, as restated	1,046,782	137,543	-	1,184,325	1,554,000	5,245	-	2,743,570
Net position, end of period	\$ 1,061,352	\$ 143,957	\$ -	\$ 1,205,309	\$ 1,562,586	\$ 5,237	\$ -	\$ 2,773,132

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

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	\$ 595,707	\$ -	\$ -	\$ 595,707	\$ -	\$ -	\$ (2,542)	\$ 593,165
Electric - fuel and purchased power	322,482	22,201	(20,704)	323,979	-	-	(9,562)	314,417
Water and sewer	-	-	-	-	330,915	-	(362)	330,553
District energy system	-	-	-	-	-	6,076	(270)	5,806
Other	17,090	459	-	17,549	9,572	3	(2,504)	24,620
Total operating revenues	935,279	22,660	(20,704)	937,235	340,487	6,079	(15,240)	1,268,561
Operating expenses								
Operations and maintenance:								
Fuel	244,513	4,662	-	249,175	-	-	-	249,175
Purchased power	121,773	-	(20,704)	101,069	-	-	-	101,069
Maintenance and other operating expenses	183,235	2,430	-	185,665	116,291	3,164	(15,240)	289,880
Depreciation	157,262	307	-	157,569	112,892	1,836	-	272,297
State utility and franchise taxes	44,095	-	-	44,095	8,007	-	-	52,102
Recognition of deferred costs and revenues, net	(1,300)	10,546	-	9,246	7,352	-	-	16,598
Total operating expenses	749,578	17,945	(20,704)	746,819	244,542	5,000	(15,240)	981,121
Operating income	185,701	4,715	-	190,416	95,945	1,079	-	287,440
Nonoperating revenues (expenses)								
Interest on debt	(57,008)	(7,828)	-	(64,836)	(39,898)	(1,010)	-	(105,744)
Debt management strategy	(6,815)	-	-	(6,815)	(1,566)	-	-	(8,381)
Investment income	17,526	3,382	-	20,908	11,107	113	-	32,128
Allowance for funds used during construction	4,155	-	-	4,155	7,153	23	-	11,331
Other nonoperating income, net	3,207	258	-	3,465	2,630	-	-	6,095
Earnings from The Energy Authority	1,745	-	-	1,745	-	-	-	1,745
Other interest, net	(1,270)	-	-	(1,270)	(71)	-	-	(1,341)
Total nonoperating expenses, net	(38,460)	(4,188)	-	(42,648)	(20,645)	(874)	-	(64,167)
Income before contributions	147,241	527	-	147,768	75,300	205	-	223,273
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(69,714)	-	-	(69,714)	(33,676)	-	-	(103,390)
Developers and other	4,649	-	-	4,649	63,663	-	-	68,312
Reduction of plant cost through contributions	(4,649)	-	-	(4,649)	(42,551)	-	-	(47,200)
Total contributions, net	(69,714)	-	-	(69,714)	(12,564)	-	-	(82,278)
Change in net position	77,527	527	-	78,054	62,736	205	-	140,995
Net position, beginning of year	1,066,817	97,633	-	1,164,450	1,585,326	5,533	-	2,755,309
Net position, end of period	\$ 1,144,344	\$ 98,160	\$ -	\$ 1,242,504	\$ 1,648,062	\$ 5,738	\$ -	\$ 2,896,304

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

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	\$ 593,781	\$ -	\$ -	\$ 593,781	\$ -	\$ -	\$ (2,531)	\$ 591,250
Electric - fuel and purchased power	339,170	82,985	(53,020)	369,135	-	-	(9,521)	359,614
Water and sewer	-	-	-	-	314,176	-	(435)	313,741
District energy system	-	-	-	-	-	6,082	(230)	5,852
Other	16,131	54,587	-	70,718	8,300	-	(2,054)	76,964
Total operating revenues	949,082	137,572	(53,020)	1,033,634	322,476	6,082	(14,771)	1,347,421
Operating expenses								
Operations and maintenance:								
Fuel	244,186	50,273	-	294,459	-	-	-	294,459
Purchased power	133,065	-	(53,020)	80,045	-	-	-	80,045
Maintenance and other operating expenses	176,430	57,551	-	233,981	107,606	3,136	(14,771)	329,952
Depreciation	153,881	10,893	-	164,774	108,414	1,793	-	274,981
State utility and franchise taxes	43,392	-	-	43,392	7,814	-	-	51,206
Recognition of deferred costs and revenues, net	(2,043)	(1,707)	-	(3,750)	3,827	-	-	77
Total operating expenses	748,911	117,010	(53,020)	812,901	227,661	4,929	(14,771)	1,030,720
Operating income	200,171	20,562	-	220,733	94,815	1,153	-	316,701
Nonoperating revenues (expenses)								
Interest on debt	(56,720)	(17,664)	-	(74,384)	(41,741)	(1,030)	-	(117,155)
Debt management strategy	(8,287)	-	-	(8,287)	(1,983)	-	-	(10,270)
Investment income	3,935	562	-	4,497	2,367	67	-	6,931
Allowance for funds used during construction	2,567	-	-	2,567	5,377	43	-	7,987
Other nonoperating income, net	3,248	976	-	4,224	2,140	-	-	6,364
Earnings from The Energy Authority	3,304	-	-	3,304	-	-	-	3,304
Other interest, net	(1,296)	-	-	(1,296)	(225)	-	-	(1,521)
Total nonoperating expenses, net	(53,249)	(16,126)	-	(69,375)	(34,065)	(920)	-	(104,360)
Income before contributions	146,922	4,436	-	151,358	60,750	233	-	212,341
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(68,604)	-	-	(68,604)	(18,861)	-	-	(87,465)
Developers and other	1,152	-	-	1,152	55,399	-	-	56,551
Reduction of plant cost through contributions	(1,152)	-	-	(1,152)	(35,965)	-	-	(37,117)
Total contributions, net	(68,604)	-	-	(68,604)	573	-	-	(68,031)
Change in net position	78,318	4,436	-	82,754	61,323	233	-	144,310
Net position, beginning of year, as restated	983,034	139,521	-	1,122,555	1,501,263	5,004	-	2,628,822
Net position, end of period	\$ 1,061,352	\$ 143,957	\$ -	\$ 1,205,309	\$ 1,562,586	\$ 5,237	\$ -	\$ 2,773,132

Combining Statement of Cash Flows

(in thousands - unaudited) for the nine months ended June 2019

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating activities								
Receipts from customers	\$ 884,024	\$ 16,153	\$ (22,314)	\$ 877,863	\$ 328,504	\$ 6,316	\$ (12,736)	\$ 1,199,947
Payments to suppliers	(489,697)	(3,281)	22,314	(470,664)	(75,228)	(2,781)	15,240	(533,433)
Payments to employees	(129,157)	51	-	(129,106)	(50,080)	(446)	-	(179,632)
Other operating activities	22,917	458	-	23,375	8,803	3	(2,504)	29,677
Net cash provided by operating activities	288,087	13,381	-	301,468	211,999	3,092	-	516,559
Noncapital and related financing activities								
Contribution to General Fund, City of Jacksonville, Florida	(69,591)	-	-	(69,591)	(33,682)	-	-	(103,273)
Net cash used in noncapital financing activities	(69,591)	-	-	(69,591)	(33,682)	-	-	(103,273)
Capital and related financing activities								
Defeasance of debt	(100,090)	-	-	(100,090)	(94,955)	-	-	(195,045)
Proceeds received from debt	-	-	-	-	2,000	-	-	2,000
Acquisition and construction of capital assets	(196,822)	-	-	(196,822)	(133,664)	(665)	-	(331,151)
Interest paid on debt	(86,731)	(11,167)	-	(97,898)	(62,847)	(1,345)	-	(162,090)
Repayment of debt principal	(130,690)	(1,720)	-	(132,410)	(51,720)	(1,660)	-	(185,790)
Capital contributions	-	-	-	-	21,113	-	-	21,113
Other capital financing activities	(5,133)	172	-	(4,961)	(2,912)	-	-	(7,873)
Net cash used in capital and related financing activities	(519,466)	(12,715)	-	(532,181)	(322,985)	(3,670)	-	(858,836)
Investing activities								
Purchase of investments	(234,322)	(85,712)	-	(320,034)	(82,023)	-	-	(402,057)
Proceeds from sale and maturity of investments	341,296	93,336	-	434,632	170,384	-	-	605,016
Investment income	9,538	3,284	-	12,822	5,316	113	-	18,251
Distributions from The Energy Authority	1,641	-	-	1,641	-	-	-	1,641
Net cash provided by investing activities	118,153	10,908	-	129,061	93,677	113	-	222,851
Net change in cash and cash equivalents	(182,817)	11,574	-	(171,243)	(50,991)	(465)	-	(222,699)
Cash and cash equivalents, beginning of year	285,814	139,953	-	425,767	123,061	6,954	-	555,782
Cash and cash equivalents, end of period	\$ 102,997	\$ 151,527	\$ -	\$ 254,524	\$ 72,070	\$ 6,489	\$ -	\$ 333,083
Reconciliation of operating income to net cash provided by operating activities								
Operating income	\$ 185,701	\$ 4,715	\$ -	\$ 190,416	\$ 95,945	\$ 1,079	\$ -	\$ 287,440
Adjustments:								
Depreciation and amortization	157,262	307	-	157,569	113,812	1,836	-	273,217
Recognition of deferred costs and revenues, net	(1,300)	10,546	-	9,246	7,352	-	-	16,598
Other nonoperating income, net	106	-	-	106	771	-	-	877
Changes in noncash assets and noncash liabilities:								
Accounts receivable	9,993	(6,048)	-	3,945	(6,726)	240	-	(2,541)
Inventories	(873)	1,470	-	597	591	-	-	1,188
Other assets	5,839	-	-	5,839	(119)	(5)	-	5,715
Accounts and accrued expenses payable	(23,858)	(163)	-	(24,021)	(1,720)	(46)	-	(25,787)
Current liabilities payable from restricted assets	-	(4,208)	-	(4,208)	-	-	-	(4,208)
Other noncurrent liabilities and deferred inflows	(44,783)	6,762	-	(38,021)	2,093	(12)	-	(35,940)
Net cash provided by operating activities	\$ 288,087	\$ 13,381	\$ -	\$ 301,468	\$ 211,999	\$ 3,092	\$ -	\$ 516,559
Noncash activity								
Contribution of capital assets from developers	\$ 4,649	\$ -	\$ -	\$ 4,649	\$ 42,551	\$ -	\$ -	\$ 47,200
Unrealized gains on fair value of investments, net	\$ 7,887	\$ 61	\$ -	\$ 7,948	\$ 5,497	\$ -	\$ -	\$ 13,445

Combining Statement of Cash Flows

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

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating activities								
Receipts from customers	\$ 912,309	\$ 95,095	\$ (29,929)	\$ 977,475	\$ 321,759	\$ 5,929	\$ (12,717)	\$ 1,292,446
Payments to suppliers	(480,913)	(81,367)	29,929	(532,351)	(75,509)	(2,749)	14,771	(595,838)
Payments to employees	(124,380)	(34,765)	-	(159,145)	(47,306)	(424)	-	(206,875)
Other operating activities	19,459	54,587	-	74,046	8,859	-	(2,054)	80,851
Net cash provided by operating activities	326,475	33,550	-	360,025	207,803	2,756	-	570,584
Noncapital and related financing activities								
Contribution to General Fund, City of Jacksonville, Florida	(68,670)	-	-	(68,670)	(18,731)	-	-	(87,401)
Net cash used in noncapital financing activities	(68,670)	-	-	(68,670)	(18,731)	-	-	(87,401)
Capital and related financing activities								
Defeasance of debt	(405,105)	(128,280)	-	(533,385)	(460,305)	-	-	(993,690)
Proceeds received from debt	383,840	-	-	383,840	437,160	-	-	821,000
Acquisition and construction of capital assets	(133,647)	-	-	(133,647)	(127,348)	(693)	-	(261,688)
Interest paid on debt	(91,489)	(16,683)	-	(108,172)	(65,842)	(1,371)	-	(175,385)
Repayment of debt principal	(135,105)	(41,330)	-	(176,435)	(51,020)	(1,640)	-	(229,095)
Capital contributions	-	-	-	-	19,434	-	-	19,434
Other capital financing activities	24,334	(7,158)	-	17,176	24,931	-	-	42,107
Net cash used in capital and related financing activities	(357,172)	(193,451)	-	(550,623)	(222,990)	(3,704)	-	(777,317)
Investing activities								
Purchase of investments	(356,574)	(225,471)	-	(582,045)	(232,345)	-	-	(814,390)
Proceeds from sale and maturity of investments	245,458	420,674	-	666,132	187,298	-	-	853,430
Investment income	6,473	(2,694)	-	3,779	4,268	67	-	8,114
Distributions from The Energy Authority	3,037	-	-	3,037	-	-	-	3,037
Net cash provided by (used in) investing activities	(101,606)	192,509	-	90,903	(40,779)	67	-	50,191
Net change in cash and cash equivalents	(200,973)	32,608	-	(168,365)	(74,697)	(881)	-	(243,943)
Cash and cash equivalents, beginning of year	340,063	121,027	-	461,090	145,909	7,035	-	614,034
Cash and cash equivalents, end of period	\$ 139,090	\$ 153,635	\$ -	\$ 292,725	\$ 71,212	\$ 6,154	\$ -	\$ 370,091
Reconciliation of operating income to net cash provided by operating activities								
Operating income	\$ 200,171	\$ 20,562	\$ -	\$ 220,733	\$ 94,815	\$ 1,153	\$ -	\$ 316,701
Adjustments:								
Depreciation and amortization	153,881	10,893	-	164,774	109,378	1,793	-	275,945
Recognition of deferred costs and revenues, net	(2,043)	(1,707)	-	(3,750)	3,827	-	-	77
Other nonoperating income (loss), net	80	700	-	780	270	-	-	1,050
Changes in noncash assets and noncash liabilities:								
Accounts receivable	36,049	11,411	-	47,460	497	(152)	-	47,805
Inventories	(351)	13,049	-	12,698	(5,272)	-	-	7,426
Other assets	2,143	-	-	2,143	540	(4)	-	2,679
Accounts and accrued expenses payable	(6,882)	(12,727)	-	(19,609)	(3,368)	(58)	-	(23,035)
Current liabilities payable from restricted assets	-	(7,078)	-	(7,078)	-	-	-	(7,078)
Other noncurrent liabilities and deferred inflows	(56,573)	(1,553)	-	(58,126)	7,116	24	-	(50,986)
Net cash provided by operating activities	\$ 326,475	\$ 33,550	\$ -	\$ 360,025	\$ 207,803	\$ 2,756	\$ -	\$ 570,584
Noncash activity								
Contribution of capital assets from developers	\$ 1,152	\$ -	\$ -	\$ 1,152	\$ 35,965	\$ -	\$ -	\$ 37,117
Unrealized gains (losses) on fair value of investments, net	\$ (3,142)	\$ 4,165	\$ -	\$ 1,023	\$ (2,515)	\$ -	\$ -	\$ (1,492)

Debt Service Coverage

June 2019

(unaudited)

	Month June		Year-to-Date June	
	2019	2018	2019	2018
Electric System				
Senior debt service coverage, (annual minimum 1.20x)	8.00 x	7.92 x	5.86 x	6.88 x
Senior and subordinated debt service coverage, (annual minimum 1.15x)	3.47 x	2.77 x	2.53 x	2.41 x
Bulk Power Supply System				
Debt service coverage, (annual minimum 1.15x)	1.10 x	5.58 x	2.27 x	3.45 x
St. Johns River Power Park, Second Resolution				
Debt service coverage, (semi-annual minimum 1.15x)	1.18 x	0.74 x	1.20 x	1.16 x
Water and Sewer System				
Senior debt service coverage, (annual minimum 1.25x)	4.23 x	3.53 x	3.50 x	3.31 x
Senior and subordinated debt service coverage excluding capacity fees ⁽¹⁾	3.28 x	2.61 x	2.68 x	2.54 x
Senior and subordinated debt service coverage including capacity fees ⁽¹⁾	3.54 x	2.96 x	2.94 x	2.77 x
District Energy System				
Debt service coverage, (annual minimum 1.15x)	1.52 x	1.21 x	2.54 x	1.33 x

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

	Month June			Year-to-Date June		
	2019	2018	Variance	2019	2018	Variance
Electric revenues sales (000s omitted):						
Residential	\$ 62,174	\$ 56,396	10.25%	\$ 435,876	\$ 429,952	1.38%
Commercial	36,335	35,595	2.08%	283,172	281,712	0.52%
Industrial	16,551	17,010	-2.70%	144,060	146,673	-1.78%
Public street lighting	1,101	1,081	1.85%	9,837	9,644	2.00%
Sales for resale - territorial	-	-		-	3,775	-100.00%
Electric revenues - territorial	116,161	110,082	5.52%	872,945	871,756	0.14%
Sales for resale - off system	184	147	25.17%	3,288	1,485	121.41%
Electric revenues	116,345	110,229	5.55%	876,233	873,241	0.34%
Rate stabilization & recovery	4,794	6,977	31.29%	43,020	60,492	28.88%
Allowance for doubtful accounts	(161)	(154)	4.55%	(1,064)	(782)	36.06%
Net electric revenues	120,978	117,052	3.35%	918,189	932,951	-1.58%
MWh sales						
Residential	551,992	499,803	10.44%	3,804,426	3,752,695	1.38%
Commercial	382,530	375,077	1.99%	2,903,710	2,889,912	0.48%
Industrial	229,577	244,802	-6.22%	1,995,786	2,021,595	-1.28%
Public street lighting	4,556	5,138	-11.33%	43,079	44,852	-3.95%
Sales for resale - territorial	-	-		-	38,640	-100.00%
Total MWh sales - territorial	1,168,655	1,124,820	3.90%	8,747,001	8,747,694	-0.01%
Sales for resale - off system	6,792	2,774	144.84%	83,307	33,052	152.05%
Total MWh sales	1,175,447	1,127,594	4.24%	8,830,308	8,780,746	0.56%
Number of accounts (1)						
Residential	420,737	411,665	2.20%	417,678	409,063	2.11%
Commercial	53,214	52,504	1.35%	52,923	52,301	1.19%
Industrial	193	195	-1.03%	195	197	-1.02%
Public street lighting	3,879	3,791	2.32%	3,841	3,765	2.02%
Total average accounts	478,023	468,155	2.11%	474,637	465,326	2.00%
Residential averages						
Revenue per account - \$	147.77	136.99	7.87%	1,043.57	1,051.07	-0.71%
kWh per account	1,312	1,214	8.07%	9,109	9,174	-0.71%
Revenue per kWh - ¢	11.26	11.28	-0.18%	11.46	11.46	0.00%
Degree days						
Heating degree days	-	-	-	972	1,103	(131)
Cooling degree days	531	510	21	1,709	1,541	168
Total degree days	531	510	21	2,681	2,644	37
Degree days - 30 year average	449			2,561		

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

	Month June			Year-to-Date June		
	2019	2018	Variance	2019	2018	Variance
Water						
<i>Revenues (000s omitted):</i>						
Residential	\$ 8,885	\$ 7,264	22.32%	\$ 71,838	\$ 68,354	5.10%
Commercial and industrial	3,713	3,893	-4.62%	35,167	35,059	0.31%
Irrigation	4,189	2,386	75.57%	25,214	23,704	6.37%
Total water revenues	16,787	13,543	23.95%	132,219	127,117	4.01%
Rate stabilization	400	(242)	-265.29%	(1,088)	(2,651)	-58.96%
Allowance for doubtful accounts	(23)	(20)	15.00%	(152)	(176)	-13.64%
Net water revenues	\$ 17,164	\$ 13,281	29.24%	\$ 130,979	\$ 124,290	5.38%
<i>Kgal sales (000s omitted)</i>						
Residential	1,727,088	1,403,550	23.05%	13,265,640	12,600,575	5.28%
Commercial and industrial	1,069,300	1,216,484	-12.10%	10,155,378	10,255,440	-0.98%
Irrigation	780,969	380,826	105.07%	4,164,374	3,866,831	7.69%
Total kgal sales	3,577,357	3,000,860	19.21%	27,585,392	26,722,846	3.23%
<i>Number of accounts (1):</i>						
Residential	293,968	286,938	2.45%	291,554	284,448	2.50%
Commercial and industrial	26,032	25,790	0.94%	25,930	25,664	1.04%
Irrigation	37,338	37,156	0.49%	37,156	37,019	0.37%
Total average accounts	357,338	349,884	2.13%	354,640	347,131	2.16%
<i>Residential averages:</i>						
Revenue per account - \$	30.22	25.32	19.35%	246.40	240.30	2.54%
Kgals per account	5.88	4.89	20.25%	45.50	44.30	2.71%
Revenue per kgals - \$	5.14	5.18	-0.77%	5.42	5.42	0.00%
Sewer						
<i>Revenues (000s omitted):</i>						
Residential	\$ 12,659	\$ 11,238	12.64%	\$ 108,190	\$ 103,769	4.26%
Commercial and industrial	8,178	9,135	-10.48%	81,079	80,525	0.69%
Total sewer revenues	20,837	20,373	2.28%	189,269	184,294	2.70%
Rate stabilization	550	(386)	-242.49%	(1,660)	(4,050)	-59.01%
Allowance for doubtful accounts	(34)	(30)	13.33%	(228)	(263)	-13.31%
Net sewer revenues	21,353	19,957	7.00%	187,381	179,981	4.11%
<i>Kgal sales (000s omitted)</i>						
Residential	1,474,027	1,230,057	19.83%	11,507,815	10,902,494	5.55%
Commercial and industrial	859,065	1,019,768	-15.76%	8,716,982	8,713,034	0.05%
Total kgal sales	2,333,092	2,249,825	3.70%	20,224,797	19,615,528	3.11%
<i>Number of accounts (1):</i>						
Residential	260,754	253,988	2.66%	258,428	251,620	2.71%
Commercial and industrial	18,565	18,380	1.01%	18,486	18,321	0.90%
Total average accounts	279,319	272,368	2.55%	276,914	269,941	2.58%
<i>Residential averages:</i>						
Revenue per account - \$	48.55	44.25	9.72%	418.65	412.40	1.52%
kgals per account	5.65	4.84	16.74%	44.53	43.33	2.77%
Revenue per kgals - \$	8.59	9.14	-6.02%	9.40	9.52	-1.26%
Reuse						
<i>Revenues (000s omitted):</i>						
Reuse revenues	\$ 2,254	\$ 1,199	87.99%	\$ 12,555	\$ 9,905	26.75%
<i>Kgal sales (000s omitted)</i>						
Reuse sales (kgals)	486,758	288,310	68.83%	2,671,538	2,268,808	17.75%
<i>Number of accounts (1):</i>						
Reuse accounts	14,839	11,986	23.80%	13,918	11,192	24.36%
Rainfall						
	Diff in inches			Diff in inches		
Normal	6.45	6.45		30.85	30.85	
Actual	4.41	9.77	(5.36)	28.44	37.46	(9.02)
Rain Days	13	12	1	83	73	10

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

Appendix

JEA
Schedule of Cash and Investments
(in thousands - unaudited) June 2019

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	Electric System and Bulk Power Supply	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Unrestricted cash and investments						
Operations	\$ 28,224	\$ 48,664	\$ 76,888	\$ 24,550	\$ 1,407	\$ 102,845
Rate stabilization:						
Fuel	36,191	-	36,191	-	-	36,191
Debt management	29,884	-	29,884	14,209	-	44,093
Environmental	45,790	-	45,790	15,662	-	61,452
Purchased Power	44,003	-	44,003	-	-	44,003
DSM/Conservation	4,498	-	4,498	-	-	4,498
Total rate stabilization funds	160,366	-	160,366	29,871	-	190,237
Customer deposits	44,439	-	44,439	16,006	-	60,445
General reserve	-	19,217	19,217	-	-	19,217
Self insurance reserve funds:						
Self funded health plan	10,720	-	10,720	-	-	10,720
Property insurance reserve	10,000	-	10,000	-	-	10,000
Total self insurance reserve funds	20,720	-	20,720	-	-	20,720
Environmental liability reserve	16,568	-	16,568	-	-	16,568
Total unrestricted cash and investments	\$ 270,317	\$ 67,881	\$ 338,198	\$ 70,427	\$ 1,407	\$ 410,032
Restricted assets						
Renewal and replacement funds	\$ 58,496	\$ 48,598	\$ 107,094	\$ 56,284	\$ 3,482	\$ 166,860
Debt service reserve account	65,433	11,445	76,878	63,442	-	140,320
Debt service funds	107,883	13,335	121,218	54,255	1,600	177,073
Environmental funds	-	-	-	426	-	426
Construction funds	-	-	-	28,983	-	28,983
Subtotal	231,812	73,378	305,190	203,390	5,082	513,662
Unrealized holding gain (loss) on investments	4,585	113	4,698	4,150	-	8,848
Other funds	-	27,965	27,965	-	-	27,965
Total restricted cash and investments	\$ 236,397	\$ 101,456	\$ 337,853	\$ 207,540	\$ 5,082	\$ 550,475

JEA
Schedule of Cash and Investments
(in thousands) September 2018

	Electric System and Bulk Power Supply	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
Construction funds	203	-	203	284	-	487
Environmental funds	-	-	-	1,159	-	1,159
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
INVESTMENT PORTFOLIO REPORT
June 2019
(unaudited)
All Funds

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	INVESTMENT	BOOK VALUE	YIELD	% OF TOTAL
*	Treasuries	\$ 102,367,706	2.33%	10.78%
	<u>Agencies</u>			
	Federal Farm Credit Bank	35,037,165	1.70%	3.69%
	Federal Home Loan Bank	202,915,892	2.35%	21.37%
	Total	237,953,057	2.26%	25.06%
	Municipal Bonds	190,168,393	2.74%	20.03%
	Commercial Paper	88,064,408	2.65%	9.28%
	U.S. Treasury Money Market Funds (1)	54,014,573	2.28%	5.69%
	Agency Money Market Funds (2)	45,125,000	2.31%	4.75%
	PALM Money Market Fund	7,500,000	2.44%	0.79%
	Florida Prime Fund	180,496,000	2.55%	19.01%
	<u>Wells Fargo Bank Accounts (3)</u>			
	Electric, Scherer	26,993,810	2.18%	2.84%
	SJRPP	10,451,483	2.18%	1.10%
	Water & Sewer, DES	6,341,409	2.18%	0.67%
	Total Portfolio	\$ 949,475,840	2.47%	100.00%

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

Weighted Avg. Annual Yield for June 2019, Excluding Bank & Money Market Funds: 2.48%

Weighted Avg. Annual Yield for June 2019, Including Bank & Money Market Funds: 2.47%

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

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%	2019	5,070,000	5,070,000
Series Three 2010 C	4.500%	2031	1,290,000	-
Series Three 2010 D	4.250 - 5.000%	2020-2038	1,205,000	-
Series Three 2010 E - BABs	5.350 - 5.482%	2028-2040	34,255,000	-
Series Three 2012A	4.000 - 4.500%	2027-2033	16,210,000	-
Series Three 2012B	2.000 - 5.000%	2019-2039	85,615,000	725,000
Series Three 2013A	3.000 - 5.000%	2019-2026	49,050,000	8,990,000
Series Three 2013B	3.000 - 5.000%	2026-2038	7,500,000	-
Series Three 2013C	4.600 - 5.000%	2019-2030	10,555,000	1,700,000
Series Three 2014A	3.500 - 5.000%	2019-2034	9,350,000	1,285,000
Series Three 2015A	3.000 - 5.000%	2019-2041	59,005,000	155,000
Series Three 2015B	3.375 - 5.000%	2019-2031	17,225,000	6,945,000
Series Three 2017A	5.000%	2019	18,670,000	18,670,000
Series Three 2017B	3.375 - 5.000%	2026-2039	198,095,000	-
Total Fixed Rate Senior Bonds			559,155,000	43,540,000
2009 Series F - BABs	4.900 - 6.406%	2019-2034	62,155,000	1,550,000
2009 Series G	4.000 - 5.000%	2019	14,665,000	14,665,000
2010 Series B	4.000 - 5.000%	2019-2020	3,115,000	960,000
2010 Series D - BABs	4.150 - 5.582%	2019-2027	42,050,000	2,705,000
2012 Series A	3.250 - 5.000%	2019-2033	55,515,000	2,655,000
2012 Series B	3.250 - 5.000%	2019-2037	50,030,000	2,215,000
2013 Series A	3.000 - 5.000%	2019-2030	37,330,000	2,780,000
2013 Series B	3.000 - 5.000%	2019-2026	17,165,000	2,870,000
2013 Series C	1.375 - 5.000%	2019-2038	74,750,000	885,000
2013 Series D	4.375 - 5.250%	2019-2035	50,115,000	20,830,000
2014 Series A	4.000 - 5.000%	2019-2039	94,265,000	14,635,000
2017 Series A	3.000%	2019	1,290,000	1,290,000
2017 Series B	3.375 - 5.000%	2019-2034	171,700,000	1,055,000
Total Fixed Rate Subordinated Bonds			674,145,000	69,095,000
Total Fixed Rate Electric System Bonds/4.551%			1,233,300,000	112,635,000
Electric System - Variable Rate Bonds				
	Current Interest Rates (1)			
Series Three 2008 A - Weekly	1.772%	2027-2036	51,680,000	-
Series Three 2008 B-1 - Weekly	2.176%	2019-2040	59,620,000	425,000
Series Three 2008 B-2 - Weekly	1.772%	2025-2040	41,900,000	-
Series Three 2008 B-3 - Weekly	1.772%	2024-2036	37,000,000	-
Series Three 2008 B-4 - Weekly	2.176%	2019-2036	49,010,000	425,000
Series Three 2008 C-1 - Weekly	1.741%	2024-2034	44,145,000	-
Series Three 2008 C-2 - Weekly	1.741%	2024-2034	43,900,000	-
Series Three 2008 C-3 - Flex	1.620%	2030-2038	25,000,000	-
Series Three 2008 D-1 - Weekly	2.176%	2019-2036	106,275,000	2,745,000
Total Variable Rate Senior Bonds			458,530,000	3,595,000
Series 2000 A - Flex	1.825%	2021-2035	30,965,000	-
Series 2000 F-1 - Flex	1.600%	2026-2030	37,200,000	-
Series 2000 F-2 - Flex	1.811%	2026-2030	24,800,000	-
Series 2008 D - Daily	1.892%	2024-2038	39,455,000	-
Total Variable Rate Subordinated Bonds			132,420,000	-
Total Variable Rate Bonds			590,950,000	3,595,000
Total Electric System Bonds			1,824,250,000	116,230,000
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	4.700 - 5.450%	2019-2028	20,690,000	1,775,000
Issue 3 Series 6	2.375 - 5.000%	2019-2037	91,330,000	5,680,000
Issue 3 Series 7	2.000 - 5.000%	2019-2033	79,500,000	4,120,000
Issue 3 Series 8	2.000 - 5.000%	2019-2039	57,895,000	2,205,000
Total Fixed Rate St. Johns River Power Park Bonds/4.014%			278,885,000	13,780,000
Bulk Power Supply System, Scherer 4 Project - Fixed Rate Bonds				
Series 2010A - BABs	4.800 - 5.920%	2019-2030	34,355,000	2,140,000
Series 2014A	2.000 - 4.125%	2019-2038	60,655,000	4,010,000
Total Fixed Rate Bulk Power Supply System Bonds/4.324%			95,010,000	6,150,000
Weighted Average Cost(2) / Total Outstanding Debt		3.436%	\$ 2,198,145,000	\$ 136,160,000

(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/remarketing fees and interest rate swap payments.

	Current YTD	Prior YTD	Year End Target
• Debt Ratio - Electric Enterprise Func	66.0%	71.1%	63.9%
	Electric System	Power Park	Issue Three
• Remaining New Money Authorization	\$ 465,160,992	103,865,000	
• Remaining Senior Refunding Authorizatio	\$ 1,022,837,381	250,810,000	
• Remaining Subordinated Refunding Authorizatio	\$ 634,898,000	n/a	

JEA
Water and Sewer System
Schedule of Outstanding Indebtedness
June 2019
(unaudited)

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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	3.7500%	2019	\$ 8,915,000	\$ 8,915,000
2010 Series A - BABs	6.210 - 6.310%	2026-2044	83,115,000	-
2010 Series B - Taxable	5.200 - 5.700%	2019-2025	12,110,000	1,730,000
2010 Series D	4.000 - 5.000%	2019-2039	24,125,000	5,015,000
2010 Series E	4.000 - 5.000%	2023-2039	8,570,000	-
2010 Series F - BABs	3.900 - 5.887%	2019-2040	42,095,000	2,395,000
2012 Series A	3.000 - 5.000%	2019-2041	153,175,000	1,070,000
2012 Series B	2.250 - 5.000%	2019-2037	73,270,000	1,280,000
2013 Series A	4.500 - 5.000%	2019-2027	17,575,000	12,580,000
2014 Series A	2.000 - 5.000%	2019-2040	212,960,000	5,625,000
2017 Series A	3.125 - 5.000%	2022-2041	360,775,000	-
Total Fixed Rate Senior Bonds			996,685,000	38,610,000
2010 Series A	5.000%	2019	2,790,000	2,790,000
2010 Series B	4.000 - 5.000%	2023-2025	2,060,000	-
2012 Series B	3.250 - 5.000%	2030-2043	29,685,000	-
2013 Series A	2.125 - 5.000%	2019-2029	25,210,000	5,365,000
2017 Series A	2.750 - 5.000%	2021-2034	58,940,000	-
Total Fixed Rate Subordinated Bonds			118,685,000	8,155,000
Total Fixed Rate Bonds/4.528%			1,115,370,000	46,765,000
Variable Rate Bonds				
	Current Interest Rates (1)			
2006 Series B - CPI Bonds	3.931% (2)	2019-2022	24,850,000	5,740,000
2008 Series A-2 - Weekly	1.633%	2028-2042	51,820,000	-
2008 Series B - Weekly	1.696%	2023-2041	85,290,000	-
Total Variable Rate Senior Bonds			161,960,000	5,740,000
2008 Series A-1 - Daily	1.420%	2019-2038	48,850,000	2,200,000
2008 Series A-2 - Weekly	1.633%	2030-2038	25,600,000	-
2008 Series B-1 - Weekly	1.668%	2030-2036	30,885,000	-
Total Variable Rate Subordinated Bonds			105,335,000	2,200,000
Total Variable Rate Bonds			267,295,000	7,940,000
Other Obligations				
Revolving Credit Agreement	3.644%	2021	5,000,000	-
Total Other Obligations			5,000,000	-
Weighted Average Cost(3) / Total Outstanding Debt		3.595%	\$ 1,387,665,000	\$ 54,705,000

(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	46.1%	51.0%	44.0%
• Remaining New Money Authorization	\$ 218,078,023		
• Remaining Refunding Authorization	\$ 794,813,942		

JEA
District Energy System
Principal Amount of Debt Outstanding and Average Interest Rates
June 2019
(unaudited)

Issue/Average Coupon	Interest Rates	Principal Payment Dates	Par Amount Principal Outstanding	Current Portion of Long-Term Debt
Fixed Rate Bonds				
2013 Series A/4.184%	2.065 - 4.538%	2019-2034	\$ 34,825,000	\$ 1,690,000
Weighted Average Cost(1) / Total Outstanding Debt		4.188%	\$ 34,825,000	\$ 1,690,000

(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

JEA
Interest Rate Swap Position Report
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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	1.659	2.058	n/a	68% 1 mth Libor
3	Morgan Stanley	1/27/2005	10/1/2039	82,575,000	-	4.351	1.659	2.692	n/a	SIFMA
4	JPMorgan	1/27/2005	10/1/2035	85,200,000	-	3.661	1.659	2.002	n/a	68% 1 mth Libor
6	JPMorgan	1/27/2005	10/1/2037	39,175,000	-	3.716	1.659	2.057	n/a	68% 1 mth Libor
7	Morgan Stanley	10/31/2006	10/1/2022	-	24,850,000	4.039	2.533	1.506	n/a	CPI
8	Morgan Stanley	1/31/2007	10/1/2031	62,980,000	-	3.907	1.659	2.248	n/a	SIFMA
9	Merrill Lynch	3/8/2007	10/1/2041	-	85,290,000	3.895	1.659	2.236	n/a	SIFMA
10	Goldman Sachs	1/31/2008	10/1/2036	51,680,000	-	3.836	1.659	2.177	n/a	SIFMA
Total				<u>\$ 406,410,000</u>	<u>\$ 110,140,000</u>	Wtd Avg Spread		2.188		

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

	Month June			Year-to-Date June		
	2019	2018	Variance	2019	2018	Variance
Generated power:						
Steam:						
<i>Fuel oil</i>						
Fuel expense	\$ 28,601	\$ (167,595)	-117.07%	\$ 375,462	\$ 4,163,527	-90.98%
Barrels #6 oil consumed	264	(1,548)	-117.05%	3,421	38,482	-91.11%
\$/ per barrel consumed	\$ 108.34	\$ 108.27	0.07%	\$ 109.75	\$ 108.19	1.44%
kWh oil generated (1)	-	-		1,220,989	23,686,188	-94.85%
Cost per MWh - oil	\$ -	\$ -		\$ 307.51	\$ 175.78	74.94%
<i>Natural gas units #1-3</i>						
Gas expense - variable	\$ 5,493,500	\$ 6,508,862	-15.60%	\$ 47,228,619	\$ 36,959,616	27.78%
MMBTU's consumed	2,115,985	1,953,321	8.33%	14,837,608	11,426,708	29.85%
\$/ per MMBTU consumed	\$ 2.60	\$ 3.33	-22.09%	\$ 3.18	\$ 3.23	-1.59%
kWh - gas generated (1)	197,011,133	179,916,104	9.50%	1,388,276,727	1,050,125,211	32.20%
Cost per MWh - gas	\$ 27.88	\$ 36.18	-22.92%	\$ 34.02	\$ 35.20	-3.34%
Cost per MWh - gas & oil - steam	\$ 28.03	\$ 35.25	-20.47%	\$ 34.26	\$ 38.30	-10.54%
<i>Coal</i>						
Coal expense	\$ 2,384,971	\$ 3,534,602	-32.53%	\$ 20,085,821	\$ 19,886,767	1.00%
kWh generated	62,635,677	114,711,302	-45.40%	509,999,012	601,489,543	-15.21%
Cost per MWh - coal	\$ 38.08	\$ 30.81	23.57%	\$ 39.38	\$ 33.06	19.12%
<i>Pet coke and limestone</i>						
Expense	\$ 4,136,646	\$ 6,843,010	-39.55%	\$ 32,966,066	\$ 39,060,902	-15.60%
kWh generated	122,495,790	161,647,669	-24.22%	925,197,988	1,006,896,387	-8.11%
Cost per MWh - pet coke and limestone	\$ 33.77	\$ 42.33	-20.23%	\$ 35.63	\$ 38.79	-8.15%
Cost per MWh - coal & petcoke - steam	\$ 35.23	\$ 37.55	-6.19%	\$ 36.96	\$ 36.65	0.86%
Combustion turbine:						
<i>Fuel oil</i>						
Fuel expense	\$ 78,656	\$ 135,454	-41.93%	\$ 1,185,156	\$ 3,345,196	-64.57%
Barrels #2 oil consumed	386	1,093	-64.68%	8,270	35,286	-76.56%
\$/ per barrel consumed	\$ 203.77	\$ 123.93	64.43%	\$ 143.31	\$ 94.80	51.16%
kWh - oil generated	219,715	163,907	34.05%	2,849,922	13,762,380	-79.29%
Cost per MWh - oil	\$ 357.99	\$ 826.41	-56.68%	\$ 415.86	\$ 243.07	71.09%
<i>Natural gas (includes landfill)</i>						
Gas expense Kennedy & landfill - variable	\$ 569,581	\$ 388,015	46.79%	\$ 4,559,097	\$ 2,162,576	110.82%
MMBTU's consumed	220,268	116,597	88.91%	1,463,032	650,350	124.96%
\$/ per MMBTU consumed	\$ 2.59	\$ 3.33	-22.30%	\$ 3.12	\$ 3.33	-6.29%
kWh - gas generated (1)	19,561,204	10,117,584	93.34%	128,785,299	53,604,881	140.25%
Cost per MWh - gas	\$ 29.12	\$ 38.35	-24.07%	\$ 35.40	\$ 40.34	-12.25%
Gas expense BB simple - variable	\$ 571,135	\$ 326,832	74.75%	\$ 4,509,663	\$ 2,379,808	89.50%
MMBTU's consumed	\$ 220,770	\$ 113,714	94.14%	\$ 1,441,203	\$ 785,923	83.38%
\$/ per MMBTU consumed	\$ 2.59	\$ 2.87	-9.99%	\$ 3.13	\$ 3.03	3.34%
kWh - gas generated (1)	20,062,656	10,132,985	97.99%	129,101,603	67,666,116	90.79%
Cost per MWh - gas simple	\$ 28.47	\$ 32.25	-11.74%	\$ 34.93	\$ 35.17	-0.68%
Gas expense BB combined - variable	\$ 6,956,329	\$ 6,926,477	0.43%	\$ 53,874,683	\$ 65,070,102	-17.21%
MMBTU's consumed	2,663,994	2,456,612	8.44%	15,800,152	21,721,709	-27.26%
\$/ per MMBTU consumed	\$ 2.61	\$ 2.82	-7.39%	\$ 3.41	\$ 3.00	13.82%
kWh - gas generated (1)	387,643,840	348,278,991	11.30%	2,295,402,710	3,090,292,925	-25.72%
Cost per MWh - gas combined	\$ 17.95	\$ 19.89	-9.77%	\$ 23.47	\$ 21.06	11.47%
Gas expense GEC simple - variable	\$ 1,368,820	\$ 1,397,270	-2.04%	\$ 9,040,177	\$ 8,202,016	10.22%
MMBTU's consumed	528,697	475,245	11.25%	3,156,923	2,009,321	57.11%
\$/ per MMBTU consumed	\$ 2.59	\$ 2.94	-11.94%	\$ 2.86	\$ 4.08	-29.85%
kWh - gas generated	48,475,546	43,214,117	12.18%	286,537,116	178,034,431	60.94%
Cost per MWh - gas simple	\$ 28.24	\$ 32.33	-12.67%	\$ 31.55	\$ 46.07	-31.52%
Cost per MWh - gas & oil ct	\$ 20.05	\$ 22.27	-9.96%	\$ 25.74	\$ 23.85	7.94%
Natural gas expense - fixed	\$ 3,460,753	\$ 3,397,961	1.85%	\$ 29,924,609	\$ 28,889,486	3.58%
Total generated power:						
Fuels expense	\$ 25,048,992	\$ 29,290,888	-14.48%	\$ 203,749,353	\$ 210,119,996	-3.03%
kWh generated	858,105,561	868,182,659	-1.16%	5,667,371,366	6,085,558,062	-6.87%
Cost per MWh	\$ 29.19	\$ 33.74	-13.48%	\$ 35.95	\$ 34.53	4.12%

(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	\$ 28,601	\$ (167,595)		\$ 375,462	\$ 4,163,527	
Natural gas units #1-3 with landfill - variable	5,493,500	6,508,862		47,228,619	36,959,616	
Coal	2,384,971	3,534,602		20,085,821	19,886,767	
Petcoke	4,136,646	6,843,010		32,966,066	39,060,902	
Fuel oil #2	78,656	135,454		1,185,156	3,345,196	
Natural gas - simple cycle (BB & GEC) - variable	2,509,536	2,112,117		18,108,937	12,744,400	
Natural gas - combined (BB) - variable	6,956,329	6,926,477		53,874,683	65,070,102	
Natural gas - fixed	3,460,753	3,397,961		29,924,609	28,889,486	
Total	\$ 25,048,992	\$ 29,290,888		\$ 203,749,353	\$ 210,119,996	

	Month June			Year-to-Date June		
	2019	2018	Variance	2019	2018	Variance
Production Statistics (Continued)						
Purchased power:						
<i>Plant Scherer</i>						
Purchases	\$ 4,223,103	\$ 8,132,167	-48.07%	\$ 48,985,851	\$ 48,849,682	0.28%
kWh purchased	101,382,000	117,864,000	-13.98%	1,064,677,000	720,895,000	47.69%
Cost per MWh	\$ 41.66	\$ 69.00	-39.63%	\$ 46.01	\$ 67.76	-32.10%
<i>TEA & other</i>						
Purchases	\$ 15,232,584	\$ 9,764,953	55.99%	\$ 101,069,216	\$ 80,045,387	26.26%
kWh purchased	278,989,571	188,665,376	47.88%	2,441,002,399	1,752,028,652	39.32%
Cost per MWh	\$ 54.60	\$ 51.76	5.49%	\$ 41.40	\$ 45.69	-9.37%
<i>SJRPP</i>						
Purchases	\$ 2,157,607	\$ 2,581,976	-16.44%	\$ 20,703,543	\$ 53,019,996	-60.95%
kWh purchased	-	-		-	539,759,000	-100.00%
Cost per MWh					\$ 98.23	
Total purchased power:						
Purchases	\$ 21,613,294	\$ 20,479,096	5.54%	\$ 170,758,610	\$ 181,915,065	-6.13%
kWh purchased	380,371,571	306,529,376	24.09%	3,505,679,399	3,012,682,652	16.36%
Cost per MWh	\$ 56.82	\$ 66.81	-14.95%	\$ 48.71	\$ 60.38	-19.33%
Subtotal - generated and purchased power:	\$ 46,662,286	\$ 49,769,984	-6.24%	\$ 374,507,963	\$ 392,035,061	-4.47%
Fuel interchange sales	(131,623)	(97,645)	34.80%	(2,827,175)	(1,040,844)	171.62%
Earnings of The Energy Authority	(646,213)	(791,624)	-18.37%	(1,747,831)	(3,308,665)	-47.17%
Realized and Unrealized (Gains) Losses	707,420	(418,600)	-269.00%	(2,984,620)	(2,775,500)	7.53%
Fuel procurement and handling	1,083,736	969,803	11.75%	10,178,632	8,703,280	16.95%
By product reuse	166,882	1,091,016	-84.70%	4,646,066	9,982,556	-53.46%
Total generated and net purchased power:						
Cost, net	47,842,488	50,522,934	-5.31%	381,773,035	403,595,888	-5.41%
kWh generated and purchased	1,238,477,132	1,174,712,035	5.43%	9,173,050,765	9,098,240,714	0.82%
Cost per MWh	\$ 38.63	\$ 43.01	-10.18%	\$ 41.62	\$ 44.36	-6.18%
Reconciliation:						
Generated and purchased power per above	\$ 47,842,488	\$ 38.63		\$ 381,773,035	\$ 41.62	
<i>SJRPP operating expenses:</i>						
SJRPP O & M	(45,187)	(0.04)		(2,409,966)	(0.26)	
SJRPP debt service	(1,856,542)	(1.50)		(15,990,678)	(1.74)	
SJRPP R & R	(255,878)	(0.21)		(2,302,899)	(0.25)	
<i>Scherer operating expenses:</i>						
Scherer power production	(636,067)	(0.51)		(5,782,355)	(0.63)	
Scherer R & R	(70,390)	(0.06)		(8,866,385)	(0.97)	
Scherer transmission	(503,815)	(0.41)		(4,439,763)	(0.48)	
Scherer taxes	(105,624)	(0.09)		(973,776)	(0.11)	
Florida and other capacity	(1,282,557)	(1.04)		(11,894,410)	(1.30)	
MEAG	(1,570,579)	(1.27)		(9,489,940)	(1.03)	
Rounding	1	0.00		1	0.00	
Energy expense per budget page	\$ 41,515,850	\$ 33.52		\$ 319,622,864	\$ 34.84	

Electric System	Month				Prior Year Month	
	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
Budget vs. Actual	2018-19	2018-19	2018-19	%	2017-18	%
June 2019 and 2018 (unaudited)						
Fuel Related Revenues & Expenses						
Fuel Rate Revenues	\$ 422,782,362	\$ 39,946,675	\$ 37,681,232	-5.67%	\$ 36,251,756	3.94%
Fuel Expense and Purchased Power:						
Fuel Expense - Energy System	327,822,632	30,298,351	27,007,029		30,933,107	
Fuel Expense - SJRPP	1,554,666	-	-		1,523,041	
Other Purchased Power	108,921,904	9,432,035	14,508,821		10,398,430	
Subtotal Energy Expense	438,299,202	39,730,386	41,515,850	-4.49%	42,854,578	3.12%
Transfer to (from) Rate Stabilization, Net	(16,151,013)	163,441	(3,891,952)		(6,656,455)	
Fuel Related Uncollectibles	634,173	52,848	57,334		53,633	
Total	422,782,362	39,946,675	37,681,232	5.67%	36,251,756	-3.94%
Fuel Balance	-	-	-		-	
Nonfuel Related Revenues						
Base Rate Revenues	812,153,353	76,736,470	71,941,870		67,839,310	
Conservation Charge Revenue	1,000,000	94,485	125,740		84,117	
Environmental Charge Revenue	8,039,817	759,644	716,618		688,407	
Investment Income	11,600,594	966,716	739,595		769,583	
Natural Gas Revenue Pass Through	2,464,374	205,365	55,589		42,093	
Other Revenues	136,958,120	2,355,274	2,306,167		2,065,336	
Total	972,216,258	81,117,954	75,885,579	-6.45%	71,488,846	6.15%
Nonfuel Related Expenses						
Non-Fuel O&M	221,286,372	16,488,897	16,607,708		16,423,085	
DSM / Conservation O&M	8,126,797	669,931	690,293		513,964	
Environmental O&M	3,071,529	179,195	76,344		127,084	
Rate Stabilization - DSM	(536,783)	(44,732)	28,451		115,087	
Rate Stabilization - Environmental	4,968,288	490,789	640,274		561,322	
Natural Gas Expense Pass Through	2,418,255	200,718	63,719		53,113	
Debt Principal - Energy System	116,230,000	9,685,833	9,685,833		10,433,929	
Debt Interest - Energy System	87,438,843	7,286,570	7,336,327		7,800,177	
Bond Buy-Back - Energy System	108,694,829	-	-		-	
R&R - Energy System	64,447,700	5,370,642	5,370,642		5,467,400	
Operating Capital Outlay	183,115,980	22,000,000	22,000,000		14,000,000	
City Contribution Expense	92,952,147	7,746,012	7,746,012		7,622,650	
Taxes & Uncollectibles	1,437,599	119,800	126,863		117,863	
Emergency Reserve	5,000,000	-	-		-	
Nonfuel Purchased Power:						
* SJRPP D/S Principal	13,780,000	1,148,333	1,148,333		143,333	
* SJRPP D/S Interest	11,127,870	927,323	898,688		903,151	
** Other Non-Fuel Purchased Power	48,656,831	4,054,736	3,499,481		6,398,127	
Total Nonfuel Expenses	972,216,258	76,324,047	75,918,968	0.53%	70,680,285	-7.41%
Non-Fuel Balance	-	4,793,907	(33,389)		808,561	
Total Balance	-	4,793,907	(33,389)		808,561	
Total Revenues	1,394,998,620	121,064,629	113,566,811	-6.19%	107,740,602	5.41%
Total Expenses	1,394,998,620	116,270,722	113,600,200	2.30%	106,932,041	-6.24%
KWH Sold - Territorial	13,180,028,000	1,245,317,589	1,168,654,208	-6.16%	1,124,819,591	3.90%
KWH Sold - Off System	-	-	6,792,000		2,774,000	
	13,180,028,000	1,245,317,589	1,175,446,208	-5.61%	1,127,593,591	4.24%

* Gross debt service

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

Electric System

Budget vs. Actual June 2019 and 2018 (unaudited)	Year-to-Date				Prior Year-to-Date	
	ANNUAL BUDGET 2018-19	BUDGET 2018-19	ACTUAL 2018-19	Variance %	ACTUAL 2017-18	Variance %
Fuel Related Revenues & Expenses						
Fuel Rate Revenues	\$ 422,782,362	\$ 299,040,953	\$ 281,820,176	-5.76%	\$ 281,709,031	0.04%
Fuel Expense and Purchased Power:						
Fuel Expense - Energy System	327,822,632	233,119,947	215,589,431		226,030,332	
Fuel Expense - SJRPP	1,554,666	1,554,666	-		32,675,193	
Other Purchased Power	108,921,904	79,943,942	104,033,433		79,383,705	
Subtotal Energy Expense	438,299,202	314,618,555	319,622,864	-1.59%	338,089,230	5.46%
Transfer to (from) Rate Stabilization, Net	(16,151,013)	(16,053,232)	(38,185,314)		(56,659,184)	
Fuel Related Uncollectibles	634,173	475,630	382,626		278,985	
Total	422,782,362	299,040,953	281,820,176	5.76%	281,709,031	-0.04%
Fuel Balance	-	-	-		-	
Nonfuel Related Revenues						
Base Rate Revenues	812,153,353	574,449,498	542,834,235		542,283,611	
Conservation Charge Revenue	1,000,000	707,317	430,001		567,106	
Environmental Charge Revenue	8,039,817	5,686,696	5,357,050		5,359,100	
Investment Income	11,600,594	8,700,445	9,636,334		7,066,645	
Natural Gas Revenue Pass Through	2,464,374	1,848,281	528,358		415,854	
Other Revenues	136,958,120	129,892,297	128,420,838		18,830,107	
Total	972,216,258	721,284,534	687,206,816	-4.72%	574,522,423	19.61%
Nonfuel Related Expenses						
Non-Fuel O&M	221,286,372	165,764,022	158,307,644		141,373,040	
DSM / Conservation O&M	8,126,797	6,117,004	3,785,036		4,674,809	
Environmental O&M	3,071,529	2,533,943	1,729,687		704,597	
Rate Stabilization - DSM	(536,783)	(402,587)	1,028,061		221,542	
Rate Stabilization - Environmental	4,968,288	3,495,920	3,627,364		4,654,503	
Natural Gas Expense Pass Through	2,418,255	1,816,101	599,632		504,735	
Debt Principal - Energy System	116,230,000	87,172,500	87,172,500		93,678,214	
Debt Interest - Energy System	87,438,843	65,579,132	63,003,320		67,442,626	
Bond Buy-Back - Energy System	108,694,829	108,694,829	108,694,829		-	
R&R - Energy System	64,447,700	48,335,775	48,335,775		49,206,600	
Operating Capital Outlay	183,115,980	80,000,000	80,000,000		78,000,000	
City Contribution Expense	92,952,147	69,714,110	69,714,110		68,603,846	
Taxes & Uncollectibles	1,437,599	1,078,199	894,633		695,158	
Emergency Reserve	5,000,000	-	-		-	
Nonfuel Purchased Power:						
* SJRPP D/S Principal	13,780,000	10,335,000	10,335,000		7,382,969	
* SJRPP D/S Interest	11,127,870	8,345,903	8,088,189		9,073,157	
** Other Non-Fuel Purchased Power	48,656,831	36,492,623	41,351,019		47,298,399	
Total Nonfuel Expenses	972,216,258	695,072,474	686,666,799	1.21%	573,514,194	-19.73%
Non-Fuel Balance	-	26,212,060	540,017		1,008,229	
Total Balance	-	26,212,060	540,017		1,008,229	
Total Revenues	1,394,998,620	1,020,325,487	969,026,992	-5.03%	856,231,454	13.17%
Total Expenses	1,394,998,620	994,113,427	968,486,975	2.58%	855,223,225	-13.24%
KWH Sold - Territorial	13,180,028,000	9,322,452,092	8,747,001,105	-6.17%	8,747,693,023	-0.01%
KWH Sold - Off System	-	-	83,307,000		33,052,000	
	13,180,028,000	9,322,452,092	8,830,308,105	-5.28%	8,780,745,023	0.56%

* Gross debt service

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

Water and Sewer System

Budget vs. Actual June 2019 and 2018 (unaudited)	Month				Prior Year Month	
	ANNUAL BUDGET 2018-19	BUDGET 2018-19	ACTUAL 2018-19	Variance %	ACTUAL 2017-18	Variance %
REVENUES						
Water & Sewer Revenues	\$ 457,315,688	\$ 39,317,419	\$ 38,858,688		\$ 34,220,440	
Capacity & Extension Fees	24,500,000	2,496,588	2,413,535		3,237,150	
Capital Contributions	-	-	-		-	
Investment Income	6,318,534	526,544	461,887		507,532	
Other Income	139,432,982	3,748,050	4,258,080		2,827,704	
Total	627,567,204	46,088,601	45,992,190	-0.21%	40,792,826	12.75%
EXPENSES						
O & M Expenses	162,161,556	13,179,314	11,984,343		10,838,847	
Debt Principal - Water & Sewer	54,705,000	4,558,750	4,558,750		4,310,000	
Debt Interest - Water & Sewer	65,430,545	5,452,545	5,177,719		5,668,931	
Bond Buy-Back - Water & Sewer	99,188,560	-	-		-	
Rate Stabilization - Environmental	-	-	(950,064)		627,759	
R&R - Water & Sewer	23,552,350	1,962,696	1,962,696		2,039,483	
Operating Capital Outlay	141,031,641	16,859,373	16,859,373		11,747,685	
Operating Capital Outlay - Capacity/Extension	24,500,000	2,041,666	2,413,535		3,237,150	
Operating Capital Outlay - Contributions	-	-	-		-	
Operating Capital Outlay - Environmental	15,094,798	946,056	2,439,046		501,134	
City Contribution Expense	24,695,388	2,057,949	2,057,949		2,095,668	
Uncollectibles & Fees	685,974	57,164	57,755		50,000	
Interlocal Agreements	15,521,392	-	-		-	
Emergency Reserve	1,000,000	-	-		-	
Total Expenses	627,567,204	47,115,513	46,561,102	1.18%	41,116,657	-13.24%
Total Balance	\$ -	\$ (1,026,912)	\$ (568,912)		\$ (323,831)	
Sales kgals						
Water	42,000,000	3,690,557	3,577,357	-3.07%	3,000,860	19.21%
Sewer	34,650,000	2,963,322	2,819,850	-4.84%	2,538,135	11.10%
Total	76,650,000	6,653,879	6,397,207	-3.86%	5,538,995	15.49%

Budget vs. Actual June 2019 and 2018 (unaudited)	Year-To-Date				Prior Year to Date	
	ANNUAL BUDGET 2018-19	BUDGET 2018-19	ACTUAL 2018-19	Variance %	ACTUAL 2017-18	Variance %
REVENUES						
Water & Sewer Revenues	\$ 457,315,688	\$ 337,272,534	\$ 326,036,713		\$ 313,502,245	
Capacity & Extension Fees	24,500,000	18,121,632	21,083,032		19,389,056	
Capital Contributions	-	-	29,759		44,638	
Investment Income	6,318,534	4,738,900	5,605,748		4,860,039	
Other Income	139,432,982	125,719,994	129,961,121		26,761,885	
Total	627,567,204	485,853,060	482,716,373	-0.65%	364,557,863	32.41%
EXPENSES						
O & M Expenses	162,161,556	119,639,074	113,810,744		104,841,867	
Debt Principal - Water & Sewer	54,705,000	41,028,750	41,028,747		38,790,000	
Debt Interest - Water & Sewer	65,430,545	49,072,909	46,485,933		49,488,402	
Bond Buy-Back - Water & Sewer	99,188,560	99,188,560	99,188,560		-	
Rate Stabilization - Environmental	-	-	2,747,914		6,700,870	
R&R - Water & Sewer	23,552,350	17,664,262	17,664,262		18,355,350	
Operating Capital Outlay	141,031,641	104,185,968	96,949,189		101,735,069	
Operating Capital Outlay - Capacity/Extension	24,500,000	18,375,000	21,083,032		19,389,056	
Operating Capital Outlay - Contributions	-	-	29,759		44,638	
Operating Capital Outlay - Environmental	15,094,798	11,210,502	7,352,043		3,827,069	
City Contribution Expense	24,695,388	18,521,541	18,521,541		18,861,015	
Uncollectibles & Fees	685,974	514,480	380,741		439,056	
Interlocal Agreements	15,521,392	15,521,392	15,521,392		346,727	
Emergency Reserve	1,000,000	-	-		-	
Total Expenses	627,567,204	494,922,438	480,763,857	2.86%	362,819,119	-32.51%
Total Balance	\$ -	\$ (9,069,378)	\$ 1,952,516		\$ 1,738,744	
Sales kgals						
Water	42,000,000	30,787,602	27,585,392	-10.40%	26,722,846	3.23%
Sewer	34,650,000	25,423,961	22,896,335	-9.94%	21,884,336	4.62%
Total	76,650,000	56,211,563	50,481,727	-10.19%	48,607,182	3.86%

District Energy System

Budget vs. Actual June 2019 and 2018 (unaudited)	Month				Prior Year Month	
	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
	2018-19	2018-19	2018-19	%	2017-18	%
REVENUES						
Revenues	\$ 9,256,655	\$ 841,336	\$ 791,844		\$ 690,337	
Investment Income	-	-	13,921		9,876	
Total	9,256,655	841,336	805,765	-4.23%	700,213	15.07%
EXPENSES						
O & M Expenses	5,127,648	465,726	422,942		396,270	
Debt Principal - DES	1,690,000	140,833	140,833		138,333	
Debt Interest - DES	1,330,449	110,871	110,871		113,257	
R&R - DES	442,950	36,913	36,913		36,404	
Operating Capital Outlay	665,608	-	-		-	
Total Expenses	9,256,655	754,343	711,559	5.67%	684,264	-3.99%
Total Balance	\$ -	\$ 86,993	\$ 94,206		\$ 15,949	

Budget vs. Actual June 2019 and 2018 (unaudited)	Year-To-Date				Prior-Year-to-Date	
	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
	2018-19	2018-19	2018-19	%	2017-18	%
REVENUES						
Revenues	\$ 9,256,655	\$ 6,455,729	\$ 6,078,681		\$ 6,081,582	
Investment Income	-	-	113,280		67,148	
Total	9,256,655	6,455,729	6,191,961	-4.09%	6,148,730	0.70%
EXPENSES						
O & M Expenses	5,127,648	3,467,844	3,157,200		3,138,990	
Debt Principal - DES	1,690,000	1,267,500	1,267,500		1,245,000	
Debt Interest - DES	1,330,449	997,837	997,836		1,019,313	
Rate Stabilization - Debt Management	-	-	(2,737,164)		-	
R&R - DES	442,950	332,213	332,213		327,638	
Operating Capital Outlay	665,608	-	2,737,164		-	
Total Expenses	9,256,655	6,065,394	5,754,749	5.12%	5,730,941	-0.42%
Total Balance	\$ -	\$ 390,335	\$ 437,212		\$ 417,789	



Customer & Community Engagement Overview and Update June FY19

Each month, we update the Board on past, present and future Customer & Community Engagement monthly activities. The purpose is to keep you informed of these efforts, so that you are knowledgeable about JEA's attempts to keep our customers informed, to assist them in the management of their utility services and to be a good corporate citizen.

Customer Communications

Power of One Campaign

Throughout the month of June, we continued sharing the Power of One campaign aimed at educating the community of JEA's purpose. Through ongoing television commercials, radio spots and social media engagement efforts, the campaign continued to emphasize the passion and commitment of JEA to use the power of one—to improve lives through our emphasis on innovation. Additional social media outreach targeting the importance of timing when watering and the ease of online bill options were also communicated to the customer during the month.

We Are Ready. Are You?—The start of Hurricane Season

JEA used the platform of our June bill insert to remind customers that Hurricane Season commenced on June 1. We took this opportunity to reinforce our commitment to the community, assuring them that when a hurricane threatens our region, JEA crews are prepared to work around the clock if necessary to restore utility services. By sharing details of Restoration 1-2-3, we emphasized our goal of ensuring the quickest recovery possible through this three-phase plan.

Flex Pricing Pilot

The Flex Pricing Pilot is a year-long program that studies a new way of providing affordable energy services to our customers. Customers on the pilot will be billed based on the highest demand they place on the electric grid at a given point during a billing period, as opposed to the total energy they consume over that billing period. The Pilot for both the Daily and Dual Flex Rates kicked off on June 1. Customers received various communication pieces, including letters, fact sheets and customized bill inserts in an attempt to educate them on the program.

Community Engagement

JEA employees participated in numerous Ambassador events and Volunteer activities throughout the month of June. Ambassadors participated in 49 activities and volunteers served 453 hours in the community.

JEA Ambassadors

June was a busy month for Ambassadors through participation in several community events including a VA Housing Fair, Tote Maritime Employee Fair and STEM Conference at the University of North Florida, where they created a project that allowed students to participate in the building of their own wind anemometers.

Facility tours were conducted for students at Communities in School and Joshua Christian Academy.

Employee Volunteerism

In June, 93 JEA employees volunteered 453 hours in the community, connecting with customers and assisting with numerous nonprofit projects and activities. From volunteering at BEAM Food Bank to ReStore with Habijax, JEA employees gave generously of their time and talents to benefit our community.

JEA employees also volunteered time at Hope at Hand, Jax Parks: Reddie Point Preserve, Callahan Food Distribution and many other locations.

JEA employees take great pride in the Ambassador and Volunteer programs, which demonstrate tangible ways for our customers and our community to see the “Heart of JEA.”

JEA Community Engagement Calendar - June - August 2019

Date	Event/Activity	Location	Time	Type
Jun-19				
6/1/2019	National Trails Day	Cedar Creek Preserve	8:30am	Volunteer Activity
6/1/2019	Eden Gardens	9179 Gardens St.	8am	Volunteer Activity
6/3/2019	S Bryan Jennings Career fair	215 Corona Dr.	10am	Ambassador Event
6/5/2019	Fidelity Hurricane Awareness	Fidelity Bldg	9am	Ambassador Event
6/6/2019	South Dist. Youth Conference	Wayman Chapell - Labelle St	10am	Ambassador Speakers
6/6/2019	Wealth Watchers Luncheon	River Club	12pm	Ambassador Event
6/7/2019	VA Resource Fair	1536 Jefferson St	10am	Ambassador Event
6/8/2019	Annual Housing & Resource Expo	5310 Lenox Ave.	10am	Ambassador Event
6/10/2019	Callahan Food Distribution	Nassau County Extension Ofc.	12:30pm	Volunteer Activity
6/10/2019	USO No Dough Dinner	2560 Mayport Rd.	10am	Volunteer Activity
6/12/2019	Tote Maritime Safety Fair	10401 Deerwood Pk. Blvd.	12pm	Ambassador Event
6/13/2019	Recovered Treasures	Normandy Blvd.	10am	Volunteer Activity
6/13/2019	Jacksonville Zoo	Zoo Blvd.	9am	Volunteer Activity
6/14/2019	COJ Men's Health Fair	Legends Center 5050 Soutel Dr.	10am	Ambassador Event
6/14/2019	Groundworks Jax	Main St Lab Tour	9am	Ambassador facility Tour
6/14/2019	North Jax Rotary Club	Jax Zoo	8am	Ambassador Speaker
6/15/2019	Eden Gardens	9179 Garden St.	9am	Volunteer Activity
6/15/2019	Military & Veterans Expo	UNF Conference Center	9am	Ambassador Event
6/20/2019	ARC Summer Program	3601 Kernan Blvd.	10am	Ambassador Speaker
6/19 - 20/2019	National Community Dev. Conference	Omni Hotel	8am	Ambassador Event
6/19/2019	Jax Small Business Meeting	UNF Conference Center	10am	Ambassador Event
6/20/2019	Farm Share	1502 Jessie St.	9am	Volunteer Activity
6/20/2019	ReStore with HabiJax	Beach Blvd.	9:30am	Volunteer Activity
6/20/2019	ARC Jax	5601 Kernan Blvd	10am	Ambassador Speaker
6/21/2019	Salvation Army Food Pantry	800 West Adams	8am	Volunteer Activity

JEA Community Engagement Calendar - June - August 2019

Date	Event/Activity	Location	Time	Type
6/21/2019	STEM Conference	UNF Conference Center	9am	Ambassador Event
6/21/2019	Girls Inc. Career fair	900 Acorn St.	12pm	Ambassador Event
6/21/2019	R E Lee Summer Camp	Main St Lab Tour	9am	Ambassador facility Tour
6/24/2019	Callahan Food Distribution	Nassau County Extension Ofc.	12:30pm	Volunteer Activity
6/24/2019	USO No Dough Dinner	2560 Mayport Blvd.	10am	Volunteer Activity
6/25 - 6/26/2019	USO Food Pantry	2560 Mayport Blvd.	9am	Volunteer Activity
6/25/2019	Industrial Pretreatment Awards	Johnson & Johnson	6pm	Ambassador Event
6/26/2019	Communities in Schools	Main St Lab Tour	10am	Ambassador facility Tour
6/26/2019	Music on Main	Main St	5pm	Ambassador Event
6/27/2019	Deutsche Bank Technology Day	5022 Gate Parkway	10am	Ambassador Event
6/27/2019	Cathedral Terrace Café	602 Ocean St.	11am	Volunteer Activity
6/27/2019	Eden Gardens	9179 Garden St.	8am	Volunteer Activity
6/27/2019	Zoo Co-op Team Activity	Zoo Blvd.	9am	Volunteer Activity
6/27/2019	Emergency Prep for People w/Disabilities	Schultz Bldg.	9am	Ambassador Instructor
6/28/2019	Feeding NE FL Food Bank	Edgewood Ave.	8:30am	Volunteer Activity
6/28/2019	Jax Parks Bulls Bay Preserve	8017 Old Plank Rd.	8am	Volunteer Activity
Jul-19				
7/3/2019	Shiva Robotics	7044 Beach Blvd.	10am	Ambassador Event
7/3/2019	HT Jones Center - 1 - Hour Power Pals	3856 Grant Rd.	10am	Ambassador Instructor
7/5/2019	Annual July 5th Beaches Cleanup	Jacksonville Beach next to Lifeguard Station	7:30am	Volunteer Activity
7/5/2019	1 - Hour Power Pals Legends Center	5035 Soutel Dr.	10am	Ambassador Instructor
7/5/2019	1 - Hour Power Pals Cuba Hunter Center	4380 Bedford Rd	12pm	Ambassador Instructor
7/10 - 7/14/2019	FCNMHP Mega Adoption	Jacksonville Fairgrounds	multiple shifts	Volunteer Activity
7/11/2019	Barkin' Biscuits	Berry Good Farms	9am	Volunteer Activity

JEA Community Engagement Calendar - June - August 2019

Date	Event/Activity	Location	Time	Type
7/11/2019	YMCA Thingamajig	Prime Osborn	9am	Ambassador Event
7/11/2019	ARC Jax	3601 Kernan Blvd	10am	Ambassador Speaker
7/12/2019	Jacksonville Zoo	Zoo Blvd.	9am	Volunteer Activity
7/12/2019	Recovered Treasures	Normandy Blvd.	10am	Volunteer Activity
7/12/2019	Hope at Hand	3886 Atlantic Blvd.	11am	Volunteer Activity
7/12/2019	Jax Parks Dutton Island Preserve	1600 Dutton Island Way, 32233	9am	Volunteer Activity
7/12/2019	Jr Achievement Day of the Girl	UNF	9am	Ambassador Event
7/12/2019	Reiman Team Activity	Salvation Army Food Pantry	8:30am	Volunteer Activity
7/16/2019	Greater King Fish Tournament	Jim King Park & Boat Ramp	9am	Volunteer Activity
7/18/2019	Hope at Hand	3886 Atlantic Blvd.	11am	Volunteer Activity
7/18/2019	Farm Share	Jessie St.	9am	Volunteer Activity
7/18 - 7/19/2019	Greater Kingfish Tournament	Jim King Park & Boat Ramp	2:30pm	Volunteer Activity
7/19/2019	PACE Center Career fair	2933 University Blvd. N	8:30am	Ambassador Event
7/19/2019	Jax Parks Castaway Island Preserve	2885 San Pablo Rd., S., 32224	9am	Volunteer Activity
7/19/2019	ReStore by HabiJax	5800 Beach Blvd., 32207	9:30am	Volunteer Activity
7/19/2019	Groundwork Jax	Main St Lab Tour	9am	Ambassador Facility Tour
7/20/2019	Eden Gardens	9179 Garden St.	9am	Volunteer Activity
7/22/2019	Callahan Food Distribution	Nassau County Extension Center	12pm	Volunteer Activity
7/22/2019	St Stephens Academy	Main St Lab Tour	9am	Ambassador Facility Tour
7/24/2019	USO Food Pantry	2560 Mayport blvd.	10:30am	Volunteer Activity
7/25/2019	Cathedral Terrace Café	601 Newman St., 32202	11am	Volunteer Activity
7/25/2019	Eden Gardens	9179 Garden St.	8am	Volunteer Activity
7/25/2019	Berry Good Farms Culinary Camp at ARC	3675 Kirbo Way, 32224	9am	Volunteer Activity
7/25/2019	Marcis Pointe Apt.	6734 103rd St	2pm	Ambassador Speaker

JEA Community Engagement Calendar - June - August 2019

Date	Event/Activity	Location	Time	Type
7/26/2019	Barnabas New to You	930 S. 14th St., Fernandina Bch.	1pm	Volunteer Activity
7/26/2019	Feeding NE FL Food Bank	1116 Edgewood Ave.	8:30am	Volunteer Activity
7/26/2019	Salvation Army Food Pantry	900 W. Adams St.	8:30am	Volunteer Activity
Aug-19				
8/1/2019	Pearl St. Team Activity	Barkin' Biscuits at BGF	9am	Volunteer Activity
8/2/2019	Jax Parks Betz Tiger Point Preserve	13990 Pumpkin Hill Rd., 32226	9am	Volunteer Activity
8/7 - 8/9/2019	Children's Home Society Back-to-School	3027 San Diego Rd., 32207	9am	Volunteer Activity
8/8/2019	BEAM Food Bank	Jacksonville Beach	1pm	Volunteer Activity
8/9/2019	Jacksonville Zoo	Zoo Blvd.	8:30am	Volunteer Activity
8/10/2019	St Paul Lutheran Community Fair	2730 Edgewood Dr. W	8:30am	Ambassador Event
8/13/2019	Callahan Food Distribution	Nassau County Extension Center	12pm	Volunteer Activity
8/15/2019	Farm Share	Jessie St.	9am	Volunteer Activity
8/16/2019	ReStore by HabiJax	5800 Beach Blvd., 32207	9:30am	Volunteer Activity



INTER-OFFICE MEMORANDUM

July 1, 2019

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

FROM: Aaron Zahn, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

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

DISCUSSION:

This report is submitted for the quarter ending June 30, 2019. Summary information for all awards is provided below. A detailed listing for the Formal Sole Source and Emergency Awards is attached. Detailed back-up information for all other awards is retained by the Chief Procurement Officer and is available upon request. There was one (1) Procurement Appeals Board (PAB) action this quarter.

Quarter Ending June 30, 2019

Formal Awards	Number	%	Dollar Amount	%
Total	73		\$ 113,318,922	
Sole Source Awards	0	0.00%	\$ 0	0.00%
Emergency Awards	0	0.00%	\$ 0	0.00%
 Informal Awards	 Number	 %	 Dollar Amount	 %
Total	2234		\$ 21,022,908	
Sole Source Awards	4	0.18%	\$ 226,000	1.08%
Emergency Awards	2	0.09%	\$ 23,860	0.11%

RECOMMENDATION:

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

Aaron Zahn, Managing Director/CEO

AFZ/JPM/JGM

Formal Sole Source Awards by Department - Detailed Listing					
12 months ending June 30, 2019					
Sole Source Awards (1 Item totaling \$2,516,100.99)					
Award Date	Amount	Requesting Dept.	Vendor	Description	Sourcing Basis
8/23/2018	\$2,516,100.99	Shawn Eads (Information Technology)	Cologix, Inc.	JEA Primary Data Center Relocation & 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 June 30, 2019					
Emergency Awards (0 Items totaling \$0.0)					
Award Date	Amount	Requesting Dept.	Vendor	Description	Sourcing Basis
Total	\$0.00				

Total Sole Source & Emergency Procurement Actions

	FY18 Q4	FY19 Q1	FY19 Q2	FY19 Q3
Total Awards	\$103.20M	\$256.33M	\$119.76M	\$134.34M
Sole Source (\$)	\$2.52M	\$0.00M	\$0.00M	\$0.23M
Sole Source (%)	2.44%	0%	0%	0.17%
Emergency (\$)	\$0.00M	\$0.06M	\$0.00M	\$0.02M
Emergency (%)	0%	0.02%	0.00%	0.02%
Combined SS/E (%)	2.44%	0.02%	0.00%	0.19%

Written Order from May 16, 2019 Hearing
Before the JEA Procurement Appeals Board (PAB)

Protester: Sawcross, Inc.
Solicitation: JEA Solicitation No. 063-16 IFB
(Buckman Water Reclamation Facility Aeration Improvement)

Whereas, Protester and JEA entered into a contract pursuant to JEA Solicitation No. 063-16 IFB contract award (the "Contract");

Whereas, on March 18, 2019, JEA's Chief Procurement Officer issued a decision pursuant to Section 5-103(4) of JEA's Procurement Code concerning a liquidated damages controversy between the Protester and JEA related to the Contract;

Whereas, on March 18, 2019, the Protester filed an appeal pursuant to Section 5-305 of the Procurement Code;

Whereas, on May 16, 2019, the PAB (consisting of Chairperson Ted Hobson, Ryan Wannemacher and Caren Anders) conducted a public hearing on the appeal, beginning at approximately 11:00 AM and concluding at approximately 12:30 PM;

Whereas, the PAB members heard arguments and testimony from: (i) the Protester, through its attorney, Mark Bryan, and its representative, Mark Hickinbotham, (ii) JEA's Chief Purchasing Officer (Jenny McCollum); (iii) the attorney representing JEA's Chief Purchasing Officer (Emerson Lotzia), (iv) and JEA representative, Bill Clendening; and

Whereas, written information regarding the Protest was provided prior to the hearing to the PAB members by JEA and the Protester.

Now therefore, at the conclusion of the hearing, based on the information presented, the PAB decided as follows:

1. On a motion by Caren Anders, seconded by Ryan Wannemacher, and unanimously approved by the PAB, the PAB denied the Protester's appeal on the basis that JEA's intended action of invoking the liquidated damages clause under the Contract was not in conflict with JEA's Procurement Code, arbitrary, capricious, dishonest, fraudulent, clearly erroneous, illegal and that such action was in the best interest of JEA.

Entered this 16th day of May, 2019, in Jacksonville, Florida.



Ted Hobson, Chair



INTER-OFFICE MEMORANDUM

July 5, 2019

SUBJECT: CORPORATE CAMPUS UPDATE

FROM: Aaron F. Zahn, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

JEA released a solicitation in October 2018 for its corporate headquarters. The new headquarters is needed to address business continuity risks while meeting our headquarter needs in a cost-efficient manner. The solicitation process resulted in the JEA Board approving the final rankings on April 2, 2019 and authorizing lease negotiations with Ryan Companies US, Inc., the highest ranked firm, subject to lease negotiations and demonstration of site control within 90 days, or July 1, 2019. The Board approved the lease on June 25, 2019 with a 90 day cancellation clause during consideration of the strategic planning process. The City Council approved the Purchase and Sale Agreement (PSA) on June 25, 2019 and the ordinance and PSA was signed by the City on July 8, 2019. The lease was executed by JEA on July 11, 2019.

DISCUSSION:

JEA and Ryan continue to plan for the project including overall project discussions, exterior design discussions, garage design, early interior space and function planning needs, and overall project communications and transition planning coordination. Ryan has kept JEA and its consultants abreast of progress on environmental analysis of the site, design approval processes and early project planning. JEA will continue to evaluate and decide on Tenant Improvement providers within the next 4 to 8 months, all contingent on lease approval and site control. JEA issued an ITN for workspace programming information to inform the design and planning with Ryan. Ryan continues to express a strong preference to perform the Tenant Improvement construction to control schedule, coordination and project efficiency.

RECOMMENDATION:

This update is being provided as information only.

AFZ/MHD/NKV

Aaron F. Zahn, Managing Director/CEO



Corporate Metrics Dashboard

As of June 30, 2019

Metrics for FY19 Goals	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 YTD	2019 Goal	Variance
Customer Value										
JOP Customer Satisfaction Index - Residential	4th Quartile	3rd Quartile	3rd Quartile	1st Quartile	2nd Quartile	1st Quartile	2nd Quartile	1st Quartile	1st Quartile	-
JOP Customer Satisfaction Index - Business	4th Quartile	4th Quartile	69	67	69	67	68	65	65	-
Customer Response Time (min.): W/W/W System	70							76		0%
Overall First Contact Resolution	N/A	N/A	78.5%	80.9%	79.4%	79.4%	79.0%	79.8%	80.0%	-0.3%
Estimated Time of Restoration Accuracy	-	-	88%	85%	89%	82%	80%	89%	80%	11%
Grid Performance: Frequency (outages/year)	2.4	1.7	1.7	1.7	1.4	1.6	1.4	1.23	1.6	23%
Grid Performance: Outage Duration (minutes/year)	84	68	71	99	71	99.5	67	56	75	25%
Grid Performance: CEMIS (% cust. > 5 outages/year)	n/a	n/a	2.34	2.10	1.40	1.07	0.40	0.14	0.80	83%
Water Unplanned Outages (% cust.)	2%	1%	1%	2%	4%	1%	5%	0.96%	2%	52%
Water Distribution System Pressure (avg min < 30 psi)	34.9	20.0	2.1	2.8	2.1	3.7	1.8	9.1	2.0	-355%
Financial Value										
Net Write-Offs	0.19%	0.15%	0.15%	0.16%	0.14%	0.14%	0.13%	0.13%	0.18%	28%
Generation Fleet Reliability (forced outages rate)	0.7%	1.6%	3.0%	1.8%	2.0%	2.2%	2.1%	5.1%	2.0%	-156%
Percent of Net O&M Budget	92%	90%	88%	93%	93%	93%	93%	98%	95%	-3%
Cost Reduction Metric (\$000)	n/a	n/a	n/a	n/a	\$25,156	\$10,087	\$10,495	\$9,371	\$9,100	3%
Community Impact Value										
Capital Invested (\$000)	\$273,774	\$234,718	\$158,392	\$204,708	\$298,045	\$307,918	\$374,456	\$312,906	\$437,774 - \$574,578	TBD
Safety (NIR)	1.48	1.84	2.38	1.65	1.82	2.10	1.48	1.32	1.40	6%
JEA Volunteers	237 Activities	465 Activities	670 Activities	753 Activities	985 Activities	913 Activities	1,050 Activities	5,260 Hours	4,800 Hours	9.6%
JSEB Spend (\$000)	\$9,168	\$10,121	\$7,302	\$9,318	\$9,983	\$13,365	\$15,760	\$12,896	\$15,000	TBD
Environmental Value										
Electric System Environmental Compliance (permit exceedances)	5	4	3	2	4	6	2	2	4	TBD
Consumptive Use Permit Compliance	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
Nitrogen to the River (tons)	650	767	579	553	527	558	550	308	616	TBD
Sanitary Sewer Overflows (SSO's) (per 100 miles of pipe)	0.62	0.60	0.74	0.56	0.66	1.16	0.68	0.57	0.58	TBD

Metrics We Watch	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Forecast
Financial Value								
Change in Net Position (\$000)	\$182,642	\$79,975	\$156,269	\$323,008	\$210,016	\$254,620	\$126,488	\$213,597
Debt to Capitalization	75%	73%	70%	69%	66%	63%	59%	54%
City Contribution (\$000)	\$104,188	\$106,687	\$109,188	\$111,688	\$129,187	\$115,823	\$116,620	\$132,648
Electric sales (000's MWh)	13,855	11,930	12,172	12,434	12,561	12,050	12,364	12,364
Water Sales (000's kgal)	35,345	33,088	32,468	34,558	36,358	37,245	36,187	37,352
Sewer Sales (000's kgal)	24,490	23,624	23,527	24,922	25,818	26,713	26,340	27,158
Reclaim Sales (000's kgal)	1,330	1,110	1,301	1,784	2,644	3,290	3,120	3,674
Community Impact Value								
Utility Scale Solar Energy (000's MWh)	21	21	20	21	21	26	55	61
New Partnerships and Student Programs	N/A	N/A	N/A	N/A	N/A	N/A	N/A	100% complete
Voluntary Attrition	46	36	44	32	33	35	35	31
Diverse State of Candidates (% of recruitments)	N/A	N/A	N/A	97.6%	98.6%	100%	100%	100%
Economic Development Program Participants	N/A	0	0	1	0	0	4	4
Environmental Value								
Reclaimed Water Customer Growth*	35%	40%	43%	31%	27%	25%	22%	24%

Strategic Metrics - Long Term Influence	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Forecast
Customer Value								
Residential Electric Bill in FL (% of State Median)	101%	101%	99%	99.5%	101%	100%	98%	98.6%
Residential Water/Sewer Bill in FL (% of State Median)	110%	104%	102%	100%	96%	94%	92%	92.0%
Financial Value								
Consolidated Return on Equity	13%	8%	10%	12%	13%	13%	9%	10.7%
Return on Net Assets	4%	2%	3%	4%	5%	5%	4%	5.3%
Unlevered Free Cash Flow: EBITDA less CAPEX (\$000)	\$606,131	\$532,872	\$632,212	\$591,925	\$547,897	\$573,259	\$367,007	\$344,933
Net Position (Book Value of Equity) (\$000)	\$1,991,311	\$2,071,286	\$2,196,006	\$2,166,909	\$2,376,928	\$2,631,545	\$2,755,310	\$2,968,906
City Contribution NPV								
Electric Credit Ratings	Aa2/AA/AA	Aa2/AA/AA	Aa2/AA/AA	Aa2/AA/AA	Aa2/AA/AA	Aa2/AA/AA	Aa2/AA/AA	A2/A/AA
W/W/W Credit Ratings	Aa2/AA/AA	Aa2/AA/AA	Aa2/AA/AA	Aa2/AA/AA	Aa2/AAA/AA	Aa2/AAA/AA	Aa2/AAA/AA	A2/AAA/AA
Community Impact Value								
Employee engagement (survey)	-	71%	-	74%	72%	79%	81%	-
Environmental Value								
CO ₂ Emissions (lbs/MWh), net basis, w/ Scherer	1,631	1,828	1,851	1,731	1,799	1,593	1,516	1,587
CO ₂ Emissions Mass(10 ³ Short Tons), w/ Scherer	8,881	10,414	11,194	10,425	10,609	8,916	7,731	7,842
Aquifer Withdrawal Limit	104	100	103	107	112	114	112	115
Residential Water Use Efficiency (gal. per capita per day)	88	80	75	79	81	82	75	74

*May contain reclamation customer temporarily supplied with potable water

MANAGEMENT DISCUSSION

Financial

Electric Enterprise:

- FY19 sales down 0.01% compared to Jun FY18 YTD
- Sales per customer are down 2.0% compared to Jun FY18 YTD
- Degree days are up 1.4% compared to Jun FY18 YTD
- Total customers are up 2.0% compared to JunFY18 YTD
- Revenues decreased \$43m vs. FY18 driven by SJRFP decreases and lower fuel stabilization withdrawals.
- Expenses decreased \$66m vs. FY18 with decreases in SJRFP, generation costs, and maintenance being partially offset by higher regulatory, O&M (legal, professional services, compensation) and depreciation expenses.

Water and Sewer:

- Water sales are up 3.2% compared to Jun FY18 YTD
- Sewer sales are up 3.1% compared to Jun FY18 YTD
- Reclaimed sales are up 17.8% compared to Jun FY18 YTD
- Sales per customer up 1.1% compared to Jun FY18 YTD
- Rain days are up 13.7% (10 days) compared to Jun FY18 YTD, irrigation up 7.7% versus Jun FY18 YTD
- Total customers are up 2.7% compared to Jun FY18 YTD
- Revenues increased by \$17m vs. FY18 due to increased customer accounts, higher sales, and lower enviro stabilization deposits.
- Expenses increased \$16m vs. FY18 driven by an increase in O&M (compensation, health insurance, professional and industrial services, and storm resiliency), higher depreciation due to increase in depreciable base, and, and higher environmental regulatory expenses.

DES

- Stable, minimal change from FY18

FEMA reimbursement:

- Matthew - \$7m of \$10m received
- Irma - \$0.04m of \$14m received

Operations

Three (3) OSHA recordable safety incidents for JEA in the month of June.

Electric:

- The JEA Fleet Forced Outage Rate will exceed target through FY19 due to various issues including extended unit recovery on NS Unit 2 as a result of excess ash build up
- CEMIS continues to be well below target in Q3, with only 344 customers experiencing more than 5 outages in the last 12 months
- ETR, Frequency, and Duration all performing better than goal

Water/Sewer:

- Unplanned Water Main Outages: 80 customers experienced an unplanned outage in the month of June.
- Water Distribution System Pressure (avg min < 30 psi): We have seen a spike in the average mins the water pressure was <30 psi due to dry weather conditions during the months of May and June, which led to aggressively managing grid pressures at lower than normal levels so demand would not exceed reservoir supply. Highest flow during peak hours was 265 MGD and our Max daily flow was 171 MGD. Our average flow during normal peak hours is 164 MGD and our normal Max daily flow 156 MGD. Measures have been put into place to monitor the water levels.
- CUP: Average daily flow of 118 MGD is 14% below CY19 limit of 138 MGD; reclaimed usage at 18 MGD
- Nitrogen to River: FY19 Forecast is 441 tons this includes the deletion of 45 additional tons possible during the aeration basin project at Buckman, the project has been deferred until after the biosolids process rebuild. JEA has a limit of 685 tons per year and provides the CQI with 37 tons.
- SSO's Impacting Waters of the US: 29 YTD, root cause analysis is performed on each SSO - exploring other options for inspections of system



INTER-OFFICE MEMORANDUM

July 23, 2019

SUBJECT: STRATEGIC PLANNING

FROM: Aaron F. Zahn, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

During the May 28, 2019 Board meeting, JEA management presented to the Board information regarding technology disruption of the utility industry, the last ten years of JEA's sales and revenue, and forecasts related to continuing to do business under the status quo. The Board directed JEA management to pursue strategic planning in order to address such challenges. In response, JEA management presented to the Board during the June 25, 2019 Board meeting a strategic planning overview, including an overview of measures that could be taken to address declining revenues. The Board directed JEA management to come back with a sensitivity analysis pertaining to JEA's major customers, a plan to implement a traditional utility response, exploration of how to eliminate major business constraints, and an analysis of opportunities for JEA to innovate.

DISCUSSION:

The Senior Leadership Team will present to the Board three strategic planning scenarios for its consideration:

Scenario 2A is a traditional utility response including a sensitivities analysis, execution strategy, and implementation plan. The implementation plan includes workforce reorganization, non-labor operations and maintenance reduction, capex reductions, and rate changes and other revenue initiatives. Scenario 2B is a traditional utility response that additionally includes simultaneous pursuit of a traditional legislative approach to reducing legal constraints to implementing revenue initiatives. Scenario 3 is a non-traditional utility response that provides alternative approaches to maximize JEA's corporate measures of value.

RECOMMENDATION:

Should the Board chose to direct JEA management to pursue Scenario 2A or 2B, JEA staff recommends the Board adopt the following resolutions: 2019-06

Should the Board chose to direct JEA management to pursue Scenario 3, JEA staff recommends the Board adopt all of the following resolutions: 2019-07, 2019-08, 2019-09

Aaron F. Zahn, Managing Director/CEO

AFZ/LCR



Total Market Compensation Strategy

Performance Unit Plan
July 2019





GUIDING PRINCIPLES

ACCELERATING UTILITY INNOVATION

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



Work together to elevate the entire team

Core competencies accelerate results



ELEVATE THE ENTIRE TEAM

1. Ensure JEA's corporate compensation philosophy is aligned with JEA's Guiding Principles
2. Encourage long-term culture of value creation
3. Establish formal compensation policy to align behavior to 4 Corporate Measures of Value and market based compensation
4. Ensure policy promotes collaboration to drive Vision and Mission

Employee incentives should drive "value" & "teamwork"

JEA Board Policy Manual

(Revision to Policy 2.7 adopted by JEA Board on January 22, 2019)

“With respect to employment, compensation, and benefits to employees, consultants, and contract workers, the CEO shall promote a compensation philosophy that encompasses salary/wages, retirement benefits, incentives and health and welfare benefits that align with and drive JEA’s Corporate Measures of value: 1) Customer; 2) Financial; 3) Environmental; and 4) Community Impact.

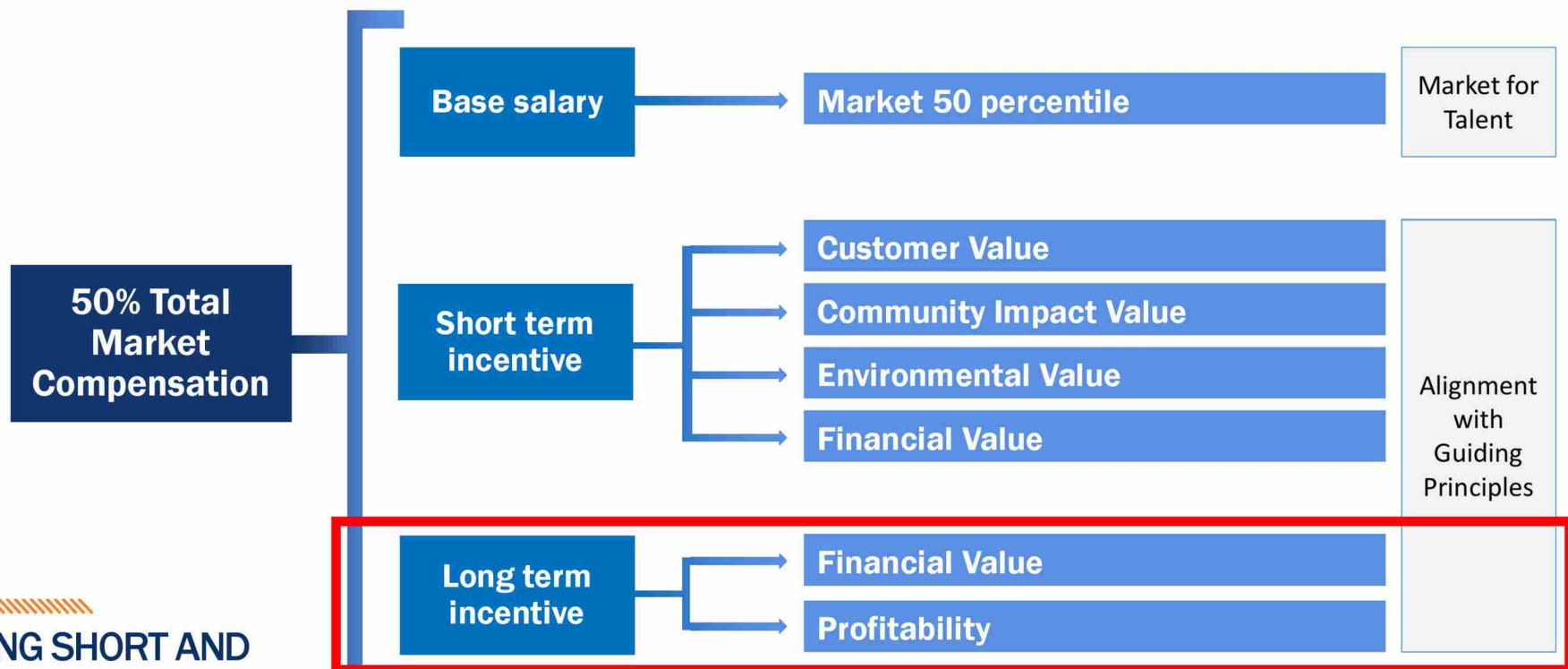
Total compensation will meet the market (50% percentile), which is where the majority of companies in the industry and geographical area reside. Total compensation will include Base Salary, Short Term Incentives and Long Term Incentives. The 50th percentile pays competitively for behavior that meets expectations. Short term and long term incentives will align to and drive JEA’s Corporate Measures of Value. Internal equity will be achieved by evaluating differences in skill, effort, responsibility and working conditions among jobs.”

50th %

JEA’s total compensation structure should both compete with the market for talent & drive results aligned with “guiding principles”

 JEA’S COMPENSATION
PHILOSOPHY

Establish a Formal Compensation Policy to Align with: 1) Talent Market and 2) Guiding Principles



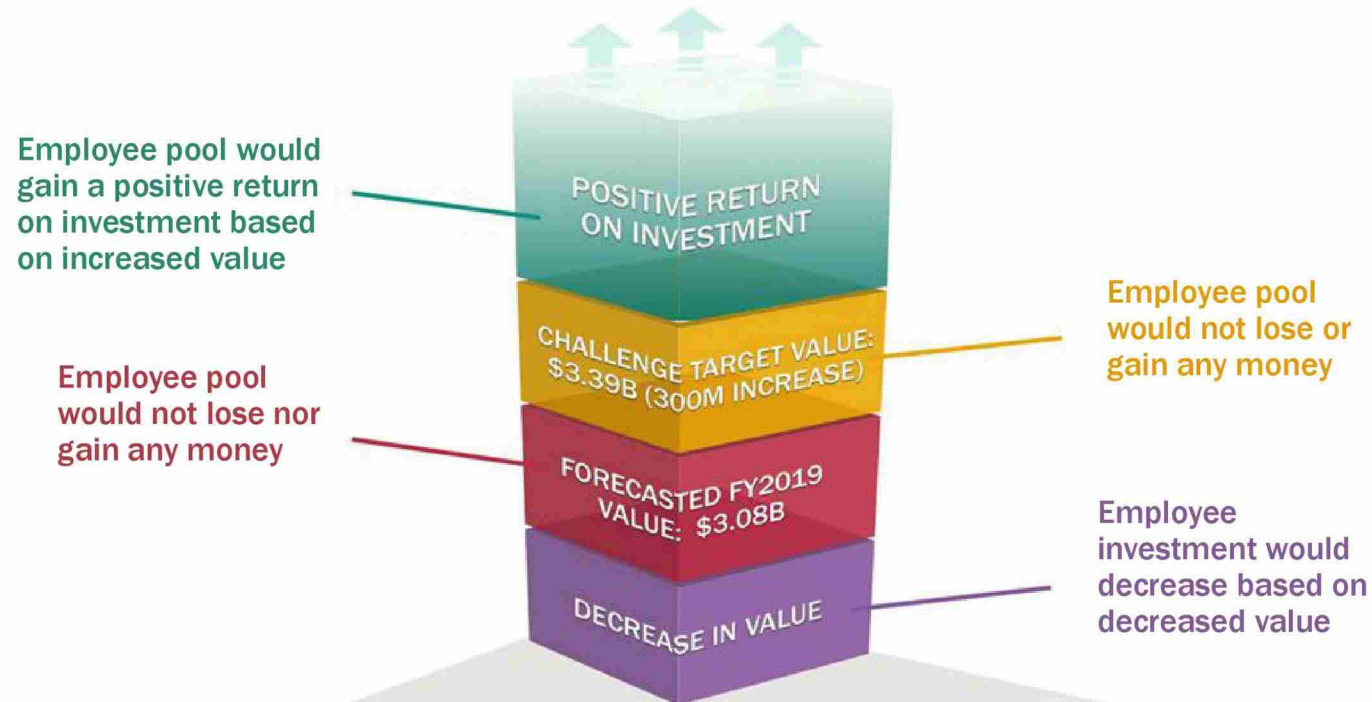
**DRIVING SHORT AND
LONG-TERM BEHAVIOR**



PERFORMANCE UNIT PROGRAM

- Compensation committee proposes adoption of a performance unit plan (“PUP”) which would be a new benefit program provided to employees
- It is designed to allow employees to participate in the upside and downside as the business changes
- Employees will be eligible to purchase JEA performance units for \$10 per unit
- Units will increase or decrease in value based on the financial performance of JEA over a 3-year performance period
- Employees will be required to remain employed through the end of the performance period to benefit from any increase in value
- For the first performance period (FY2020 to FY2022) it is recommended that 30,000 performance units be made available for purchase

EXAMPLE REDEMPTION VALUE OF THE PUPS



- Employee PUP pool equal to 10% of value created in excess of the challenge target value
- Employees must increase the value of JEA by at least \$300 million by 2022 to receive the benefit
- Calculated value is sum of the net position, city contribution and any refunds to customers

JEA COMPENSATION COMMITTEE MINUTES
January 15, 2019

The Compensation Committee of JEA met on Tuesday, January 15, 2019, in the 8th Floor Conference Room, JEA Plaza Tower, 21 W. Church Street, Jacksonville, Florida.

Agenda Item I – Opening Considerations

- A. Call to Order – Interim Committee Chair Johnson called the meeting to order at 9:00 AM with Committee Member April Green in attendance, as well as Board Chair Alan Howard in observance. Also present were Aaron Zahn, Melissa Dykes, Angie Hiers, Jody Brooks, Mike Hightower, Gerri Boyce, Gina Kyle and David Bauerlein, Florida Times-Union.
- B. Adoption of Agenda – The Agenda was adopted on **motion** by Ms. Green and second by Board Chair Howard.
- C. Approval of Minutes – The May 14, 2018 minutes were approved on **motion** by Ms. Green and second by Board Chair Howard.

Agenda Item II – New Business

- A. Introduction – Aaron Zahn, Managing Director/CEO introduced the subjects that would be discussed during the meeting.
- B. JEA Total Compensation Philosophy – Aaron Zahn, Managing Director/CEO reviewed the Total Market Compensation Strategy, which demonstrates a commitment to results and the values of JEA. Mr. Zahn spoke of the process of alignment of stakeholders to JEA's corporate initiatives and the path taken to gain consensus of all stakeholders to the Guiding Principles and Corporate Measures. He spoke of the need to elevate the entire team and ensure that employee incentives drive value and teamwork. Mr. Zahn then provided the definition of total compensation and short term/long term incentives and provided a recommendation for a change in the JEA Board Policy Manual to incorporate these changes. This item was presented for information to the committee.
- C. 5-to-5 Innovation Program – Melissa Dykes, President/Chief Operating Officer and Angie Hiers, VP & Chief Human Resources Officer presented the 5-to-5 Innovation Program, which is JEA's new ideas program. With this program, employees are encouraged to present ideas and are rewarded for developing and submitting innovative ideas that benefit JEA and the community. Employees who submit an idea that is implemented will be eligible for incentives ranging from \$500 to \$5,000 depending on the scope, cost savings and/or revenue generation associated with the idea and corresponding results. This item was presented for information to the committee.
- D. Executive Contract – Aaron Zahn, Managing Director/CEO and Interim Committee Chair Johnson discussed the executive contract and discussed extending the current contract until July 31, 2019, to allow time for the total compensation plan to be worked out prior to finalizing the contract for the Managing Director/CEO. Contract discussions were deferred.
- E. Other New Business
- F. Announcements
 - 1. Schedule Next Meeting as Appropriate
- G. Adjournment

APPROVED BY:

Camille Johnson, Interim Committee Chair
Date: _____

Submitted by:

Cheryl Mock
Executive Assistant



Total Market Compensation Strategy

January 2019




**COMMITMENT TO
RESULTS & VALUE**



Company Culture and Strategy Driven by Good Well Aligned "Total Compensation Program"

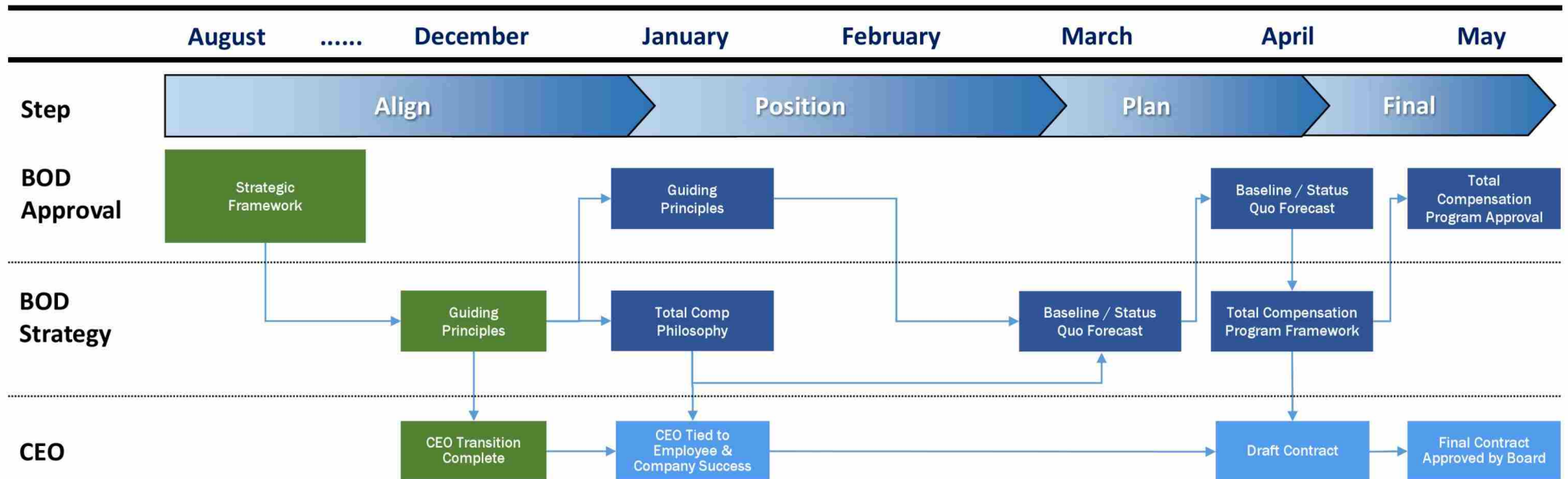



LEADING BY EXAMPLE



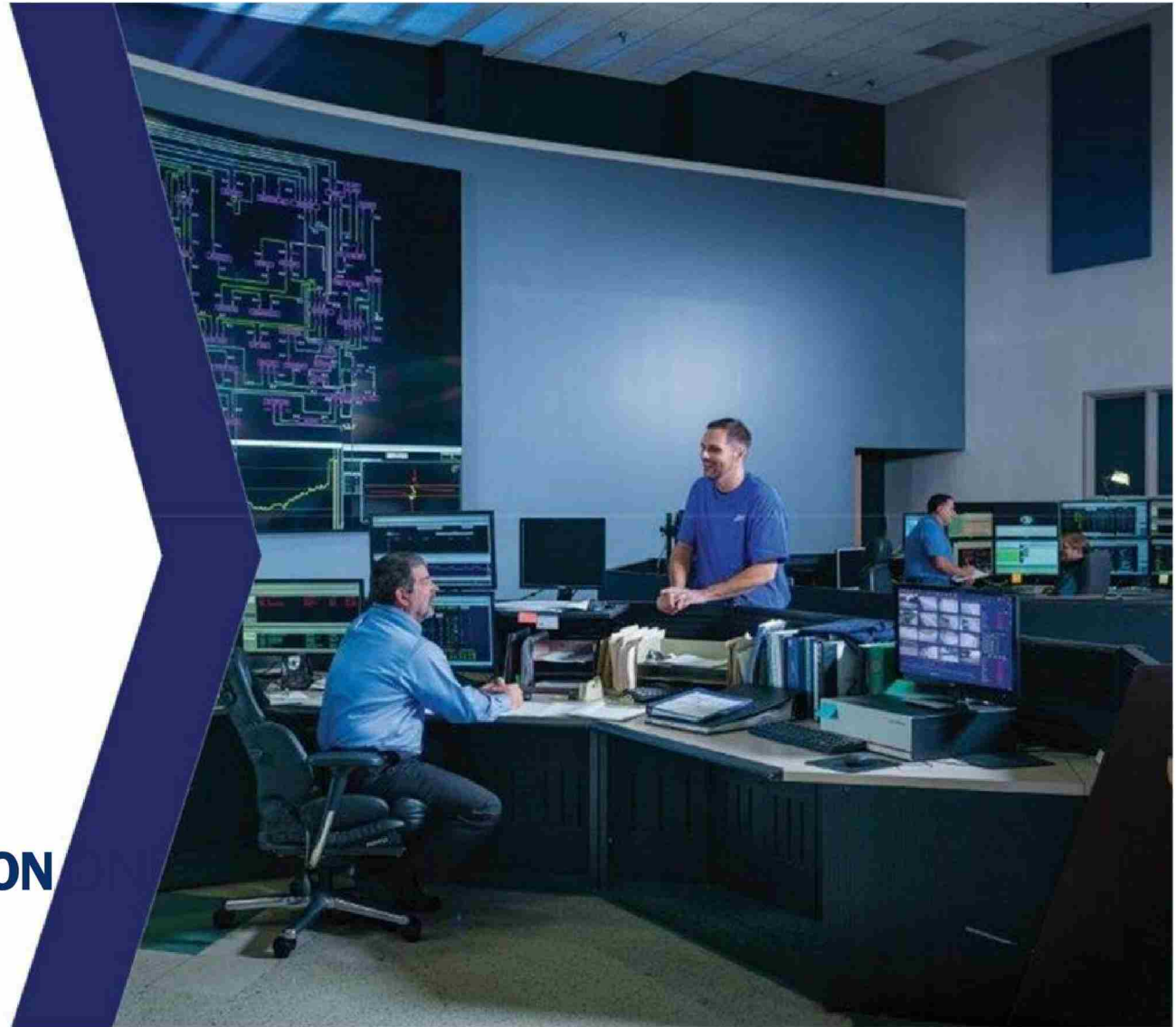
ALIGNING TO RESULTS & VALUE

- Board wants all employee compensation to be aligned with: 1) Total Compensation Philosophy; and 2) driving Results vs. Baseline
- Board to agree on TC Philosophy and Baseline before finalizing Total Compensation Program for all employees



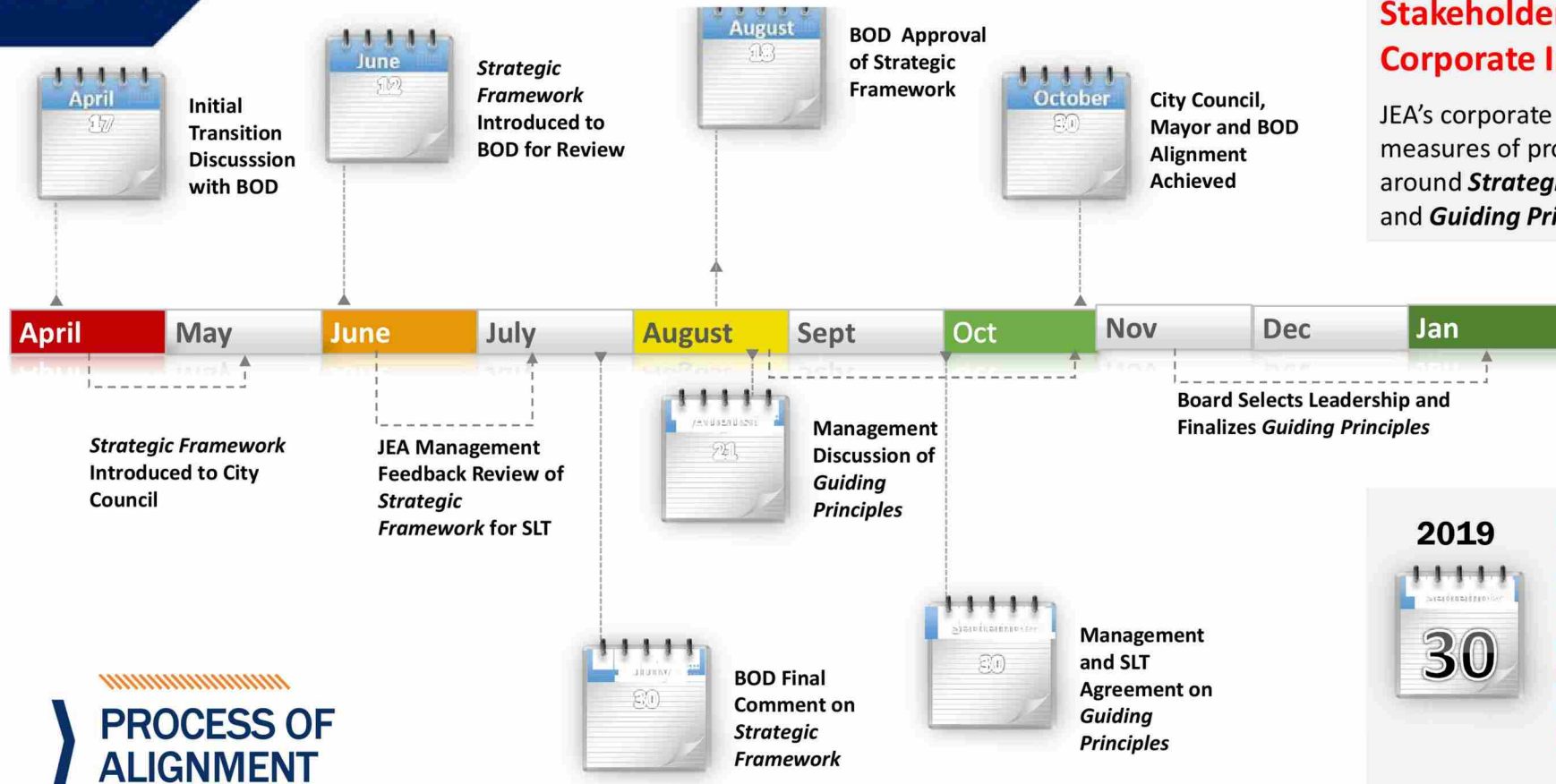
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TOTAL COMPENSATION PHILOSOPHY





“Guiding Principles” More Than Talk



Result: Alignment of Stakeholders to JEA Corporate Initiatives

JEA's corporate initiatives and measures of progress aligned around *Strategic Framework* and *Guiding Principles*



GUIDING PRINCIPLES

ACCELERATING UTILITY INNOVATION

Vision

Why we exist and who we want to be in the future

Improve lives by accelerating innovation

Mission

How we are going to pursue our vision and what we need to do today to get there

Provide the best service by becoming the center of our customers' energy and water experience

Corporate Measures

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

The fundamental 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

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

- Deliver an unparalleled positive customer experience
- Work together to elevate the entire team
- Innovate and evolve to match our customer's needs with market trends

STAKEHOLDER ALIGNMENT

Alignment logic of **Strategic Framework** and **Guiding Principles** through day-to-day actions of employees

City Council Feedback
Employee Feedback
Administration Feedback
SLT Input
City Council Report on JEA
Customer Feedback

Strategic Framework

Guiding Principles

Corporate Goals

SLT Goals

Director Goals

Team Goals

Action

Action

Action

Action

Result (Metrics)

Result (Metrics)

Result (Metrics)

Result (Metrics)

Result (Metrics)

Supporting metrics

Supporting metrics

Supporting metrics

Employee behavior tied to driving metrics that measure the 4 values outlined in the Guiding Principles:

- 1) Customer
- 2) Financial
- 3) Environmental
- 4) Community impact

See Dashboard & supporting metrics

Employees aligned to Board and COJ



GUIDING PRINCIPLES

ACCELERATING UTILITY INNOVATION

Corporate Measures

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

The fundamental goal is to maximize each value both now and in the future:

- 1) Customer Value
- 2) Financial Value
- 3) Environmental Value
- 4) Community Impact Value

Employee behavior key to maximizing value



GUIDING PRINCIPLES

ACCELERATING UTILITY INNOVATION

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



Work together to elevate the entire team

Core competencies accelerate results



ELEVATE THE ENTIRE TEAM

1. Ensure JEA's corporate compensation philosophy is aligned with JEA's Guiding Principles
2. Encourage long-term culture of value creation
3. Establish formal compensation policy to align behavior to 4 Corporate Measures of Value and market based compensation
4. Ensure policy promotes collaboration to drive Vision and Mission

Employee incentives should drive “value” & “teamwork”

JEA Board Policy Manual

(Policy 2.7 adopted by JEA Board on June 17, 2014)

50th %



JEA's current total compensation structure aims to compete with the market for talent

 JEA'S COMPENSATION
PHILOSOPHY

“With respect to employment, compensation, and benefits to employees, consultants, contract workers and volunteers, the CEO shall not cause or allow jeopardy to financial integrity or to public image. Accordingly, the CEO will not:

Promote a compensation philosophy that is contradictory to JEA's philosophy of providing a total rewards package that encompasses salary/wages, retirement benefits, incentives and health and welfare benefits.

Salary/wages will meet the market (50% percentile), which is where the majority of companies in the geographical area reside. The 50th percentile pays competitively for behavior that meets expectations. Additional consideration will be given to behaviors that exceeds expectations which are typically rewarded at the 75th percentile. Internal equity will be achieved by evaluating differences in skill, effort, responsibility and working conditions among jobs.”

HOW DO WE DEFINE TOTAL COMPENSATION?

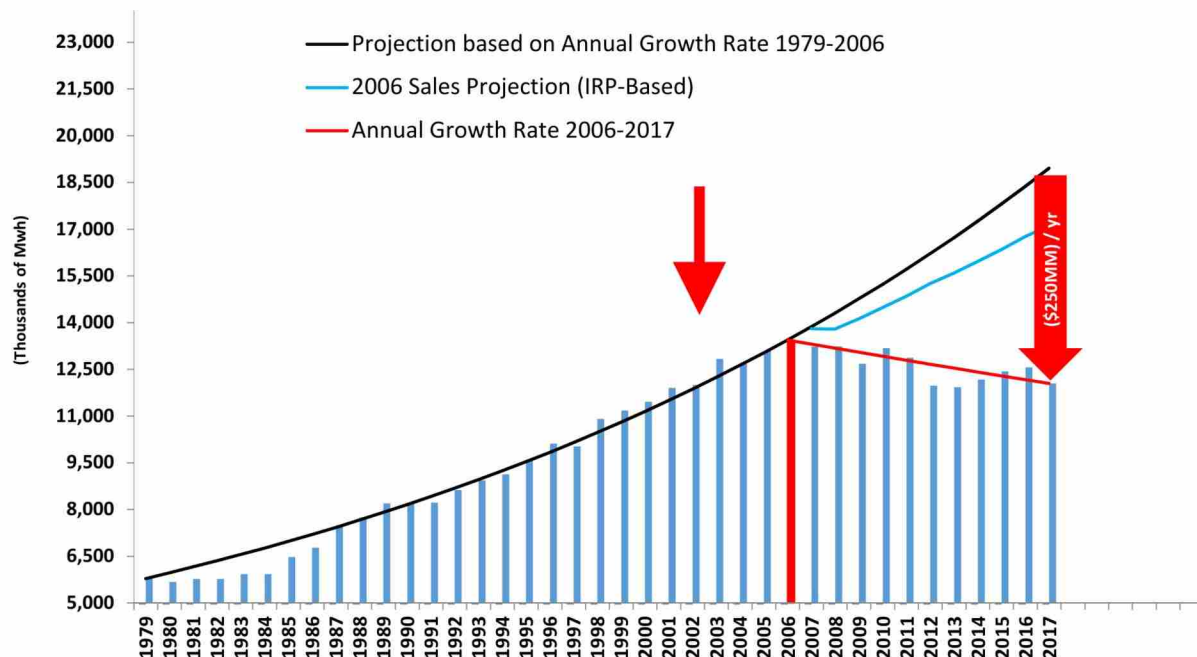
	BASE	+	SHORT TERM INCENTIVE	+	LONG TERM INCENTIVE
JEA	\$132.8		\$5.2		\$0.0
50% Percentile	\$124.9		\$10.5		\$5.5
DELTA ▲	\$7.9		(\$5.3)		(\$5.5)

Above numbers exclude healthcare and retirement

Dollars above are in millions

JEA's total compensation structure does not reward value creation

2007 to 2017 JEA lost Avg. of \$130 MM / yr in FCF (\$1.4B of cash) vs IRP Case



Industry Macro Trends Impacting JEA

Energy Efficiency (2000's tech trend)

- Mandates account for >90% of reduction in electric sales
- 30% lower sales in 2017 than forecasted back in 2006

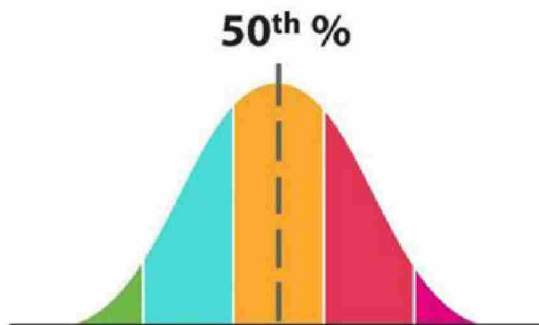
Distributed Generation (2010's tech trend)

- Solar growth increasing in JEA territory 67% CAGR since FY 14
- >\$2.5MM of Net Income lost to distributed generation annually

Distributed Storage & iDER (2020's tech trend)

- Similar cost / performance trends to distributed generation being witnessed
- Storage will change the entire energy sector once cost parity with utility achieved

WHY FOCUS AND COMPENSATION ALIGNMENT MATTERS



JEA's total compensation structure should both compete with the market for talent & drive results aligned with "guiding principles"

JEA'S COMPENSATION PHILOSOPHY

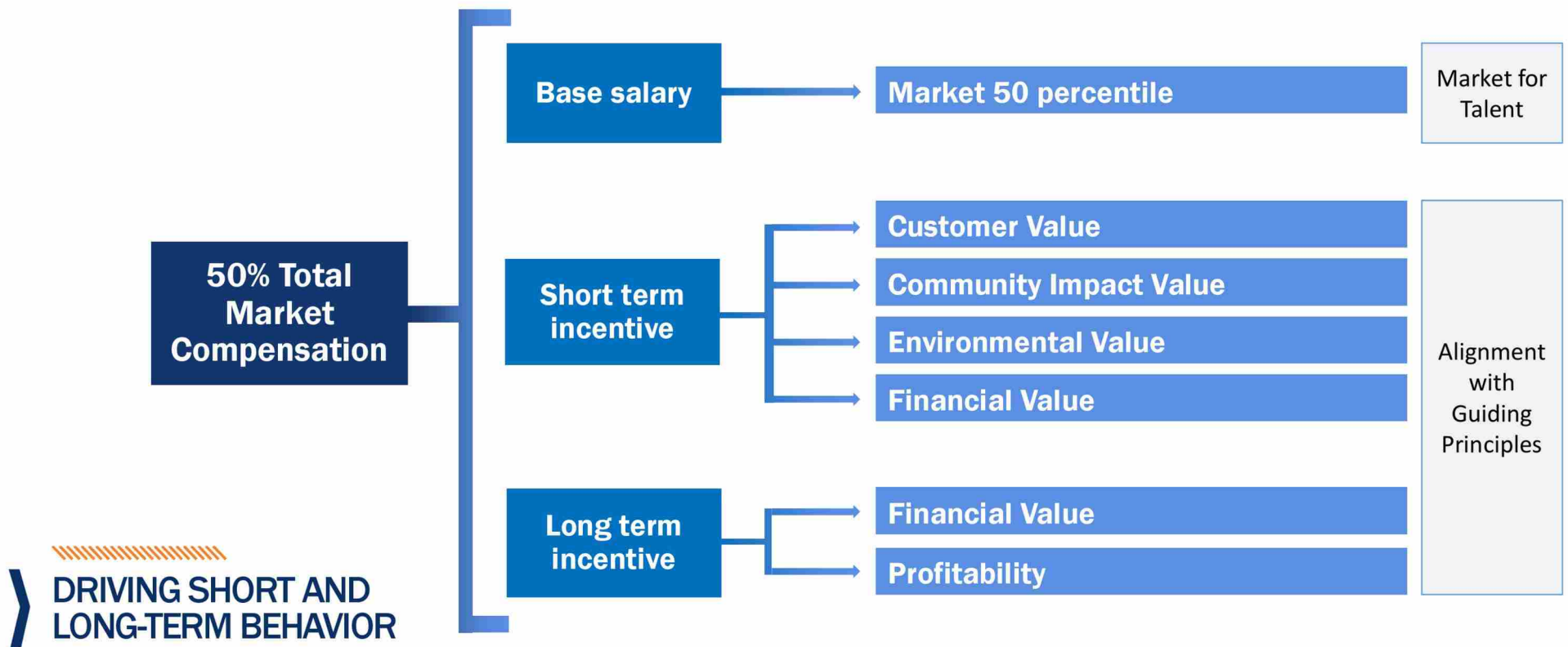
RECOMMENDED: JEA Board Policy Manual

(Revision to Policy 2.7 adopted by JEA Board on June 17, 2014)

"With respect to employment, compensation, and benefits to employees, consultants, ~~and~~ contract workers ~~and volunteers~~, the CEO shall ~~not cause or allow jeopardy to financial integrity or to public image. Accordingly, the CEO will not:~~ Promote a compensation philosophy ~~providing a total rewards package~~ that encompasses salary/wages, retirement benefits, incentives and health and welfare benefits **that align with and drive JEA's Corporate Measures of value: 1) Customer; 2) Financial; 3) Environmental; and 4) Community Impact.**

Total compensation ~~Salary/wages~~ will meet the market (50% percentile), which is where the majority of companies in the **industry and** geographical area reside. **Total compensation will include Base Salary, Short Term Incentives and Long Term Incentives.** The 50th percentile pays competitively for behavior that meets expectations. **Short term and long term incentives will align to and drive JEA's Corporate Measures of Value.** Internal equity will be achieved by evaluating differences in skill, effort, responsibility and working conditions among jobs."

Establish a Formal Compensation Policy to Align with: 1) Talent Market and 2) Guiding Principles





Cultural Values

Safety

Service

Growth²

Accountability

Integrity

Ideas

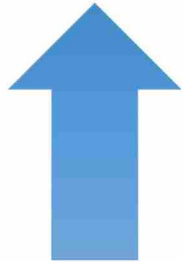




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CULTURE IS
CELEBRATED

Driving Toward Success

Willing to take appropriate and calculated risks and fail from time to time in order to achieve extraordinary results



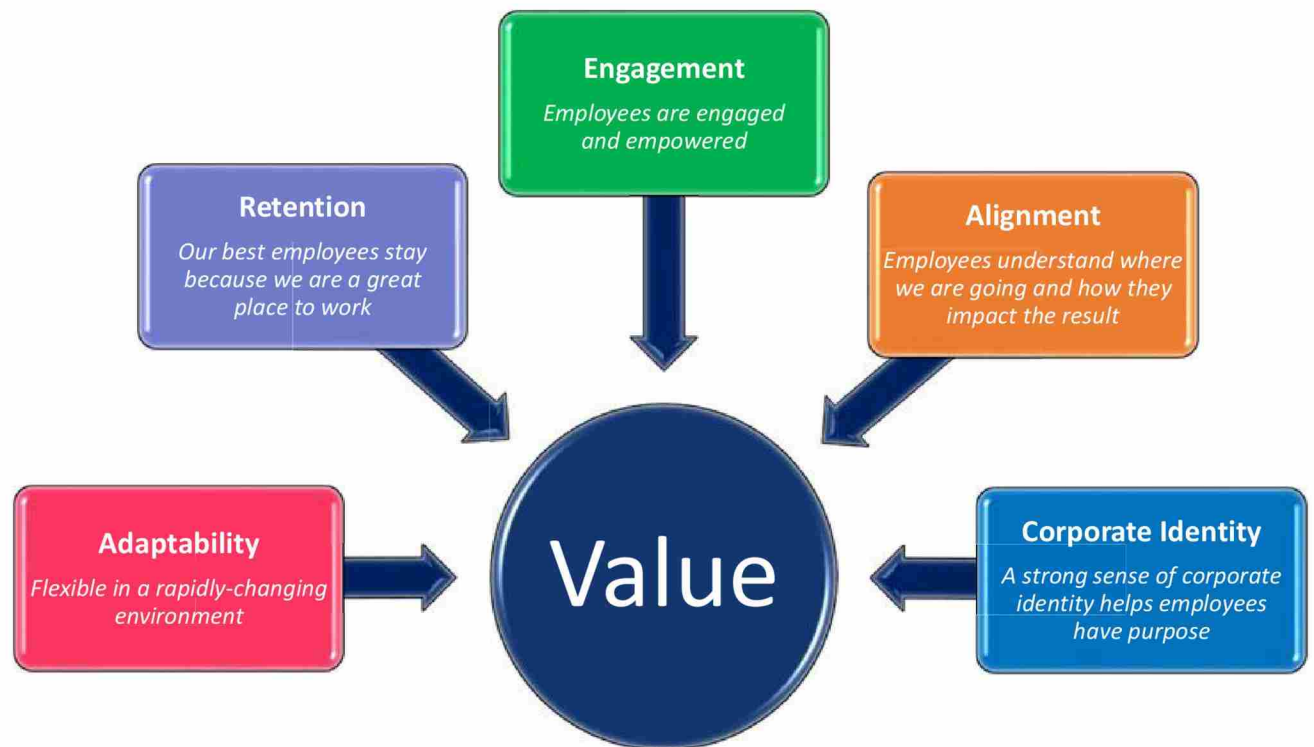
Working Not to Fail

Culture and individuals motivated by risk aversion striving not to fail rather than to succeed



Vision: Improve lives by accelerating innovation

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





ACCELERATING AN
INNOVATIVE CULTURE

INTRODUCING THE 5 to 5 Innovation Incentive Program

- 5 to 5 is about culture
- Purpose of the **5 to 5 Innovation Incentive Program** is to encourage and reward employees for developing and submitting innovative *ideas* (*Ideas* being one of JEA's core values) that benefit JEA and our community.
- Employees who submit an *idea* that is implemented will be eligible for incentives ranging between **\$500 to \$5,000** depending on the scope, cost savings, and/or revenue generation associated with the submitted *idea* and corresponding results.
- *Ideas* will align with JEA's corporate measures:
 - Customer Value
 - Financial Value
 - Environmental Value
 - Community Impact Value



Total Market Compensation Strategy

Compensation Committee
June 2019





GUIDING PRINCIPLES

ACCELERATING UTILITY INNOVATION

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



Work together to elevate the entire team

Core competencies accelerate results



ELEVATE THE ENTIRE TEAM

1. Ensure JEA's corporate compensation philosophy is aligned with JEA's Guiding Principles
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3. Establish formal compensation policy to align behavior to 4 Corporate Measures of Value and market based compensation
4. Ensure policy promotes collaboration to drive Vision and Mission

Employee incentives should drive "value" & "teamwork"

Compensation Efforts to Date

January

February - June

Board Approval of:

- Guiding Principles
- Development of a Compensation Framework
- Extending CEO contract through 7/31/19
- Change to Board Policy Manual

Status Quo developed and presented to the Board

Total Compensation Framework developed with the assistance of Willis Towers Watson

Draft CEO Contract prepared

JEA Board Policy Manual

(Revision to Policy 2.7 adopted by JEA Board on June 17, 2014)

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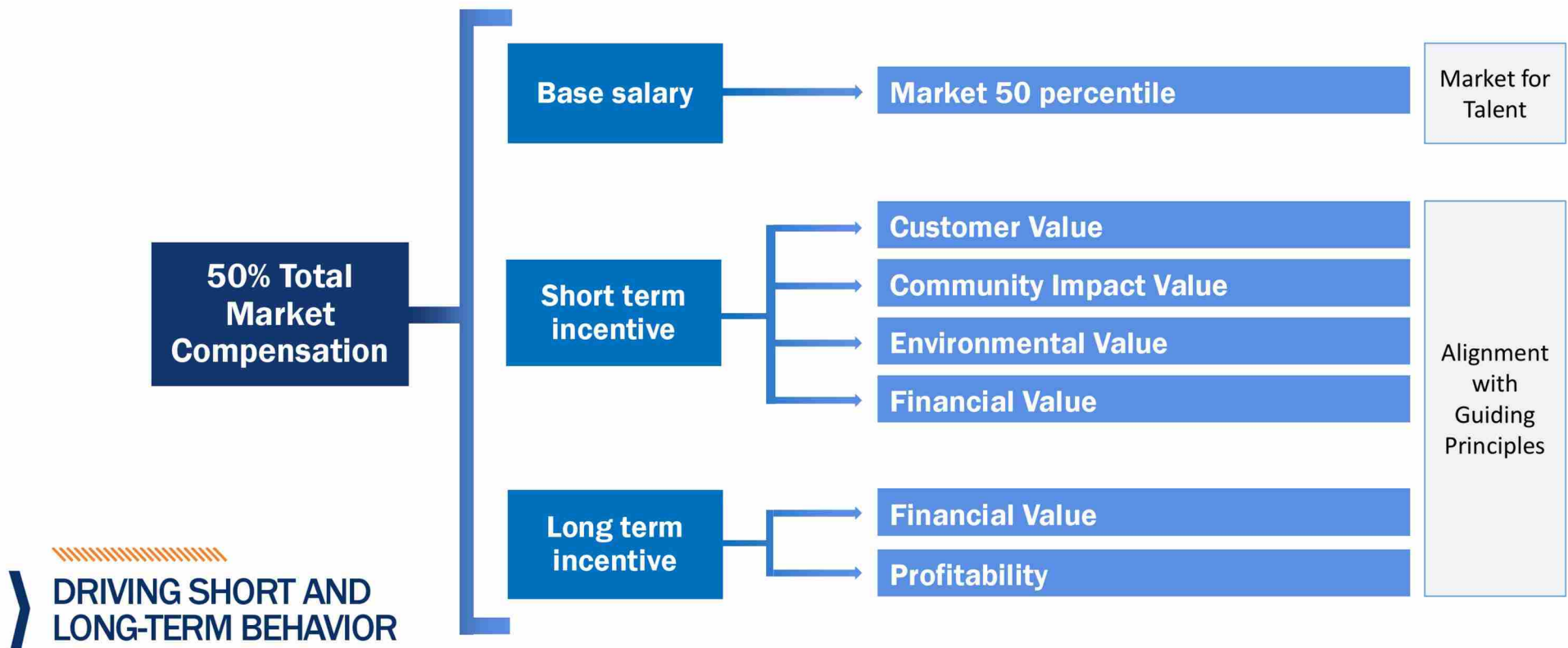
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50th %

JEA’s total compensation structure should both compete with the market for talent & drive results aligned with “guiding principles”


**JEA’S COMPENSATION
PHILOSOPHY**

Establish a Formal Compensation Policy to Align with: 1) Talent Market and 2) Guiding Principles



Compensation Benchmarking Summary

Appointed Population vs. Market 50th Percentile Variances By Job Level

- The following exhibits summarize variances comparing incumbent pay data with market data from job weighted perspective for the Appointed population only
- Variances are lower to market for executives and directors at target bonus %, target TCC, and target TDC compared to the other job levels
 - JEA provided performance bonuses to Appointed employees in April to begin closing the gap on base salary – the budget was 2.5%.

Job Weighted:

Level	Average Base Salary Variance	Average Target Bonus % Absolute Variance	Average Target TCC Variance	Average Long-term Incentive % Absolute Variance	Average Target TDC Variance
Executive	-12%	-33%	-28%	--	-42%
Director	-1%	-10%	-8%	--	-13%
Manager	-2%	-5%	-6%	--	-6%
Individual Contributor	-1%	-2%	-1%	--	-1%
Total	-2%	-7%	-6%	--	-7%

Short-Term Incentive Plan Practices

Target Incentive Award Opportunities

- Target incentive opportunities typically increase with job level, and are relatively similar in both the Utility and General Industries
- Note that we have recommended STI targets as part of our analysis to “close the gap” between market and JEA’s desired competitive positioning

Target Incentive Award Opportunities – By Job Level

Role/Career Level	Target STI Opportunities	
	Utilities	General Industry
Senior Directors		
Managers		
Supervisors		
Senior Level Professionals		
Entry-Mid Level Professionals		
Non-exempt		

Source: Willis Towers Watson 2018 General Industry and Energy Services MMPS Compensation Survey Reports – U.S.

Long-Term Incentive Plan Design

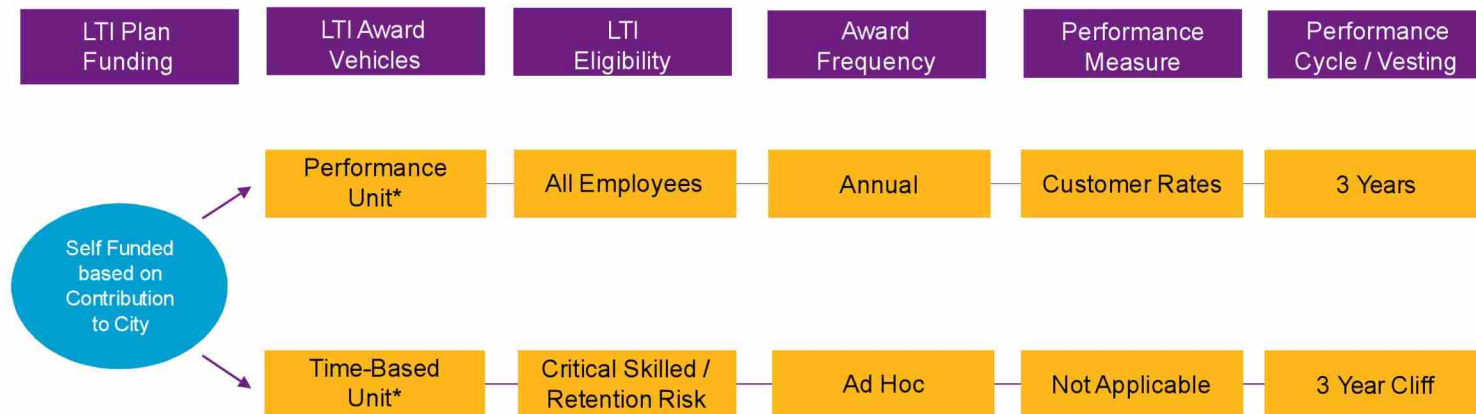
Introduction

Why Companies Have Long-Term Incentive Plans	Factor Driving JEA Inclusion of LTI
Focus on long-term performance and align performance to long-term business strategies	✓
Necessary component of a market competitive compensation program for investor owned utilities	✓
Aligns the interests of employees with stakeholders	✓
Fosters long-term retention	✓
Encourages teamwork and collaboration across groups, functions, businesses, etc.	✓
Rewards for long-term shareholder/stakeholder value creation	✓
Balances focus on short-term results that are driven by annual incentives	✓

Long-Term Incentive Plan Design

Proposed Design

- *Given consideration of the overarching goal to allow all employees the opportunity to share in the long-term success of the company, we propose a multi-pronged LTI design approach below:*




* Value of units tied to JEA Net Book Value.

Long-Term Incentive Plan Design

Proposed Design Details: Performance Unit

Performance Unit

Plan Design Element	Plan Design Details
Award Vehicle	<ul style="list-style-type: none"> Performance Unit: value of unit tied to JEA Net Book Value; unit valuation formula to be determined
Eligibility	<ul style="list-style-type: none"> All employees would be eligible in order to drive collective focus on JEA long-term performance
Target Award Opportunity (as % of base salary)	<ul style="list-style-type: none"> Award opportunities vary based on level in the organization (see page 31 for proposed targets); Management and Board's intent is to close competitive gap to market for LTI in first year of grant and ensure JEA compensation is competitive with market 50th percentile
Award Frequency	<ul style="list-style-type: none"> Annual
Circuit Breaker	<ul style="list-style-type: none"> Defined level of contribution to the City will be established for each award cycle; intent is for contribution level to ensure LTI plan is self funded
Performance Measures	<ul style="list-style-type: none"> Net Book Value: used to determine Performance Unit value Customer Rates: performance measure used to modify the number of Performance Units earned; performance goal to be determined
Performance Period	<ul style="list-style-type: none"> 3-year performance cycle with overlapping cycles due to annual grant frequency 
Payout Range	<ul style="list-style-type: none"> Threshold: 50% of Target Maximum: 150% of Target
Estimated Cost	<ul style="list-style-type: none"> Estimated cost of annual Performance Unit awards to all employees based on current incumbent base salaries* is \$3.4M

*Bargaining Unit costs calculated based on step structure data if incumbent data are not available.

Proposed Compensation Adjustments

Market Positioning Based on Proposed Pay Adjustments

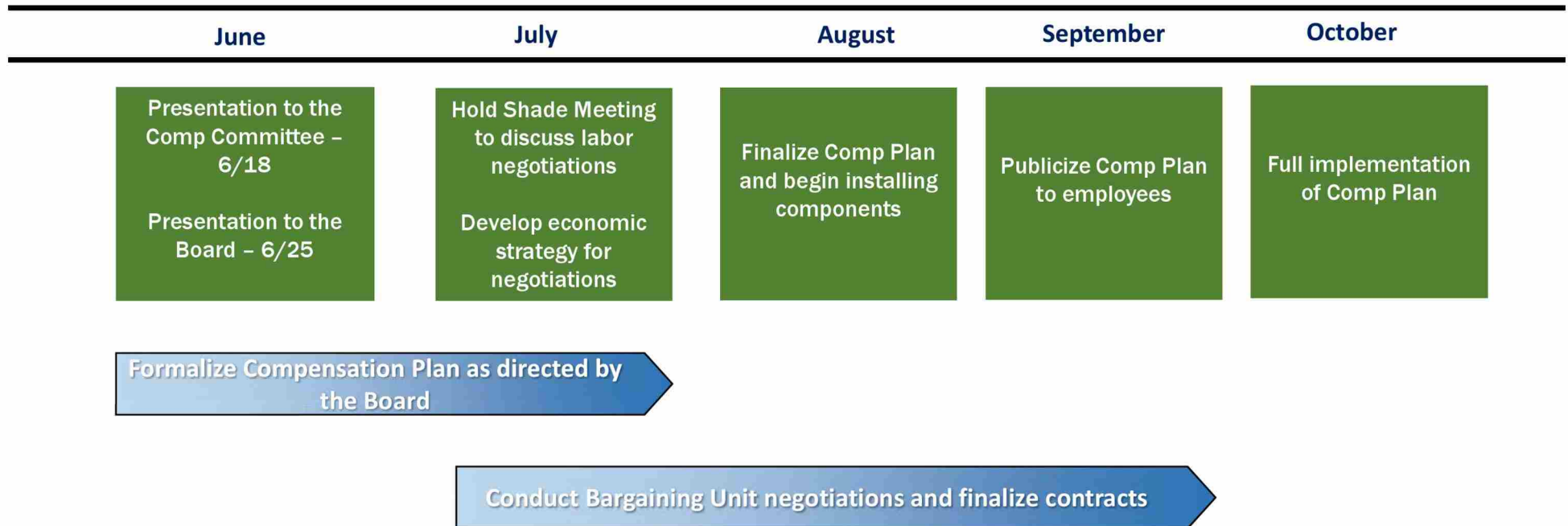
- The following exhibit summarizes the competitive position of JEA pay based on the target bonus % and LTI % adjustments needed to align pay with market median
 - All levels approximate or exceed the market median for target TDC, thereby aligning with the Board's articulated competitive compensation positioning
 - Proposed target bonus % and LTI % for executives bring target TDC to market competitive levels; therefore, material base salary adjustments are not required
 - Bargaining Unit variance exceeds market median target TDC due primarily to variances that are calculated based off of step structure base salaries

Job Weighted:

Level	Average Base Salary/Midpoint Variance (Median)	Average Target Bonus %		Proposed Target TCC Variance (Median)	Average Long-term Incentive %		Proposed Target TDC Variance (Median)
	JEA	JEA Proposed	Market	JEA	JEA Proposed	Market	JEA
Executive	-12%	45%		-6%	40%		-2%
Director	-1%	20%		2%	5%		1%
Manager	-2%	10%		-3%	3%		-1%
Individual Contributor	-1%	7%		-1%	3%		2%
Bargaining Units	11%	2%		8%	1%		9%
Total	3%	8%		2%	3%		3%

Note: Market data provided by JEA.

Compensation Plans



Compensation Program Appendix for Compensation Committee Meeting

Prepared for JEA

June 18, 2019

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Compensation Benchmarking Summary	11
Short-Term Incentive Plan Practices	14
Long-Term Incentive Plan Design	22
Proposed Compensation Adjustments	29
Modernizing Total Rewards	33
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Introduction

Summary

- JEA engaged Willis Towers Watson (“WTW”) to complete the following:
 - Conduct a competitive market assessment for JEA’s entire employee population
 - Provide a summary of market practices related to short-term incentive plan design
 - Conduct a competitive market analysis of long-term incentive (“LTI”) plan design practices and develop a proposed design
- This report includes the following:
 - Confirmation of JEA’s current compensation philosophy
 - Review of the evolution of JEA’s compensation programs
 - Analysis of the compensation variances for JEA’s employee population
 - Analysis of the gaps to market for JEA’s Appointed population and Bargaining Units
 - Proposed LTI plan design
 - Total rewards market best practices

Compensation Philosophy Review

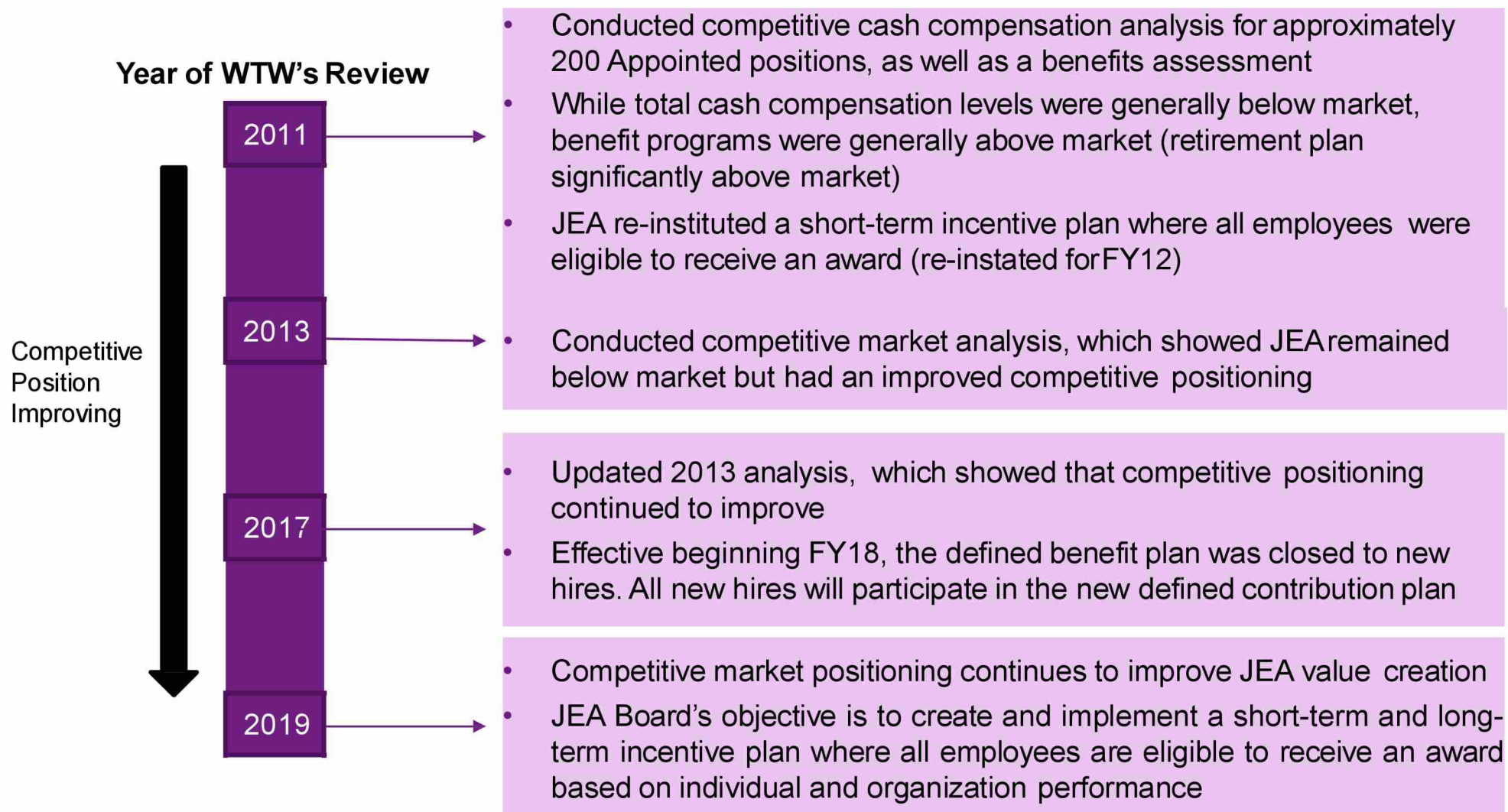
JEA's Current Compensation Philosophy

- The following table summarizes JEA's current compensation philosophy, which guided WTW's review of JEA's competitive market assessments:

Compensation Philosophy Element	Details
Alignment of Interest Between Employees, Stakeholders, and Organization	JEA's compensation philosophy should support the overall business and board strategy with the ultimate goal of driving performance of the organization
Market for Talent	JEA's geographic market for talent varies by job level: <ul style="list-style-type: none"> <u>Individual Contributors/Managers</u> – local and regional scope <u>Directors/Executives</u> – national scope
Target Competitiveness	Targets the market 50 th %ile for all pay elements (Base Salary, Short-Term Incentive, and Long-Term Incentive)
Pay Mix	JEA's pay mix currently consists of base salary and a short-term incentive award, but JEA is implementing a long-term incentive plan in 2020 to align the interests of employees to JEA's Guiding Principles and four (4) Corporate Measures of Value (Customer, Community, Environmental and Financial)
Industry Perspectives	For <u>functional roles</u> – a 50/50 weighted mix of Utility/General Industry market data For <u>operational roles</u> – only Utility Industry market data

Evolution of JEA's Compensation Program

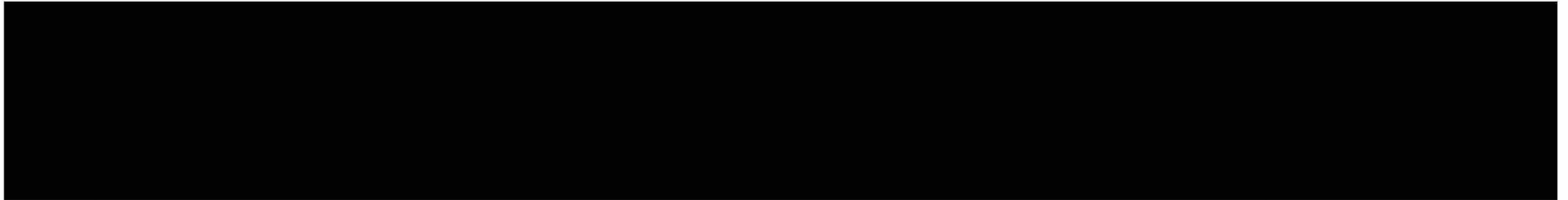
Timeline of Goals and Major Changes



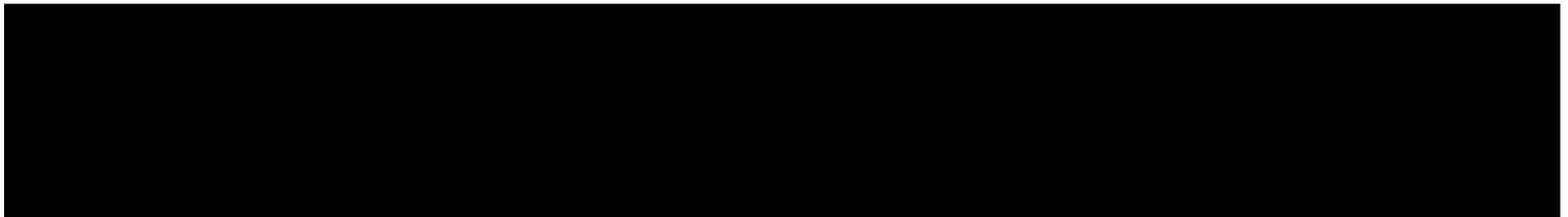
CEO Competitive Market Pricing

Methodology

- To conduct the competitive market pricing for the CEO position, a peer group was developed reflecting:



- Survey source: Willis Towers Watson's *2018 Energy Services Industry Executive Compensation Database*



CEO Competitive Market Pricing

Market Pricing Details

Chief Executive Officer		Competitive Market Data ⁽⁵⁾		
Pay Component	Data Perspective	25th %ile	50th %ile	75th %ile
Base (\$000s)	Combined Peer Group			
	Investor Owned Utility Peers			
	Public Power Peers			
Target Bonus % ⁽¹⁾	Combined Peer Group			
	Investor Owned Utility Peers			
	Public Power Peers ⁽³⁾			
Target TCC (\$000s)	Combined Peer Group			
	Investor Owned Utility Peers			
	Public Power Peers			
LTI % ⁽²⁾	Combined Peer Group			
	Investor Owned Utility Peers			
	Public Power Peers			
Target TDC (\$000s)	Combined Peer Group ⁽⁴⁾			
	Investor Owned Utility Peers			
	Public Power Peers			

"--"= Data not available.

(1) Target bonus percentages are represented as a percentage of base salary.

(2) Long-term incentive (LTI) percentages are represented as a percentage of base salary. LTI figures are based on ASC 718 (FAS 123R) "accounting values".

(4) Target TDC for the Combined Peer Group perspective is built up by using Base Salary, Target TCC, and LTI % data.

(5) Market data greater than \$100,000 rounded to the nearest \$5,000.

Compensation Benchmarking Summary

Methodology

- The following page contains a summary of WTW's review of JEA's competitive market data for its Appointed population (including 13 executives)
- WTW reviewed the most current incumbent and market data provided by JEA
 - Market data for the positions below the Director-level reflect a -5% geographic differential to account for the cost of labor of Jacksonville, FL vs. the US national average
 - Analysis of competitive positioning focused on market data at the 50th percentile

Compensation Benchmarking Summary

Appointed Population vs. Market 50th Percentile Variances By Job Level

- The following exhibits summarize variances comparing incumbent pay data with market data from job weighted perspective for the Appointed population only
- Variances are lower to market for executives and directors at target bonus %, target TCC, and target TDC compared to the other job levels

Job Weighted:

Level	Average Base Salary Variance	Average Target Bonus % Absolute Variance	Average Target TCC Variance	Average Long-term Incentive % Absolute Variance	Average Target TDC Variance
Executive	-12%	-33%	-28%	--	-42%
Director	-1%	-10%	-8%	--	-13%
Manager	-2%	-5%	-6%	--	-6%
Individual Contributor	-1%	-2%	-1%	--	-1%
Total	-2%	-7%	-6%	--	-7%

Short-Term Incentive Plan Practices

Introduction

- JEA re-instated a broad-based short-term incentive plan several years ago, both to address competitive pay levels, as well as to reinforce specific messages related to performance expectations
- The following pages summarize market practices related to short-term incentive plan design
 - As appropriate, JEA may consider these practices as they continue to evolve their incentive plan design
 - Key design features covered include eligibility, target award opportunities, payout ranges, bonus pool funding, performance measures and performance range
- The market practices information has been summarized from survey research, as well as our consulting experiences

Short-Term Incentive Plan Practices

Eligibility

- Eligibility for short-term incentive plans is typically broad for both the Utility and General Industries, with prevalence actually higher in the Utility Industry (particularly at the lower job levels)
- Over 60% of organizations in the industry extend eligibility to the lower exempt and non-exempt roles
 - Lower roles may not have an expressed target opportunity, but they may be part of a “sharing program” based on organizational performance
 - In some cases, overall funding and participation at lower levels may be discretionary

Short-Term Incentive Plan Practices

Target Incentive Award Opportunities

- Target incentive opportunities typically increase with job level, and are relatively similar in both the Utility and General Industries
- Note that we have recommended STI targets as part of our analysis to “close the gap” between market and JEA’s desired competitive positioning

Target Incentive Award Opportunities – By Job Level


Role/Career Level	Target STI Opportunities	
	Utilities	General Industry
Senior Directors		
Managers		
Supervisors		
Senior Level Professionals		
Entry-Mid Level Professionals		
Non-exempt		

Source: Willis Towers Watson 2018 General Industry and Energy Services MMPS Compensation Survey Reports – U.S.

Short-Term Incentive Plan Practices

Payout Ranges

- Payout ranges reflect the total award opportunity as a percentage of the target award, and represent the minimum award opportunity if threshold performance is achieved, and the maximum opportunity if maximum performance is achieved
- Payout ranges are typically 50% of target at threshold performance and 200% of target at maximum performance

- 
- In most cases (and based on the specific performance standards), organizations will interpolate actual performance between threshold, target and maximum to provide appropriate incentive to improve performance at every possible increment
 - Note that it is important to calibrate the payout range with the performance range to ensure that the awards are aligned with the probability of achievement

Short-Term Incentive Plan Practices

Bonus Pool Funding

- There are two primary approaches to determine bonus pool funding:
 1. Sum-of-targets: specific target opportunities are defined (typically by role or grade) and the sum of these targets determines the bonus “pool” (the aggregated award which would be generated at target performance)
 2. Financial results-based formula: typically a financially-driven formula (e.g., bonus pool equals 10% of profits above a specific threshold)
- The sum-of-targets approach is typically the most common in both the Utility and General Industries
 - Prevalence for financial results-based formulas increases slightly for broad-based plans that are separate from executive plans because there is often a greater requirement that they be self-funding
- Particularly for sum-of-target plans, circuit breakers are a common design feature
 - A circuit breaker represents a single performance measure (typically a financial measure) that must be reached before any incentive award is paid regardless of performance in other measures
 - In other words, if the circuit breaker financial performance isn’t achieved, it shuts down the entire plan regardless of performance on other performance measures
 - Note that a financial circuit breaker may be set at levels below threshold levels for payout
- Another design feature is a modifier, which can be used to adjust the initial funding up or down based on another important measure (e.g. determine pool based on financial performance, and then modify by operational or customer performance measures)

Short-Term Incentive Plan Practices

Performance Measures

- Performance measures send an important message about what an organization must achieve, and how individual employees can contribute to those objectives
- We consider it a best practice to have a portfolio of performance measures to balance expectations across financial, operational and customer service categories
 - However, in order to ensure appropriate focus, we typically see 4-6 performance measures, with each measure having at least a 10% weight
- It is typical for organizations in both the Utility and General Industries to include at least one profit or income measure, with profit / operating income being the most common in both industries
- For non-financial performance measures, environmental health and safety, as well as operating / strategic measures are the most common in the Utility Industry
- Individual performance measures are also common in the Utility and General Industries
 - These measures help create line-of-sight to broader corporate measures

Short-Term Incentive Plan Practices

Performance Range

- Performance ranges reflect the minimum acceptable performance as a percentage of target performance, and the maximum performance recognized as a percentage of target performance
- Narrow performance ranges are typically used for measures where results are not expected to vary significantly from target (e.g., revenues)
- Wider performance ranges are typically used for measures where performance can fluctuate significantly year to year (e.g., profitability)
- In the Utility Industry, performance ranges for profitability at minimum is typically set to be 90% of target and for maximum is typically set to be 115% of target
- An important consideration in establishing the performance range is the probability of achievement
 - A best practice is to set threshold performance goals where the probability of achievement is 80-90% to ensure appropriate motivation
 - Similarly, probability of achievement for target performance should be 50-60% and 10-20% for maximum performance
 - As noted earlier, it is important to calibrate the performance range with the payout range

Long-Term Incentive Plan Design

Introduction

Why Companies Have Long-Term Incentive Plans	Factor Driving JEA Inclusion of LTI
Focus on long-term performance and align performance to long-term business strategies	✓
Necessary component of a market competitive compensation program for investor owned utilities	✓
Aligns the interests of employees with stakeholders	✓
Fosters long-term retention	✓
Encourages teamwork and collaboration across groups, functions, businesses, etc.	✓
Rewards for long-term shareholder/stakeholder value creation	✓
Balances focus on short-term results that are driven by annual incentives	✓

Long-Term Incentive Plan Design

Market Practices Summary

Design Aspect	Public Power Utilities	Investor Owned Utility (IOU) Peer Group	Broader Utility Industry
Prevalence	LTI plans are used selectively	All 13 IOU peers have an LTI plan	LTI plans are very prevalent with almost all IOUs using an LTI plan
Eligibility	For those Public Power Utilities with an LTI plan, eligibility typically limited to select executives	Typically executives down to director level positions	Typically executives down to director level positions
Target Opportunity (% of Base Salary)	Varies widely based on the organization, but targets will be lower than IOU levels	Median for CEOs: 230% Median for NEOs*: 110% Median for Directors: NA	
Award Frequency	Annual awards with overlapping cycles are most common	All 13 peers grant annual awards with overlapping cycles	

NEOs* = Named Executive Officers, as disclosed in the IOU's proxy statement.

Long-Term Incentive Plan Design

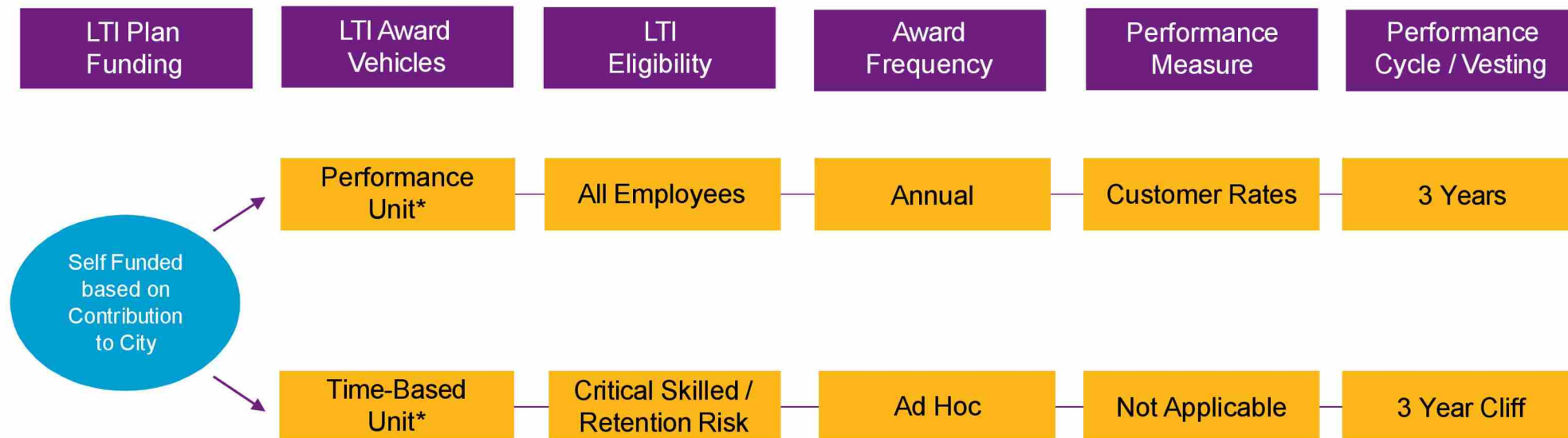
Market Practices Summary (continued)

Design Aspect	Public PowerUtilities	Investor Owned Utility (IOU) Peer Group	Broader Utility Industry
Award Vehicles	Cash-based performance plans	100% of peers use performance plans 69% use restricted stock No peers use stock options	
Performance Metrics	Financial and operational	TSR (100%) EPS (38%) Operational (15%)	
Performance Metrics Weights	Operational metrics weighted more heavily than financial metrics	TSR and financial metrics weighted more heavily than operational metrics	Not available
Performance Range	More conservative compared to IOUs	Relative TSR: 28 th %ile at threshold, 50 th %ile at target, and 90 th %ile at maximum	
Payout Range	Threshold: 50% of Target Maximum: 150% of Target	Threshold: 0-50% of Target Maximum: 150-200% of Target	

Long-Term Incentive Plan Design

Proposed Design

- Given consideration of the overarching goal to allow all employees the opportunity to share in the long-term success of the company, we propose a multi-pronged LTI design approach below:




* Value of units tied to JEA Net Book Value.

Long-Term Incentive Plan Design

Proposed Design Details: Performance Unit

Performance Unit

Plan Design Element	Plan Design Details
Award Vehicle	<ul style="list-style-type: none"> Performance Unit: value of unit tied to JEA Net Book Value; unit valuation formula to be determined
Eligibility	<ul style="list-style-type: none"> All employees would be eligible in order to drive collective focus on JEA long-term performance
Target Award Opportunity (as % of base salary)	<ul style="list-style-type: none"> Award opportunities vary based on level in the organization (see page 31 for proposed targets); Management and Board's intent is to close competitive gap to market for LTI in first year of grant and ensure JEA compensation is competitive with market 50th percentile
Award Frequency	<ul style="list-style-type: none"> Annual
Circuit Breaker	<ul style="list-style-type: none"> Defined level of contribution to the City will be established for each award cycle; intent is for contribution level to ensure LTI plan is self funded
Performance Measures	<ul style="list-style-type: none"> Net Book Value: used to determine Performance Unit value Customer Rates: performance measure used to modify the number of Performance Units earned; performance goal to be determined
Performance Period	<ul style="list-style-type: none"> 3-year performance cycle with overlapping cycles due to annual grant frequency 
Payout Range	<ul style="list-style-type: none"> Threshold: 50% of Target Maximum: 150% of Target
Estimated Cost	<ul style="list-style-type: none"> Estimated cost of annual Performance Unit awards to all employees based on current incumbent base salaries* is \$3.4M

*Bargaining Unit costs calculated based on step structure data if incumbent data are not available.

Long-Term Incentive Plan Design

Proposed Design Details: Time-Based Unit

Time-Based Unit

Plan Design Element	Plan Design Details
Award Vehicle	<ul style="list-style-type: none"> Time-Based Unit: value of unit tied to JEA Net Book Value; unit valuation formula to be determined
Eligibility	<ul style="list-style-type: none"> All employees eligible, but awards targeted to critically skilled employees or employees viewed as retention risk; awards generally intended for Manager level positions and below in order to enhance employee retention Target 10% of employees below the Director level (approximately 1,500 including Bargaining Units) or approximately 150 employees below the Director level to receive awards each year
Target Award Opportunity (as % of base salary)	<ul style="list-style-type: none"> Retention award values range from 10% to 20% depending on criticality of role and/or retention need
Award Pool Funding	<ul style="list-style-type: none"> Defined level of contribution to the City will be established each year with intent for contribution level to ensure LTI plan, covering both Performance Unit and Time-Based Unit awards, is self funded
Award Frequency	<ul style="list-style-type: none"> Ad hoc awards
Vesting Period	<ul style="list-style-type: none"> 3-year cliff vesting period
Estimated Cost	<ul style="list-style-type: none"> Estimated cost of annual Time-Based Unit awards to employees below the Director level based on current incumbent base salaries* is \$1.2M

*Bargaining Unit costs calculated based on step structure data if incumbent data are not available.

Proposed Compensation Adjustments

Competitive Pay Gaps to Market by Pay Element

- The following exhibit summarizes the current gaps to market for JEA's population (excluding the M&C roles due to lack of incumbent data) by each pay element:
 - JEA's base salary, target TCC, and target TDC show variances comparing incumbent pay to market for the Appointed population
 - Bargaining Units' pay elements and JEA target bonus % are based off of pay structures (many of the Bargaining Units are in step structures)
- Gaps to market exist at target bonus % and long-term incentive %, particularly for the executives and directors, which lead to higher variances to market at target TCC and target TDC

Job Weighted:

Level	Average Base Salary/Midpoint Variance (Median)	Average Target Bonus %		Proposed Target TCC Variance (Median)	Average Long-term Incentive %		Proposed Target TDC Variance (Median)
	JEA	JEA	Market	JEA	JEA	Market	JEA
Executive	-12%	10%		-28%	--		-42%
Director	-1%	8%		-8%	--		-13%
Manager	-2%	7%		-6%	--		-6%
Individual Contributor	-1%	7%		-1%	--		-1%
Bargaining Units	11%	2%		8%	--		8%
Total	3%	5%		-1%	--		-2%

Note: Market data provided by JEA.

Proposed Compensation Adjustments

Proposed Base Salary, Target Bonus and Long-Term Incentive Adjustments

- **Base Salary:** assess individual competitive position to market; for individual positions well below market, JEA could bring positions to within the competitive range of the market median within two to three years, assuming performance expectations are being met
- **Target Bonus % and LTI % (as % of salary):** the tables below summarize JEA's current average target bonus and LTI incentive opportunities and proposed target values
 - The incentive targets below are intended to close the gap to market for target total direct compensation within the first year in order to align with the Board's compensation philosophy
 - **Note:** when material gaps to market exist, typical market practice is to make incremental adjustments over a multi-year period (2 to 3 years) to close the gap to market. Company performance, cost considerations and stakeholder optics will influence the level of pay adjustment and the timeframe over which pay is brought to market

Level	Target Bonus %			LTI Opportunity %			Total At Risk Compensation		
	Current	Market	Proposed	Current	Market	Proposed	Current	Market	Proposed
Executive	10%		45%	--		40%	10%		85%
Director	8%		20%	--		5%	8%		25%
Manager	7%		10%	--	--	3%	7%		13%
Individual Contributor	6%		7%	--	--	3%	6%		10%
Bargaining Units	2%		2%	--	--	1%	2%		3%

- **Estimated Cost Impact:** estimated incremental cost impact of proposed target bonus and LTI adjustments to bring JEA compensation to the market median is **\$5.8M**; see details below for cost breakdown:
 - Target Bonus Cost: **\$2.4M** based off current incumbent base salaries
 - LTI Cost: **\$3.4M** based off current incumbent base salaries for performance unit award (total cost of **\$4.6M** if time-based unit award is included)

Note: Market data provided by JEA.

Proposed Compensation Adjustments

Market Positioning Based on Proposed Pay Adjustments

- The following exhibit summarizes the competitive position of JEA pay based on the target bonus % and LTI % adjustments needed to align pay with market median
 - All levels approximate or exceed the market median for target TDC, thereby aligning with the Board's articulated competitive compensation positioning
 - Proposed target bonus % and LTI % for executives bring target TDC to market competitive levels; therefore, material base salary adjustments are not required
 - Bargaining Unit variance exceeds market median target TDC due primarily to variances that are calculated based off of step structure base salaries

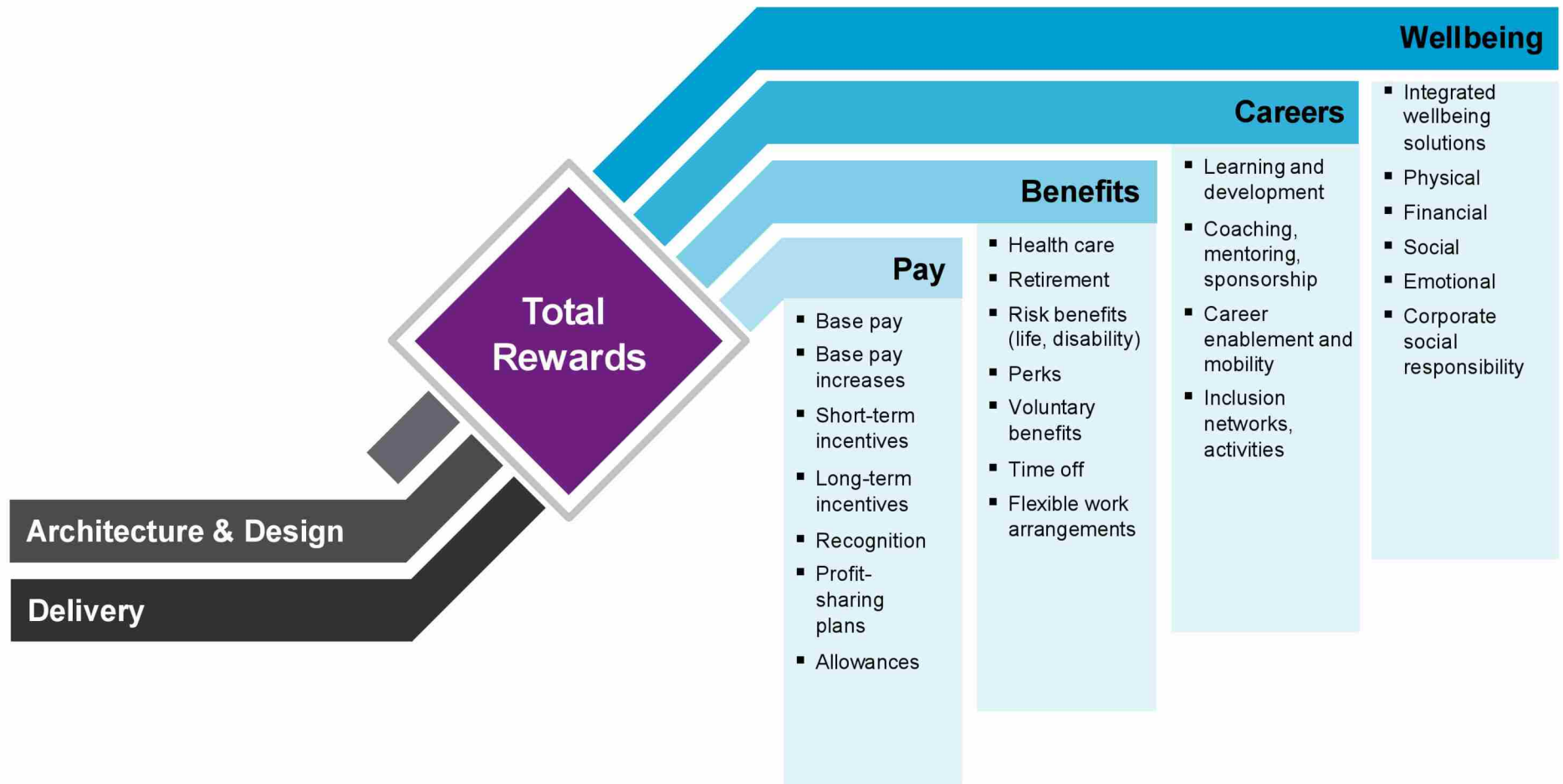
Job Weighted:

Level	Average Base Salary/Midpoint Variance (Median)	Average Target Bonus %		Proposed Target TCC Variance (Median)	Average Long-term Incentive %		Proposed Target TDC Variance (Median)
	JEA	JEA Proposed	Market	JEA	JEA Proposed	Market	JEA
Executive	-12%	45%		-6%	40%		-2%
Director	-1%	20%		2%	5%		1%
Manager	-2%	10%		-3%	3%		-1%
Individual Contributor	-1%	7%		-1%	3%		2%
Bargaining Units	11%	2%		8%	1%		9%
Total	3%	8%		2%	3%		3%

Note: Market data provided by JEA.

Modernizing Total Rewards

Integrated Total Rewards strategy, architecture & design and delivery for a superior Talent Value Proposition



Source: 2018 Willis Towers Watson Modernizing Total Rewards Survey

Modernizing Total Rewards

Key themes emerging in the market with implications for Total Rewards

1. Future focused

Emerging work dynamics and skills and multi-generational workforce re-write the deal



2. Technology Advancements

Expansion of *digitization* of the Total Rewards delivery and experience



3. Optimising cost and risk of TR

Analytics and data measurement



4. Segmentation

More tailored Total Rewards with increased choice



5. Consumerism and flexibility

Expansion of worker choice and *voluntary benefits*



6. Transparency

Legislative and social media increase public scrutiny



7. Inclusion and diversity

Total rewards that enable an inclusive culture and diverse workforce



9. Talent experience

Emphasis on *workplace differentials* that enhance the environment and Talent Value Proposition



10. Good governance

Being *agile and nimble* to adapt to changing, fast-moving business strategies



8. Wellbeing

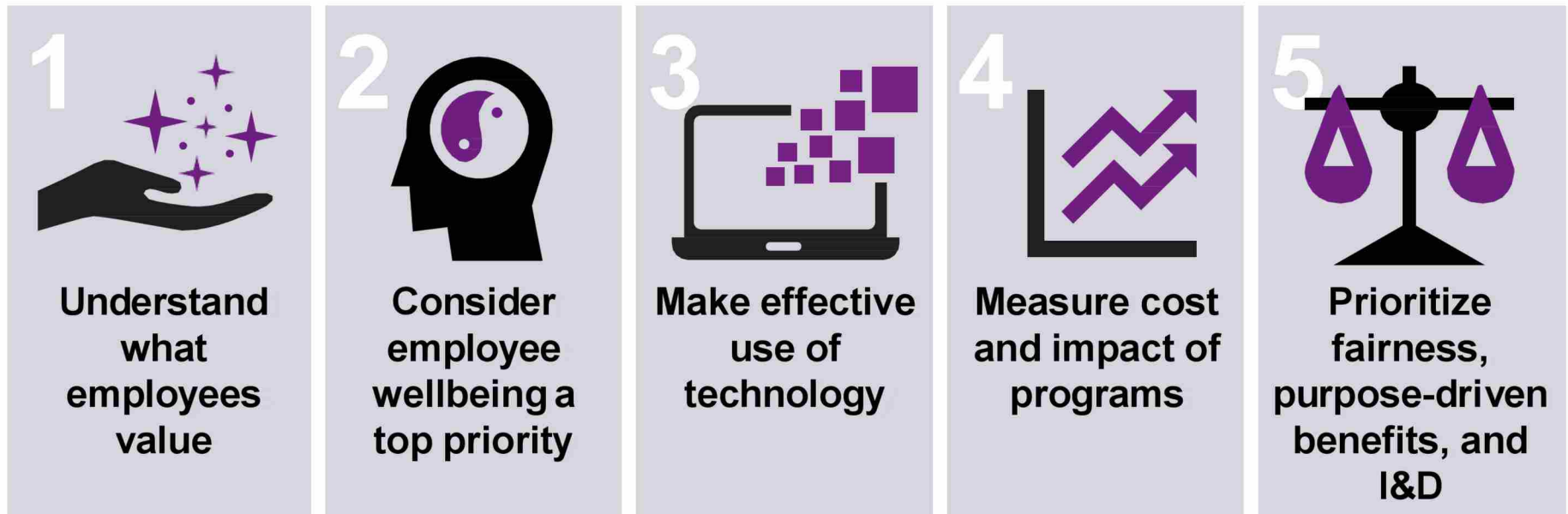
Holistic *physical, financial, social and emotional health*



Source: 2018 Willis Towers Watson Modernizing Total Rewards Survey

Modernizing Total Rewards

Our findings identify five areas critical to meeting employees' Total Rewards expectations and delivering a consumer-grade experience



Source: 2018 Willis Towers Watson Modernizing Total Rewards Survey