From: Jones, Madricka L. - Executive Staff Assistant <joneml@jea.com>
Sent: Tuesday, July 23, 2019 2:15 PM
To: Barton, Clara A. - Digital Communications Specialist; Magee, Jay B. - Manager Digital Communications
Cc: Bartley, La'Trece M. - Mgr Executive Administration; Goldberg, David M. - Director Customer & Community Engagement
Subject: Updated Board Package
Attachments: FINAL BOD FULL BOARD PACKAGE - JULY 23, 2019 v3.pdf

Good afternoon,

Please post the attached update board package to jea.com.

Regards,

Madricka Jones
Executive Staff Assistant to
Aaron Zahn, Managing Director/CEO and
JEA Board of Directors
Direct: (904) 665-7784
Mobile: (904) 502-1602
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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 only 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 3rd 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

planning.

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.

Office Telephone (904) 630-1700 | Writer's Direct Line (904) 630-1724 | Facsimile (904) 630-1316 | Writer's E-Mail Address JGabriel@coj.net | Office Web Site GeneralCounsel.coj.com

Please let me know if you have any questions.

Sincerely,

Lawsikia Hodges
Deputy General Counsel

Enclosure

Acknowledged and Agreed:

_____
Jason R. Gabriel
General Counsel

G:\Gov't Operations\GPETRIE\Duval County Public Schools\Chastain ltr Re Bond Counsel.docx

Office Telephone	Writer's Direct Line	Facsimile	Writer's E-Mail Address	Office Web Site
(904) 630-1700	(904)630-1854	(904) 630-1316	HMaltz@coj.net	GeneralCounsel.coj.com

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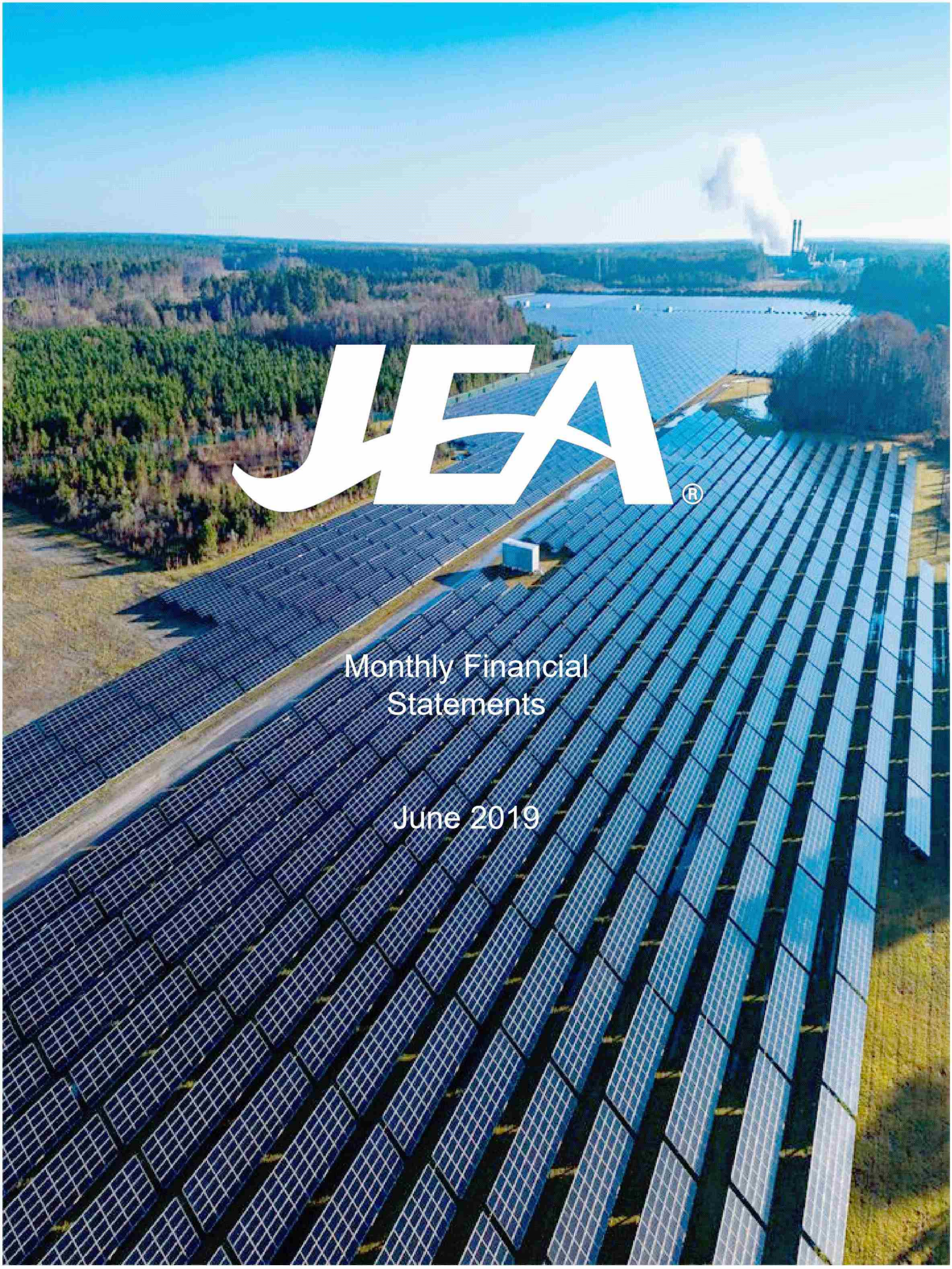
(904) 630-1700	(904)630-1854	(904) 630-1316	HMaltz@coj.net	GeneralCounsel.coj.com


JEA®
Monthly Financial Statements
June 2019

Monthly Financial Statements

June 2019

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JEA
Statements of Net Position
(in thousands)

	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

JEA
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

JEA
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	
Operating activities	**2019**	**2018**
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)

JEA
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

JEA
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

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

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
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

	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

JEA
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

JEA
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

JEA
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

JEA
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)

JEA
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						
Revenues (000s omitted):						
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%
Kgal sales (000s omitted)						
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 kgals sales	3,577,357	3,000,860	19.21%	27,585,392	26,722,846	3.23%
Number of accounts (1):						
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%
Residential averages:						
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						
Revenues (000s omitted):						
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%
Kgal sales (000s omitted)						
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 kgals sales	2,333,092	2,249,825	3.70%	20,224,797	19,615,528	3.11%
Number of accounts (1):						
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%
Residential averages:						
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						
Revenues (000s omitted):						
Reuse revenues	$ 2,254	$ 1,199	87.99%	$ 12,555	$ 9,905	26.75%
Kgal sales (000s omitted)						
Reuse sales (kgals)	486,758	288,310	68.83%	2,671,538	2,268,808	17.75%
Number of accounts (1):						
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

	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

	INVESTMENT	BOOK VALUE	YIELD	% OF TOTAL
*	Treasuries	$ 102,367,706	2.33%	10.78%
	Agencies			
	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%
	Wells Fargo Bank Accounts (3)			
	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

JEA
Electric System, St. Johns River Power Park System and Scherer
Schedule of Outstanding Indebtedness
June 2019
(unaudited)

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 Entrerprise 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 Authorizatior	$ 1,022,837,381	250,810,000
• Remaining Subordinated Refunding Authorizatior	$ 634,898,000	n/a

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

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
June 2019
(unaudited)

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	$ 406,410,000	$ 110,140,000	Wtd Avg Spread		2.188		

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

JEA
Electric System
Production Statistics
(unaudited)

	Month June			Year-to-Date June		
	2019	2018	Variance	2019	2018	Variance
Generated power:						
Steam:						
Fuel oil						
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%
Natural gas units #1-3						
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%
Coal						
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%
Pet coke and limestone						
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:						
Fuel oil						
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%
Natural gas (includes landfill)						
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:						
Plant Scherer						
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%
TEA & other						
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%
SJRPP						
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	
SJRPP operating expenses:						
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)	
Scherer operating expenses:						
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	
Budget vs. Actual	**ANNUAL BUDGET**	**BUDGET**	**ACTUAL**	**Variance**	**ACTUAL**	**Variance**
June 2019 and 2018 (unaudited)	**2018-19**	**2018-19**	**2018-19**	**%**	**2017-18**	**%**
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		Year-to-Date			Prior Year-to-Date	
Budget vs. Actual	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
June 2019 and 2018 (unaudited)	2018-19	2018-19	2018-19	%	2017-18	%
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		Month			Prior Year Month	
Budget vs. Actual	**ANNUAL BUDGET**	**BUDGET**	**ACTUAL**	**Variance**	**ACTUAL**	**Variance**
June 2019 and 2018 (unaudited)	**2018-19**	**2018-19**	**2018-19**	**%**	**2017-18**	**%**
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%

		Year-To-Date			Prior Year to Date	
Budget vs. Actual	**ANNUAL BUDGET**	**BUDGET**	**ACTUAL**	**Variance**	**ACTUAL**	**Variance**
June 2019 and 2018 (unaudited)	**2018-19**	**2018-19**	**2018-19**	**%**	**2017-18**	**%**
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		Month			Prior Year Month	
Budget vs. Actual	**ANNUAL BUDGET**	**BUDGET**	**ACTUAL**	**Variance**	**ACTUAL**	**Variance**
June 2019 and 2018 (unaudited)	**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	

		Year-To-Date			Prior-Year-to-Date	
Budget vs. Actual	**ANNUAL BUDGET**	**BUDGET**	**ACTUAL**	**Variance**	**ACTUAL**	**Variance**
June 2019 and 2018 (unaudited)	**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	Deusche 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 Bullsbay 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 E Hobson

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.

Aaron F. Zahn, Managing Director/CEO

AFZ/MHD/NKV

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										
JDP Customer Satisfaction Index - Residential	4th Quartile	3rd Quartile	3rd Quartile	1st Quartile	2nd Quartile	1st Quartile	2nd Quartile	1st Quartile	1st Quartile	-
JDP Customer Satisfaction Index - Business	4th Quartile	4th Quartile	1st Quartile	1st Quartile	1st Quartile	1st Quartile	1st Decile	3rd Quartile	Top Decile	-
Customer Response Time (min.): W/WW System	70	69	67	69	67	68	76	65	65	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: CEMI5 (% 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 (RIR)	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 Slate 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	-	-	-	-	-	-	$1,998,311	$1,998,311
Electric Credit Ratings	Aa2/AA-/AA-	Aa2/AA-/AA	Aa2/AA-/AA	Aa2/AA-/AA	Aa2/AA-/AA	Aa2/AA-/AA	A2/A+/AA	A2/A+/AA
W/WW Credit Ratings	Aa2/AA/AA	Aa2/AA/AA	Aa2/AA/AA	Aa2/AA/AA	Aa2/AAA/AA	Aa2/AAA/AA	Aa2/AAA/AA	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

*Why contain reclaimed customers 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 SJRPP decreases and lower fuel stabilization withdrawals.
- Expenses decreased $66m vs. FY18 with decreases in SJRPP, 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
- CEMI-5 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 683 tons per year and provides the COJ 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

THE TRADITIONAL PATH:

SENSITIVITIES AND EXECUTION PLAN

JEA®

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STRATEGIC PLANNING PROCESS AND STEPS

Phased approach chosen to increase transparency with community

Internal stakeholder alignment (Board, SLT, appointed employees, Union)

McKinsey has worked closely with JEA throughout Phase 1, 2 & 3

Phase 1
(April 2018 – Dec 2018)

Transition
Stabilize JEA, develop strategic framework, guiding principles, dashboard, financial tools, hire CEO

Phase 2
(January 2019 – May 2019)

Status Quo
Establish current state and develop future state scenarios

Phase 3
(April 2019– June 2019)

Traditional Response
Develop strategic portfolio of Initiatives to meet targets for performance and health

We are here

Start Strategic Planning

Phase 4
(July 2019 – September 2019)

Finalize executable plan with **no regrets** near-term actions and **options** for long-term path

Launch no-regrets strategic initiatives

Phase 5
(September 2019 – Jan 2020)

Align JEA Stakeholders & Charter with long-term plan to maximize value: 1) Customer; 2) Financial; 3) Environmental; and 4) Community Impact

Details to follow

External stakeholder consultation and feedback (e.g. City of Jacksonville)

DISCLAIMER

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TRADITIONAL RESPONSE PREPARES JEA FOR ORGANIZED DECLINE

Debt remains a significant challenge after grid parity is reached

	2018 Actual	2030 SQ Projection	Change vs. 2018	% Change	2030 Traditional Response Projection	Change .vs 2018	% Change
Rates ($ yield per MWh)	62	94	32	52%	78	16	26%
Unit Sales (MWh)	12,364,340	11,382,447	(981,893)	(8)%	Same as SQ	-	-
# of Customers - Energy	466,411	542,502	76,091	16%	Same as SQ	-	-
Rates ($ yield per kgal)	6.45	7.42	0.97	15%	6.36	(0.09)	(1)%
Unit Sales (kgal)	65,646,920	73,695,324	8,048,404	12%	Same as SQ	-	-
# of Customers – Water	348,159	416,470	68,311	20%	Same as SQ	-	-
Total Annual City Contribution	116,620	131,256	14,636	13%	Same as SQ	-	-
Total JEA Headcount (includes temp and supplemental)	2,191	2,191	0	0%	1,617	(574)	(26)%
Total Long-Term Debt plus Contract Debt ('000)[1]	$5,110,000	$4,834,000	($276,000)	(5)%	3,523,690	($1,586,310)	(31)%
Annual O&M and Other Operating Exp.	$393,657[2]	$737,376	$343,719	87%	494,989	$101,322	26%

[1] JEA Long-term debt in October 2018 [2] Actual Maintenance and Other Operating Exp adjusted to exclude SJRPP

- Customer rates increase 52% in SQ1 for the electric system vs. SQ2 rates increase only 26%.
- Customer rates increase 15% in SQ1 for the water system vs. SQ2 rates decrease 1%.
- $276 million of debt repaid, leaving $4.8 billion of direct + contract debt outstanding in SQ1 vs. Reduction in debt by additional $1.3B in SQ2.
- Contract debt amortizes through 2062, JEA obligation to pay debt service for all contract debt through 2043

SOURCE: JEA Financial planning and forecasting model

TRADITIONAL MANAGEMENT RESPONSE:

COMMERCIAL AND INDUSTRIAL SENSITIVITY ANALYSIS

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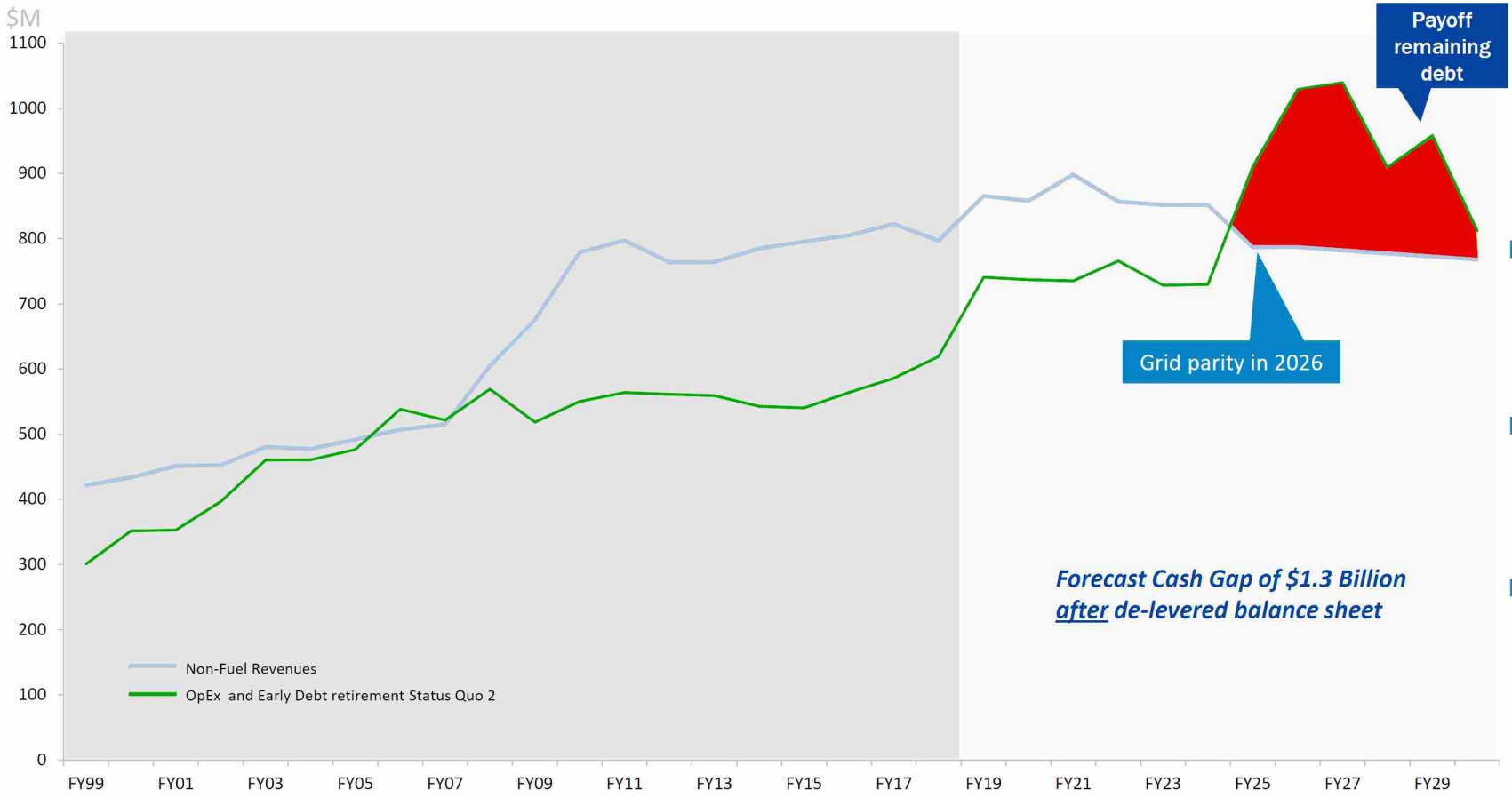
ENERGY BUSINESS IN TRADITIONAL UTILITY RESPONSE

Remaining Cash Gap Filled by Rate Increases or Lower Contribution



Cash Gap

$0.9B

Base Rate increase

26%

OR

Base Rate increase

13%

⊕

No city contribution past 2023

SOURCE: JEA financial statements 1999-2018
NOTE: Historical figures include only OpEx; 2019 and beyond include both OpEx and early debt retirement amounts

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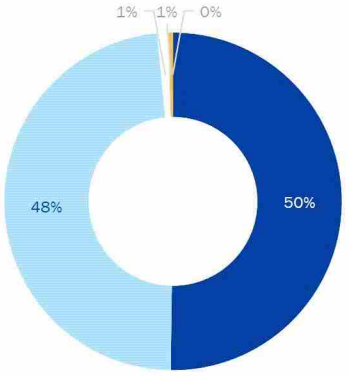
STATUS QUO DOESN'T ASSUME SUBSTANTIAL OFF-GRID MOVE BY COMMERCIAL AND INDUSTRIAL

With 11% of customers representing ~55% of sales a C&I off-grid trend would exacerbate sales decline

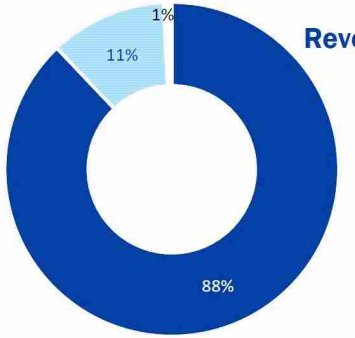
Top Ten Customer Accounts

Account	Annual Billed	Percent of Revenue	
US Navy Public Works Center	$22,130,326	1.8	←
City of Jacksonville	21,660,130	1.8	
CMC Steel Florida	18,726,308	1.5	
WestRock CP LLC	15,236,857	1.2	←
Duval County School District	14,546,196	1.2	
Anheuser Busch, Inc.	8,318,025	0.7	←
Southern Baptist Hospital of Florida Inc.	8,133,950	0.7	←
Publix Supermarkets Inc.	7,828,937	0.6	←
Johnson & Johnson Vision Care Inc.	7,343,645	0.6	←
Winn Dixie Stores, Inc.	7,173,720	0.6	←
TOTAL	$131,098,094	10.7	

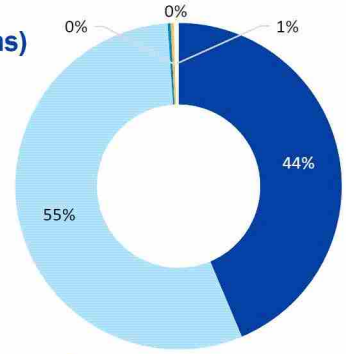
Have public stated sustainability goals



Revenues ($ in millions)
Total = $1,231



Average Number of Accounts
Total = 466,411



System Sales (MWh)
Total = 12,399,769

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

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COMMERCIAL & INDUSTRIAL SENSITIVITY ANALYSIS

Cash Gap Impacts of Higher Adoption Rates of Distributed Generation

	C&I Assumptions	Total Energy Cash Gap	Base Rate Increase
Status Quo	*Annual Average 0.1% DG adoption through 2026, then 1.25% year after year thereafter*	$0.89B	↑ 26%

SOURCE: JEA Financial planning and forecasting model

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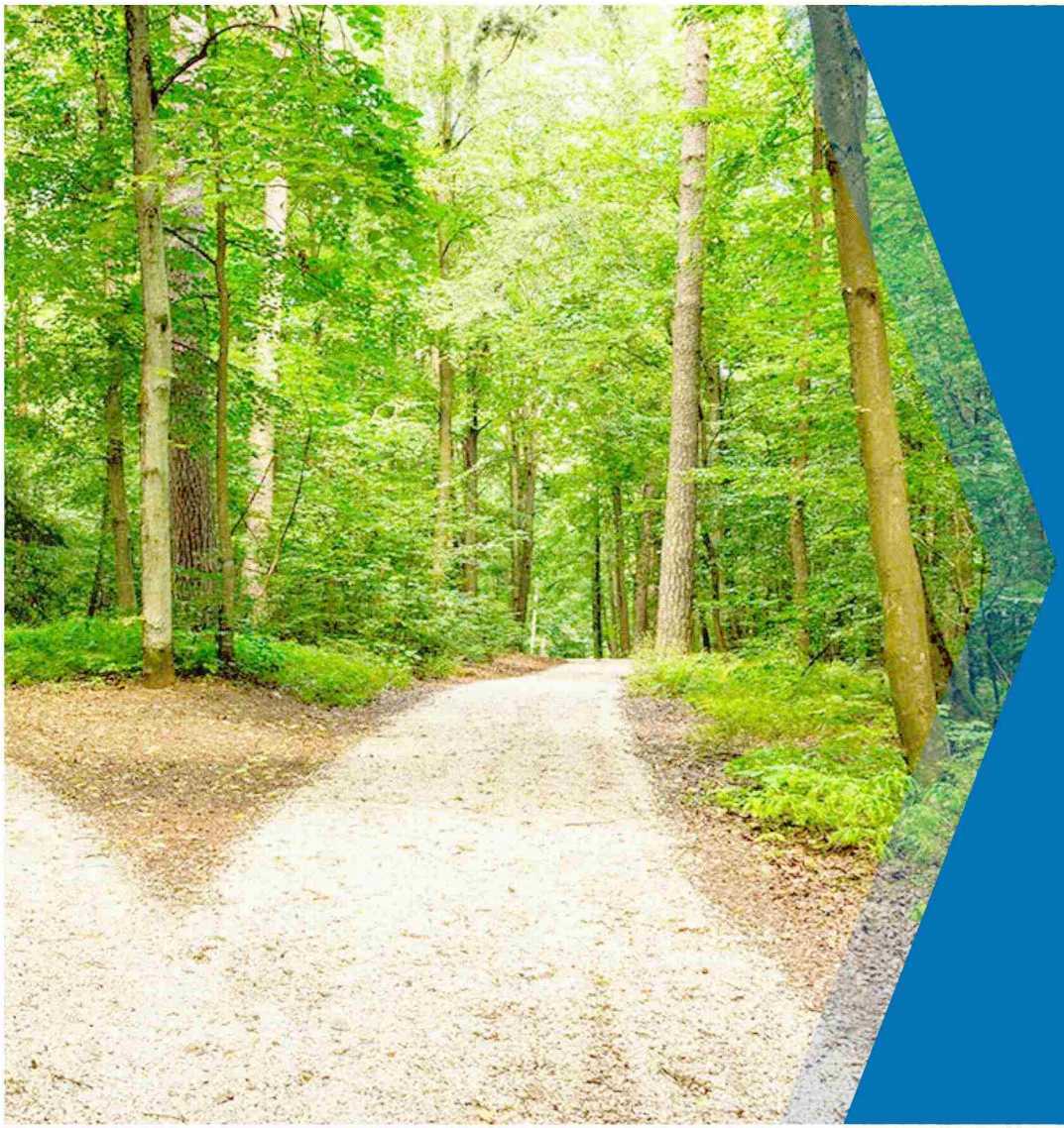
COMMERCIAL & INDUSTRIAL SENSITIVITY ANALYSIS

Cash Gap Impacts of Higher Adoption Rates of Distributed Generation

	C&I Assumptions	Total Energy Cash Gap	Base Rate Increase
Status Quo	*Annual Average 0.1% DG adoption through 2026, then 1.25% year after year thereafter*	$0.89B	26%
If Adoption Rate Doubled	*Annual Average 0.2% DG adoption through 2026, then 1.25% year after year thereafter*	$0.92B	27%
If Top Seven goes 100%	*Top seven C&I commercial adopted 100% DG by 2025*	$1.29	37%

SOURCE: JEA Financial planning and forecasting model



THE TRADITIONAL PATH

Execution Plan

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SCENARIO 2: TRADITIONAL UTILITY RESPONSE

INITIATIVE IMPLEMENTATION SCHEDULE

[1] TS Reduction extends into year 2 to ensure all technology initiatives currently being implemented are supported

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REORGANIZE WORKFORCE TO MANAGE THE BUSINESS DECLINE

- Finalize the new organizational structure
- Inform Collective Bargaining Units
- Initiate advance notice of closings and layoffs in compliance with the Worker Adjustment and Retraining Notification (WARN) Act

Months 1-3

- HR determines affected areas and employees
- Notify employees and unions of placement process

Months 4-6

- Complete placement process under Civil Service rules and procedures
- Issue Termination Notifications
- Provide transition support to terminated employees

Month 7

- Complete terminations including non essential Senior Leadership Team Members

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REBUILD NONLABOR OPERATIONS AND MAINTENANCE BUDGET ON ZERO BASIS

- Reduce reliability and resiliency measures
- Renegotiate vendor contracts
- Reduce marketing & other communication initiatives
- Change maintenance methodology to hours-based approach

Month 1

- Analyze reliable and resilient infrastructure plans and reset goals and targets
- Begin outreach with Contractors

Months 2-3

- Filter Non-essential processes
- Enter Contract Negotiations

Month 4

- Finalize essential process to meet minimum compliance requirements
- Complete Contract Negotiations

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REBUILD CAPITAL BUDGET ON ZERO BASIS

- Reset operational targets to lower service levels
- Minimize planned maintenance to bare minimum requirements
- Cancel Greenland, substations, and defer projects
- Reduce technology spend

Month 1	Month 2	*Ongoing*
• Reset operational targets to lower service levels	• Finalize new capital expenditure plan with non-essential projects removed	• Assess each year's capital spend to eliminate non-essential projects in line with lower service targets

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PURSUE REVENUE GENERATION INITIATIVES WITHIN EXISTING CONSTRAINTS

- Expand Electrification
- Optimize Real Estate
- Launch Retail Marketplace
- Implement Residential Solar Application Fee

Month 1	Months 2-3	Month 4	Ongoing
• Assign Champions and project teams for each initiative • Quantify investment needed to achieve revenue	• Finalize detailed business and implementation plans	• Execute Revenue Initiatives	• Review and course correct as needed

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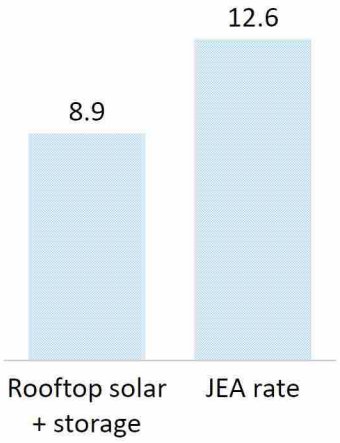
2030 snapshot under traditional utility response

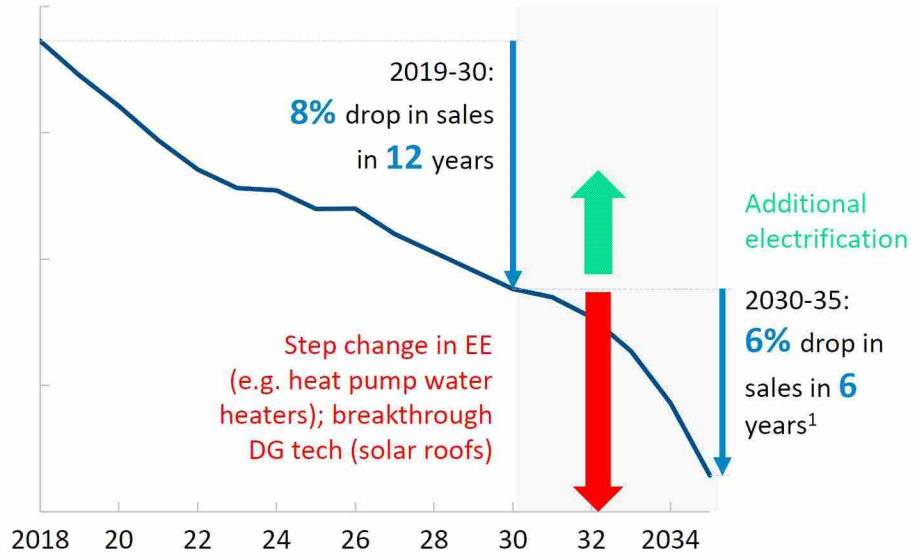
DG competitiveness has increased by 2030… ⊕ **And DG combined with EE continue to erode sales…** = **JEA sustainability and long-term success will be at risk**

Residential electricity cost comparison, c/kWh



- Attractive DG pricing leads to increased adoption

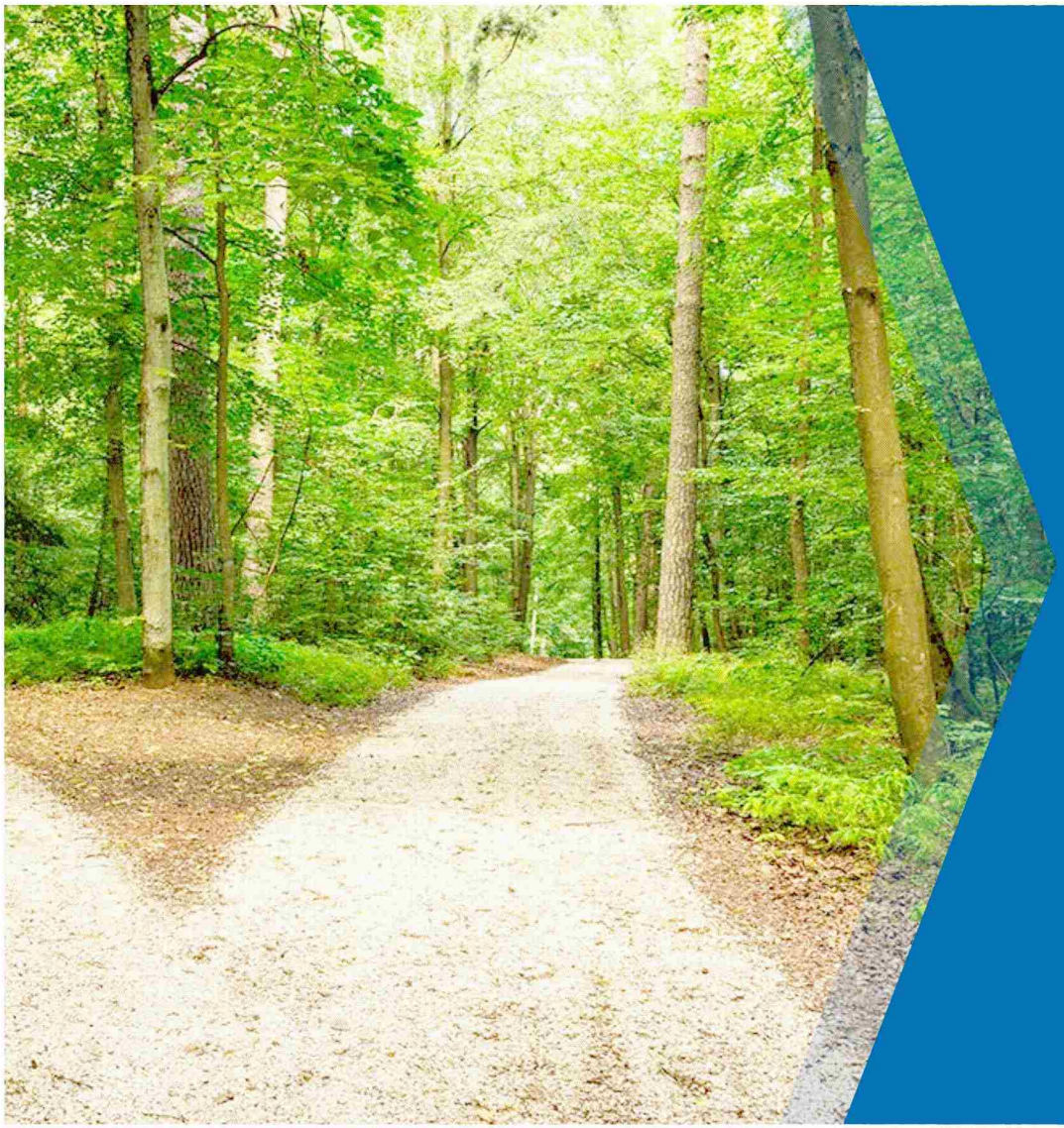
Energy Sales, mn MWh



- Energy efficiency continues to erode population-driven growth
- More downside uncertainties than upside post 2030
- Traditional utility response gives JEA limited flexibility to cut costs with O&M, capex, and debt cut already and costly PPAs locked in)

- By 2030, JEA has cut costs, negatively impacting its core business, and has not created significant new revenue opportunities leading to accelerating decline in sales
- Post 2030, JEA will need to consider additional workforce reductions, further putting the business at risk, and / or continued rate increases – especially if sales projections continue to decline with new technologies
- Additionally, JEA will not be able to maintain water rates **and** fund the septic tank phase out program or any alternative supply projects

1 Projecting 2029-30 trends forward 5 years 2 Assuming cost base stays the same as in 2030



Appendix: Detailed Implementation Information

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TRADITIONAL MANAGEMENT RESPONSE *within current constraints*

Categories of Initiatives

1. Headcount reductions
   - **Execution Plan**
   - Initiative-level details
2. Non-labor O&M reductions
3. Capex reductions
4. Revenue initiatives

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Months 4-6

- Complete placement process under Civil Service rules and procedures
- Issue Termination Notifications
- Provide transition support to terminated employees

Month 7

- Complete terminations including non essential Senior Leadership Team Members

SQ2 Severance Project Plan

TASK	ACCOUNTABILITY
ANNOUNCEMENT RE POSITION ELIMINATION	CEO/Pres/CHRO
MEETING PREPARATION (Intial)	
Legal and tax guidance on HR and Benefits Issues re Plant Closure	Legal/Foley/GRS
Develop timeline for position elimination	SLT
Calculate Severance and Health Premium Subsidy	Benefits
Develop Employee Notification Letter	CHRO/HR Directors
Develop Employee FAQ on Closure	HR Directors
Prepare Packages for Distribution	Benefits
Formal Announcement re positions and timeline	CEO/CHRO
ONSITE SUPPORT	Benefits/Labor
Employee Assistance Program - Health Advocate	Health Advocate
Onsite Weekly Meetings to Address Employee Inquiries	Benefits/HRBP's
Outplacement Training Sessions	Vendor
Initial Meetings with Employees	Director/Mgr &HRBP
Mass Mutual re 457 Accounts	Vendor
Retiree workshop	R Meadows
COMMUNICATIONS	Benefits/Labor
Notification to Management Team	CEO/Pres/CHRO
Initial Notification Package	CHRO
Distribution of Q&A	Employee Services
Develop GRID Intranet Site for Employees	Employee Services
Conduct Onsite Meetings with Employees for Questions	Various HR/LR/Benefits
Request Retiree Pension Benefit Estimates	Benefits
Workshop - Overview of Benefits and Timeline for Non-Retirees	Employee Services
Retirement Packets	
Distributed packets with retirement options	Benefits
Received completed and signed documents	Benefits
Payment set-up for payroll	Payroll
Non-Retirees revised statements	Benefits/GRS
Non-Retirees Mail Post Termination Packages (DV or Forfeitures)	Benefits/GRS
PRIDE Points - Mtg with Employees	Employee Services
PRIDE Points Available to Retirees	Employee Services
Final Separation At a Glance - pension statement, severance letter	Benefits
WARN Notice	Legal
ENROLLMENT	Benefits
Annual Benefits Open Enrollment (if applicable)	
Cobra enrollment (administered by 3rd party)	
Enroll Retirees in Retiree Benefits	
PAYROLL	Payroll
Date to provide intent to roll over unused leave	
Severance/HC subsidy information due to payroll	
Severance payout check	
Healthcare Subsidy pay out check	
Final pay check	
Annual leave pay out check	
COMMUNICATIONS	
W-2 mail out notice	
TALENT ACQUISITION	Talent Acquisition
Outplacement On-Site Career Fair	Vendor
Career Source online tools	Employee Services
SJRPP check list two W-2	
HRIS	HRIS
Layoff Letter put in Document of Record	
Terminate Employee Records	
Set up Retiree Records and notify payroll and benefits	
Termination Notifications to Badge Security and Info. Security	

Form of Appointed layoff notice

Date

Employee Name
RE: Reduction in Force - Layoff

This letter is to advise you that due to the need to gain operational efficiencies, there will be a reduction in force for your job classification. You are identified to be laid off from your position of _____ effective close of business no later than _____. You will continue to work until _____. You will be provided a severance payment equivalent to _____ at your current base salary rate.

APPOINTMENT RIGHTS
An appointed employee, who has never held civil service status, does not have reversion rights to a civil service position.

VETERANS' PREFERENCE
If you are a veteran who qualifies for veterans' preference, you will be provided preference in layoffs and retention in accordance with Directive 0802. If you believe you were not afforded veterans' preference, please bring it to our attention immediately. In accordance with chapter 55A-7.016, Enforcement of Preference, of the Florida Administrative Code (FAC), you may file a complaint with the Department of Veteran's Affairs within 21 calendar days of the date of separation.

EMPLOYEE ASSISTANCE PROGRAM
Understandably, this can be a stressful event for you and your family. Please note that Employee Assistance Program (EAP) services are available. The EAP is a 24-hour confidential program providing professional counseling, coaching, and consulting services. The phone number is (877)240-6863.

CAREER TRANSITION
JEA offers a variety of career transition resources. You will find information in your packet about these resources. I highly encourage you to take advantage of these resources.
On your last day of work, please return your badge, keys, and any other JEA issued equipment or materials to your supervisor.

I would like to thank you for your contribution and service to JEA. Should you have any questions concerning this matter, please feel free to contact _____, your HR Business Partner, at _____, phone number _____.

Sincerely, _____

Jon Kendrick
Chief Human Resource Officer

Received by_____
Employee Signature Date

Witnessed by_____
Witness Signature Witness Title Date

Form of Civil Service layoff notice

Date
Employee Name
Address

LAYOFF NOTIFICATION
In accordance with Civil Service and Personnel Rules and Regulations, section 7.03, this letter is to advise you that in order to gain operational efficiencies, there will be a reduction in force within your business unit. You are identified to be laid off from your position of _____ effective immediately. You will be on paid administrative leave for the remainder of this week. In addition, you will receive a severance payment equivalent to _____ at your current base salary rate.

VETERANS' PREFERENCE
If you believe you were not afforded veterans' preference for retention in accordance with chapter 55A-7.016, Enforcement of Veterans' Preference, of the Florida Administrative Code (FAC), please let us know immediately. Additionally, you may file a complaint with the State of Florida Department of Veteran's Affairs within 21 calendar days of the date of this notice.

ELIGIBILITY LISTS
Your name will be placed on the appropriate Layoff/Reemployment and Layoff/Demotion lists for which you qualify. The lists will be effective on your layoff date and you will remain on such lists for a period of one (1) year.

HEALTH INSURANCE/COBRA
Your medical coverage will be extended and paid for by JEA through _____. Information regarding COBRA eligibility and benefits is provided with this letter.

PENSION
Information regarding pension should be directed to the General Employees' Pension Plan administrative office. Office contact information is provided in your packet.

LEAVE ACCRUAL
Leave accrual has been calculated through _____ and you will receive a lump sum pay out of your leave balance. If you are interested in rolling your leave payout into an already established deferred compensation plan, you will need to contact Payroll no later than _____.

LAST PAYCHECK
You should receive your last pay check on _____ which will either be direct deposited (if established) or you may pick it up. If you prefer your check to be picked up, please confirm that is your selection.

AVAILABLE RESOURCES
JEA will offer WorkSource orientation sessions and career transition training. The dates are provided in your packet.

EMPLOYEE ASSISTANCE PROGRAM
Understandably, this can be a stressful event for you and your family. Please note that Employee Assistance Program (EAP) services are available. The EAP is a 24-hour confidential program providing professional counseling, coaching, and consulting services. The phone number is (877) 240-6863.

CONTACT INFORMATION
Your HR Business Partner is _____ who can be reached at email address, phone number, and address.

I would like to thank you for your contribution and years of service to JEA. Should you have any questions concerning this matter, please feel free to contact your HR Business Partner at any time.

Sincerely,

Jon Kendrick
Chief Human Resource Officer

Received by_____
Employee Signature Date

Phone Number_____

Witnessed by_____

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   - Execution Plan
   - **Initiative-level details**
2. Non-labor O&M reductions
3. Capex reductions
4. Revenue initiatives

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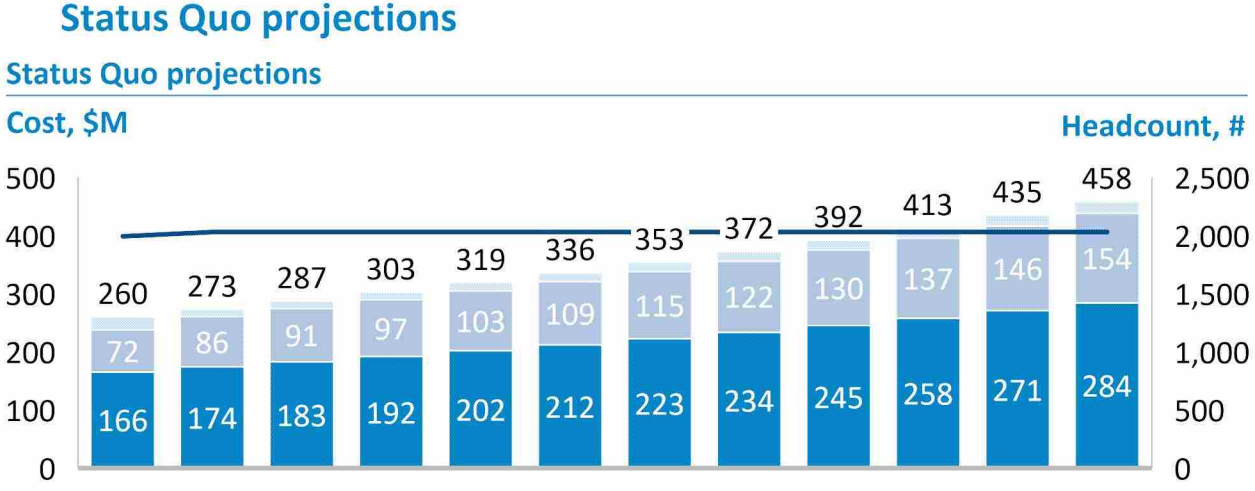
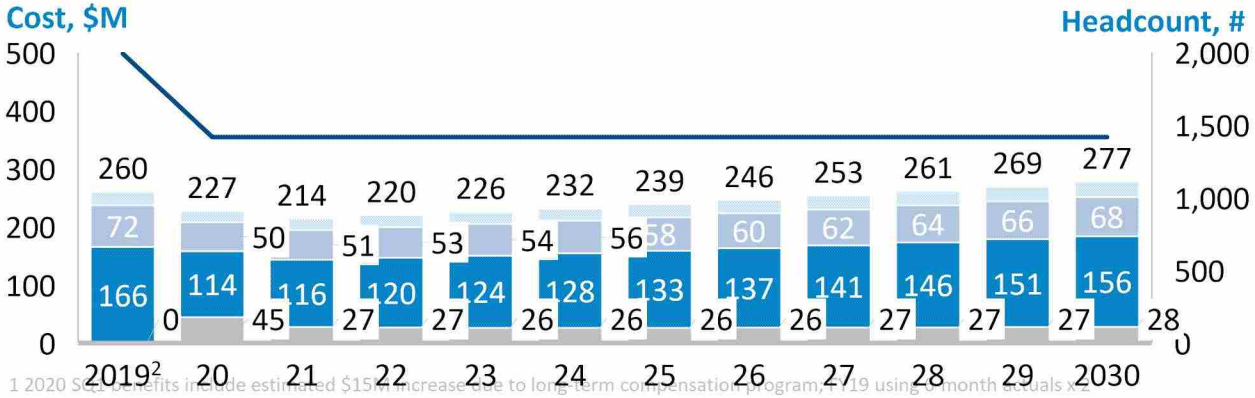
Management Response reduces headcount by 29%, but maintains the salary increases projected in Status Quo projections

Status Quo projections



Management Response



Assumptions

- In Status Quo projections, labor costs increase by 5% from FY19 to 20 (using actuals for FY19 and current budget estimate for FY20), and headcount increases slightly assuming vacancies are filled
- Labor costs increase 5-6% thereafter in SQ1, based on historical increases, including introduction of long-term compensation program and assumptions around increased medical benefits funding needs
- In Management Response, a headcount reduction of 29%, or 574 FTE, conducted in the first year is realized in the second year, given severance and leave
- Management Response removes the long-term compensation increase and slows salary and benefits growth to 3% annually after FY20

1 2020 SQ1 benefits include estimated $15M increase due to long-term compensation program; FY19 using 6 month actuals x 2

SOURCE: JEA financial statements, 2018 budget, and senior team initiative development

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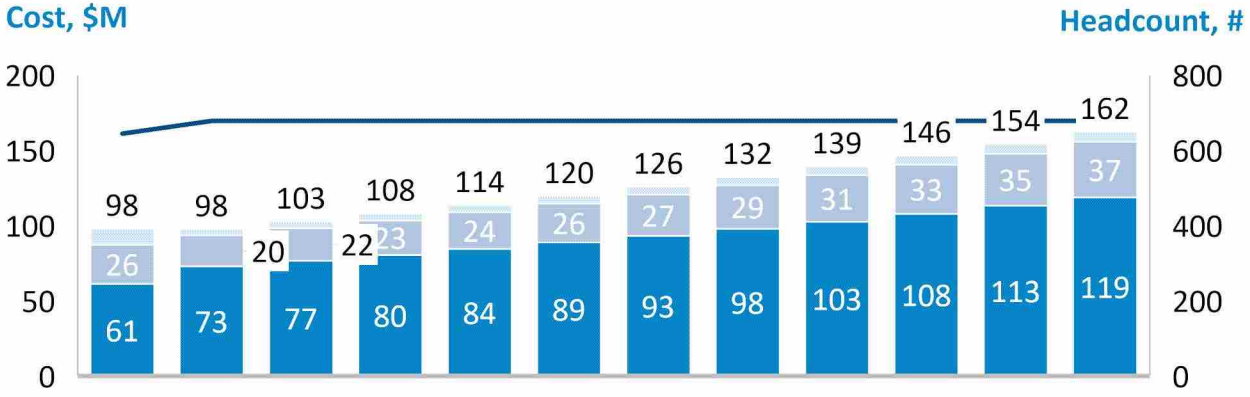
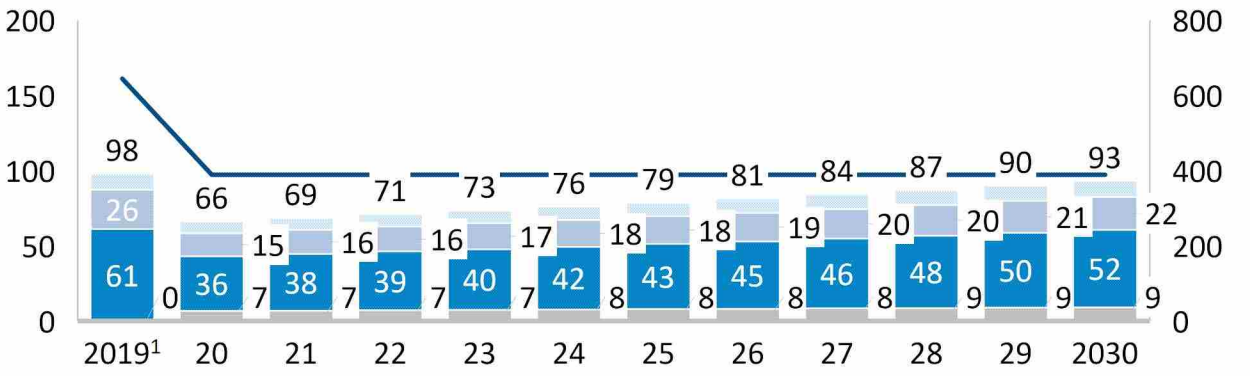
Labor details - energy

FTE OT Benefits Salary Contract

Status Quo projections



Management Response



Major assumptions:

- 26% (168 FTE) headcount reduction in all electric system areas (generation, substation and transmission, distribution)
- Outsourcing of select functions in generation with additional 14% (87 FTE) reduction

Implications:

- **Customer:** Decrease in reliability with fewer employees available for regular maintenance and outage response (reversal of recent gains in SAIDI / SAIFI / CEMI5 to among best in state)
- **Community:** Reliability impact and delays to connecting new developments and repairing public lighting; reduced ability to provide mutual aid during storm events
- **Financial:** Increase corrective maintenance and replacement power purchase; limited opportunity to grow the business when customers are dissatisfied with core product
- **Employee:** Decreased leadership oversight, training opportunities, morale

SOURCE: 1 High overtime in 2019 drove cost higher than expected for actuals

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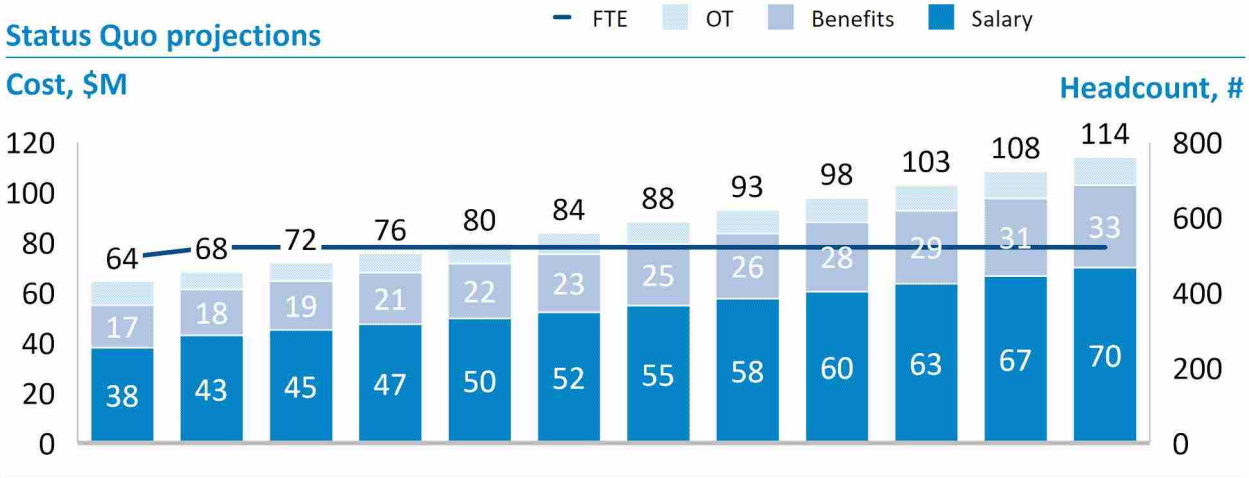
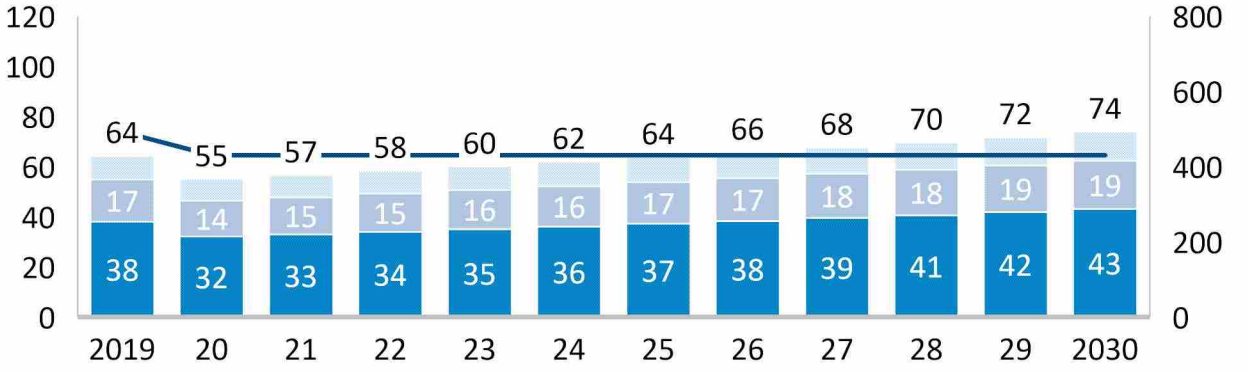
Labor details – water and wastewater

Status Quo projections



Management Response



Major assumptions:

- 13% (62 FTE) headcount reduction overall
- Reductions in night and weekend crew capabilities, reduced maintenance schedules, reduced support function capabilities within business area

Implications:

- **Customer and community:** Decrease in reliability with reduced regular maintenance, increased risk of extended water safety issues during storms
- **Financial:** Increase in corrective maintenance spend; potential need to rely on additional contractors
- **Environmental:** Increased risk of pump station overflows due to fewer clean-outs and maintenance, longer response times
- **Employee:** Decreased leadership oversight, training opportunities, morale

SOURCE: JEA financial statements, 2018 budget, and senior team initiative development

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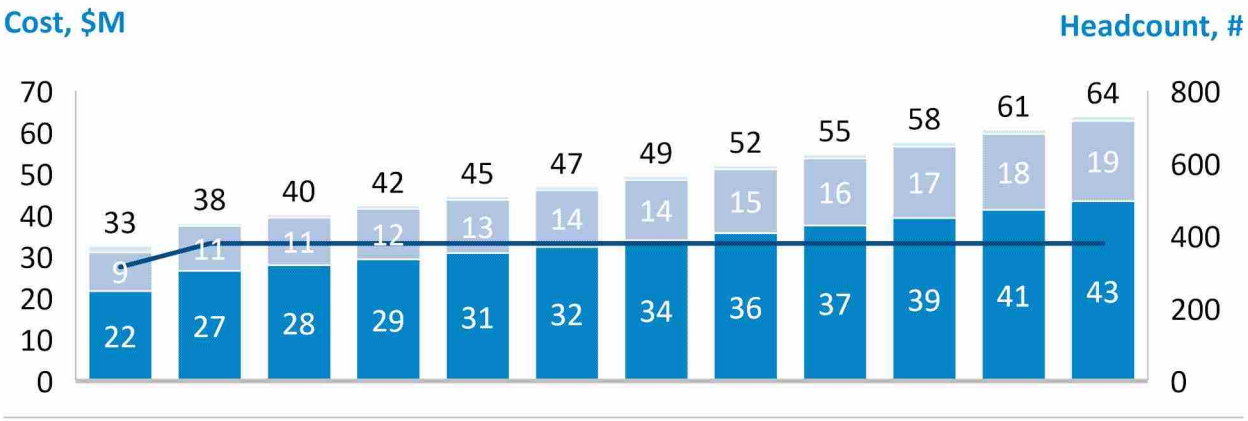
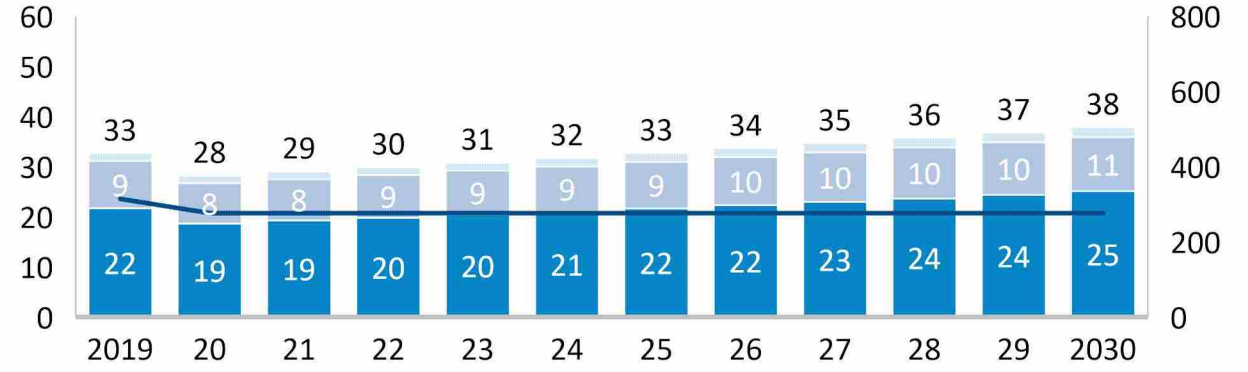
Labor details - customer

Status Quo projections



Management Response



Major assumptions:

- 12% (38 FTE) headcount reduction overall
- Reduces or eliminates most community engagement and communication functions
- Reduces customer service levels, reducing key account and low income teams, closing customer care center, reducing scope of customer solutions programs

Implications:

- **Customer:** Decreased service levels and options for customers
- **Community:** Reduced awareness of JEA activities, reduced understanding of JEA's role in community
- **Employee:** Decreased leadership oversight, training opportunities, morale

SOURCE: JEA financial statements, 2018 budget, and senior team initiative development

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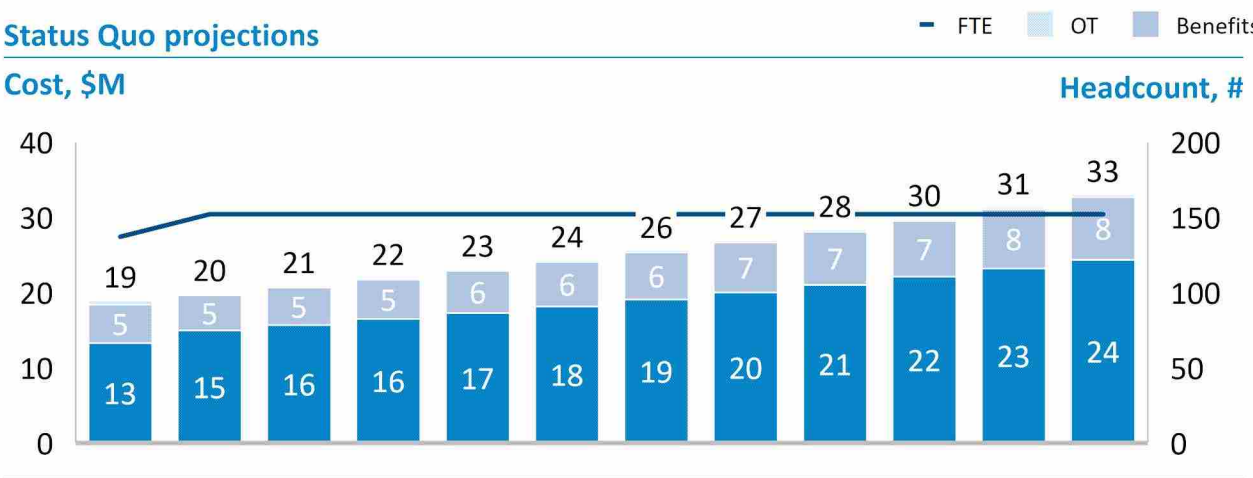
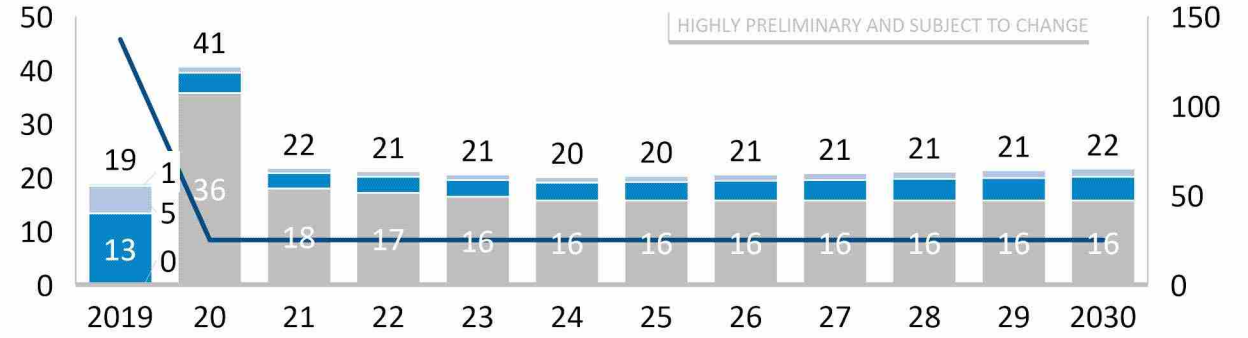
Labor details - TS

Status Quo projections



Management Response



Major assumptions:

- Outsource ~80% of JEA TS staff to 3rd party provider (112 FTE)
- Retain core TS team to manage contract and pursue specific technology projects needed by utility (limited to what is still needed in Management Response)
- Assume transition period in 2020 with both contract and employee costs, and $13M one-time costs to set up contract
- Savings begin to accrue in 2023 post transition period, with net $35M savings 2020-2030

Implications:

- **JEA internal:** lower cost and higher quality service in long run, with increased access to IT innovations; potential for disruption in service in interim and need for rigorous contract management

SOURCE: JEA financial statements, 2018 budget, and senior team initiative development

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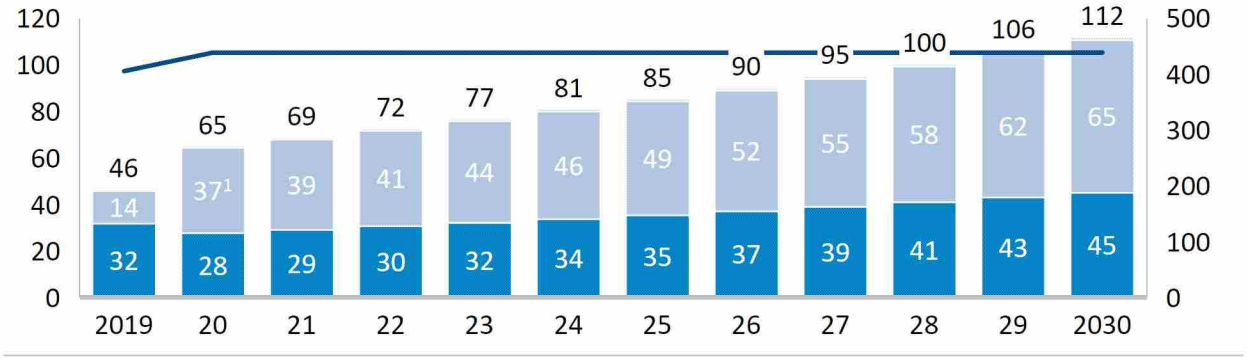
Labor details – corporate, administrative, SLT

Status Quo projections

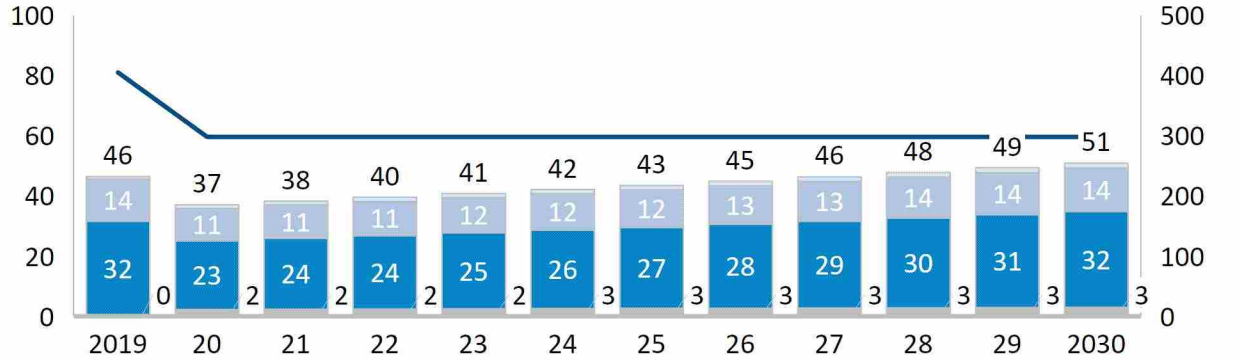
Cost, $M



Headcount,

Management Response

Cost, $M



Headcount,

1 2020 includes estimated $15M increase due to long-term compensation change in SQ1 only

Major assumptions:

- 26% (107 FTE) reduction in headcount overall, including outsourcing of select functions
- Reductions vary by area across supply chain, environmental, compliance, government affairs, finance, HR, planning
- Positions reduced or eliminated include technicians, clerks, security staff, and analysts
- Includes reduction of SLT by 40% (from 15 positions to 9), including:
  - Consolidating CEO / MD and COO / president into single position
  - Replacing CFO position with comptroller
  - Moving Energy and Water Planning within Energy and Water VP/GMs
  - Eliminating CITO, CAO, CGAO

Implications:

- **JEA internal:** potentially reduced ability to perform core services with lower levels of support

SOURCE: JEA financial statements, 2018 budget, and senior team initiative development

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TRADITIONAL MANAGEMENT RESPONSE *within current constraints*

Categories of Initiatives

1. Headcount reductions
2. Non-labor O&M reductions
   - **Execution Plan**
   - Initiative-level details
3. Capex reductions
4. Revenue initiatives

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REBUILD NONLABOR OPERATIONS AND MAINTENANCE BUDGET ON ZERO BASIS

- Reduce reliability and resiliency measures
- Renegotiate vendor contracts
- Reduce marketing & other communication initiatives
- Change maintenance methodology to hours-based approach

Month 1

- Analyze reliable and resilient infrastructure plans and reset goals and targets
- Begin outreach with Contractors

Months 2-3

- Filter Non-essential processes
- Enter Contract Negotiations

Month 4

- Finalize essential process to meet minimum compliance requirements
- Complete Contract Negotiations

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TRADITIONAL MANAGEMENT RESPONSE *within current constraints*

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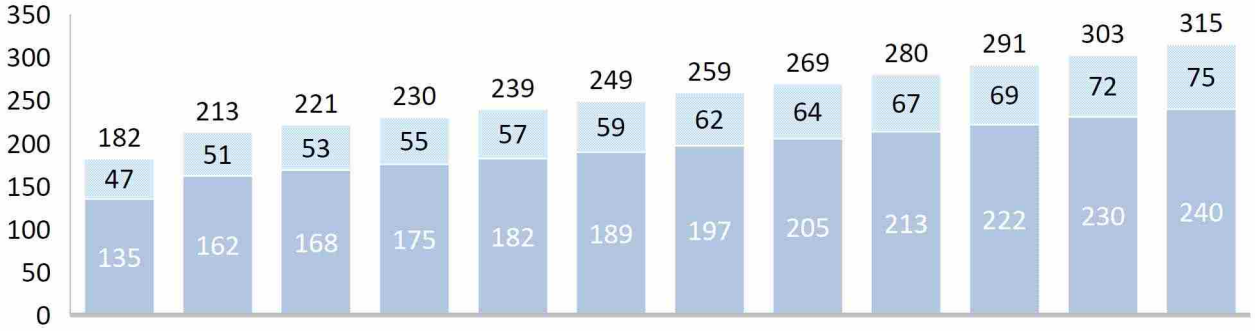
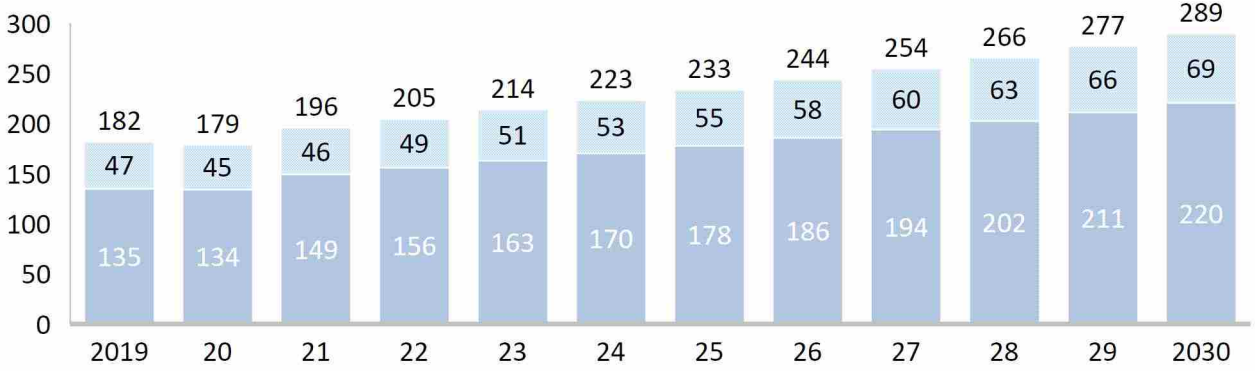
Management Response reduces non-labor O&M by 10% in 2020 from Status Quo projections base, but maintains increases thereafter

Status Quo projections non-labor O&M, $M



Management Response non-labor O&M, $M



Assumptions

- Status Quo projections include a 17% increase in FY20 based on current budget assumptions, followed by annual 4% increase in non-labor O&M (materials and supplies, contractors, other), based on historical rate of increase
- In Management Response, cost reduction measures are taken within each business area in 2020 totaling $25M, less $1M in 1-time costs to implement measures
- Management Response also includes $10M in one-time cost-savings in 2020 from reduced legal fees and $.5M annual savings starting 2021 by renting a less expensive new headquarters building
- Management Response results in a decrease of non-labor costs by 2% FY19 vs. FY20
- Management Response assumes the same 4% growth of O&M as in SQ1

SOURCE: JEA financial statements, 2018 budget, and senior team initiative development

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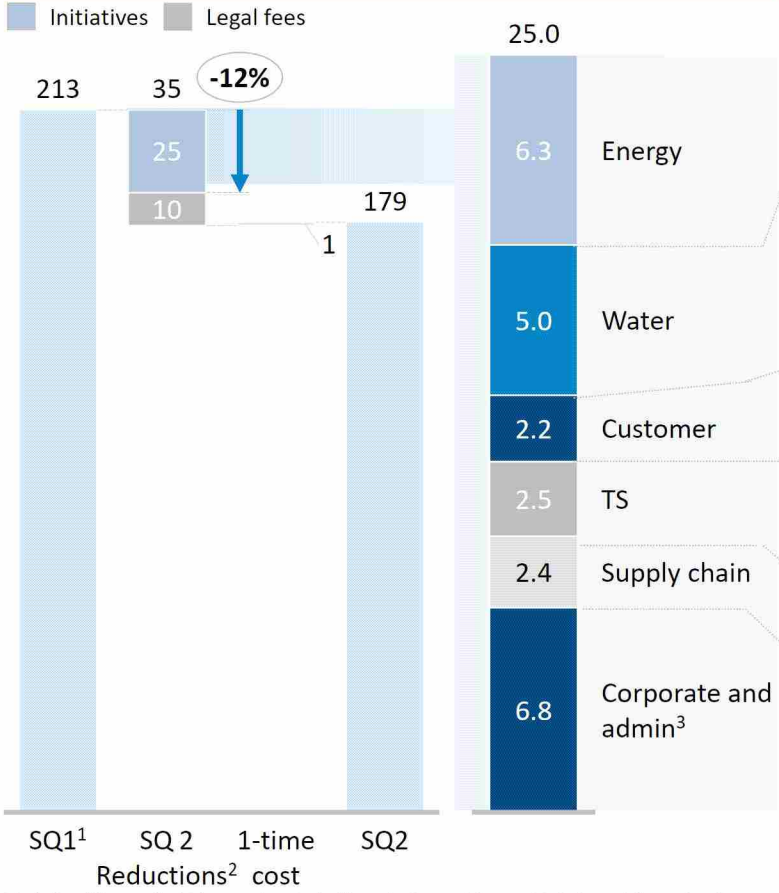
Non-labor O&M – key initiatives

FY20 SQ1 vs Management Response comparison, $M



Key initiatives	Potential risks
▪ Change from time-based to operating hours-based maintenance ▪ Increase vegetation management cycle ▪ Improve contractor management	▪ **Customer:** reliability risk from vegetation cycles ▪ Minimal impact from operating hours maintenance, contractor management
▪ Cancel STPO alternatives and resiliency planning studies ▪ Reduce emergency generator availability ▪ Reduce chemical usage	▪ **Community:** delay in STPO program; potential increased water issues during major storm events ▪ **Environmental:** potential TMDL risk from chemical usage
▪ Reduce marketing and public awareness campaigns	▪ **Community:** Reduced awareness of JEA activities and changes
▪ Move Oracle support to 3rd party provider ▪ Reduce support for legacy applications	▪ Minimal external impact; potential reduced employee satisfaction
▪ Reduce building maintenance, upkeep, security	▪ **Community:** Reduced quality of JEA buildings, security and business continuity risk increase
▪ Cancel STPO engineering ▪ Reduce professional services related to environmental permitting, planning, monitoring	▪ **Environmental:** Reduced ability to control JEA environmental impact ▪ **Community:** Reduced security; delay in septic tank phase out

1 Includes utility spend, which was not evaluated for reduction 2 Does not include non-labor savings from outsourcing initiatives
3 Includes supply chain, environmental, compliance, gov affairs, HR

SOURCE: JEA financial statements, 2018 budget, and senior team initiative development

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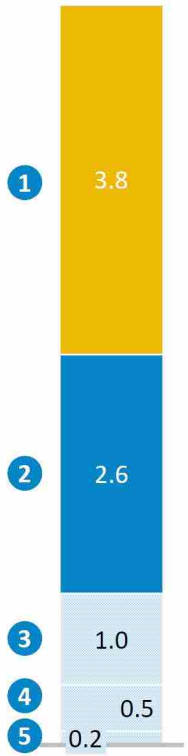
Energy cost

Annual potential, $M



Initiative	Overview	Potential risks & considerations	Annual opportunity, $M
1 Change to an "operating hours" overhaul scheduling strategy	▪ Change from a "time frequency" based decision making process for major outage requirements, to an "operating hours" based approach as currently accepted by the OEM's (savings currently based on deferred maintenance (not eliminated))	▪ **Trade-offs; Risk is proportionate to the amount of hours on the machines.**	▪ 3.8
2 Outsource select functions	▪ Certain functions' hourly rates are currently benchmarked at the higher end of market rates. These functions could be obtained more competitively via a contract workforce	▪ **Trade-offs, workforce turnover and knowledge, labor issues with IBEW**	▪ 2.6
3 Contractor management	▪ Perform additional work in house if we have capability. Ensure contractor work and billing is in accordance with needs and work performed.	▪ **No regrets**	▪ 1.0
4 Vegetation trim cycle	▪ Increase cycle by 20% (to 36 months) to decrease costs	▪ **Trade-offs; reliability metrics worsen, customer satisfaction decrease**	▪ 0.5
5 Eliminate participation in 3 rodeos	▪ Eliminate rodeo participation	▪ **Trade-offs;** morale	▪ 0.2

SOURCE: JEA financial statements, 2018 budget, and senior team initiative development

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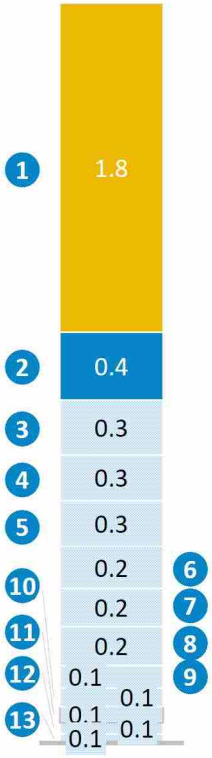
Water cost (1/2)

Annual potential, $M



Initiative	Overview	Potential risks & considerations	Annual opportunity, $M
1 Scope and Fee Negotiator	▪ Hire an expert with experience in negotiating rates and fee structures for capital projects	▪ **No regrets**	▪ 1.8
2 Wastewater Biosolids Hauling	▪ In-source biosolids hauling from wastewater reclamation facilities to Buckman WRF	▪ **Trade-offs; unclear level of impact**	▪ 0.4
3 Project Funding Revisions	▪ Modify project funding processes and requirement to streamline business processes	▪ **No regrets**	▪ 0.3
4 Design-Build Continuing Service Contract	▪ Develop master contracts with qualified design-build contractors for repeat, small capex jobs	▪ **No regrets**	▪ 0.3
5 Reduce coating / paint for metal surfaces	▪ Reduce coating / paint for metal surfaces	▪ **Trade-offs; reliability**	▪ 0.3
6 Hydrogen Peroxide Use Reduction	▪ Optimize hydrogen peroxide feed rate while maintaining odor control (estimate 10% reduction in usage possible)	▪ **Trade-offs; potential customer dis-satisfaction**	▪ 0.2

SOURCE: JEA financial statements, 2018 budget, and senior team initiative development

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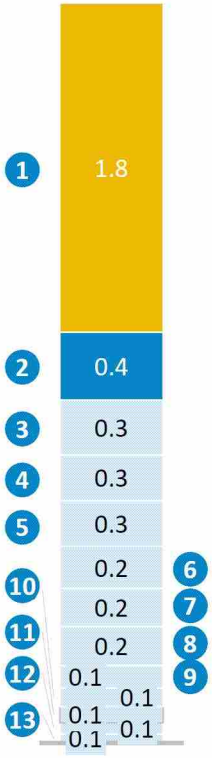
Water cost (2/2)

Annual potential, $M



Initiative	Overview	Potential risks & considerations	Annual opportunity, $M
7 Remove GIS position for outage mapping	▪ Reduce GIS position for outage mapping	▪ **Trade-offs; community**	▪ 0.2
8 Reduce potable pump reservation	▪ Reduce portable pump reservation	▪ **Trade-offs; resiliency**	▪ 0.2
9 Glycerin Use Reduction	▪ JEA can reduce glycerin usage and still meet compliance limits (28% under compliance limit now)	▪ **Trade-offs; environmental risk**	▪ 0.1
10 Reduce standards studies	▪ Make do with in-house investigation of proposed standards changes	▪ **Trade-offs; efficiency**	▪ 0.1
11 Perform Crane Inspections Utilizing JEA Personnel	▪ Bring crane inspections in-house if certifications can be obtained	▪ **Trade-offs; effort involved to certify**	▪ 0.1
12 Perform CCTV inspections in-house	▪ Perform CCTV inspections in-house	▪ **Trade-offs; efficiency**	▪ 0.1
13 Reduce cleaning of pumps and wells	▪ Reduce cleaning of pumps and wells	▪ **Trade-offs; risk of clogging**	▪ 0.1

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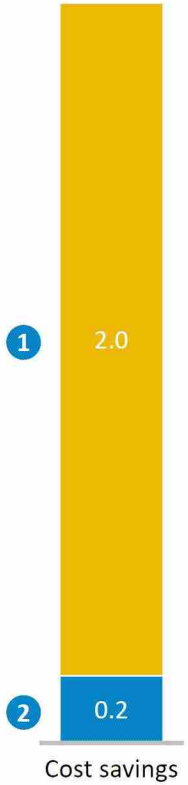
Customer cost

Annual potential, $M



Initiative	Overview	Potential risks & considerations	Annual opportunity, $M
1 Reduce marketing budget	▪ Reduce marketing budget	▪ **Trade-offs; customer engagement**	▪ 2
2 Reduce paper bills	▪ Reduce paper bills sent out. Initiative underway to implement "opt-out" program for new customers	▪ **Trade-offs; some customers may not have computers**	▪ 0.2

SOURCE: JEA financial statements, 2018 budget, and senior team initiative development

IT cost

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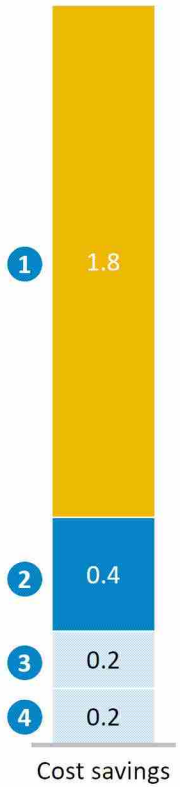
Annual potential, $M



Initiative	Overview	Potential risks & considerations	Annual opportunity, $M
1 ERP cost optimization	▪ 3rd party support provider for Oracle and other support	▪ **Trade-offs**	▪ 1.8
2 Reconcile vendor use of duct bank to existing project agreements	▪ Recover revenue according to original contracts with Comcast for use of space	▪ **Trade-offs**	▪ 0.4
3 Telecom audit	▪ Identify over-billing opportunities to address	▪ **Trade-offs**	▪ 0.2
4 Rental and lease	▪ Negotiate cost of rented and leased equipment	▪ **Trade-offs**	▪ 0.2

SOURCE: JEA financial statements, 2018 budget, and senior team initiative development

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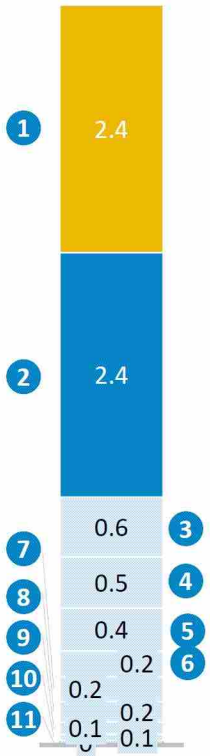
Corporate cost (1/2)

Annual potential, $M



Cost savings

Initiative	Overview	Potential risks & considerations	Annual opportunity, $M
1 Facilities O&M Other Services and Charges (OSC) reduction	▪ 40% reduction in maintenance, landscaping, paintaing, planned rehab work; eliminate PM on generators	▪ **Trade-offs**	▪ 2.4
2 Eliminate septic tank phase out engineering	▪ Eliminate the septic tank phase out program	▪ **Trade-offs**	▪ 2.4
3 Reduce professional services, training, travel, misc	▪ Reduce professional services related to resource planning	▪ **Trade-offs**	▪ 0.6
4 Reduce security patrol	▪ Reduce number of security patrol personnel	▪ **Difficult; increased security risk across affected areas**	▪ 0.5
5 Professional services reduction	▪ Reduce professional services and supplemental staff for permitting, compliance	▪ **Trade-offs**	▪ 0.412
6 Reduce profess-ional services	▪ Reduce professional services for QA, other activities	▪ **Trade-offs; increased regulatory risk**	▪ 0.246
7 Reduce profess-ional services	▪ Reduce professional services	▪ **Trade-offs**	▪ 0.243

SOURCE: JEA financial statements, 2018 budget, and senior team initiative development

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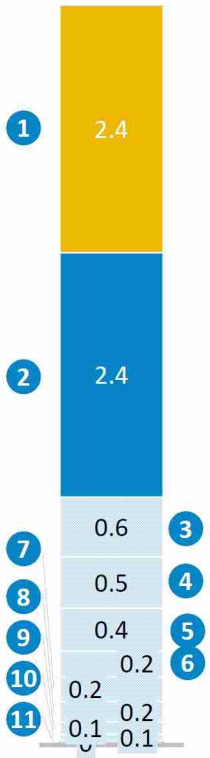
Corporate cost (2/2)

Annual potential, $M



Initiative	Overview	Potential risks & considerations	Annual opportunity, $M
8 Reduce spend on civil service position assessment	▪ We currently budget $932K for civil service position assessment development with PSI. To date, approximately 60% of our position assessments have been developed, including many of the repetitive hire positions. We can halt that and bring it back in house if necessary. Also, if we freeze or greatly reduce hiring there should be a lesser need for assessment development.	▪ **Trade-offs**	▪ 0.2
9 Miscellaneous supplies and tools reduction	▪ Reduce professional services and supplemental staff for labs, remediation	▪ **Trade-offs**	▪ 0.195
10 Reduce downtown security	▪ Reduce number of downtown security personnel	▪ **Trade-offs; increased security risk across affected areas**	▪ 0.1
11 Reduce tools, training, travel	▪ Reduce tools, training, travel	▪ **Trade-offs; increased regulatory risk**	▪ 0.06

SOURCE: JEA financial statements, 2018 budget, and senior team initiative development

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TRADITIONAL MANAGEMENT RESPONSE *within current constraints*

Categories of Initiatives

1. Headcount reductions
2. Non-labor O&M reductions
3. Capex reductions
   - **Execution Plan**
   - Initiative-level details
4. Revenue initiatives

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REBUILD CAPITAL BUDGET ON ZERO BASIS

- Reset operational targets to lower service levels
- Minimize planned maintenance to bare minimum requirements
- Cancel Greenland, substations, and defer projects
- Reduce technology spend

Month 1	Month 2	*Ongoing*
• Reset operational targets to lower service levels	• Finalize new capital expenditure plan with non-essential projects removed	• Assess each year's capital spend to eliminate non-essential projects in line with lower service targets

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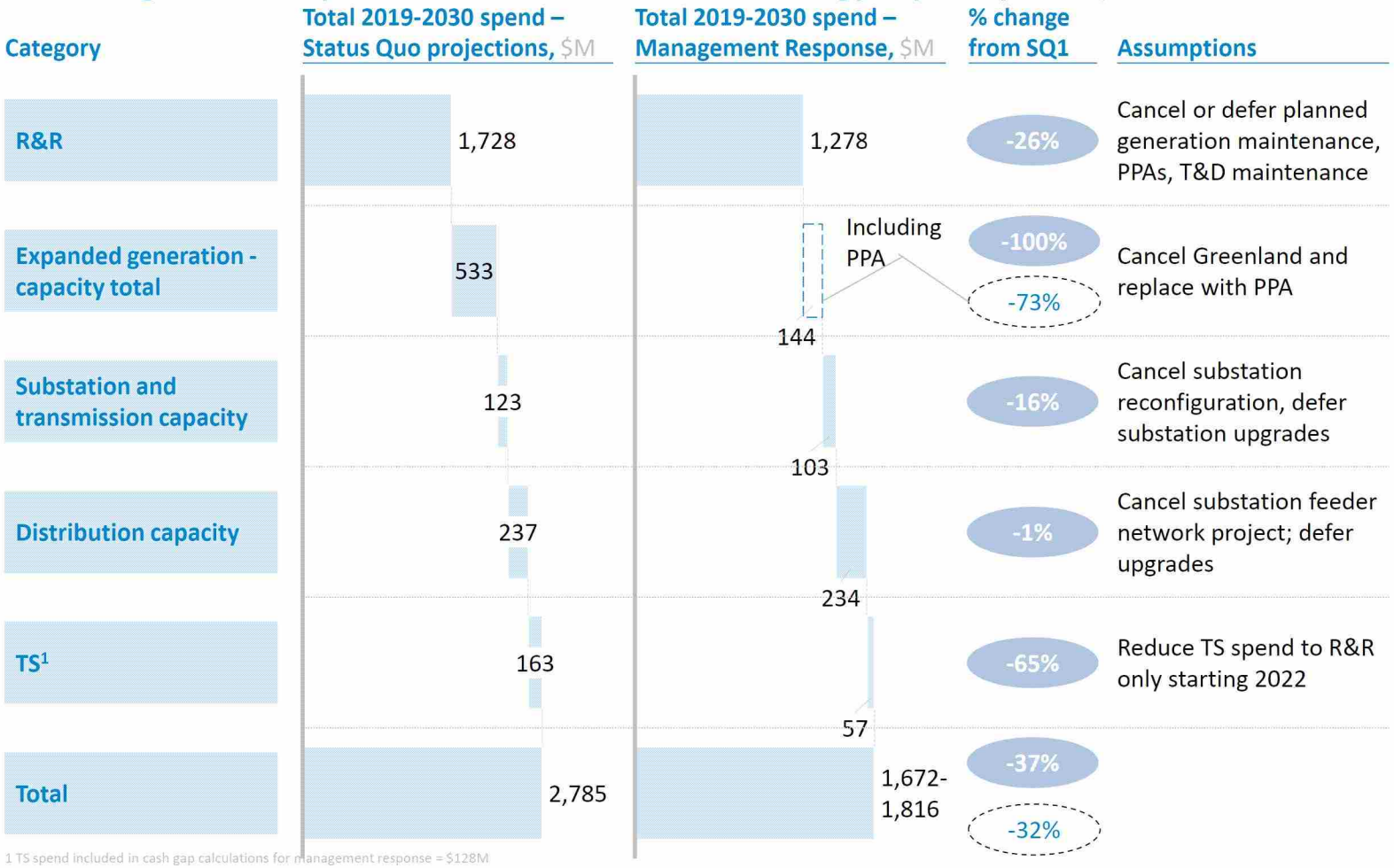
Management Response reduces total 2019-30 energy capex by 37% (32% when PPA costs are included)



Potential risks

- **Customer and community:** Decrease in reliability with reduction in R&R
- **Financial:** Increase maintenance costs; potential costs in emergency repair and replacement; PPA terms potentially unattractive in long term
- **Environmental:** Potentially reduced air quality from decreased generation fleet maintenance

1 TS spend included in cash gap calculations for management response = $128M

SOURCE: JEA financial statements, 2018 budget, and senior team initiative development

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Management Response reduces total 2019-30 water and wastewater capex by 22%

Category	Total 2019-2030 spend – Status Quo projections, $M	Total 2019-2030 spend – Management Response, $M	% change from SQ1	Assumptions
Renewal and replacement[1]	1,293	911	-23%	Defer and reduce rehabilitation, improvement, replacement; reduce TS
Growth / new connections: collections, transmission, pump	279	261	-6%	Reduce well rehab and replacement
Growth / new connections: wastewater treatment	199	199	0%	No change
new supply - reclaim	205	176	-14%	Defer and reduce reclaim capacity and storage projects
New supply - purification, pipelines, wells	327	129	-61%	Removed water purification phases 2 and 3 and 3rd river crossing
Reliability and resiliency	325	201	-38%	Remove planned spend on facility generators, reduce future resiliency spend
Enironmental quality / water quality	32	32	0%	No change
Biosolids / other	53	53	0%	No change
TOTAL	2,713	1,962	-22%	

Potential risks

- **Customer and community:** Decrease in reliability with reduction in R&R; potential for moratorium on new development in South Grid
- **Financial:** Reduced revenue from expanded reclaim system; increase maintenance costs; potential costs in emergency repair and replacement
- **Environmental:** Delay in addressing supply challenges

1 R&R spend included in cash gap calculations = $985M, delta due to additional reductions in TS spend

SOURCE: JEA financial statements, 2018 budget, and senior team initiative development

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TRADITIONAL MANAGEMENT RESPONSE *within current constraints*

Categories of Initiatives

1. Headcount reductions
2. Capex reductions
3. Non-labor O&M reductions
4. Revenue initiatives

The following "Baseline Conversation" financial projections are presented solely for JEA Board of Directors planning and action. They are not a projection of future financial performance and, as such, should not be relied upon by present or prospective JEA bond investors to purchase or sell any security or to make an investment decision. The projections are merely a mathematical representation of a hypothetical case for change. Actual results are likely to differ materially from this business case. Use of this presentation not in its entirety could result in material financial harm to the company.

PURSUE REVENUE GENERATION INITIATIVES WITHIN EXISTING CONSTRAINTS

- Expand Electrification
- Optimize Real Estate
- Launch Retail Marketplace
- Implement Residential Solar Application Fee

Month 1	Months 2-3	Month 4	Ongoing
• Assign Champions and project teams for each initiative • Quantify investment needed to achieve revenue	• Finalize detailed business and implementation plans	• Execute Revenue Initiatives	• Review and course correct as needed

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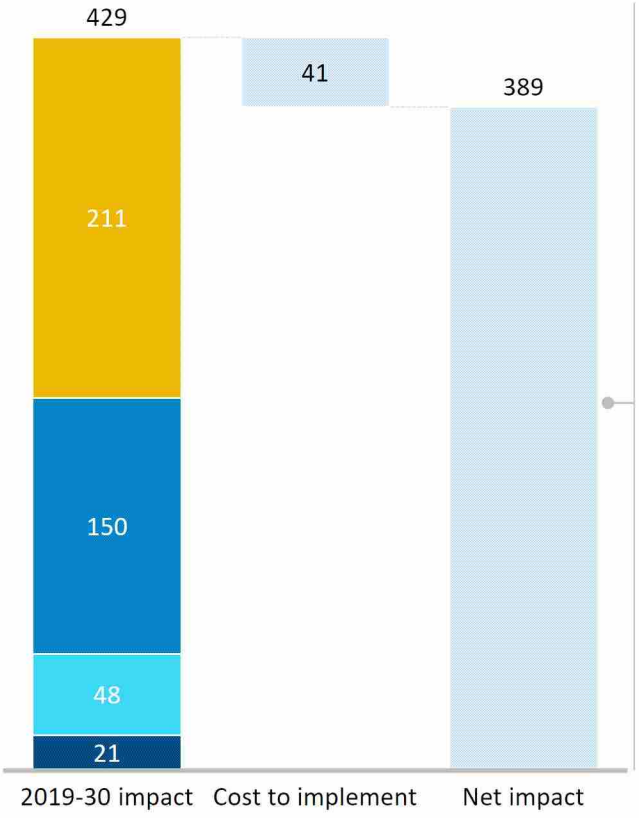
Revenue initiatives developed to date provide $389M additional revenue by 2030

Expand electrification | Real estate optimization | Retail marketplace | Residential Solar Application Fee

2019-2030 potential, $M



Initiative	Overview	Potential risks & considerations
Expand Electrification	Convert more commercial and industrial customer to electric (e.g. vehicles)	No regrets
Real Estate Optimization	Sell/lease surplus properties	Trade-offs; less flexibility
Retail Marketplace	Online marketplace to sell energy-related appliances and services. Use to collect data, create engagement and awareness, and generate modest income.	No regrets
Residential Solar Application Fee	Charge an application/inspection fee to cover the cost of solar PV interconnection reviews and inspections	Trade-offs; publicity and customer pushback

SOURCE: JEA financial statements, 2018 budget, and senior team initiative development

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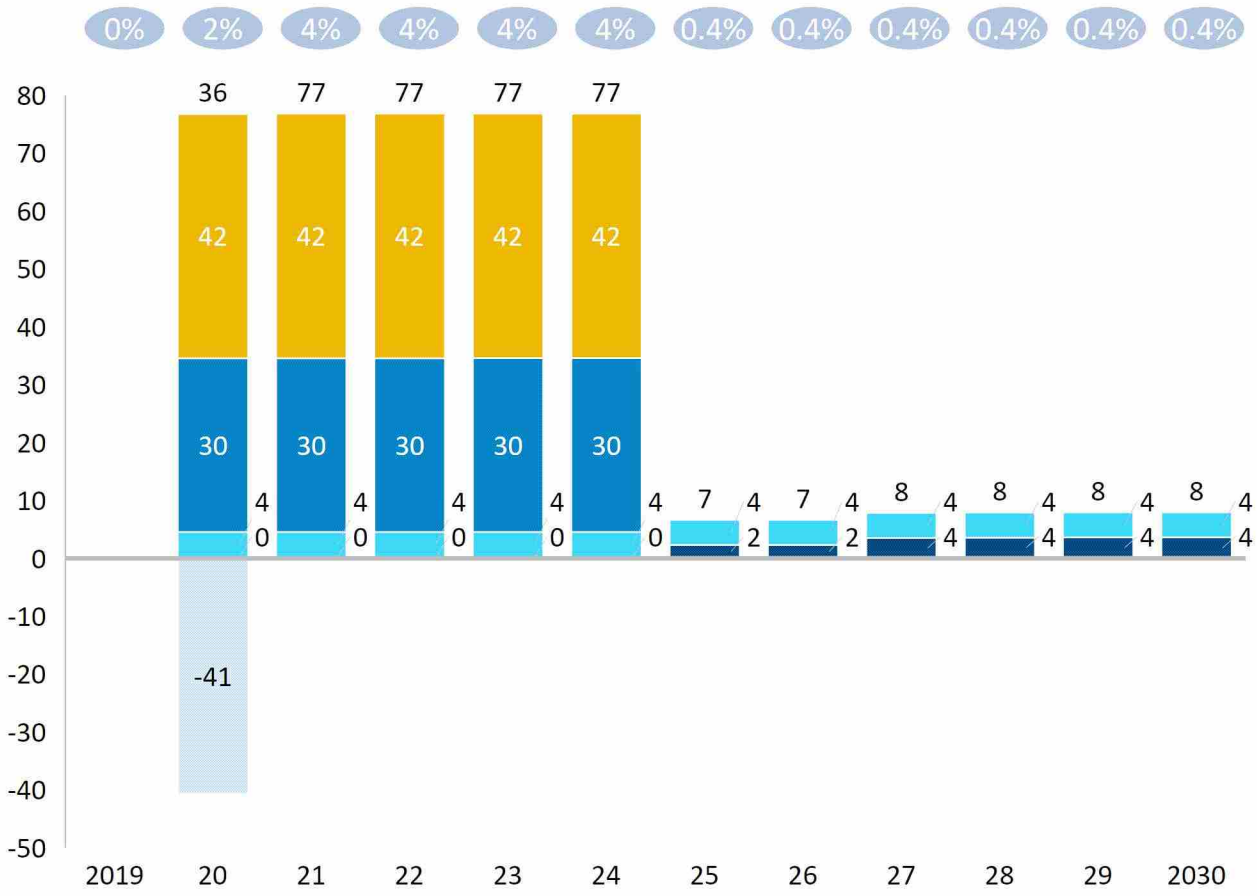
Management Response revenue initiatives generate limited revenue

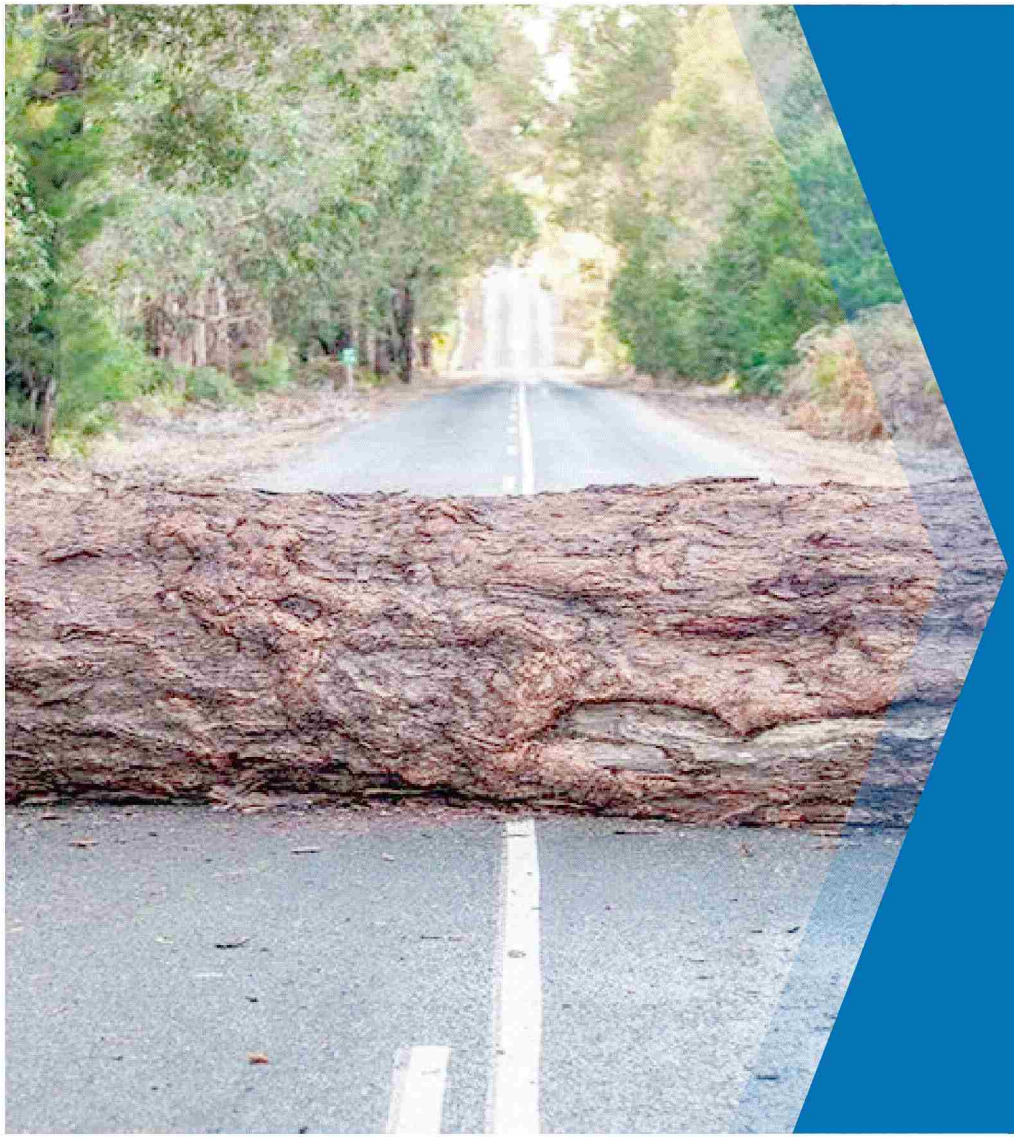
Expand electrification | Real estate optimization | Retail marketplace | Residential Solar Application Fee | Total cost to implement | % of total operational revenue

Management Response revenue initiatives, $M



- Management response revenue initiatives, starting with electrification and real estate optimization, generate value in the first 5 years
- An additional 15 initiatives were developed by senior management team, not included here given low or uncertain revenue impact
- Given constraints posed by charter, revenue impact from new initiatives is limited (at most, 4% of total annual revenue)
- Key assumptions by initiative:
  - **Expand electrification:** 5-year road and non-road electrification program estimate developed by ICF, using high-end scenario to estimate net margin and up-front cost (costs largely in incentive programs)
  - **Real estate optimization:** Initiative launched in March to sell major surplus real estate properties (including SJRPP), assume $150m total impact spread evenly over 5 years, with $10M up-front cost to prepare properties for sale
  - **Retail marketplace:** Assumes $4.3M annual impact from fee on retail marketplace sales; based on vendor proposal for retail marketplace
  - **Residential solar application fee:** Based on assumption of a $500 flat fee per residential solar interconnect agreement processed (currently 0 fee), impact scales with number of residential solar customers consistent with energy sales forecast

SOURCE: JEA financial statements, 2018 budget, and senior team initiative development



OVERVIEW OF MAJOR LEGAL AND PUBLIC POLICY CONSTRAINTS

JEA®

POTENTIONAL BUSINESS EXPANSION OPPORTUNITIES VIA INNOVATION AND TECHNOLOGY

Family	Description	Example services	
Building efficiency and automation	**Use of energy-efficient and smart appliances, modern heating and cooling equipment, and IT solutions** to reduce building (B2C and B2B) consumption	▪ Relighting/LEDs ▪ Insulation ▪ HVAC ▪ Smart heating	▪ Smart office automation ▪ Smart home automation ▪ EPC
Equipment efficiency	**Use of energy-efficient industrial equipment, modern heating and cooling equipment as well as IT solutions** to reduce consumption	▪ Industrial applications ▪ Electric motors ▪ HT and LT cabins	▪ Leakages management
Distributed generation	**Use of distributed generation technologies** (solar PV, combined heat & power systems , waste heat recovery plants) to reduce grid demand	▪ Solar PV ▪ Mini-CHP ▪ Mini-wind	▪ Micro-CHP (for apartments)
Flexibility and storage	**Shift of energy demand to optimize profile** thereby lowering total cost of consumption or need for installed capacity at system level	▪ Virtual power plants ▪ Storage ▪ Smart metering	▪ Demand side aggregation
Electric vehicles / electrificaton	**Development of electric vehicle re-charging infrastructure and related services** and supporting electrification of facilities, equipment beyond the vehicle	▪ Charging infrastructure ▪ Power supply services ▪ Fleet management ▪ EV fleet leasing	▪ Port conversion ▪ Electric water heater program ▪ Industrial equipment
Value added services	**Supply of a variety of services for buildings and final customers** to provide maintenance services, insurance services, consultancy and audit	▪ Home services ▪ Equipment maintenance	▪ Insurance ▪ Audit/consultancy

1 Energy performance contracting 2 Heating, Ventilation and Air Conditioning

JEA IS LIMITED TO HOW IT CAN DO BUSINESS TODAY

Opportunity	Can JEA do this Today?
Sell more electric and water services	✗
Cut costs and workforce	✓
Increase customer rates	✓
Investment in R&D and IP for an ROI	✗
Sell alternative new product lines or offerings	✗
Sell equity and retire debt	✗
Acquire new businesses & customers	✗
Reduce investment in capex	✓
Reduce dividend / city contribution	✗
Sell assets	✗
Create partnerships / Joint ventures	✗

VIABILITY OF INITIATIVES WITH CONSTRAINTS

PROHIBITED OR NOT VIABLE
SIGNIFICANT CONSTRAINTS
LIKELY PERMISSIBLE

CONTEMPLATED INITIATIVE	EXAMPLE	FLORIDA CONSTITUTION	FPSC	IP	City Charter	Bond Resolution	Policy Considerations	JEA Business Structure	IMPACT OF CONSTRAINTS
CHANGE RATE STRUCTURE									
	Preferential rate structure								
	Flat rates								
	Critical peak pricing								
	Rate decoupling								
	Real time pricing								
RAISE RATES									
	Raising water and sewer rates by 52%								
	Raising electric rates by 71%								
SELL CUSTOMIZED ELECTRICITY, WATER, AND SEWER									
	Increase premium services (renewable-sourced electricity, custom power, premium resiliency)								
	Increase chilled water sales								
	Increase reclaimed water sales								
SELL MORE NATURAL GAS									
	Local Distribution Company (retail)								
	Expand wholesale sales								
	LNG								
EXPAND ELECTRICITY, WATER, SEWER, AND NATURAL GAS SERVICE TO MORE CUSTOMERS IN ADJACENT COUNTIES									
	Territorial agreements								
EXPAND ELECTRICITY, WATER, SEWER, AND NATURAL GAS SERVICE TO CUSTOMERS IN NON-ADJACENT COUNTIES									
	Develop an electric utility system in a non-adjacent county								
SELL OR LEASE NEW ELECTRIC, WATER, OR SEWER-RELATED PRODUCTS AND SERVICES									
	Warranty and protection services (electric, HVAC, surge protection)								
	Electrification (provision/maintenance of EV charging infrastructure)								
	Energy Services Company								
	DER (solar distributed generation, energy storage, demand response, backup generation, microgrids)								
SELL NEW OTHER SERVICES									
	Telecom								
	On and off-road electric vehicles sales and financing								
CUT OPERATING EXPENSES									
	Customer communication								
	Employee training								
	Security								
	Tree trimming								

CONTEMPLATED INITIATIVE	EXAMPLE	FLORIDA CONSTITUTION	FPSC	IP	City Charter	Bond Resolution	Policy Considerations	JEA Business Structure	IMPACT OF CONSTRAINTS
CUT WORKFORCE									
	Targeted outsourcing								
	Across the utility layoffs								
REDUCE CITY CONTRIBUTION									
	Eliminate annual assessment								
SELL ASSETS (10% OR LESS)									
	Sell underperforming assets								
	Sell surplus or antiquated equipment								
SELL ASSETS (MORE THAN 10%)									
	Sell underperforming assets (more than 10% of total assets)								
ACQUIRE, GROW, & OPERATE NEW ELECTRIC UTILITY BUSINESSES THROUGHOUT THE U.S.									
	Buy and operate 100% of a municipal utility in south Florida								
ACQUIRE, GROW, & OPERATE NEW NON-UTILITY TYPE BUSINESSES THROUGHOUT THE U.S.									
	Buy or start water and energy financing platform								
	Buy a sensor co.								
	Buy 100% of a software or A.I. company								
	Buy 100% of a vehicle fleet management company								
JOINT OWNERSHIP/VENTURE WITH ELECTRICAL ENERGY GENERATING OR TRANSMISSION FACILITY									
	Buy less than 100% of an electric generating or transmission facility								
JOINT OWNERSHIP/VENTURE WITH NON-UTILITY									
	Buy less than 100% of a landscaping co.								
CONTRACT WITH OTHER UTILITIES FOR UTILITY SERVICES									
	Power purchase agreement								
SELL A PORTION OF EQUITY TO FUND GROWTH OR DELEVERAGE									
RESEARCH & DEVELOPMENT FOR MONETIZATION									
	Advanced data analytics solutions								
	Real-time operations software								
MAKE INVESTMENTS PURPOSED TO ACCELERATE AND GROW UTILITY TECHNOLOGIES, SERVICES, AND/OR PLATFORMS									

* NOTE: Constraints considered are the Florida Constitution, the Florida Public Service Commission jurisdiction, intellectual property (IP) considerations, the City of Jacksonville Charter, JEA's Bond Resolutions, JEA's business structure, and policy considerations. The cumulative impact analysis assumes current law, is based on general and not specific initiative terms, and is subject to confirmation and change by legal counsel. It is not possible to analyze the universe of policies, laws, and regulations that may impact the development, adoption, funding, and implementation of a proposal at this point in the discussion. Any specific initiative will require extensive and detailed legal analysis and counsel.

FOUR MAJOR BUCKETS OF LEGAL/PUBLIC POLICY BARRIERS

PUBLIC POLICY

PUBLIC RECORDS

FLORIDA CONSTITUTION

CITY CHARTER

PUBLIC POLICY

WHAT IS PUBLIC POLICY?

Public policy is the principled guide to action taken by government with regard to a class of issues, in a manner consistent with law and institutional customs

DO "WE" WANT GOVERNMENT COMPETING AGAINST THE PRIVATE SECTOR?

How much will the private sector push back? How will lobbyists defend their territories? Will elected officials make choices that are not aligned with their local businesses?

FLORIDA CONSTITUTION

CONSTRAINTS

ARTICLE VIII, Sec. 2(b)

Municipalities shall have governmental, corporate and proprietary powers to enable them to conduct municipal government, perform municipal functions and render municipal services, and may exercise any power for municipal purposes except as otherwise provided by law.

ARTICLE VII, (Sec. 10)

Neither the state nor any county, school district, municipality, special district, or agency of any of them, shall become a joint owner with, or stockholder of, or give, lend or use its taxing power or credit to aid any corporation, association, partnership or person

AMENDMENT PROCESS

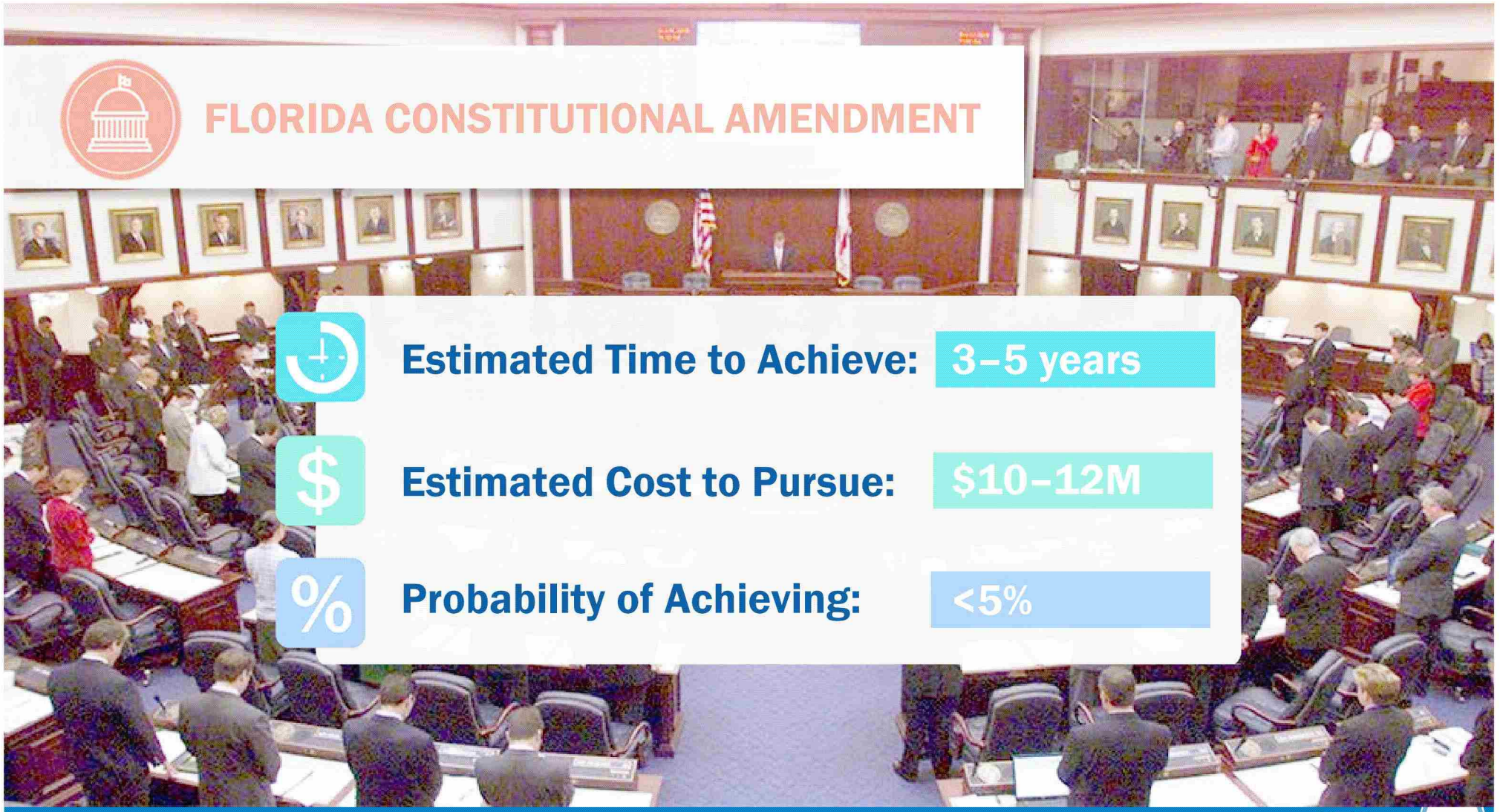
ARTICLE XI, (3)

The power to propose the revision or amendment of any portion or portions of this constitution by initiative is reserved to the people, provided that, any such revision or amendment, except for those limiting the power of government to raise revenue, shall embrace but one subject and matter directly connected therewith.

ARTICLE XI, Sec. 1

A proposed amendment to or revision of this constitution, or any part of it, shall be submitted to the electors at the next general election held more than ninety days after the joint resolution or report of revision commission, constitutional convention or taxation and budget reform commission.

FLORIDA CONSTITUTIONAL AMENDMENT



Estimated Time to Achieve: 3–5 years

Estimated Cost to Pursue: $10–12M

Probability of Achieving: <5%

PUBLIC RECORDS

WHAT IS A PUBLIC RECORD?

"Public records" means all documents, papers, letters, maps, books, tapes, photographs, films, sound recordings, data processing software, or other material, regardless of the physical form, characteristics, or means of transmission, made or received pursuant to law or ordinance or in connection with the transaction of official business by any agency. 119.011(12), Florida Statutes

PUBLIC RECORDS PROVIDE COMPETITORS AN UNFAIR ADVANTAGE

JEA competitors have access to information because JEA is a governmental entity. Public Records laws extend to certain JEA partners.

PUBLIC RECORDS CHANGE

Estimated Time to Achieve: 2 years

Estimated Cost to Pursue: $250k

Probability of Achieving: <20%

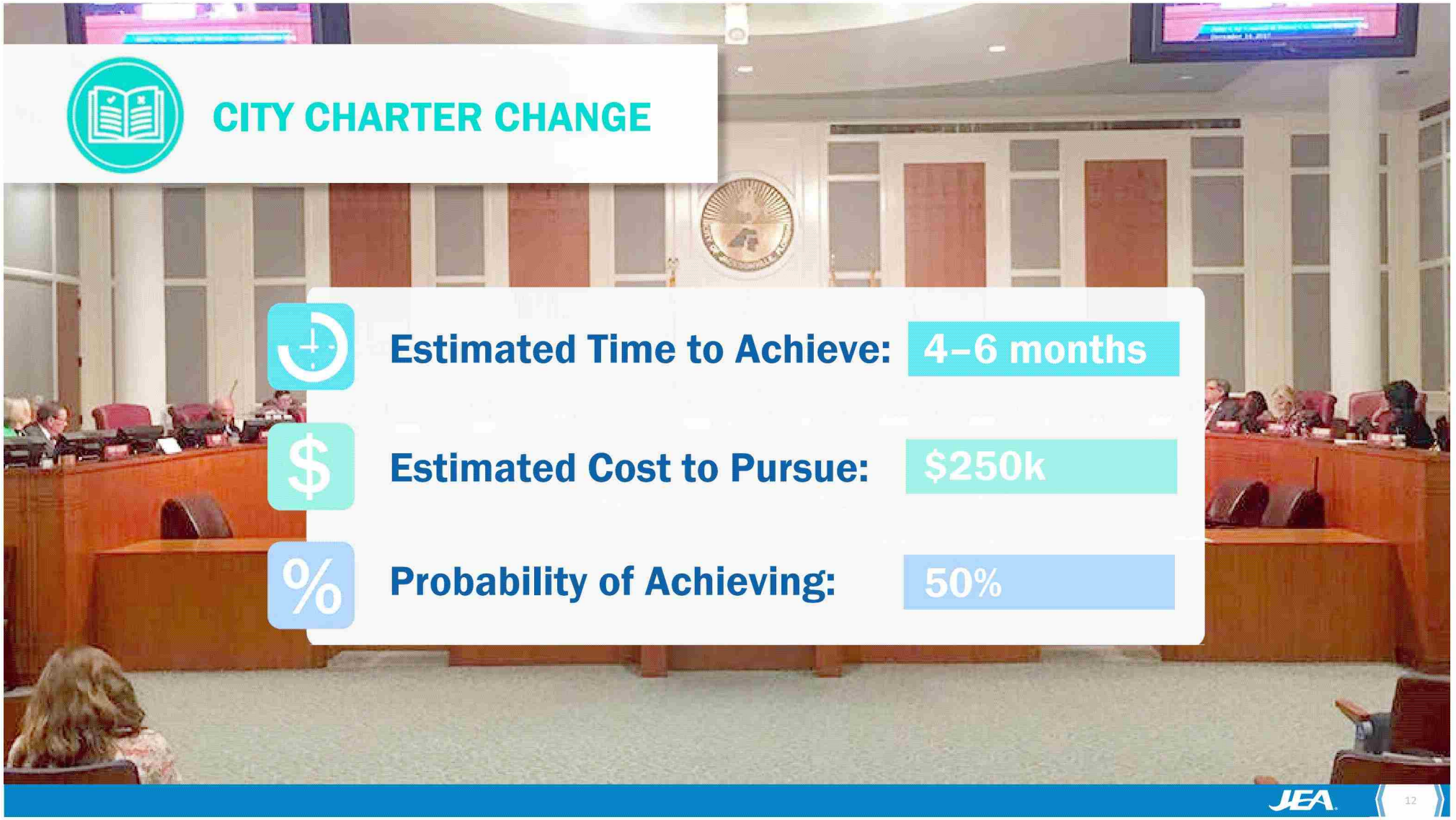
CITY CHARTER

JEA AS DEFINED WITHIN THE JAX CITY CHARTER

JEA is created for the express purpose of acquiring, constructing, operating, financing and otherwise having plenary authority with respect to electric, water, sewer, natural gas and such other utility systems as may be under its control now or in the future.

GEOGRAPHICAL GROWTH IS NOT ALLOWED

JEA is limited to providing electricity to customers in Duval and adjacent counties. JEA is unable to enjoy greater economies of scale due to geographic constraint.



CITY CHARTER CHANGE

Estimated Time to Achieve: 4–6 months

Estimated Cost to Pursue: $250k

Probability of Achieving: 50%

SUMMARY OF TIME, COST AND PROBABILITY OF SUCCESS

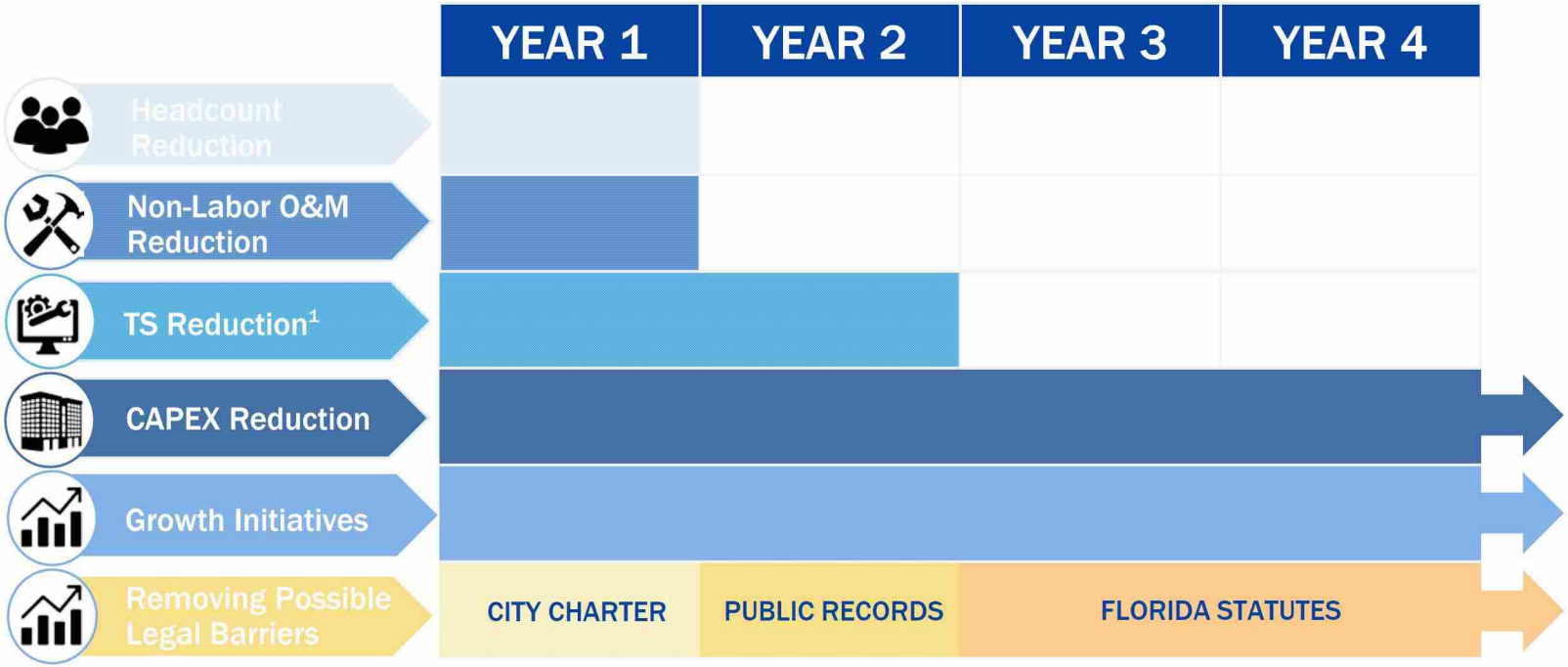
OVERARCHING PUBLIC POLICY QUESTION:

Should government compete against the private sector?

	TIME	COST	PROBABILITY
FLORIDA CONSTITUTION	3–5 years	$10–12M	<5%
PUBLIC RECORDS	2 years	$250k	<20%
CITY CHARTER	4–6 months	$250k	50%

SCENARIO 2b: TRADITIONAL UTILITY RESPONSE WITH REMOVING SOME LEGAL BARRIERS

INITIATIVE IMPLEMENTATION SCHEDULE



[1] TS Reduction extends into year 2 to ensure all technology initiatives currently being implemented are supported

RESOLUTION 2019-06

A RESOLUTION APPROVING EMPLOYEE TERMINATIONS AND CEO AND NON-CEO EXECUTIVE EMPLOYMENT AGREEMENTS UNDER SCENARIO 2 (THE TRADITIONAL UTILITY RESPONSE) AND AUTHORIZING THE BOARD OR CEO, AS APPLICABLE, TO TAKE ANY AND ALL ACTION TO AFFECT THOSE AGREEMENTS

WHEREAS, the Board believes that it is in the best interest of JEA to terminate the employment of, and enter into separation agreements with, 574 JEA employees (the "Impacted Employees") in connection with Scenario 2 (the traditional utility response);

WHEREAS, the Board has reviewed the layoff notification letters for civil service and appointed employees attached hereto as Exhibit 1 (the "Employee Layoff Notification Letters");

WHEREAS, the Board believes that it is in the best interest of JEA to retain the talent necessary to effectively implement Scenario 2 (the traditional utility response) and enter into employment agreements with employees of JEA that have a title of Vice President or higher; and

WHEREAS, the Board has reviewed the employment agreement with JEA's Chief Executive Officer and Managing Director (the "CEO") (the "CEO Employment Agreement") attached hereto as Exhibit 2 and the employment agreement with JEA's senior executive management team (other than the CEO) in substantially the form attached hereto as Exhibit 3 (the "Form Non-CEO Executive Employment Agreement").

BE IT RESOLVED, by the Board that:

1. The CEO or his designee shall have authority to (i) terminate the employment of the Impacted Employees on the terms and conditions set forth in the Employee Layoff Notification Letters, (ii) in consultation with the Office of General Counsel, make technical and clerical amendments to the Employee Layoff Notification Letters, all of which do not increase the financial obligations or liability of JEA under the Employee Layoff Notification Letters, and (iii) take, or cause to be taken, any and all action and to prepare, execute and deliver, or cause to be prepared, executed and delivered, any and all documents that the CEO or his designee deems necessary or advisable to carry out the intent of this resolution.

2. The Board hereby approves the CEO Employment Agreement and Form Non-CEO Executive Employment Agreement.

3. The Chair of the Board shall have the authority to (i) execute the CEO Employment Agreement, (ii) in consultation with the Office of General Counsel, make technical and clerical amendments to the CEO Employment Agreement, all of which do not increase the financial obligations or liability of JEA under the CEO Employment Agreement, and (iii) take, or cause to be taken, any and all action and to prepare, execute and deliver, or cause to be prepared, executed and delivered, any and all documents that the Chair of the Board deems necessary or advisable to carry out the intent of this resolution.

4. The CEO or his designee shall have the authority to (i) execute Non-CEO Executive Employment Agreements in substantially the same form as the Form Non-CEO Executive Employment Agreement, (ii) in consultation with the Office of General Counsel, make technical and clerical amendments to the Non-CEO Executive Employment Agreements, all of which do not increase the financial obligations or liability of JEA under the Non-CEO Executive Employment Agreement, and (iii) take, or cause to be taken, any and all action and to prepare, execute and deliver, or cause to be prepared, executed and delivered, any and all documents that the CEO or his designee deems necessary or advisable to carry out the intent of this resolution.

5. This resolution shall be effective immediately upon its adoption.

Dated this 23rd day of July, 2019.

JEA

By: _____
April Green, Chair

_____
Secretary

Form Approved:

_____
Office of General Counsel

RESOLUTION 2019-06 EXHIBIT 1

Employee Layoff Notification Letters for Civil Service and Appointed Employees

Date
Employee Name
Address

LAYOFF NOTIFICATION
In accordance with Civil Service and Personnel Rules and Regulations, section 7.03, this letter is to advise you that in order to gain operational efficiencies, there will be a reduction in force within your business unit. You are identified to be laid off from your position of _____ effective immediately. You will be on paid administrative leave for the remainder of this week. In addition, you will receive a severance payment equivalent to _____ at your current base salary rate.

VETERANS' PREFERENCE
If you believe you were not afforded veterans' preference for retention in accordance with chapter 55A-7.016, Enforcement of Veterans' Preference, of the Florida Administrative Code (FAC), please let us know immediately. Additionally, you may file a complaint with the State of Florida Department of Veteran's Affairs within 21 calendar days of the date of this notice.

ELIGIBILITY LISTS
Your name will be placed on the appropriate Layoff/Reemployment and Layoff/Demotion lists for which you qualify. The lists will be effective on your layoff date and you will remain on such lists for a period of one (1) year.

HEALTH INSURANCE/COBRA
Your medical coverage will be extended and paid for by JEA through _____ . Information regarding COBRA eligibility and benefits is provided with this letter.

PENSION
Information regarding pension should be directed to the General Employees' Pension Plan administrative office. Office contact information is provided in your packet.

LEAVE ACCRUAL
Leave accrual has been calculated through _____ and you will receive a lump sum pay out of your leave balance. If you are interested in rolling your leave payout into an already established deferred compensation plan, you will need to contact Payroll no later than _____.

LAST PAYCHECK
You should receive your last pay check on _____ which will either be direct deposited (if established) or you may pick it up. If you prefer your check to be picked up, please confirm that is your selection.

AVAILABLE RESOURCES
JEA will offer WorkSource orientation sessions and career transition training. The dates are provided in your packet.

EMPLOYEE ASSISTANCE PROGRAM
Understandably, this can be a stressful event for you and your family. Please note that Employee Assistance Program (EAP) services are available. The EAP is a 24-hour confidential program providing professional counseling, coaching, and consulting services. The phone number is (877) 240-6863.

CONTACT INFORMATION
Your HR Business Partner is _____ who can be reached at email address, phone number, and address.

I would like to thank you for your contribution and years of service to JEA. Should you have any questions concerning this matter, please feel free to contact your HR Business Partner at any time.

Sincerely,

Jon Kendrick
Chief Human Resource Officer

Received by_____
Employee Signature Date

Phone Number_____

Witnessed by_____

Date

Employee Name
RE: Reduction in Force - Layoff

This letter is to advise you that due to the need to gain operational efficiencies, there will be a reduction in force for your job classification. You are identified to be laid off from your position of _____ effective close of business no later than _____. You will continue to work until _____. You will be provided a severance payment equivalent to _____ at your current base salary rate.

APPOINTMENT RIGHTS
An appointed employee, who has never held civil service status, does not have reversion rights to a civil service position.

VETERANS' PREFERENCE
If you are a veteran who qualifies for veterans' preference, you will be provided preference in layoffs and retention in accordance with Directive 0802. If you believe you were not afforded veterans' preference, please bring it to our attention immediately. In accordance with chapter 55A-7.016, Enforcement of Preference, of the Florida Adminstrative Code (FAC), you may file a complaint with the Department of Veteran's Affairs within 21 calendar days of the date of separation.

EMPLOYEE ASSISTANCE PROGRAM
Understandably, this can be a stressful event for you and your family. Please note that Employee Assistance Program (EAP) services are available. The EAP is a 24-hour confidential program providing professional counseling, coaching, and consulting services. The phone number is (877)240-6863.

CAREER TRANSITION
JEA offers a variety of career transition resources. You will find information in your packet about these resources. I highly encourage you to take advantage of these resources.
On your last day of work, please return your badge, keys, and any other JEA issued equipment or materials to your supervisor.

I would like to thank you for your contribution and service to JEA Should you have any questions concerning this matter, please feel free to contact _____, your HR Business Partner, at _____, phone number _____.

Sincerely, _____

Jon Kendrick
Chief Human Resource Officer

Received by_____
Employee Signature Date

Witnessed by_____
Witness Signature Witness Title Date

RESOLUTION 2019-06 EXHIBIT 2

CEO Employment Agreement

EXECUTION VERSION

EMPLOYMENT AGREEMENT
FOR CHIEF EXECUTIVE OFFICER

THIS EMPLOYMENT AGREEMENT (this "Agreement") is made and entered on July 23, 2019 by and between JEA, a body politic and corporate under the laws of the State of Florida and an independent agency of the Consolidated City of Jacksonville (hereinafter referred "JEA" or "Employer"), and Aaron F. Zahn, an individual currently residing in Florida, hereinafter referred to as Employee.

WHEREAS, JEA is a community-owned, not-for-profit utility providing electricity to more than 485,000 customers in Jacksonville and the surrounding areas in northeastern Florida;

WHEREAS, JEA, founded in 1968, manages an electric system that dates back to 1895, and now owns and operates an electric system with five generating plants, transmission and distribution facilities, including 745 miles of transmission lines and 6,625 miles of distribution lines; is part owner and full operator of a sixth generating plant; produces energy from two methane-fueled generating facilities and owns a 12.6-megawatt solar project, placing JEA's total generating capacity at approximately 3,757 megawatts;

WHEREAS, JEA also provides water and wastewater services to approximately 352,000 water customers, 12,600 reuse water customers and 275,000 wastewater customers;

WHEREAS, JEA's water system consists of 136 artesian wells tapping the Floridian aquifer, distributing water through 37 water treatment plants and 4,352 miles of water lines and with a sewer system of more than 3,760 miles of collection lines and seven regional and seven non-regional sewer treatment plants;

WHEREAS, JEA owns and operates the District Energy System, a separate utility system that provides chilled water to 13 locations in Jacksonville;

WHEREAS, the JEA governing body is made up of a seven-member Board of Directors ("Board") appointed by the Mayor and confirmed by the City Council;

WHEREAS, the Board is tasked with appointing a Managing Director & Chief Executive Officer to operate the eighth largest community-owned electric utility company in the United States and the largest in Florida, with total assets of $8.4 billion (2018), total equity of $2.8 billion (2018), and approximately 2,000 employees (2018); and

WHEREAS, JEA is desirous of continuing to employ Employee as Chief Executive Officer pursuant to the terms and conditions and for the consideration set forth in this Agreement, and Employee is desirous of entering into this Agreement pursuant to such terms and conditions.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, and obligations contained herein, JEA and Employee agree as follows:

SECTION I – EMPLOYMENT AND DUTIES:

1.1 **Engagement**. JEA agrees to continue to employ Employee and Employee agrees to continue to be employed by JEA, for a time period beginning on November 27, 2018 (the "Effective Date"), and continuing until the employment relationship is terminated in accordance with the terms and conditions of this Agreement (the "Term").

1.2 **Terms and Duties**. Employee shall be employed as Managing Director and Chief Executive Officer of JEA (hereinafter collectively "CEO"). Employee agrees to serve in this position and to perform diligently Employee's duties and services with the dedication and in manner of similarly situated executives and as reasonably directed by the Board.

1.3 **Compliance with Policies and Procedures**. Employee shall at all times comply with and be subject to such policies and procedures as the Board may establish.

1.4 **Diligence to Position**. Employee shall devote full business time, energy, and best efforts to the business of Employer with the dedication and in the manner of similarly situated executives; provided, however, that it is agreed that this obligation shall not preclude Employee from engaging in appropriate civic, charitable or religious activities or from serving on the boards of directors of companies that are not competitors to JEA, as long as the activities do not materially interfere or conflict with Employee's responsibilities to JEA or Employee's ability to perform Employee's duties of employment at JEA, within the sole discretion of the Board. Subject to the foregoing, Employee may not engage, directly or indirectly, in any other business, investment, or activity that interferes with Employee's performance of his duties, is directly contrary to JEA's interests, or requires any significant portion of Employee's business time; provided, however, that Employee may own less than two percent (2%) of the voting stock of a corporation listed for trading or traded over the counter on a recognized stock exchange in the United States. Employee's responsibilities and duties are generally described in the Position Profile for the CEO, which may be amended from time to time and which is attached hereto as Exhibit A and by reference made a part hereof.

1.5 **Fiduciary Obligations**. Employee acknowledges and agrees that, during the Term, Employee owes a fiduciary duty of loyalty toward JEA, and will not intentionally injure the direct or indirect interests of JEA, or benefit from any outside activities which Employee knows conflict with interests of JEA or, upon discovery of any such conflict, allow such a conflict to continue. Moreover, Employee agrees to disclose to JEA any facts which involve a conflict of interest during the Term.

SECTION II – COMPENSATION AND BENEFITS:

2.1 **Annual Compensation**. Employee shall be paid an annual salary of $520,392.00 (the "Annual Base Salary"), which shall be paid in equal installments in accordance with JEA's standard payroll practice, including deductions for all legally applicable taxes and withholdings. Once every twelve (12) months (measured from, and contemporaneous with, the completion of JEA's annual audit), JEA shall conduct a performance review of Employee, including a review of the market pricing peer group assessment of Employee's Annual Base Salary by a nationally

recognized compensation consultant and shall discuss the results of such review with Employee. The Board shall make modifications to Employee's Annual Base Salary as deemed to be appropriate based upon this annual review of Employee's performance.

2.2 **Pay for Performance Program**. The Board has established a Pay for Performance Program for fiscal year 2018/2019, and anticipates continuing the Program or a similar program in future years (all such programs are referred to in this Agreement as the "Program"). During the Term, Employee shall be eligible to participate in the Program, or any other incentive compensation program established by the Board in accordance with the terms of any such program.

2.3 **Vehicle**. Employee will have the use of an appropriately equipped JEA vehicle at the expense of JEA to supplement Employee's personal vehicle. In lieu of having use of a JEA vehicle, at Employee's option, JEA shall pay to Employee a monthly automobile allowance of $850.00, to be paid on or before the first regular payday of each month following the Effective Date, subject to withholding. It is specifically intended and understood that this allowance shall be provided as compensation for unreimbursed expenses incurred by Employee within the territorial limits of the JEA service territory and receipt of this allowance shall not prevent Employee from claiming and being reimbursed for travel expenses resulting from travel by Employee outside the JEA service territory in the manner provided by the Ordinance Code of the City of Jacksonville. JEA and Employee understand and agree that $850.00 is an estimate of the total cost Employee would incur if not provided with a JEA vehicle, including vehicle wear and tear and other costs that cannot be measured with precision, and that the full $850.00 shall be paid without any obligation on the part of Employee to provide proof of actual expenses.

2.4 **Business Allowance**. JEA shall pay to Employee a monthly allowance in the amount of $2,200.00 for general business expenses incurred in Employee's efforts to promote and represent JEA beyond those identified in JEA employee policies. The business allowance shall be paid on or before the first regular payday of each month following the Effective Date, subject to withholding. Employee may expend the monthly allowance in such a manner as Employee determines, in Employee's sole discretion, in support of Employee's performance of Employee's duties under this Agreement.

2.5 **Parking Allowance**. On or before the first regular payday of each month following the Effective Date, Employee will be provided a monthly allowance in the amount of $50.00 for parking (subject to withholding).

2.6 **Expenses**. Notwithstanding anything herein to the contrary, and in addition to other payments provided for in this Agreement, JEA shall reimburse Employee for telephone, travel, continuing education, and general business expenses incurred by Employee in accordance with JEA policies and procedures.

2.7 **Annual Leave**. Employee will be provided annual Paid Time Off ("PTO") in accordance with JEA's existing policies and procedures in effect from time to time. Without limiting the generality of the foregoing, Employee shall be entitled to a minimum of two hundred and eighty (280) hours of PTO during each year of employment commencing on the Effective Date. In addition, JEA shall observe eleven (11) paid holidays and one floating holiday each year.

2.8 **Fringe Benefits**. Employee shall be allowed to participate, on the same basis generally as other employees of JEA, in all general employee benefit plans and programs, including improvements or modifications of same, which on the Effective Date or thereafter are made available by JEA to all or substantially all of JEA's executive employees, or to JEA's employees generally, including any amendments thereto. Such benefits, plans, and programs may include, without limitation, medical, health, and dental care, life insurance, disability protection, and flexible spending accounts. Except as specifically provided herein, nothing in this Agreement is to be construed or interpreted to provide greater or lesser rights, participation, coverage, or benefits under the benefit plans or programs than provided to executive employees pursuant to the terms and conditions of such benefit plans and programs. JEA shall not by reason of this Agreement be obligated to institute, maintain, or refrain from changing, amending, or discontinuing, any incentive compensation or employee benefit program or plan, so long as such actions are similarly applicable to covered employees generally. Notwithstanding anything to the contrary in this Agreement, for so long as Employee's employment with JEA continues, JEA shall pay the premiums required to maintain a life insurance policy, with $500,000.00 in coverage, payable to one or more beneficiaries to be designated by Employee, and with a conversion provision that will allow Employee to continue coverage upon and after termination of employment.

2.9 **Pension Benefits**. Employee shall be allowed to participate in the General Employees Pension Plan, the JEA 401(a) Defined Contribution Plan, and in any other pension or retirement plan made available by JEA to all or substantially all of JEA's executive employees or to JEA's employees generally, including any amendments thereto. Any amounts which the Company would contribute to any Section 401(a) defined contribution plan but for the Section 401(a) limit under the Internal Revenue Code of 1986, as amended (the "Code"), shall be paid to Employee as taxable compensation on a current basis.

SECTION III – TERMINATION OF EMPLOYMENT:

3.1 **Termination**. Subject to the terms of Subsections 3.1.4, 3.1.5 and 3.1.6 of this Agreement, Employee's employment with JEA may be terminated (i) by JEA immediately for "Cause" (as defined in, and subject to the notice and cure provisions of, Subsection 3.1.1 of this Agreement); (ii) by Employee for "Good Reason" (as defined in, and subject to the notice and cure provisions of, Subsection 3.1.2 of this Agreement); (iii) upon Employee's death or upon Employee's "Disability" (as defined in Subsection 3.1.3 of this Agreement); or (iv) by either party, without Cause or Good Reason, upon thirty (30) days' advance notice to the other party.

3.1.1 For purposes of this Agreement, "Cause" for termination of employment means: (i) a willful breach by Employee of material duties, obligations and policies of JEA which Employee fails to cure within ten (10) days after written notice from JEA specifically identifying such breach; (ii) Employee's gross negligence or gross neglect of duties and obligations required in performance of Employee's duties, or willful misconduct; (iii) Employee's continued violation of written rules and policies of the Board after written notice of same and reasonable opportunity to cure; (iv) conviction of Employee for any criminal act which is a felony; (v) commission by Employee in a public or private capacity of theft, fraud, or misappropriation or embezzlement of funds; or (vi) misconduct

as defined in Florida Statutes § 443.036(29). For purposes of this Agreement, termination of employment "without Cause" means any termination of employment by JEA for any reason not explicitly defined by this Subsection 3.1.1 as Cause for termination.

3.1.2 For purposes of this Agreement, "Good Reason" shall mean the occurrence of any of the following: (a) a material diminution in Employee's role, responsibilities, compensation, benefits and/or title without Employee's consent; (b) a directive by the Board to Employee to take any action or to refrain from action when implementing said directive would constitute a violation of applicable law; or (c) a material breach of this Agreement by JEA. Without in any way limiting the foregoing, a reduction in Employee's Base Salary to a level of 95% or less of the Base Salary stated in this Agreement shall be conclusively presumed to be a material diminution in Employee's compensation. Notwithstanding anything to the contrary in this Subsection 3.1.2 or in this Agreement, Employee may terminate Employee's employment for Good Reason only under the following terms and conditions. A termination of employment by Employee for Good Reason shall be effectuated by giving JEA written notice of the termination (the "Notice of Termination for Good Reason") within thirty (30) days after the event constituting Good Reason, setting forth in reasonable detail the specific conduct that constitutes Good Reason and the specific provisions of this Agreement on which Employee relies in support of the assertion of Good Reason. JEA shall have thirty (30) days from the receipt of the Notice of Termination for Good Reason within which to (i) deny that an event of Good Reason has occurred, or (ii) correct, rescind or otherwise substantially reverse the occurrence supporting termination for Good Reason as identified by Employee. If JEA does not deny that an event of Good Reason has occurred or if such event has not been cured within thirty (30) days after JEA received the Notice of Termination for Good Reason, then the termination of employment by Employee for Good Reason shall be effective upon expiration of said thirty (30)-day period after JEA received the Notice of Termination for Good Reason. If the event of Good Reason is cured within such thirty (30)-day period, the Notice of Termination for Good Reason shall have no effect. If JEA disputes that Good Reason exists, and does not within thirty (30) days cure the event cited by Employee as Good Reason, and if Employee then elects to terminate employment, the parties agree to arbitrate the dispute pursuant to Subsection 4.19. Any disputes between the parties regarding this Subsection 3.1.2, including with respect to whether circumstances giving rise to Good Reason exist, shall be resolved pursuant to the arbitration procedure set forth in Subsection 4.19.

3.1.3 For purposes of this Agreement, the term "Disability" shall mean: if JEA provides long-term disability insurance to its employees generally, and if JEA's long-term disability plan defines the term "Disability," then that term shall have the same meaning in this Agreement as in JEA's long-term disability plan; otherwise, the term "Disability" means a physical or mental incapacity as a result of which Employee becomes unable to continue to perform Employee's essential job functions, with or without reasonable accommodation, for four consecutive months.

3.1.4 If Employee's employment is terminated by JEA for Cause, by Employee without Good Reason, or as a result of Employee's death or Disability, then (a) Employee shall be paid all amounts and shall receive all benefits earned through the date of termination of employment, and (b) all future compensation to which Employee would otherwise be entitled and all future benefits for which Employee would otherwise be eligible shall cease and terminate as of the date of termination, except that (c) Employee shall be entitled to all vested benefits, to the right to continuation of benefits to the extent provided by applicable benefits plans, COBRA, and other applicable law, and to all other rights provided by applicable law.

3.1.5 If Employee's employment is terminated by JEA without Cause or by Employee for "Good Reason" then, subject to Employee's compliance with the covenants set forth in this Agreement and Employee's execution and non-revocation of the release of claims substantially in the form of Exhibit B attached hereto, (a) Employee shall be paid all amounts and shall receive all benefits earned through the date of termination of employment, (b) JEA shall pay Employee a lump sum payment equal to twenty (20) weeks of the current Annual Base Salary, less applicable taxes and deductions (such payment will be made within thirty (30) days of the date Employee's termination occurs), (c) Employee shall become fully vested in any unvested amounts contributed on his behalf to any available retirement plan that may then be in effect to the extent allowable under the terms of the applicable plan and applicable law, (d) if Employee makes a timely and effective election to continue health insurance coverage under COBRA, then JEA shall pay directly to its COBRA provider the COBRA premiums necessary to continue Employee's coverage (and coverage for Employee's covered dependents) under COBRA for a period of twenty (20) weeks following the end of the month in which the termination occurs, (e) Subsection 3.1.6 shall become operative, and JEA and Employee shall comply with Subsection 3.1.6, and (f) Employee shall be entitled to all other vested benefits, to all additional rights to continuation of benefits to the extent provided by applicable benefits plans, COBRA, and other applicable law, and to all other rights provided by applicable law.

3.1.6 JEA and Employee further agree that if, during the first six (6) years following the Effective Date, Employee's employment is terminated by JEA without Cause, or by Employee for "Good Reason" then, beginning on the first Monday after the effective date of termination of Employee's employment with JEA, Employee shall serve as a consultant to JEA for a period of twelve (12) months in accordance with the terms of the Separation and Transition Agreement substantially in the form of Exhibit B attached hereto.

SECTION IV – MISCELLANEOUS:

4.1 **Eligibility to Work in the United States**. Employee has provided previously to JEA the appropriate documentation to verify Employee's authorization to work in the United States.

4.2 **Governing Law; Binding Effect; Amendment**. This Agreement shall be interpreted and enforced in accordance with the laws of the State of Florida, and shall be binding on JEA's

successors (including any organization that succeeds to substantially all of the assets and business of JEA) and assigns, and the term "JEA" whenever used in this Agreement shall mean and include any such successor or assign. This Agreement shall not be assignable or transferable by Employee or his beneficiaries or legal representatives. Notwithstanding the foregoing, in the event of the death of Employee, payments that otherwise would have been made to Employee shall instead be provided to Employee's estate. No amendment or modification shall be effective unless in writing by the parties, including the approval by the Board.

4.3 **Savings Clause**. Employee's present benefits and rights are preserved, including but not limited to accrued service credits, accrued leave, and accrued incentive compensation carried forward in accordance with existing policies and procedures.

4.4 **Public Records and Open Meetings (Sunshine) Requirements**. Employee will become familiar, with the assistance of JEA's staff and JEA's legal counsel, with the unique obligations and parameters of the State of Florida's public records and sunshine act laws, in order that JEA maintain its record of compliance with such laws.

4.5 **Legal Counsel**. Employee shall be entitled to legal counsel from or approved by the Office of General Counsel, paid for by JEA in a prompt and current manner as provided in Section 111.07, Florida Statutes, as necessary if Employee is a defendant participant in a lawsuit against JEA for actions that occurred during period of employment with JEA, excepting where a court has adjudicated Employee as having committed intentional tort or torts.

4.6 **Indemnification**. Pursuant to Section 768.28(9)(a), Florida Statutes, Employee is not personally liable in any action for any injury or damage suffered as a result of any act, event, or omission of action in the scope of her or his employment or function. JEA hereby agrees to indemnify, defend and hold Employee harmless from any and all claims, to the fullest extent permitted by Sections 111.07, 111.071 and 768.28(9)(a), Florida Statutes, and other applicable law. Without limiting the scope of this Subsection 4.6, which the parties agree shall be construed as broadly as permitted by applicable law, JEA's agreement to indemnify, defend and hold employee harmless includes claims arising out of the exercise of (or failure to exercise) Employee's duties and responsibilities to JEA, and to all other acts entitled to indemnification pursuant to Sections 111.07, 111.071 and 768.28(9)(a), Florida Statutes. If Employee's claim for indemnification is one for which indemnification is provided by Sections 111.07, 111.071 and 768.28(9)(a), Florida Statutes, or by other applicable law, then Employee shall be entitled to the benefits and protections of this Subsection 4.6 notwithstanding (i) any provision in this Agreement to the contrary, (ii) termination of Employee's employment, regardless of the reason for or circumstances surrounding said termination, or (iii) the termination of this Agreement.

4.7 **Confidentiality**. Employee agrees and acknowledges that, in the course of Employee's employment with JEA, Employee may learn trade secrets and other proprietary information of JEA. For purposes of this Agreement, "trade secrets" means any information protected by Florida's Trade Secrets Act, and "proprietary information" means any information obtained during the course of Employee's employment with JEA the disclosure of which would reasonably be expected to create a material risk of harm to JEA's legitimate business interests. JEA agrees and acknowledges that, in the course of Employee's employment with JEA, JEA may learn

confidential information about Employee's finances and other personal matters. Accordingly, Employee agrees that Employee will not, during or after Employee's employment with JEA, disclose any of JEA's trade secrets or other proprietary information, except in performance of Employee's duties as an Employee of JEA, and JEA agrees that it will not, during or after Employee's employment with JEA, disclose any confidential information about Employee. However, nothing in this Agreement or in this Subsection 4.7 shall impose or be construed to impose any limitation that is contrary to applicable law or applicable court order, or to limit the parties' opportunity to agree in the future to permit disclosures of information otherwise made confidential by this Subsection 4.7.

4.8 **Non-disparagement**. Employee agrees not to disparage JEA, its officers or its Board members, and JEA agrees not to disparage Employee, except that nothing in this Agreement or in this Subsection 4.8 shall preclude either Employee or JEA from making truthful statements in legal proceedings, to preclude Employee from providing information to or initiating or participating in a proceeding before any federal, state or local administrative agency, or to impose any limitation that is contrary to applicable law or applicable court order.

4.9 **Authority**. The person executing and delivering this Agreement on behalf of JEA is an authorized officer, director or agent of JEA with full power and authority to bind JEA. Upon execution and delivery of this Agreement by JEA, this Agreement shall constitute the legal, valid and binding obligation of JEA.

4.10 **Execution**. This Agreement shall not become a binding and enforceable contract until signed by Employee, the Chair of JEA's Board of Directors, JEA's Chief Financial Officer and JEA's Chief Legal Officer. This Agreement may be executed in multiple counterparts, each of which shall be deemed to constitute an original, and which together, when signed by Employee, the Chair, the Chief Financial Officer and the Chief Legal Officer, shall constitute a single, legally binding contract.

4.11 **Entire Agreement**. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. This Agreement supersedes all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter of this Agreement.

4.12 **Compliance with Sections 409A / 457**. JEA intends that all payments provided under this Agreement be exempt from, or comply with, the requirements of Sections 409A and 457 of the Code and any guidance promulgated under Sections 409A / 457 of the Code (collectively, "Sections 409A / 457") so that none of the payments or benefits will be subject to the additional tax imposed under Sections 409A / 457, and any ambiguities in this Agreement will be interpreted in accordance with this intent. No payment or benefits to be paid to Employee, if any, under this Agreement or otherwise, when considered together with any other severance payments or separation benefits that are considered deferred compensation under Sections 409A / 457 will be paid or otherwise provided until Employee has a separation from service within the meaning of Sections 409A / 457. Each severance payment, installment, and benefit payable under Section 3 of this Agreement is intended to constitute a separate payment for purposes of U.S. Treasury Regulation Section 1.409A-2(b)(2).

All expenses or other reimbursements under this Agreement that would constitute nonqualified deferred compensation subject to Sections 409A / 457, (i) shall be paid on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by Employee, (ii) no such reimbursement or expenses eligible for reimbursement in any taxable year shall in any way affect Employee's right to reimbursement of any other expenses eligible for reimbursement in any other taxable year, and (iii) Employee's right to reimbursement shall not be subject to liquidation in exchange for any other benefit.

4.13 **Confidential Disclosure in Reporting Violations of Law or in Court Filings**. Employee acknowledges and JEA agrees that Employee may disclose confidential information in confidence directly or indirectly to federal, state, or local government officials, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law or regulation or making other disclosures that are protected under the whistleblower provisions of state or federal laws or regulations. Employee may also disclose confidential information in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal. Nothing in this Agreement is intended to conflict with federal law protecting confidential disclosures of a trade secret to the government or in a court filing, 18 U.S.C. § 1833(b), or to create liability for disclosures of confidential information that are expressly allowed by 18 U.S.C. § 1833(b).

4.14 **Notices**. For purposes of this Agreement, notices, demands and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when received if delivered in person, the next business day if delivered by overnight commercial courier (e.g., Federal Express), or the third business day if mailed by United States certified mail, return receipt requested, postage prepaid, to the following addresses:

If to JEA, to:

JEA
21 West Church Street
Jacksonville, FL 32202

If to Employee, to:

Aaron F. Zahn
at the address on file with JEA

Either party may change its address for notices in accordance with this Subsection 4.14 by providing written notice of such change to the other party.

4.15 **Survival**. The provisions of this Agreement that are intended to survive this Agreement and Employee's termination of employment shall survive in accordance with their terms.

4.16 **Severability**. If any provision of this Agreement becomes or is deemed invalid, illegal or unenforceable in any applicable jurisdiction by reason of the scope, extent or duration of its

coverage, then such provision shall be deemed amended to the minimum extent necessary to conform to applicable law so as to be valid and enforceable or, if such provision cannot be so amended without materially altering the intention of the parties, then such provision shall be stricken and the remainder of this Agreement (as applicable) shall continue in full force and effect.

4.17 **Waiver**. Any failure of Employee to comply with any of his obligations under this Agreement may be waived only in writing signed by JEA. Any failure of JEA to comply with any of its obligations under this Agreement may be waived only in writing signed by Employee. No waiver of any breach, failure, right or remedy contained in or granted by the provisions of this Agreement shall constitute a continuing waiver of a subsequent or other breach, failure, right or remedy, unless the writing so specifies.

4.18 **Compliance with Applicable Laws**. No provision of this Agreement shall be deemed to violate applicable law and this Agreement shall be interpreted in accordance with this intent.

4.19 **Arbitration**. Except for suits seeking injunctive relief or specific performance or as otherwise prohibited by applicable law, the parties hereby agree that any dispute, controversy or claim arising out of, connected with and/or otherwise relating to this Agreement and the arbitrability of any controversy or claim relating hereto shall be finally settled by binding arbitration. The parties hereby knowingly and voluntarily waive any rights that they may have to a jury trial for any such disputes, controversies or claim. The parties agree to resolve any dispute arising out of this Agreement before the American Arbitration Association (the "AAA") in accordance with the AAA's then existing National Rules of Resolution of Employment Disputes. The arbitration shall be administered by the AAA and the hearing shall be conducted in Duval County in the State of Florida before a neutral arbitrator, who must have been admitted to the practice of law for at least the last ten (10) years (the "Arbitrator"). Each party further agrees to pay its or his own arbitration costs, attorneys' fees, and expenses, unless otherwise required by the AAA's then-existing arbitration rules. The Arbitrator shall issue an opinion within thirty (30) days of the final arbitration hearing and shall be authorized to award reasonable attorneys' fees to the prevailing party, which decision of the Arbitrator shall be final, conclusive, unappealable and binding on the parties. Subject to applicable law, the arbitration proceeding and any and all related awards, relief or findings shall be confidential, except that any arbitration award may be filed in a court of competent jurisdiction by either party for the purpose of enforcing the award.]

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have duly executed this Employment Agreement on the day and year above first written.

ATTEST:

_____

JEA

_____
April Green, Chair

Date: _____

WITNESSES:

_____

_____

_____
Aaron F. Zahn, Employee
Date: _____

I hereby certify that the expenditure contemplated by the foregoing Agreement has been duly authorized, and provision has been made for the payment of the moneys provided therein to be paid in respect of Fiscal Year 2019/2020.

_____
Ryan Wannemacher, Chief Financial Officer

Approved:

_____
Lynne Rhode, Chief Legal Officer

EXHIBIT A

Position Profile

Position Title Managing Director & Chief Executive Officer (CEO)

Location Jacksonville, Florida

Reports To This position reports directly to the JEA Board of Directors (the "Board"), comprised of seven members appointed by the Jacksonville Mayor, confirmed by City Council, who serve staggered terms.

Reporting Structure *Current Reporting Structure under the CEO:*

- President & Chief Operating Officer
- Chief Financial Officer
- Chief Public & Shareholders Affairs Officer
- Chief Administrative Officer
- Chief Innovations and Transformation Officer
- Chief Information Officer

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

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

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

Responsibilities

- Provide strategic leadership for the organization by developing and

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

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

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

- Establish the appropriate policies to support the business strategy that enable creativity, diversity, and commercial growth while also protecting the assets, people, and information of JEA and those it serves.

- Facilitate stakeholder communication of strategy to gain buy-in; clearly and continuously articulate the business strategy/direction to the Board of Directors, regulators, senior management team and all employees.

- Effectively communicate risk and opportunity to facilitate decision-making, prioritization and measurement of operating performance against plan.

- Represent JEA with its major customers, the financial community, the public, and other stakeholders including local, state, and national forums.

- Manage company operations to ensure operational efficiency, safety, quality service and cost-effective use of resources. Identify and implement ongoing financial and operational improvements.

- Define and execute a workforce development plan to attract and engage a high performing team with the skills and competencies

necessary to accomplish the goals of JEA today and in the future. Identify and mentor future leaders for the organization, creating a workplace of safe, reliable, cost-effective service with excellent customer experience.

- Enhance and maintain relationships with key constituents across the region and the industry including elected officials, industry leaders, suppliers, environmental groups and customers. Communicate effectively to stakeholder groups with messaging appropriate for the audience.

- Define and oversee JEA's Disaster Preparedness Plan and ensure the appropriate training, logistics plan, and communication equipment are in place to respond to emergency/disaster situations.

- Lead public policy and public affairs activity, serving as the primary spokesperson for the agency locally, regionally and nationally.

- Increase understanding of the role of JEA in economic development efforts across the region. Participate actively in legislative and regulatory initiatives regionally and nationally.

- Promote strong fiscal accountability and responsibility.

- Develop a culture of productivity, diversity, efficiency, flexibility, and accountability to customers. Help JEA continue to evolve its internal development capabilities and be a top employer of choice with a diverse employment base with varying backgrounds.

EXHIBIT B

Separation and Transition Agreement

FORM OF SEPARATION AND TRANSITION AGREEMENT

THIS SEPARATION AND TRANSITION AGREEMENT (this "Agreement") is made and entered into on [DATE] by and between JEA, a body politic and corporate under the laws of the State of Florida and an independent agency of the Consolidated City of Jacksonville (hereinafter referred to as "JEA"), and [NAME], an individual currently residing in Florida, hereinafter referred to as Service Provider. Capitalized terms used herein but not defined shall have the meanings in the Employment Agreement for [TITLE], dated as of July 23, 2019 (the "Employment Agreement"), between JEA and Service Provider.

WHEREAS, Service Provider is employed by JEA as its [TITLE] pursuant to the Employment Agreement;

WHEREAS, Service Provider's employment with JEA shall be terminated; and

WHEREAS, in connection with Service Provider's separation from service with JEA, JEA and Service Provider desire to commence the transition of the [TITLE] position and Service Provider agrees to make himself or herself available to provide services to JEA on the terms and conditions set forth herein.

Now therefore JEA and Service Provider agree as follows:

SECTION 1 – SEPARATION:

1.1 **Removal from Positions**. The Service Provider's last day of employment with JEA is [DATE] (such date, the "Separation Date"). In that regard, as of the Separation Date, (a) Service Provider's position as [TITLE] of JEA and (b) all other officer positions, directorships and other positions that Service Provider holds with JEA shall terminate.

1.2 **Release Agreement**. Service Provider's receipt of any payments and benefits pursuant to this Agreement (other than the payments and benefits pursuant to Sections 3.1.5(a) and (f) of the Employment Agreement (the "Accrued Obligations")) is subject to Service Provider's signing and not revoking the Release Agreement substantially in the form attached hereto as Exhibit A (the "Release Agreement"); provided that the Release Agreement is effective within thirty (30)[1] days following the Separation Date. No payments or benefits under this Agreement (other than the Accrued Obligations) shall be paid or provided to Service Provider until the Release Agreement becomes effective in accordance with the deadline specified in the preceding sentence.

SECTION II – TRANSITION:

2.1 **Consulting Period and Services**. Commencing on the Separation Date and ending on the [NUMBER] ([NUMBER])-month anniversary thereof (the "Consulting Period"),

[1] Note to Draft: To be increased to 60 days for group terminations.

Service Provider shall make himself or herself available to consult with JEA as reasonably requested by JEA from time to time (the "Services").

2.2 **Consulting Fee.** In exchange for the Services, commencing on the Separation Date, JEA agrees to pay Service Provider a monthly fee of $[AMOUNT] (the "Monthly Fee") for a total fee of $[AMOUNT].[2] Except as to the Monthly Fee, no other payment or benefits shall be due or payable to Service Provider for the Services. JEA may terminate Service Provider's service for Cause prior to the expiration of the Consulting Period and, in such event, Service Provider shall forfeit his or her right to receive the Monthly Fee for the remainder of the Consulting Period.

2.3 **Status as an Independent Contractor**. In all matters relating to the Services, nothing under this Agreement shall be construed as creating any partnership, joint venture or agency between JEA and Service Provider or to constitute Service Provider as an agent, employee or representative of JEA. Service Provider shall act solely as an independent contractor and, as such, is not authorized to bind any member of JEA to third parties. Consequently, Service Provider shall not be entitled to participate during the Consulting Period in any of the employee benefit plans, programs or arrangements of JEA in his capacity as a consultant. Service Provider shall be responsible for and pay all taxes related to the receipt of compensation in connection with the provision of the Services. Service Provider shall not make any public statements concerning the Services that purport to be on behalf of JEA, in each case without prior written consent from JEA. Notwithstanding Service Provider's status as an independent contractor in providing the Services, to the fullest extent permitted by applicable law and JEA's constituent documents applicable to officers and directors of JEA, (a) Service Provider shall continue to be entitled to indemnification for any loss, damage, or claim incurred by, imposed or asserted against Service Provider in connection with the Services provided to JEA, and (b) JEA shall pay the expenses incurred by Service Provider in defending any claim, demand, action, suit or proceeding related thereto as such expenses are incurred by Service Provider and in advance of the final disposition of such matter; provided that Service Provider shall be entitled to the coverage under clauses (a) and (b) on the same terms and conditions as were in effect prior to the Separation Date as reflected in Section 3.2.

2.4 **Legal Counsel**. The Service Provider shall be entitled to legal counsel, paid for by JEA, as necessary if Service Provider is a defendant participant in a lawsuit against JEA for actions that occurred during his period of employment and the Consulting Period with JEA, excepting intentional torts.

SECTION III – SEVERANCE BENEFITS:

[2] Note to Draft: To be calculated based on an annualized amount equal to the combined total of all items reflected on Service Provider's total compensation statement provided to Service Provide for the most recent 12-month period.

3.1 **Compliance with Employment Agreement**. JEA shall comply with any and all of its payment and benefit obligations of the Employment Agreement.

3.2 **Indemnification**. Pursuant to Section 768.28(9)(a), Florida Statutes, Service Provider is not personally liable in any action for any injury or damage suffered as a result of any act, event, or omission of action in the scope of her or his employment or function. JEA hereby agrees to indemnify, defend and hold Service Provider harmless from any and all claims, to the fullest extent permitted by Sections 111.07, 111.071 and 768.28(9)(a), Florida Statutes, and other applicable law. Without limiting the scope of this Section 3.2, which the parties agree shall be construed as broadly as permitted by applicable law, JEA's agreement to indemnify, defend and hold Service Provider harmless includes claims arising out of the exercise of (or failure to exercise) Service Provider's duties and responsibilities to JEA, and to all other acts entitled to indemnification pursuant to Sections 111.07, 111.071 and 768.28(9)(a), Florida Statutes. If Service Provider's claim for indemnification is one for which indemnification is provided by Sections 111.07, 111.071 and 768.28(9)(a), Florida Statutes, or by other applicable law, then Service Provider shall be entitled to the benefits and protections of this Section 3.2 notwithstanding (i) any provision in this Agreement or the Employment Agreement to the contrary, (ii) termination of Service Provider's employment, regardless of the reason for or circumstances surrounding said termination, or (iii) the termination of this Agreement.

3.3 **No Other Compensation or Benefits**. Except as otherwise specifically provided herein or as required by the terms of any employee benefit plan, program or arrangement of JEA, the Consolidated Omnibus Reconciliation Act or other applicable law, Service Provider shall not be entitled to any compensation or benefits or to participate in any past, present or future employee benefit plans, programs or arrangements of JEA on or after the Separation Date.

SECTION IV – COVENANTS AND AGREEMENTS:

4.1 **Incorporation by Reference**. The covenants and agreements set forth in Sections 4.7, 4.8 and Section 4.13 of the Employment Agreement (the "Restrictive Covenants") are incorporated herein by reference as if such provisions were set forth herein in full.

4.2. **Return of Property**. All files, records, documents, manuals, books, forms, reports, memoranda, studies, data, calculations, recordings, or correspondence, whether visually perceptible, machine-readable or otherwise, in whatever form they may exist, and all copies, abstracts and summaries of the foregoing, and all physical items related to the business of JEA, whether of a public nature or not, and whether prepared by Service Provider or not, are and shall remain the exclusive property of JEA, and shall not be removed from its premises, except as required in the course of Service Provider's employment by JEA, without the prior written consent of JEA. No later than the Separation Date, such items, including any copies or other reproductions thereof, shall be promptly returned by Service Provider to JEA (or, if requested by JEA, destroyed by Service Provider).

SECTION V – MISCELLANEOUS:

5.1 **Governing Law; Binding Effect; Amendment**. This Agreement shall be interpreted and enforced in accordance with the laws of the State of Florida, and shall be binding on JEA's successors and assigns. This Agreement shall not be assignable or transferable by Service Provider or his or her beneficiaries or legal representatives. Notwithstanding the foregoing, in the event of the death of Service Provider, payments that otherwise would have been made to Service Provider shall instead be provided to Service Provider's estate. No amendment or modification shall be effective unless in writing by the parties, including the approval by the Board.

5.2 **Authority**. The person executing and delivering this Agreement on behalf of JEA is an authorized officer, director or agent of JEA with full power and authority to bind JEA. Upon execution and delivery of this Agreement by JEA, this Agreement shall constitute the legal, valid and binding obligation of JEA.

5.3 **Execution**. This Agreement shall not become a binding and enforceable contract until signed by Service Provider, the Chair of JEA's Board of Directors, JEA's Chief Financial Officer and JEA's Chief Legal Officer. This Agreement may be executed in multiple counterparts, each of which shall be deemed to constitute an original, and which together, when signed by Service Provider, the Chair, the Chief Financial Officer and the Chief Legal Officer, shall constitute a single, legally binding contract.

5.4 **Entire Agreement**. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. This Agreement supersedes all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter of this Agreement (including, without limitation, the Employment Agreement (other than to the extent set forth herein and the Restrictive Covenants, which shall remain in full force and effect)).

5.5 **Compliance with Sections 409A / 457**. JEA intends that all payments provided under this Agreement be exempt from, or comply with, the requirements of Sections 409A and 457 of the Code and any guidance promulgated under Sections 409A / 457 of the Code (collectively, "Sections 409A / 457") so that none of the payments or benefits shall be subject to the additional tax imposed under Sections 409A / 457, and any ambiguities in this Agreement shall be interpreted in accordance with this intent. No payment or benefits to be paid to Service Provider, if any, under this Agreement or otherwise, when considered together with any other severance payments or separation benefits that are considered deferred compensation under Sections 409A / 457 shall be paid or otherwise provided until Service Provider has a separation from service within the meaning of Sections 409A / 457. Each severance payment, installment, and benefit payable under Section 3 of this Agreement is intended to constitute a separate payment for purposes of U.S. Treasury Regulation Section 1.409A-2(b)(2).

All expenses or other reimbursements under this Agreement that would constitute nonqualified deferred compensation subject to Sections 409A / 457, (i) shall be paid on

or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by Service Provider, (ii) no such reimbursement or expenses eligible for reimbursement in any taxable year shall in any way affect Service Provider's right to reimbursement of any other expenses eligible for reimbursement in any other taxable year, and (iii) Service Provider's right to reimbursement shall not be subject to liquidation in exchange for any other benefit.

5.6 **Notices**. For purposes of this Agreement, notices, demands and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when received if delivered in person, the next business day if delivered by overnight commercial courier (e.g., Federal Express), or the third business day if mailed by United States certified mail, return receipt requested, postage prepaid, to the following addresses:

If to JEA, to:

JEA
21 West Church Street
Jacksonville, FL 32202

If to Service Provider, to:

[NAME]
at the address on file with JEA

Either party may change its address for notices in accordance with this Subsection 5.6 by providing written notice of such change to the other party.

5.7 **Survival**. The provisions of this Agreement that are intended to survive this Agreement and Service Provider's termination of employment shall survive in accordance with their terms.

5.8 **Severability**. If any provision of this Agreement becomes or is deemed invalid, illegal or unenforceable in any applicable jurisdiction by reason of the scope, extent or duration of its coverage, then such provision shall be deemed amended to the minimum extent necessary to conform to applicable law so as to be valid and enforceable or, if such provision cannot be so amended without materially altering the intention of the parties, then such provision shall be stricken and the remainder of this Agreement (as applicable) shall continue in full force and effect.

5.9 **Waiver**. Any failure of Service Provider to comply with any of his or her obligations under this Agreement may be waived only in writing signed by JEA. Any failure of JEA to comply with any of its obligations under this Agreement may be waived only in writing signed by Service Provider. No waiver of any breach, failure, right or remedy contained in or granted by the provisions of this Agreement shall constitute a continuing

waiver of a subsequent or other breach, failure, right or remedy, unless the writing so specifies.

5.10 **Arbitration**. Except for suits seeking injunctive relief or specific performance or as otherwise prohibited by applicable law, the parties hereby agree that any dispute, controversy or claim arising out of, connected with and/or otherwise relating to this Agreement and the arbitrability of any controversy or claim relating hereto shall be finally settled by binding arbitration. The parties hereby knowingly and voluntarily waive any rights that they may have to a jury trial for any such disputes, controversies or claim. The parties agree to resolve any dispute arising out of this Agreement before the American Arbitration Association (the "AAA") in accordance with the AAA's then existing National Rules of Resolution of Employment Disputes. The arbitration shall be administered by the AAA and the hearing shall be conducted in Duval County in the State of Florida before a neutral arbitrator, who must have been admitted to the practice of law for at least the last ten (10) years (the "Arbitrator"). Each party further agrees to pay its or his own arbitration costs, attorneys' fees, and expenses, unless otherwise required by the AAA's then-existing arbitration rules. The Arbitrator shall issue an opinion within thirty (30) days of the final arbitration hearing and shall be authorized to award reasonable attorneys' fees to the prevailing party, which decision of the Arbitrator shall be final, conclusive, unappealable and binding on the parties. Subject to applicable law, the arbitration proceeding and any and all related awards, relief or findings shall be confidential, except that any arbitration award may be filed in a court of competent jurisdiction by either party for the purpose of enforcing the award.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have duly executed this Separation and Transition Agreement on the day and year above first written.

ATTEST:

_____

JEA

_____
[NAME], Chair

Date: _____

WITNESSES:

_____

_____

_____
[NAME], Service Provider
Date: _____

I hereby certify that the expenditure contemplated by the foregoing Agreement has been duly authorized, and provision has been made for the payment of the moneys provided therein to be paid in respect of Fiscal Year 20[__]/20[__].

_____
[NAME], Chief Financial Officer

Approved:

_____
[NAME], Chief Legal Officer

EXHIBIT A

MUTUAL RELEASE AGREEMENT

THIS MUTUAL RELEASE AGREEMENT (this "Agreement") is made and entered into on [DATE] by and between JEA, a body politic and corporate under the laws of the State of Florida and an independent agency of the Consolidated City of Jacksonville (hereinafter referred to as "JEA"), and [NAME], an individual currently residing in Florida, hereinafter referred to as Service Provider. Capitalized terms used herein but not defined shall have the meanings set forth in the Separation and Transition Agreement, dated as of [DATE] (the "Separation Agreement"), by and between JEA and Service Provider.

WHEREAS, the Separation Agreement sets forth the terms and conditions of Service Provider's separation from service with JEA effective as [DATE]; and

WHEREAS, the Separation Agreement provides that, in consideration for certain payments and benefits payable to Service Provider in connection with his or her separation from service, Service Provider shall fully and finally release JEA from all claims relating to Service Provider's employment relationship with JEA and the termination of such relationship.

Accordingly, the parties hereto agree as follows:

SECTION I – RELEASE:

1.1 **General Release by Service Provider**. In consideration of JEA's obligations under the Separation Agreement and for other valuable consideration, Service Provider hereby releases and forever discharges JEA and each of its respective officers, employees, directors and agents from any and all claims, actions and causes of action (collectively, "Claims"), including, without limitation, any Claims arising under (a) the Sarbanes-Oxley Act of 2002, 18 U.S.C. § 1514; Sections 748(h)(i), 922(h)(i) and 1057 of the Dodd-Frank Wall Street and Consumer Protection Act (the "Dodd Frank Act"), 7 U.S.C. § 26(h), 15 U.S.C. § 78u-6(h)(i) and 12 U.S.C. § 5567(a) but excluding from this release any right Service Provider may have to receive a monetary award from the Securities and Exchange Commission as an SEC Whistleblower, pursuant to the bounty provision under Section 922(a)-(g) of the Dodd Frank Act, 7 U.S.C. Sec. 26(a)-(g), or directly from any other federal or state agency pursuant to a similar program, or (b) any applicable federal, state, local or foreign law, including, but not limited to, claims under Chapter 112 or Chapter 760, Florida Statutes, that Service Provider may have, or in the future may possess arising out of (x) Service Provider's employment relationship with and service as a director, employee, officer or manager of JEA, and the termination of such relationship or service, or (y) any event, condition, circumstance or obligation that occurred, existed or arose on or prior to the date hereof; provided, however, that the release set forth in this Section 1.1 shall not apply to (i) the obligations of JEA under the Separation Agreement, (ii) the obligations of JEA to continue to provide indemnification to Service Provider as provided under applicable law or in the Separation Agreement and (iii) any Claims which cannot be released under applicable law. Service Provider further agrees that the payments and benefits described in the Separation Agreement shall be in full satisfaction

of any and all claims for payments or benefits, whether express or implied, that Service Provider may have against JEA arising out of Service Provider's employment relationship, Service Provider's service as a director, employee, officer or manager of JEA and the termination thereof. The provision of the payments and benefits described in the Separation Agreement shall not be deemed an admission of liability or wrongdoing by JEA. This Section 1.1 does not apply to any Claims that Service Provider may have as of the date Service Provider signs this Agreement arising under the federal Age Discrimination in Employment Act of 1967, as amended, and the applicable rules and regulations promulgated thereunder ("ADEA"). Claims arising under ADEA are addressed in Section 1.2 of this Agreement.

1.2 **Specific Release of ADEA Claims by Service Provider**. In consideration of the payments and benefits provided to Service Provider under the Separation Agreement, Service Provider hereby releases and forever discharges JEA and each of their respective officers, employees, directors and agents from any and all Claims that Service Provider may have as of the date Service Provider signs this Agreement arising under ADEA. By signing this Agreement, Service Provider hereby acknowledges and confirms the following: (a) Service Provider was advised by JEA in connection with Service Provider's termination to consult with an attorney of Service Provider's choice prior to signing this Agreement and to have such attorney explain to Service Provider the terms of this Agreement, including, without limitation, the terms relating to Service Provider's release of claims arising under ADEA; (b) Service Provider has been given a period of not fewer than twenty-one (21)[3] days to consider the terms of this Agreement and to consult with an attorney of Service Provider's choosing with respect thereto; and (c) Service Provider is providing the release and discharge set forth in this Section 1.2 only in exchange for consideration in addition to anything of value to which Service Provider is already entitled.

1.3 **General Release by JEA**. JEA hereby releases and forever discharges Service Provider and each of his or her agents, representatives, attorneys, successors, assigns, heirs, executors and administrators from any Claims that JEA may have, or in the future may possess, arising out of (x) Service Provider's employment relationship with and service as a director, employee, officer or manager of JEA, and the termination of such relationship or service, or (y) any event, condition, circumstance or obligation that occurred, existed or arose on or prior to the date hereof; provided, however, that the release set forth in this Section 1.3 shall not apply to any Claims which cannot be released under applicable law.

1.4 **Representation**. Service Provider hereby represents that Service Provider has not instituted, assisted or otherwise participated in connection with, any action, complaint, claim, charge, grievance, arbitration, lawsuit or administrative agency proceeding, or

[3] Note to Draft: To insert for employees who are age 40 years or older and to be increased to 45 days for a group termination.

action at law or otherwise against any member of JEA or any of their respective officers, employees, directors, shareholders or agents.

SECTION II – CESSATION OF PAYMENTS:

In the event that Service Provider (a) files any charge, claim, demand, action or arbitration with regard to Service Provider's employment, compensation or termination of employment under any federal, state or local law, or an arbitration under any industry regulatory entity, except in either case for a claim for breach of the Separation Agreement or failure to honor the obligations set forth therein or (b) breaches any of the covenants or obligations contained in or incorporated into the Separation Agreement, JEA shall be entitled to cease making any payments due pursuant to Section 3 of the Separation Agreement (other than the Accrued Obligations).

SECTION III – VOLUNTARY ASSENT:

Service Provider affirms that Service Provider has read this Agreement, and understands all of its terms, including the full and final release of claims set forth in Section 1. Service Provider further acknowledges that (a) Service Provider has voluntarily entered into this Agreement; (b) Service Provider has not relied upon any representation or statement, written or oral, not set forth in this Agreement; (c) the only consideration for signing this Agreement is as set forth in the Separation Agreement; and (d) this document gives Service Provider the opportunity and encourages Service Provider to have this Agreement reviewed by Service Provider's attorney and/or tax advisor.

SECTION IV – REVOCATION:[4]

This Agreement may be revoked by Service Provider within the seven (7)-day period commencing on the date Service Provider signs this Agreement (the "Revocation Period"). In the event of any such revocation by Service Provider, all obligations of JEA under the Separation Agreement shall terminate and be of no further force and effect as of the date of such revocation. No such revocation by Service Provider shall be effective unless it is in writing and signed by Service Provider and received by JEA prior to the expiration of the Revocation Period.

SECTION V – MISCELLANEOUS:

5.1 **Governing Law; Binding Effect; Amendment**. This Agreement shall be interpreted and enforced in accordance with the laws of the State of Florida, and shall be binding on JEA's successors and assigns. This Agreement shall not be assignable or transferable by Service Provider or his or her beneficiaries or legal representatives. No amendment or modification shall be effective unless in writing by the parties, including the approval by the Board.

[4] Note to Draft: To insert for employees who are age 40 years or older.

5.2 **Authority**. The person executing and delivering this Agreement on behalf of JEA is an authorized officer, director or agent of JEA with full power and authority to bind JEA. Upon execution and delivery of this Agreement by JEA, this Agreement shall constitute the legal, valid and binding obligation of JEA.

5.3 **Execution**. This Agreement shall not become a binding and enforceable contract until signed by Service Provider, the Chair of JEA's Board of Directors, JEA's Chief Financial Officer and JEA's Chief Legal Officer. This Agreement may be executed in multiple counterparts, each of which shall be deemed to constitute an original, and which together, when signed by Service Provider, the Chair, the Chief Financial Officer and the Chief Legal Officer, shall constitute a single, legally binding contract.

5.4 **Entire Agreement**. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. This Agreement supersedes all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter of this Agreement.

5.5 **Notices**. For purposes of this Agreement, notices, demands and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when received if delivered in person, the next business day if delivered by overnight commercial courier (e.g., Federal Express), or the third business day if mailed by United States certified mail, return receipt requested, postage prepaid, to the following addresses:

If to JEA, to:

JEA
21 West Church Street
Jacksonville, FL 32202

If to Service Provider, to:

[NAME]
at the address on file with JEA

Either party may change its address for notices in accordance with this Subsection 5.5 by providing written notice of such change to the other party.

5.6 **Survival**. The provisions of this Agreement that are intended to survive this Agreement and Service Provider's termination of employment shall survive in accordance with their terms.

5.7 **Severability**. If any provision of this Agreement becomes or is deemed invalid, illegal or unenforceable in any applicable jurisdiction by reason of the scope, extent or duration of its coverage, then such provision shall be deemed amended to the minimum extent necessary to conform to applicable law so as to be valid and enforceable or, if such

provision cannot be so amended without materially altering the intention of the parties, then such provision shall be stricken and the remainder of this Agreement (as applicable) shall continue in full force and effect.

5.8 **Waiver**. Any failure of Service Provider to comply with any of his or her obligations under this Agreement may be waived only in writing signed by JEA. Any failure of JEA to comply with any of its obligations under this Agreement may be waived only in writing signed by Service Provider. No waiver of any breach, failure, right or remedy contained in or granted by the provisions of this Agreement shall constitute a continuing waiver of a subsequent or other breach, failure, right or remedy, unless the writing so specifies.

5.9 **Arbitration**. Except for suits seeking injunctive relief or specific performance or as otherwise prohibited by applicable law, the parties hereby agree that any dispute, controversy or claim arising out of, connected with and/or otherwise relating to this Agreement and the arbitrability of any controversy or claim relating hereto shall be finally settled by binding arbitration. The parties hereby knowingly and voluntarily waive any rights that they may have to a jury trial for any such disputes, controversies or claim. The parties agree to resolve any dispute arising out of this Agreement before the American Arbitration Association (the "AAA") in accordance with the AAA's then existing National Rules of Resolution of Employment Disputes. The arbitration shall be administered by the AAA and the hearing shall be conducted in Duval County in the State of Florida before a neutral arbitrator, who must have been admitted to the practice of law for at least the last ten (10) years (the "Arbitrator"). Each party further agrees to pay its or his own arbitration costs, attorneys' fees, and expenses, unless otherwise required by the AAA's then-existing arbitration rules. The Arbitrator shall issue an opinion within thirty (30) days of the final arbitration hearing and shall be authorized to award reasonable attorneys' fees to the prevailing party, which decision of the Arbitrator shall be final, conclusive, unappealable and binding on the parties. Subject to applicable law, the arbitration proceeding and any and all related awards, relief or findings shall be confidential, except that any arbitration award may be filed in a court of competent jurisdiction by either party for the purpose of enforcing the award.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have duly executed this Release Agreement on the day and year above first written.

ATTEST:

_____

JEA

_____
[NAME], Chair

Date: _____

I hereby certify that the expenditure contemplated by the foregoing Agreement has been duly authorized, and provision has been made for the payment of the moneys provided therein to be paid in respect of Fiscal Year 2019/2020.

_____
[NAME], Chief Financial Officer

Approved:

_____
[NAME], Chief Legal Officer

SERVICE PROVIDER HEREBY ACKNOWLEDGES THAT SERVICE PROVIDER HAS READ THIS AGREEMENT, THAT SERVICE PROVIDER FULLY KNOWS, UNDERSTANDS AND APPRECIATES ITS CONTENTS, AND THAT SERVICE PROVIDER HEREBY ENTERS INTO THIS AGREEMENT VOLUNTARILY AND OF SERVICE PROVIDER'S OWN FREE WILL.

_____
[NAME]

RESOLUTION 2019-06 EXHIBIT 3

Form Non-CEO Executive Employment Agreement

EXECUTION VERSION

EMPLOYMENT AGREEMENT
FOR [TITLE]

THIS EMPLOYMENT AGREEMENT (this "Agreement") is made and entered on [DATE] by and between JEA, a body politic and corporate under the laws of the State of Florida and an independent agency of the Consolidated City of Jacksonville (hereinafter referred "JEA" or "Employer"), and [NAME], an individual currently residing in Florida, hereinafter referred to as Employee.

WHEREAS, JEA is a community-owned, not-for-profit utility providing electricity to more than 485,000 customers in Jacksonville and the surrounding areas in northeastern Florida;

WHEREAS, JEA, founded in 1968, manages an electric system that dates back to 1895, and now owns and operates an electric system with five generating plants, transmission and distribution facilities, including 745 miles of transmission lines and 6,625 miles of distribution lines; is part owner and full operator of a sixth generating plant; produces energy from two methane-fueled generating facilities and owns a 12.6-megawatt solar project, placing JEA's total generating capacity at approximately 3,757 megawatts;

WHEREAS, JEA also provides water and wastewater services to approximately 352,000 water customers, 12,600 reuse water customers and 275,000 wastewater customers;

WHEREAS, JEA's water system consists of 136 artesian wells tapping the Floridian aquifer, distributing water through 37 water treatment plants and 4,352 miles of water lines and with a sewer system of more than 3,760 miles of collection lines and seven regional and seven non-regional sewer treatment plants;

WHEREAS, JEA owns and operates the District Energy System, a separate utility system that provides chilled water to 13 locations in Jacksonville;

WHEREAS, the JEA governing body is made up of a seven-member Board of Directors ("Board") appointed by the Mayor and confirmed by the City Council;

WHEREAS, the Board is tasked with appointing a [TITLE] to operate the eighth largest community-owned electric utility company in the United States and the largest in Florida, with total assets of $8.4 billion (2018), total equity of $2.8 billion (2018), and approximately 2,000 employees (2018); and

WHEREAS, JEA is desirous of continuing to employ Employee as [TITLE] pursuant to the terms and conditions and for the consideration set forth in this Agreement, and Employee is desirous of entering into this Agreement pursuant to such terms and conditions.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, and obligations contained herein, JEA and Employee agree as follows:

SECTION I – EMPLOYMENT AND DUTIES:

1.1 **Engagement**. JEA agrees to continue to employ Employee and Employee agrees to continue to be employed by JEA, for a time period beginning on August 1, 2019 (the "Effective Date"), and continuing until the employment relationship is terminated in accordance with the terms and conditions of this Agreement (the "Term").

1.2 **Terms and Duties**. Employee shall be employed as [TITLE] of JEA. Employee agrees to serve in this position and to perform diligently Employee's duties and services with the dedication and in manner of similarly situated executives and as reasonably directed by the Board.

1.3 **Compliance with Policies and Procedures**. Employee shall at all times comply with and be subject to such policies and procedures as the Board may establish.

1.4 **Diligence to Position**. Employee shall devote full business time, energy, and best efforts to the business of Employer with the dedication and in the manner of similarly situated executives; provided, however, that it is agreed that this obligation shall not preclude Employee from engaging in appropriate civic, charitable or religious activities or from serving on the boards of directors of companies that are not competitors to JEA, as long as the activities do not materially interfere or conflict with Employee's responsibilities to JEA or Employee's ability to perform Employee's duties of employment at JEA, within the sole discretion of the Board. Subject to the foregoing, Employee may not engage, directly or indirectly, in any other business, investment, or activity that interferes with Employee's performance of his duties, is directly contrary to JEA's interests, or requires any significant portion of Employee's business time; provided, however, that Employee may own less than two percent (2%) of the voting stock of a corporation listed for trading or traded over the counter on a recognized stock exchange in the United States. Employee's responsibilities and duties shall be commensurate with Employee's position together with any responsibilities and duties assigned by the Board or JEA's Chief Executive Officer.

1.5 **Fiduciary Obligations**. Employee acknowledges and agrees that, during the Term, Employee owes a fiduciary duty of loyalty toward JEA, and will not intentionally injure the direct or indirect interests of JEA, or benefit from any outside activities which Employee knows conflict with interests of JEA or, upon discovery of any such conflict, allow such a conflict to continue. Moreover, Employee agrees to disclose to JEA any facts which involve a conflict of interest during the Term.

SECTION II – COMPENSATION AND BENEFITS:

2.1 **Annual Compensation**. Employee shall be paid an annual salary of $[AMOUNT].00 (the "Annual Base Salary"), which shall be paid in equal installments in accordance with JEA's standard payroll practice, including deductions for all legally applicable taxes and withholdings. Once every twelve (12) months (measured from, and contemporaneous with, the completion of JEA's annual audit), JEA shall conduct a performance review of Employee, including a review of the market pricing peer group assessment of Employee's Annual Base Salary by a nationally recognized compensation consultant and shall discuss the results of such review with Employee.

The Board shall make modifications to Employee's Annual Base Salary as deemed to be appropriate based upon this annual review of Employee's performance.

2.2 **Pay for Performance Program**. The Board has established a Pay for Performance Program for fiscal year 2018/2019, and anticipates continuing the Program or a similar program in future years (all such programs are referred to in this Agreement as the "Program"). During the Term, Employee shall be eligible to participate in the Program, or any other incentive compensation program established by the Board in accordance with the terms of any such program.

2.3 **Vehicle**. Employee will have the use of an appropriately equipped JEA vehicle at the expense of JEA to supplement Employee's personal vehicle. In lieu of having use of a JEA vehicle, at Employee's option, JEA shall pay to Employee a monthly automobile allowance of $850.00, to be paid on or before the first regular payday of each month following the Effective Date, subject to withholding. It is specifically intended and understood that this allowance shall be provided as compensation for unreimbursed expenses incurred by Employee within the territorial limits of the JEA service territory and receipt of this allowance shall not prevent Employee from claiming and being reimbursed for travel expenses resulting from travel by Employee outside the JEA service territory in the manner provided by the Ordinance Code of the City of Jacksonville. JEA and Employee understand and agree that $850.00 is an estimate of the total cost Employee would incur if not provided with a JEA vehicle, including vehicle wear and tear and other costs that cannot be measured with precision, and that the full $850.00 shall be paid without any obligation on the part of Employee to provide proof of actual expenses.

2.4 **Business Allowance**. JEA shall pay to Employee a monthly allowance in the amount of $[AMOUNT].00 for general business expenses incurred in Employee's efforts to promote and represent JEA beyond those identified in JEA employee policies. The business allowance shall be paid on or before the first regular payday of each month following the Effective Date, subject to withholding. Employee may expend the monthly allowance in such a manner as Employee determines, in Employee's sole discretion, in support of Employee's performance of Employee's duties under this Agreement.

2.5 **Parking Allowance**. On or before the first regular payday of each month following the Effective Date, Employee will be provided a monthly allowance in the amount of $50.00 for parking (subject to withholding).

2.6 **Expenses**. Notwithstanding anything herein to the contrary, and in addition to other payments provided for in this Agreement, JEA shall reimburse Employee for telephone, travel, continuing education, and general business expenses incurred by Employee in accordance with JEA policies and procedures.

2.7 **Annual Leave**. Employee will be provided annual Paid Time Off ("PTO") in accordance with JEA's existing policies and procedures in effect from time to time. Without limiting the generality of the foregoing, Employee shall be entitled to a minimum of [NUMBER] ([NUMBER]) hours of PTO during each year of employment commencing on the Effective Date. In addition, JEA shall observe eleven (11) paid holidays and one floating holiday each year.

2.8 **Fringe Benefits**. Employee shall be allowed to participate, on the same basis generally as other employees of JEA, in all general employee benefit plans and programs, including improvements or modifications of same, which on the Effective Date or thereafter are made available by JEA to all or substantially all of JEA's executive employees, or to JEA's employees generally, including any amendments thereto. Such benefits, plans, and programs may include, without limitation, medical, health, and dental care, life insurance, disability protection, and flexible spending accounts. Except as specifically provided herein, nothing in this Agreement is to be construed or interpreted to provide greater or lesser rights, participation, coverage, or benefits under the benefit plans or programs than provided to executive employees pursuant to the terms and conditions of such benefit plans and programs. JEA shall not by reason of this Agreement be obligated to institute, maintain, or refrain from changing, amending, or discontinuing, any incentive compensation or employee benefit program or plan, so long as such actions are similarly applicable to covered employees generally. Notwithstanding anything to the contrary in this Agreement, for so long as Employee's employment with JEA continues, JEA shall pay the premiums required to maintain a life insurance policy, with $500,000.00 in coverage, payable to one or more beneficiaries to be designated by Employee, and with a conversion provision that will allow Employee to continue coverage upon and after termination of employment.

2.9 **Pension Benefits**. Employee shall be allowed to participate in the General Employees Pension Plan, the JEA 401(a) Defined Contribution Plan, and in any other pension or retirement plan made available by JEA to all or substantially all of JEA's executive employees or to JEA's employees generally, including any amendments thereto. Any amounts which the Company would contribute to any Section 401(a) defined contribution plan but for the Section 401(a) limit under the Internal Revenue Code of 1986, as amended (the "Code"), shall be paid to Employee as taxable compensation on a current basis.

SECTION III – TERMINATION OF EMPLOYMENT:

3.1 **Termination**. Subject to the terms of Subsections 3.1.4, 3.1.5 and 3.1.6 of this Agreement, Employee's employment with JEA may be terminated (i) by JEA immediately for "Cause" (as defined in, and subject to the notice and cure provisions of, Subsection 3.1.1 of this Agreement); (ii) by Employee for "Good Reason" (as defined in, and subject to the notice and cure provisions of, Subsection 3.1.2 of this Agreement); (iii) upon Employee's death or upon Employee's "Disability" (as defined in Subsection 3.1.3 of this Agreement); or (iv) by either party, without Cause or Good Reason, upon thirty (30) days' advance notice to the other party.

3.1.1 For purposes of this Agreement, "Cause" for termination of employment means: (i) a willful breach by Employee of material duties, obligations and policies of JEA which Employee fails to cure within ten (10) days after written notice from JEA specifically identifying such breach; (ii) Employee's gross negligence or gross neglect of duties and obligations required in performance of Employee's duties, or willful misconduct; (iii) Employee's continued violation of written rules and policies of the Board after written notice of same and reasonable opportunity to cure; (iv) conviction of Employee for any criminal act which is a felony; (v) commission by Employee in a public or private capacity of theft, fraud, or misappropriation or embezzlement of funds; or (vi) misconduct as defined in Florida Statutes § 443.036(29). For purposes of this Agreement, termination

of employment "without Cause" means any termination of employment by JEA for any reason not explicitly defined by this Subsection 3.1.1 as Cause for termination.

3.1.2 For purposes of this Agreement, "Good Reason" shall mean the occurrence of any of the following: (a) a material diminution in Employee's role, responsibilities, compensation, benefits and/or title without Employee's consent; (b) a directive by the Board to Employee to take any action or to refrain from action when implementing said directive would constitute a violation of applicable law; or (c) a material breach of this Agreement by JEA. Without in any way limiting the foregoing, a reduction in Employee's Base Salary to a level of 95% or less of the Base Salary stated in this Agreement shall be conclusively presumed to be a material diminution in Employee's compensation. Notwithstanding anything to the contrary in this Subsection 3.1.2 or in this Agreement, Employee may terminate Employee's employment for Good Reason only under the following terms and conditions. A termination of employment by Employee for Good Reason shall be effectuated by giving JEA written notice of the termination (the "Notice of Termination for Good Reason") within thirty (30) days after the event constituting Good Reason, setting forth in reasonable detail the specific conduct that constitutes Good Reason and the specific provisions of this Agreement on which Employee relies in support of the assertion of Good Reason. JEA shall have thirty (30) days from the receipt of the Notice of Termination for Good Reason within which to (i) deny that an event of Good Reason has occurred, or (ii) correct, rescind or otherwise substantially reverse the occurrence supporting termination for Good Reason as identified by Employee. If JEA does not deny that an event of Good Reason has occurred or if such event has not been cured within thirty (30) days after JEA received the Notice of Termination for Good Reason, then the termination of employment by Employee for Good Reason shall be effective upon expiration of said thirty (30)-day period after JEA received the Notice of Termination for Good Reason. If the event of Good Reason is cured within such thirty (30)-day period, the Notice of Termination for Good Reason shall have no effect. If JEA disputes that Good Reason exists, and does not within thirty (30) days cure the event cited by Employee as Good Reason, and if Employee then elects to terminate employment, the parties agree to arbitrate the dispute pursuant to Subsection 4.19. Any disputes between the parties regarding this Subsection 3.1.2, including with respect to whether circumstances giving rise to Good Reason exist, shall be resolved pursuant to the arbitration procedure set forth in Subsection 4.19.

3.1.3 For purposes of this Agreement, the term "Disability" shall mean: if JEA provides long-term disability insurance to its employees generally, and if JEA's long-term disability plan defines the term "Disability," then that term shall have the same meaning in this Agreement as in JEA's long-term disability plan; otherwise, the term "Disability" means a physical or mental incapacity as a result of which Employee becomes unable to continue to perform Employee's essential job functions, with or without reasonable accommodation, for four consecutive months.

3.1.4 If Employee's employment is terminated by JEA for Cause, by Employee without Good Reason, or as a result of Employee's death or Disability, then (a) Employee shall be paid

all amounts and shall receive all benefits earned through the date of termination of employment, and (b) all future compensation to which Employee would otherwise be entitled and all future benefits for which Employee would otherwise be eligible shall cease and terminate as of the date of termination, except that (c) Employee shall be entitled to all vested benefits, to the right to continuation of benefits to the extent provided by applicable benefits plans, COBRA, and other applicable law, and to all other rights provided by applicable law.

3.1.5 If Employee's employment is terminated by JEA without Cause or by Employee for "Good Reason" then, subject to Employee's compliance with the covenants set forth in this Agreement and Employee's execution and non-revocation of the release of claims substantially in the form of Exhibit A attached hereto, (a) Employee shall be paid all amounts and shall receive all benefits earned through the date of termination of employment, (b) JEA shall pay Employee a lump sum payment equal to twenty (20) weeks of the current Annual Base Salary, less applicable taxes and deductions (such payment will be made within thirty (30) days of the date Employee's termination occurs), (c) Employee shall become fully vested in any unvested amounts contributed on his behalf to any available retirement plan that may then be in effect to the extent allowable under the terms of the applicable plan and applicable law, (d) if Employee makes a timely and effective election to continue health insurance coverage under COBRA, then JEA shall pay directly to its COBRA provider the COBRA premiums necessary to continue Employee's coverage (and coverage for Employee's covered dependents) under COBRA for a period of twenty (20) weeks following the end of the month in which the termination occurs, (e) Subsection 3.1.6 shall become operative, and JEA and Employee shall comply with Subsection 3.1.6, and (f) Employee shall be entitled to all other vested benefits, to all additional rights to continuation of benefits to the extent provided by applicable benefits plans, COBRA, and other applicable law, and to all other rights provided by applicable law.

3.1.6 JEA and Employee further agree that if, during the first five (5) years following the Effective Date, Employee's employment is terminated by JEA without Cause, or by Employee for "Good Reason" then, beginning on the first Monday after the effective date of termination of Employee's employment with JEA, Employee shall serve as a consultant to JEA for a period of [NUMBER] ([NUMBER]) months in accordance with the terms of the Separation and Transition Agreement substantially in the form of Exhibit A attached hereto.

SECTION IV – MISCELLANEOUS:

4.1 **Eligibility to Work in the United States**. Employee has provided previously to JEA the appropriate documentation to verify Employee's authorization to work in the United States.

4.2 **Governing Law; Binding Effect; Amendment**. This Agreement shall be interpreted and enforced in accordance with the laws of the State of Florida, and shall be binding on JEA's successors (including any organization that succeeds to substantially all of the assets and business of JEA) and assigns, and the term "JEA" whenever used in this Agreement shall mean and

include any such successor or assign. This Agreement shall not be assignable or transferable by Employee or his or her beneficiaries or legal representatives. Notwithstanding the foregoing, in the event of the death of Employee, payments that otherwise would have been made to Employee shall instead be provided to Employee's estate. No amendment or modification shall be effective unless in writing by the parties, including the approval by the Board.

4.3 **Savings Clause**. Employee's present benefits and rights are preserved, including but not limited to accrued service credits, accrued leave, and accrued incentive compensation carried forward in accordance with existing policies and procedures.

4.4 **Public Records and Open Meetings (Sunshine) Requirements**. Employee will become familiar, with the assistance of JEA's staff and JEA's legal counsel, with the unique obligations and parameters of the State of Florida's public records and sunshine act laws, in order that JEA maintain its record of compliance with such laws.

4.5 **Legal Counsel**. Employee shall be entitled to legal counsel from or approved by the Office of General Counsel, paid for by JEA in a prompt and current manner as provided in Section 111.07, Florida Statutes, as necessary if Employee is a defendant participant in a lawsuit against JEA for actions that occurred during period of employment with JEA, excepting where a court has adjudicated Employee as having committed intentional tort or torts.

4.6 **Indemnification**. Pursuant to Section 768.28(9)(a), Florida Statutes, Employee is not personally liable in any action for any injury or damage suffered as a result of any act, event, or omission of action in the scope of her or his employment or function. JEA hereby agrees to indemnify, defend and hold Employee harmless from any and all claims, to the fullest extent permitted by Sections 111.07, 111.071 and 768.28(9)(a), Florida Statutes, and other applicable law. Without limiting the scope of this Subsection 4.6, which the parties agree shall be construed as broadly as permitted by applicable law, JEA's agreement to indemnify, defend and hold employee harmless includes claims arising out of the exercise of (or failure to exercise) Employee's duties and responsibilities to JEA, and to all other acts entitled to indemnification pursuant to Sections 111.07, 111.071 and 768.28(9)(a), Florida Statutes. If Employee's claim for indemnification is one for which indemnification is provided by Sections 111.07, 111.071 and 768.28(9)(a), Florida Statutes, or by other applicable law, then Employee shall be entitled to the benefits and protections of this Subsection 4.6 notwithstanding (i) any provision in this Agreement to the contrary, (ii) termination of Employee's employment, regardless of the reason for or circumstances surrounding said termination, or (iii) the termination of this Agreement.

4.7 **Confidentiality**. Employee agrees and acknowledges that, in the course of Employee's employment with JEA, Employee may learn trade secrets and other proprietary information of JEA. For purposes of this Agreement, "trade secrets" means any information protected by Florida's Trade Secrets Act, and "proprietary information" means any information obtained during the course of Employee's employment with JEA the disclosure of which would reasonably be expected to create a material risk of harm to JEA's legitimate business interests. JEA agrees and acknowledges that, in the course of Employee's employment with JEA, JEA may learn confidential information about Employee's finances and other personal matters. Accordingly, Employee agrees that Employee will not, during or after Employee's employment with JEA,

disclose any of JEA's trade secrets or other proprietary information, except in performance of Employee's duties as an Employee of JEA, and JEA agrees that it will not, during or after Employee's employment with JEA, disclose any confidential information about Employee. However, nothing in this Agreement or in this Subsection 4.7 shall impose or be construed to impose any limitation that is contrary to applicable law or applicable court order, or to limit the parties' opportunity to agree in the future to permit disclosures of information otherwise made confidential by this Subsection 4.7.

4.8 **Non-disparagement**. Employee agrees not to disparage JEA, its officers or its Board members, and JEA agrees not to disparage Employee, except that nothing in this Agreement or in this Subsection 4.8 shall preclude either Employee or JEA from making truthful statements in legal proceedings, to preclude Employee from providing information to or initiating or participating in a proceeding before any federal, state or local administrative agency, or to impose any limitation that is contrary to applicable law or applicable court order.

4.9 **Authority**. The person executing and delivering this Agreement on behalf of JEA is an authorized officer, director or agent of JEA with full power and authority to bind JEA. Upon execution and delivery of this Agreement by JEA, this Agreement shall constitute the legal, valid and binding obligation of JEA.

4.10 **Execution**. This Agreement shall not become a binding and enforceable contract until signed by Employee, the Chair of JEA's Board of Directors, JEA's Chief Executive Officer and JEA's Chief Legal Officer. This Agreement may be executed in multiple counterparts, each of which shall be deemed to constitute an original, and which together, when signed by Employee, the Chair, the Chief Executive Officer and the Chief Legal Officer, shall constitute a single, legally binding contract.

4.11 **Entire Agreement**. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. This Agreement supersedes all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter of this Agreement.

4.12 **Compliance with Sections 409A / 457**. JEA intends that all payments provided under this Agreement be exempt from, or comply with, the requirements of Sections 409A and 457 of the Code and any guidance promulgated under Sections 409A / 457 of the Code (collectively, "Sections 409A / 457") so that none of the payments or benefits will be subject to the additional tax imposed under Sections 409A / 457, and any ambiguities in this Agreement will be interpreted in accordance with this intent. No payment or benefits to be paid to Employee, if any, under this Agreement or otherwise, when considered together with any other severance payments or separation benefits that are considered deferred compensation under Sections 409A / 457 will be paid or otherwise provided until Employee has a separation from service within the meaning of Sections 409A / 457. Each severance payment, installment, and benefit payable under Section 3 of this Agreement is intended to constitute a separate payment for purposes of U.S. Treasury Regulation Section 1.409A-2(b)(2).

All expenses or other reimbursements under this Agreement that would constitute nonqualified deferred compensation subject to Sections 409A / 457, (i) shall be paid on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by Employee, (ii) no such reimbursement or expenses eligible for reimbursement in any taxable year shall in any way affect Employee's right to reimbursement of any other expenses eligible for reimbursement in any other taxable year, and (iii) Employee's right to reimbursement shall not be subject to liquidation in exchange for any other benefit.

4.13 **Confidential Disclosure in Reporting Violations of Law or in Court Filings**. Employee acknowledges and JEA agrees that Employee may disclose confidential information in confidence directly or indirectly to federal, state, or local government officials, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law or regulation or making other disclosures that are protected under the whistleblower provisions of state or federal laws or regulations. Employee may also disclose confidential information in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal. Nothing in this Agreement is intended to conflict with federal law protecting confidential disclosures of a trade secret to the government or in a court filing, 18 U.S.C. § 1833(b), or to create liability for disclosures of confidential information that are expressly allowed by 18 U.S.C. § 1833(b).

4.14 **Notices**. For purposes of this Agreement, notices, demands and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when received if delivered in person, the next business day if delivered by overnight commercial courier (e.g., Federal Express), or the third business day if mailed by United States certified mail, return receipt requested, postage prepaid, to the following addresses:

If to JEA, to:

JEA
21 West Church Street
Jacksonville, FL 32202

If to Employee, to:

[NAME]
at the address on file with JEA

Either party may change its address for notices in accordance with this Subsection 4.14 by providing written notice of such change to the other party.

4.15 **Survival**. The provisions of this Agreement that are intended to survive this Agreement and Employee's termination of employment shall survive in accordance with their terms.

4.16 **Severability**. If any provision of this Agreement becomes or is deemed invalid, illegal or unenforceable in any applicable jurisdiction by reason of the scope, extent or duration of its coverage, then such provision shall be deemed amended to the minimum extent necessary to

conform to applicable law so as to be valid and enforceable or, if such provision cannot be so amended without materially altering the intention of the parties, then such provision shall be stricken and the remainder of this Agreement (as applicable) shall continue in full force and effect.

4.17 **Waiver**. Any failure of Employee to comply with any of his or her obligations under this Agreement may be waived only in writing signed by JEA. Any failure of JEA to comply with any of its obligations under this Agreement may be waived only in writing signed by Employee. No waiver of any breach, failure, right or remedy contained in or granted by the provisions of this Agreement shall constitute a continuing waiver of a subsequent or other breach, failure, right or remedy, unless the writing so specifies.

4.18 **Compliance with Applicable Laws**. No provision of this Agreement shall be deemed to violate applicable law and this Agreement shall be interpreted in accordance with this intent.

4.19 **Arbitration**. Except for suits seeking injunctive relief or specific performance or as otherwise prohibited by applicable law, the parties hereby agree that any dispute, controversy or claim arising out of, connected with and/or otherwise relating to this Agreement and the arbitrability of any controversy or claim relating hereto shall be finally settled by binding arbitration. The parties hereby knowingly and voluntarily waive any rights that they may have to a jury trial for any such disputes, controversies or claim. The parties agree to resolve any dispute arising out of this Agreement before the American Arbitration Association (the "AAA") in accordance with the AAA's then existing National Rules of Resolution of Employment Disputes. The arbitration shall be administered by the AAA and the hearing shall be conducted in Duval County in the State of Florida before a neutral arbitrator, who must have been admitted to the practice of law for at least the last ten (10) years (the "Arbitrator"). Each party further agrees to pay its or his own arbitration costs, attorneys' fees, and expenses, unless otherwise required by the AAA's then-existing arbitration rules. The Arbitrator shall issue an opinion within thirty (30) days of the final arbitration hearing and shall be authorized to award reasonable attorneys' fees to the prevailing party, which decision of the Arbitrator shall be final, conclusive, unappealable and binding on the parties. Subject to applicable law, the arbitration proceeding and any and all related awards, relief or findings shall be confidential, except that any arbitration award may be filed in a court of competent jurisdiction by either party for the purpose of enforcing the award.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have duly executed this Employment Agreement on the day and year above first written.

ATTEST:

_____

JEA

_____
April Green, Chair

Date: _____

WITNESSES:

_____

_____

_____
[NAME], Employee
Date: _____

I hereby certify that the expenditure contemplated by the foregoing Agreement has been duly authorized, and provision has been made for the payment of the moneys provided therein to be paid in respect of Fiscal Year 2019/2020.

_____
Aaron F. Zahn, Managing Director & Chief Executive Officer

Approved:

_____
Lynne Rhode, Chief Legal Officer

EXHIBIT A

Separation and Transition Agreement

FORM OF SEPARATION AND TRANSITION AGREEMENT

THIS SEPARATION AND TRANSITION AGREEMENT (this "Agreement") is made and entered into on [DATE] by and between JEA, a body politic and corporate under the laws of the State of Florida and an independent agency of the Consolidated City of Jacksonville (hereinafter referred to as "JEA"), and [NAME], an individual currently residing in Florida, hereinafter referred to as Service Provider. Capitalized terms used herein but not defined shall have the meanings in the Employment Agreement for [TITLE], dated as of July 23, 2019 (the "Employment Agreement"), between JEA and Service Provider.

WHEREAS, Service Provider is employed by JEA as its [TITLE] pursuant to the Employment Agreement;

WHEREAS, Service Provider's employment with JEA shall be terminated; and

WHEREAS, in connection with Service Provider's separation from service with JEA, JEA and Service Provider desire to commence the transition of the [TITLE] position and Service Provider agrees to make himself or herself available to provide services to JEA on the terms and conditions set forth herein.

Now therefore JEA and Service Provider agree as follows:

SECTION 1 – SEPARATION:

1.1 **Removal from Positions**. The Service Provider's last day of employment with JEA is [DATE] (such date, the "Separation Date"). In that regard, as of the Separation Date, (a) Service Provider's position as [TITLE] of JEA and (b) all other officer positions, directorships and other positions that Service Provider holds with JEA shall terminate.

1.2 **Release Agreement**. Service Provider's receipt of any payments and benefits pursuant to this Agreement (other than the payments and benefits pursuant to Sections 3.1.5(a) and (f) of the Employment Agreement (the "Accrued Obligations")) is subject to Service Provider's signing and not revoking the Release Agreement substantially in the form attached hereto as Exhibit A (the "Release Agreement"); provided that the Release Agreement is effective within thirty (30)[1] days following the Separation Date. No payments or benefits under this Agreement (other than the Accrued Obligations) shall be paid or provided to Service Provider until the Release Agreement becomes effective in accordance with the deadline specified in the preceding sentence.

SECTION II – TRANSITION:

2.1 **Consulting Period and Services**. Commencing on the Separation Date and ending on the [NUMBER] ([NUMBER])-month anniversary thereof (the "Consulting Period"),

[1] Note to Draft: To be increased to 60 days for group terminations.

Service Provider shall make himself or herself available to consult with JEA as reasonably requested by JEA from time to time (the "Services").

2.2 **Consulting Fee.** In exchange for the Services, commencing on the Separation Date, JEA agrees to pay Service Provider a monthly fee of $[AMOUNT] (the "Monthly Fee") for a total fee of $[AMOUNT].[2] Except as to the Monthly Fee, no other payment or benefits shall be due or payable to Service Provider for the Services. JEA may terminate Service Provider's service for Cause prior to the expiration of the Consulting Period and, in such event, Service Provider shall forfeit his or her right to receive the Monthly Fee for the remainder of the Consulting Period.

2.3 **Status as an Independent Contractor**. In all matters relating to the Services, nothing under this Agreement shall be construed as creating any partnership, joint venture or agency between JEA and Service Provider or to constitute Service Provider as an agent, employee or representative of JEA. Service Provider shall act solely as an independent contractor and, as such, is not authorized to bind any member of JEA to third parties. Consequently, Service Provider shall not be entitled to participate during the Consulting Period in any of the employee benefit plans, programs or arrangements of JEA in his capacity as a consultant. Service Provider shall be responsible for and pay all taxes related to the receipt of compensation in connection with the provision of the Services. Service Provider shall not make any public statements concerning the Services that purport to be on behalf of JEA, in each case without prior written consent from JEA. Notwithstanding Service Provider's status as an independent contractor in providing the Services, to the fullest extent permitted by applicable law and JEA's constituent documents applicable to officers and directors of JEA, (a) Service Provider shall continue to be entitled to indemnification for any loss, damage, or claim incurred by, imposed or asserted against Service Provider in connection with the Services provided to JEA, and (b) JEA shall pay the expenses incurred by Service Provider in defending any claim, demand, action, suit or proceeding related thereto as such expenses are incurred by Service Provider and in advance of the final disposition of such matter; provided that Service Provider shall be entitled to the coverage under clauses (a) and (b) on the same terms and conditions as were in effect prior to the Separation Date as reflected in Section 3.2.

2.4 **Legal Counsel**. The Service Provider shall be entitled to legal counsel, paid for by JEA, as necessary if Service Provider is a defendant participant in a lawsuit against JEA for actions that occurred during his period of employment and the Consulting Period with JEA, excepting intentional torts.

SECTION III – SEVERANCE BENEFITS:

[2] Note to Draft: To be calculated based on an annualized amount equal to the combined total of all items reflected on Service Provider's total compensation statement provided to Service Provide for the most recent 12-month period.

3.1 **Compliance with Employment Agreement**. JEA shall comply with any and all of its payment and benefit obligations of the Employment Agreement.

3.2 **Indemnification**. Pursuant to Section 768.28(9)(a), Florida Statutes, Service Provider is not personally liable in any action for any injury or damage suffered as a result of any act, event, or omission of action in the scope of her or his employment or function. JEA hereby agrees to indemnify, defend and hold Service Provider harmless from any and all claims, to the fullest extent permitted by Sections 111.07, 111.071 and 768.28(9)(a), Florida Statutes, and other applicable law. Without limiting the scope of this Section 3.2, which the parties agree shall be construed as broadly as permitted by applicable law, JEA's agreement to indemnify, defend and hold Service Provider harmless includes claims arising out of the exercise of (or failure to exercise) Service Provider's duties and responsibilities to JEA, and to all other acts entitled to indemnification pursuant to Sections 111.07, 111.071 and 768.28(9)(a), Florida Statutes. If Service Provider's claim for indemnification is one for which indemnification is provided by Sections 111.07, 111.071 and 768.28(9)(a), Florida Statutes, or by other applicable law, then Service Provider shall be entitled to the benefits and protections of this Section 3.2 notwithstanding (i) any provision in this Agreement or the Employment Agreement to the contrary, (ii) termination of Service Provider's employment, regardless of the reason for or circumstances surrounding said termination, or (iii) the termination of this Agreement.

3.3 **No Other Compensation or Benefits**. Except as otherwise specifically provided herein or as required by the terms of any employee benefit plan, program or arrangement of JEA, the Consolidated Omnibus Reconciliation Act or other applicable law, Service Provider shall not be entitled to any compensation or benefits or to participate in any past, present or future employee benefit plans, programs or arrangements of JEA on or after the Separation Date.

SECTION IV – COVENANTS AND AGREEMENTS:

4.1 **Incorporation by Reference**. The covenants and agreements set forth in Sections 4.7, 4.8 and Section 4.13 of the Employment Agreement (the "Restrictive Covenants") are incorporated herein by reference as if such provisions were set forth herein in full.

4.2. **Return of Property**. All files, records, documents, manuals, books, forms, reports, memoranda, studies, data, calculations, recordings, or correspondence, whether visually perceptible, machine-readable or otherwise, in whatever form they may exist, and all copies, abstracts and summaries of the foregoing, and all physical items related to the business of JEA, whether of a public nature or not, and whether prepared by Service Provider or not, are and shall remain the exclusive property of JEA, and shall not be removed from its premises, except as required in the course of Service Provider's employment by JEA, without the prior written consent of JEA. No later than the Separation Date, such items, including any copies or other reproductions thereof, shall be promptly returned by Service Provider to JEA (or, if requested by JEA, destroyed by Service Provider).

SECTION V – MISCELLANEOUS:

5.1 **Governing Law; Binding Effect; Amendment**. This Agreement shall be interpreted and enforced in accordance with the laws of the State of Florida, and shall be binding on JEA's successors and assigns. This Agreement shall not be assignable or transferable by Service Provider or his or her beneficiaries or legal representatives. Notwithstanding the foregoing, in the event of the death of Service Provider, payments that otherwise would have been made to Service Provider shall instead be provided to Service Provider's estate. No amendment or modification shall be effective unless in writing by the parties, including the approval by the Board.

5.2 **Authority**. The person executing and delivering this Agreement on behalf of JEA is an authorized officer, director or agent of JEA with full power and authority to bind JEA. Upon execution and delivery of this Agreement by JEA, this Agreement shall constitute the legal, valid and binding obligation of JEA.

5.3 **Execution**. This Agreement shall not become a binding and enforceable contract until signed by Service Provider, the Chair of JEA's Board of Directors, JEA's Chief Executive Officer and JEA's Chief Legal Officer. This Agreement may be executed in multiple counterparts, each of which shall be deemed to constitute an original, and which together, when signed by Service Provider, the Chair, the Chief Executive Officer and the Chief Legal Officer, shall constitute a single, legally binding contract.

5.4 **Entire Agreement**. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. This Agreement supersedes all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter of this Agreement (including, without limitation, the Employment Agreement (other than to the extent set forth herein and the Restrictive Covenants, which shall remain in full force and effect)).

5.5 **Compliance with Sections 409A / 457**. JEA intends that all payments provided under this Agreement be exempt from, or comply with, the requirements of Sections 409A and 457 of the Code and any guidance promulgated under Sections 409A / 457 of the Code (collectively, "Sections 409A / 457") so that none of the payments or benefits shall be subject to the additional tax imposed under Sections 409A / 457, and any ambiguities in this Agreement shall be interpreted in accordance with this intent. No payment or benefits to be paid to Service Provider, if any, under this Agreement or otherwise, when considered together with any other severance payments or separation benefits that are considered deferred compensation under Sections 409A / 457 shall be paid or otherwise provided until Service Provider has a separation from service within the meaning of Sections 409A / 457. Each severance payment, installment, and benefit payable under Section 3 of this Agreement is intended to constitute a separate payment for purposes of U.S. Treasury Regulation Section 1.409A-2(b)(2).

All expenses or other reimbursements under this Agreement that would constitute nonqualified deferred compensation subject to Sections 409A / 457, (i) shall be paid on

or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by Service Provider, (ii) no such reimbursement or expenses eligible for reimbursement in any taxable year shall in any way affect Service Provider's right to reimbursement of any other expenses eligible for reimbursement in any other taxable year, and (iii) Service Provider's right to reimbursement shall not be subject to liquidation in exchange for any other benefit.

5.6 **Notices**. For purposes of this Agreement, notices, demands and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when received if delivered in person, the next business day if delivered by overnight commercial courier (e.g., Federal Express), or the third business day if mailed by United States certified mail, return receipt requested, postage prepaid, to the following addresses:

If to JEA, to:

JEA
21 West Church Street
Jacksonville, FL 32202

If to Service Provider, to:

[NAME]
at the address on file with JEA

Either party may change its address for notices in accordance with this Subsection 5.6 by providing written notice of such change to the other party.

5.7 **Survival**. The provisions of this Agreement that are intended to survive this Agreement and Service Provider's termination of employment shall survive in accordance with their terms.

5.8 **Severability**. If any provision of this Agreement becomes or is deemed invalid, illegal or unenforceable in any applicable jurisdiction by reason of the scope, extent or duration of its coverage, then such provision shall be deemed amended to the minimum extent necessary to conform to applicable law so as to be valid and enforceable or, if such provision cannot be so amended without materially altering the intention of the parties, then such provision shall be stricken and the remainder of this Agreement (as applicable) shall continue in full force and effect.

5.9 **Waiver**. Any failure of Service Provider to comply with any of his or her obligations under this Agreement may be waived only in writing signed by JEA. Any failure of JEA to comply with any of its obligations under this Agreement may be waived only in writing signed by Service Provider. No waiver of any breach, failure, right or remedy contained in or granted by the provisions of this Agreement shall constitute a continuing

waiver of a subsequent or other breach, failure, right or remedy, unless the writing so specifies.

5.10 **Arbitration**. Except for suits seeking injunctive relief or specific performance or as otherwise prohibited by applicable law, the parties hereby agree that any dispute, controversy or claim arising out of, connected with and/or otherwise relating to this Agreement and the arbitrability of any controversy or claim relating hereto shall be finally settled by binding arbitration. The parties hereby knowingly and voluntarily waive any rights that they may have to a jury trial for any such disputes, controversies or claim. The parties agree to resolve any dispute arising out of this Agreement before the American Arbitration Association (the "AAA") in accordance with the AAA's then existing National Rules of Resolution of Employment Disputes. The arbitration shall be administered by the AAA and the hearing shall be conducted in Duval County in the State of Florida before a neutral arbitrator, who must have been admitted to the practice of law for at least the last ten (10) years (the "Arbitrator"). Each party further agrees to pay its or his own arbitration costs, attorneys' fees, and expenses, unless otherwise required by the AAA's then-existing arbitration rules. The Arbitrator shall issue an opinion within thirty (30) days of the final arbitration hearing and shall be authorized to award reasonable attorneys' fees to the prevailing party, which decision of the Arbitrator shall be final, conclusive, unappealable and binding on the parties. Subject to applicable law, the arbitration proceeding and any and all related awards, relief or findings shall be confidential, except that any arbitration award may be filed in a court of competent jurisdiction by either party for the purpose of enforcing the award.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have duly executed this Separation and Transition Agreement on the day and year above first written.

ATTEST:

_____

JEA

_____
[NAME], Chair

Date: _____

WITNESSES:

_____

_____
[NAME], Service Provider
Date: _____

_____

I hereby certify that the expenditure contemplated by the foregoing Agreement has been duly authorized, and provision has been made for the payment of the moneys provided therein to be paid in respect of Fiscal Year 20[__]/20[__].

_____
[NAME], Managing Director & Chief Executive Officer

Approved:

_____
[NAME], Chief Legal Officer

EXHIBIT A

MUTUAL RELEASE AGREEMENT

THIS MUTUAL RELEASE AGREEMENT (this "Agreement") is made and entered into on [DATE] by and between JEA, a body politic and corporate under the laws of the State of Florida and an independent agency of the Consolidated City of Jacksonville (hereinafter referred to as "JEA"), and [NAME], an individual currently residing in Florida, hereinafter referred to as Service Provider. Capitalized terms used herein but not defined shall have the meanings set forth in the Separation and Transition Agreement, dated as of [DATE] (the "Separation Agreement"), by and between JEA and Service Provider.

WHEREAS, the Separation Agreement sets forth the terms and conditions of Service Provider's separation from service with JEA effective as [DATE]; and

WHEREAS, the Separation Agreement provides that, in consideration for certain payments and benefits payable to Service Provider in connection with his or her separation from service, Service Provider shall fully and finally release JEA from all claims relating to Service Provider's employment relationship with JEA and the termination of such relationship.

Accordingly, the parties hereto agree as follows:

SECTION I – RELEASE:

1.1 **General Release by Service Provider**. In consideration of JEA's obligations under the Separation Agreement and for other valuable consideration, Service Provider hereby releases and forever discharges JEA and each of its respective officers, employees, directors and agents from any and all claims, actions and causes of action (collectively, "Claims"), including, without limitation, any Claims arising under (a) the Sarbanes-Oxley Act of 2002, 18 U.S.C. § 1514; Sections 748(h)(i), 922(h)(i) and 1057 of the Dodd-Frank Wall Street and Consumer Protection Act (the "Dodd Frank Act"), 7 U.S.C. § 26(h), 15 U.S.C. § 78u-6(h)(i) and 12 U.S.C. § 5567(a) but excluding from this release any right Service Provider may have to receive a monetary award from the Securities and Exchange Commission as an SEC Whistleblower, pursuant to the bounty provision under Section 922(a)-(g) of the Dodd Frank Act, 7 U.S.C. Sec. 26(a)-(g), or directly from any other federal or state agency pursuant to a similar program, or (b) any applicable federal, state, local or foreign law, including, but not limited to, claims under Chapter 112 or Chapter 760, Florida Statutes, that Service Provider may have, or in the future may possess arising out of (x) Service Provider's employment relationship with and service as a director, employee, officer or manager of JEA, and the termination of such relationship or service, or (y) any event, condition, circumstance or obligation that occurred, existed or arose on or prior to the date hereof; provided, however, that the release set forth in this Section 1.1 shall not apply to (i) the obligations of JEA under the Separation Agreement, (ii) the obligations of JEA to continue to provide indemnification to Service Provider as provided under applicable law or in the Separation Agreement and (iii) any Claims which cannot be released under applicable law. Service Provider further agrees that the payments and benefits described in the Separation Agreement shall be in full satisfaction

of any and all claims for payments or benefits, whether express or implied, that Service Provider may have against JEA arising out of Service Provider's employment relationship, Service Provider's service as a director, employee, officer or manager of JEA and the termination thereof. The provision of the payments and benefits described in the Separation Agreement shall not be deemed an admission of liability or wrongdoing by JEA. This Section 1.1 does not apply to any Claims that Service Provider may have as of the date Service Provider signs this Agreement arising under the federal Age Discrimination in Employment Act of 1967, as amended, and the applicable rules and regulations promulgated thereunder ("ADEA"). Claims arising under ADEA are addressed in Section 1.2 of this Agreement.

1.2 **Specific Release of ADEA Claims by Service Provider**. In consideration of the payments and benefits provided to Service Provider under the Separation Agreement, Service Provider hereby releases and forever discharges JEA and each of their respective officers, employees, directors and agents from any and all Claims that Service Provider may have as of the date Service Provider signs this Agreement arising under ADEA. By signing this Agreement, Service Provider hereby acknowledges and confirms the following: (a) Service Provider was advised by JEA in connection with Service Provider's termination to consult with an attorney of Service Provider's choice prior to signing this Agreement and to have such attorney explain to Service Provider the terms of this Agreement, including, without limitation, the terms relating to Service Provider's release of claims arising under ADEA; (b) Service Provider has been given a period of not fewer than twenty-one (21)[3] days to consider the terms of this Agreement and to consult with an attorney of Service Provider's choosing with respect thereto; and (c) Service Provider is providing the release and discharge set forth in this Section 1.2 only in exchange for consideration in addition to anything of value to which Service Provider is already entitled.

1.3 **General Release by JEA**. JEA hereby releases and forever discharges Service Provider and each of his or her agents, representatives, attorneys, successors, assigns, heirs, executors and administrators from any Claims that JEA may have, or in the future may possess, arising out of (x) Service Provider's employment relationship with and service as a director, employee, officer or manager of JEA, and the termination of such relationship or service, or (y) any event, condition, circumstance or obligation that occurred, existed or arose on or prior to the date hereof; provided, however, that the release set forth in this Section 1.3 shall not apply to any Claims which cannot be released under applicable law.

1.4 **Representation**. Service Provider hereby represents that Service Provider has not instituted, assisted or otherwise participated in connection with, any action, complaint, claim, charge, grievance, arbitration, lawsuit or administrative agency proceeding, or

[3] Note to Draft: To insert for employees who are age 40 years or older and to be increased to 45 days for a group termination.

action at law or otherwise against any member of JEA or any of their respective officers, employees, directors, shareholders or agents.

SECTION II – CESSATION OF PAYMENTS:

In the event that Service Provider (a) files any charge, claim, demand, action or arbitration with regard to Service Provider's employment, compensation or termination of employment under any federal, state or local law, or an arbitration under any industry regulatory entity, except in either case for a claim for breach of the Separation Agreement or failure to honor the obligations set forth therein or (b) breaches any of the covenants or obligations contained in or incorporated into the Separation Agreement, JEA shall be entitled to cease making any payments due pursuant to Section 3 of the Separation Agreement (other than the Accrued Obligations).

SECTION III – VOLUNTARY ASSENT:

Service Provider affirms that Service Provider has read this Agreement, and understands all of its terms, including the full and final release of claims set forth in Section 1. Service Provider further acknowledges that (a) Service Provider has voluntarily entered into this Agreement; (b) Service Provider has not relied upon any representation or statement, written or oral, not set forth in this Agreement; (c) the only consideration for signing this Agreement is as set forth in the Separation Agreement; and (d) this document gives Service Provider the opportunity and encourages Service Provider to have this Agreement reviewed by Service Provider's attorney and/or tax advisor.

SECTION IV – REVOCATION:[4]

This Agreement may be revoked by Service Provider within the seven (7)-day period commencing on the date Service Provider signs this Agreement (the "Revocation Period"). In the event of any such revocation by Service Provider, all obligations of JEA under the Separation Agreement shall terminate and be of no further force and effect as of the date of such revocation. No such revocation by Service Provider shall be effective unless it is in writing and signed by Service Provider and received by JEA prior to the expiration of the Revocation Period.

SECTION V – MISCELLANEOUS:

5.1 **Governing Law; Binding Effect; Amendment**. This Agreement shall be interpreted and enforced in accordance with the laws of the State of Florida, and shall be binding on JEA's successors and assigns. This Agreement shall not be assignable or transferable by Service Provider or his or her beneficiaries or legal representatives. No amendment or modification shall be effective unless in writing by the parties, including the approval by the Board.

[4] Note to Draft: To insert for employees who are age 40 years or older.

5.2 **Authority**. The person executing and delivering this Agreement on behalf of JEA is an authorized officer, director or agent of JEA with full power and authority to bind JEA. Upon execution and delivery of this Agreement by JEA, this Agreement shall constitute the legal, valid and binding obligation of JEA.

5.3 **Execution**. This Agreement shall not become a binding and enforceable contract until signed by Service Provider, the Chair of JEA's Board of Directors, JEA's Chief Executive Officer and JEA's Chief Legal Officer.[5] This Agreement may be executed in multiple counterparts, each of which shall be deemed to constitute an original, and which together, when signed by Service Provider, the Chair, the Chief Executive Officer and the Chief Legal Officer, shall constitute a single, legally binding contract.

5.4 **Entire Agreement**. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. This Agreement supersedes all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter of this Agreement.

5.5 **Notices**. For purposes of this Agreement, notices, demands and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when received if delivered in person, the next business day if delivered by overnight commercial courier (e.g., Federal Express), or the third business day if mailed by United States certified mail, return receipt requested, postage prepaid, to the following addresses:

If to JEA, to:

JEA
21 West Church Street
Jacksonville, FL 32202

If to Service Provider, to:

[NAME]
at the address on file with JEA

Either party may change its address for notices in accordance with this Subsection 5.5 by providing written notice of such change to the other party.

5.6 **Survival**. The provisions of this Agreement that are intended to survive this Agreement and Service Provider's termination of employment shall survive in accordance with their terms.

[5] Note to Draft: To update applicable signatories accordingly.

5.7 **Severability**. If any provision of this Agreement becomes or is deemed invalid, illegal or unenforceable in any applicable jurisdiction by reason of the scope, extent or duration of its coverage, then such provision shall be deemed amended to the minimum extent necessary to conform to applicable law so as to be valid and enforceable or, if such provision cannot be so amended without materially altering the intention of the parties, then such provision shall be stricken and the remainder of this Agreement (as applicable) shall continue in full force and effect.

5.8 **Waiver**. Any failure of Service Provider to comply with any of his or her obligations under this Agreement may be waived only in writing signed by JEA. Any failure of JEA to comply with any of its obligations under this Agreement may be waived only in writing signed by Service Provider. No waiver of any breach, failure, right or remedy contained in or granted by the provisions of this Agreement shall constitute a continuing waiver of a subsequent or other breach, failure, right or remedy, unless the writing so specifies.

5.9 **Arbitration**. Except for suits seeking injunctive relief or specific performance or as otherwise prohibited by applicable law, the parties hereby agree that any dispute, controversy or claim arising out of, connected with and/or otherwise relating to this Agreement and the arbitrability of any controversy or claim relating hereto shall be finally settled by binding arbitration. The parties hereby knowingly and voluntarily waive any rights that they may have to a jury trial for any such disputes, controversies or claim. The parties agree to resolve any dispute arising out of this Agreement before the American Arbitration Association (the "AAA") in accordance with the AAA's then existing National Rules of Resolution of Employment Disputes. The arbitration shall be administered by the AAA and the hearing shall be conducted in Duval County in the State of Florida before a neutral arbitrator, who must have been admitted to the practice of law for at least the last ten (10) years (the "Arbitrator"). Each party further agrees to pay its or his own arbitration costs, attorneys' fees, and expenses, unless otherwise required by the AAA's then-existing arbitration rules. The Arbitrator shall issue an opinion within thirty (30) days of the final arbitration hearing and shall be authorized to award reasonable attorneys' fees to the prevailing party, which decision of the Arbitrator shall be final, conclusive, unappealable and binding on the parties. Subject to applicable law, the arbitration proceeding and any and all related awards, relief or findings shall be confidential, except that any arbitration award may be filed in a court of competent jurisdiction by either party for the purpose of enforcing the award.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have duly executed this Release Agreement on the day and year above first written.

ATTEST:

_____

JEA

_____
[NAME], Chair

Date: _____

I hereby certify that the expenditure contemplated by the foregoing Agreement has been duly authorized, and provision has been made for the payment of the moneys provided therein to be paid in respect of Fiscal Year 2019/2020.

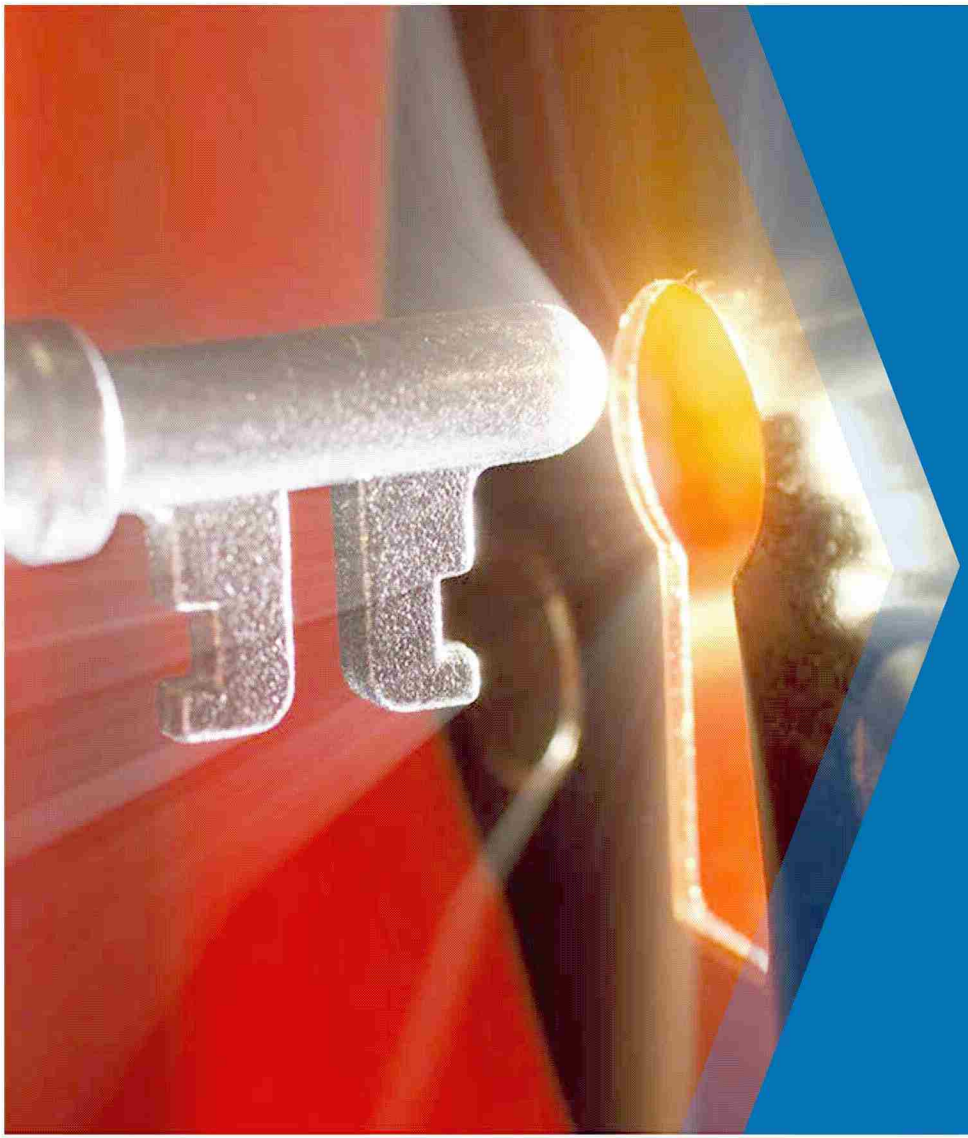
_____
[NAME], Managing Director & Chief Executive Officer

Approved:

_____
[NAME], Chief Legal Officer

SERVICE PROVIDER HEREBY ACKNOWLEDGES THAT SERVICE PROVIDER HAS READ THIS AGREEMENT, THAT SERVICE PROVIDER FULLY KNOWS, UNDERSTANDS AND APPRECIATES ITS CONTENTS, AND THAT SERVICE PROVIDER HEREBY ENTERS INTO THIS AGREEMENT VOLUNTARILY AND OF SERVICE PROVIDER'S OWN FREE WILL.

_____
[NAME]



Scenario #3

NON-TRADITIONAL RESPONSE

The Key to Removing all Constraints

WHY JEA IS DEVELOPING A NON-TRADITIONAL STRATEGIC PLAN

The industry is changing and JEA's strategy needs to change

OBJECTIVES: Develop a 10-year strategy for JEA that drives an increase in the value of JEA now and into the future. The strategy will:

- Position JEA to succeed in the face of trends
- Proactively shape talent and culture
- Drive growth in value (CCEF)
- Identify and enable growth investments
- Maintain affordability and reliability for customers

OUTCOME OF SUCCESSFUL STRATEGY:

Maximize Each of the Four Corporate Measures of Value to *Improve Lives*

Customer Value

- Provide JEA customers with safe and reliable electric, water and wastewater **services at a rate structure equal to or less than industry average**
- Maintain **customer service standards and experience** within the top quartile of the industry
- Expand our trusted partner **relationship with our customers**

Financial Value

- **Maintain financial performance metrics** necessary to preserve Aa3 / AA- ratings, or similar comparable risk measures as adopted and deemed appropriate by JEA
- **Establish growth initiatives** to drive values and efficiencies with respect to electric, water, sewer, natural gas and other utility services, systems and/or products

Community Impact Value

- Establish and maintain **open, transparent communication** with employee, customer and all our stakeholders
- Continue investment and leadership **of economic development within Jacksonville**
- Continue and drive **employment within the region**
- Foster an environment of **engaged employees** that treat JEA as owners
- Preserve the level of **financial contribution of JEA to the city**

Environmental Value

- Maintain **compliance with all regulations** and meet or exceed industry standards that impact the environment
- Establish and lead a **sustainability program** for the benefit of the region
- Set an example of **environmental stewardship**

TRADITIONAL APPROACHES LEAD TO DECREASES IN CORPORATE MEASURES OF VALUE

	LAST 10 YEARS	SCENARIO 2a: TRADITIONAL RESPONSE	SCENARIO 2b: SOME REMOVAL OF GOVERNMENT CONSTRAINTS
CUSTOMER VALUE	↓	↓	–
COMMUNITY IMPACT VALUE	↓	↓	↓
ENVIRONMENTAL VALUE	↑	↓	↓
FINANCIAL VALUE	↑	–	–
	In the face of declining sales, customer rates increased 71%	Declines in value due to additional market forces	Alleviating some restraints only delays the inevitable

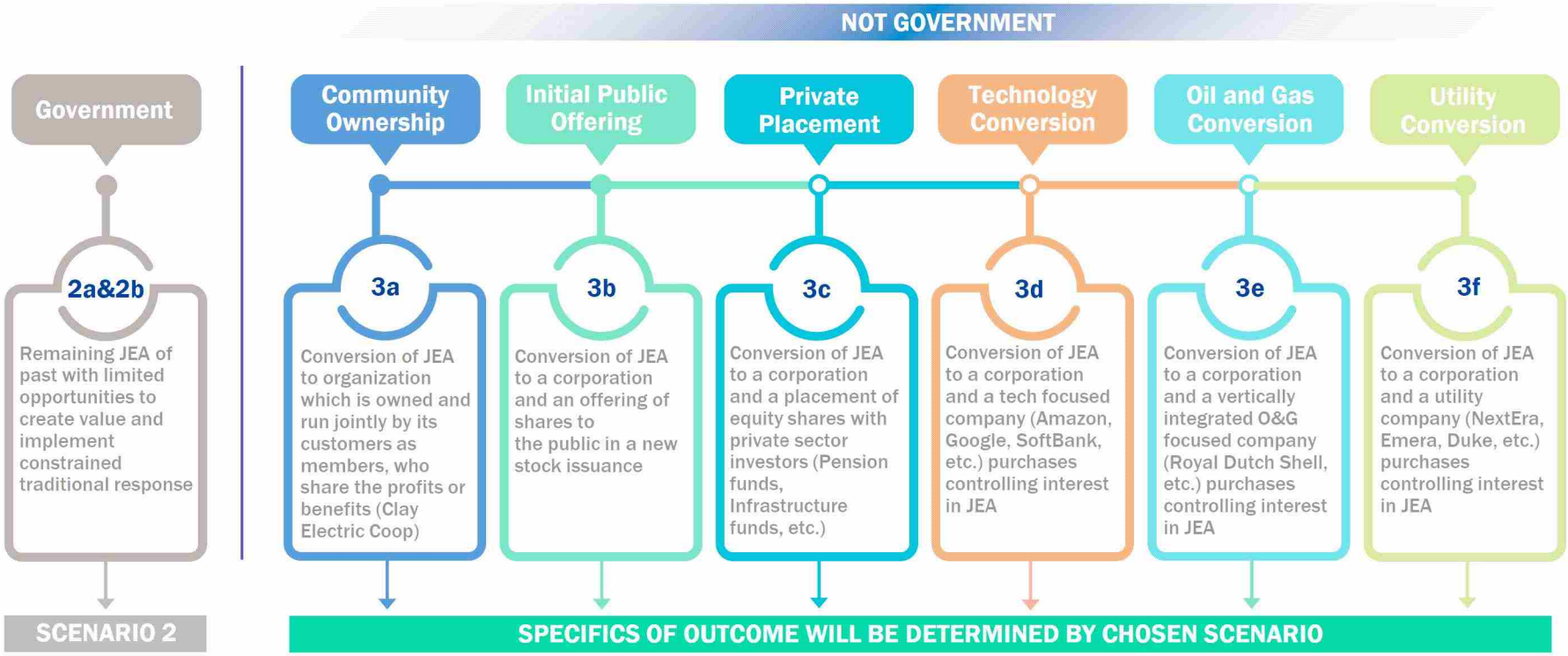
UNDER THE FOLLOWING SCENARIOS, CRITICAL CONSTRAINTS REMAIN

BUSINESS OPPORTUNITIES	LAST 10 YEARS	SCENARIO 2a: TRADITIONAL RESPONSE	SCENARIO 2b: SOME CONSTRAINTS REMOVED
Sell more electric and water services	✗	✗	✗
Cut costs and workforce	✓	✓	✓
Increase customer rates	✓	✓	✓
Investment in R&D and IP for an ROI	✗	✗	✗
Sell alternative new product lines or offerings	✗	✗	–
Sell equity and retire debt	✗	✗	✗
Acquire new businesses & customers	✗	✗	–
Reduce investment in capex	✓	✓	✓
Reduce dividend / city contribution	✗	✗	–
Sell assets	✗	✗	–
Create partnerships / joint ventures	✗	✗	✗

A BINARY POLICY DECISION FOR JEA:
SHOULD JEA BE DESIGNED TO SHRINK OR GROW?

DEFINE THE ROOT PROBLEM:

The problem is not being community-owned;
The problem is being government with government constraints in a competitive market.



CONSTRAINT PROFILE OF ALTERNATE STRUCTURES:

While management cannot currently outline specifics of each alternative, it can provide an analysis of constraints

	2a&2b	3a	3b	3c	3d	3e	3f
BUSINESS OPPORTUNITIES	**Government**	**Community Owned**	**Initial Public Offering**	**Private Placement**	**Tech Conversion**	**O&G Conversion**	**Utility Conversion**
Sell more electric and water services	✗	✓	✓	✓	✓	✓	✓
Cut costs and workforce	✓	✓	✓	✓	✓	✓	✓
Increase customer rates	✓	✓	✓	✓	✓	✓	✓
Investment in R&D and IP for an ROI	✗	✓	✓	✓	✓	✓	✓
Sell alternative new product lines/offerings	✗	✓	✓	✓	✓	✓	✓
Sell equity and retire debt	✗	✗	✓	✓	✓	✓	✓
Acquire new businesses & customers	✗	✓	✓	✓	✓	✓	✓
Reduce investment in capex	✓	✓	✓	✓	✓	✓	✓
Reduce dividend / city contribution	✗	✓	✓	✓	✓	✓	✓
Sell assets	✗	✓	✓	✓	✓	✓	✓
Create partnerships / Joint ventures	✗	✓	✓	✓	✓	✓	✓

PROCESS AND TIMELINE FOR PATH TO INVESTIGATING A NON-GOVERNMENT STRUCTURE

Commitment to transparent and open process for all stakeholders (customers, city, employees, etc.)

1	2	3	4	5
Protect our employees' futures	Execute a methodical and transparent process	Deliver the strategic solution for maximum value	Ensure the Board and City Council weighs in	Encourage the public to maximize the value for all stakeholders
TODAY, JULY 23 Letter goes out to all employees defining all proposed employee protection programs, subject to collective bargaining	**AUG 2019** Competitive solicitation will go out to any and all potential suitors, including financial, technology and energy/water companies.	**SEPT-FEB 2020** Investment banks and advisors will present recommendations for how JEA can achieve maximum value for employees, customers and shareholders.	**MARCH 2020** JEA board will have the opportunity to discuss and vote whether to approve the final recommendation. Send recommendation to City Council for review.	**MID 2020** In the event, City Council approves recommendation the public will have the opportunity to vote on the Board and City Council approved recommendation.

*The overall purpose of this undertaking is to give JEA the strategic flexibility to adapt to a **once-in-a-generation industry-wide transformation** and help it achieve its vision to improve lives in the Northeast Florida Community.*

	Status Quo	Minimum Requirements
Financial	1. **<$2 billion** of value to the City of Jacksonville[1]	1. **>$3 billion** of value to the City of Jacksonville
Customers	1. **$0** customer distributions 2. Significant rate increases required over next several years	1. **>$400 million of value distributed to customers** ($350+ paid to each JEA account - $1,400+ for customers with electric, water, sewer and irrigation accounts) 2. At least 3 years of contractually guaranteed base rate stability
Environmental	1. Viable renewable energy requirements at **0%** funding 2. Viable sources of alternative water capacity at **0%** funding	1. Commitment to fund and provide City of Jacksonville and Duval County Public School system **100% renewable** electricity by 2030 2. Commitment to fund and provide **40 million gallons per day** of alternative water capacity for Northeast Florida by 2035
Community Impact	1. Status quo retirement obligations 2. No employment guarantees and **termination of ~600 employees** 3. No retention payments to employees 4. JEA leaves downtown, moving new headquarters to existing office space to house smaller workforce and minimize cost	1. Protection of certain employee retirement benefits 2. Guarantee of employee compensation and benefits for **three (3) years** 3. Retention payments to all full-time employees of **100% current base compensation** 4. Commitment to new headquarters and employees in downtown Jacksonville contributing to the economic development of the community

[1]NPV of JEA's expected contribution to the City of Jacksonville over the next 20 years

WHY PROTECT EMPLOYEE PENSIONS?

NUMBER ONE ASSET

JEA's employees are critical to providing reliable, safe, affordable, and clean utility service to our community now and in the future.

SOCIAL SECURITY

As government employees, most JEA employees are in a defined benefit pension program and do not pay into social security as an additional retirement benefit. Any change in structure would automatically terminate employee participation

ENSURE A NEST EGG

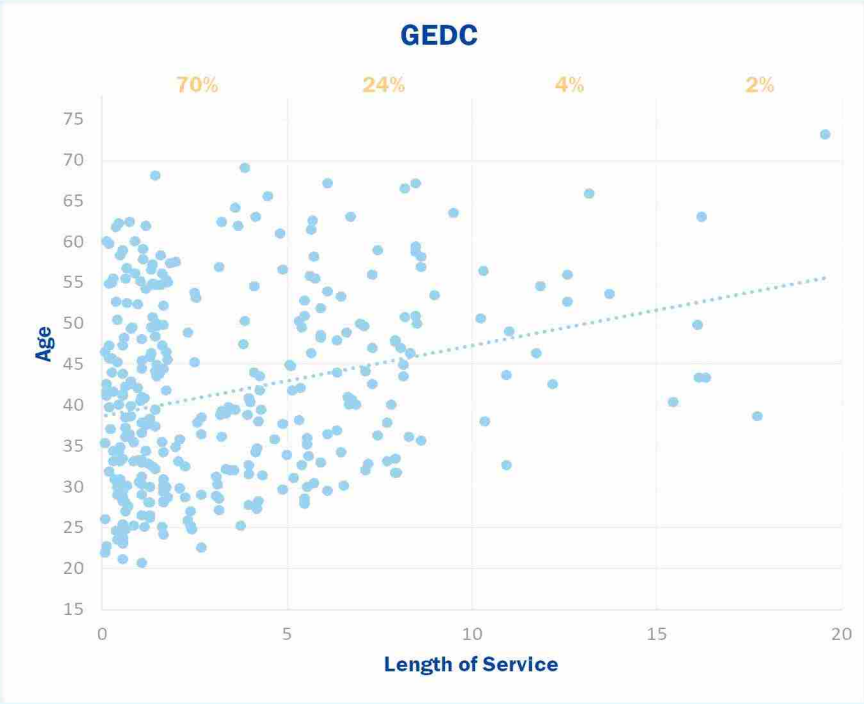
As part of considering any restructuring, we recommend the Board give each employee the assurance that his or her retirement nest egg will be protected

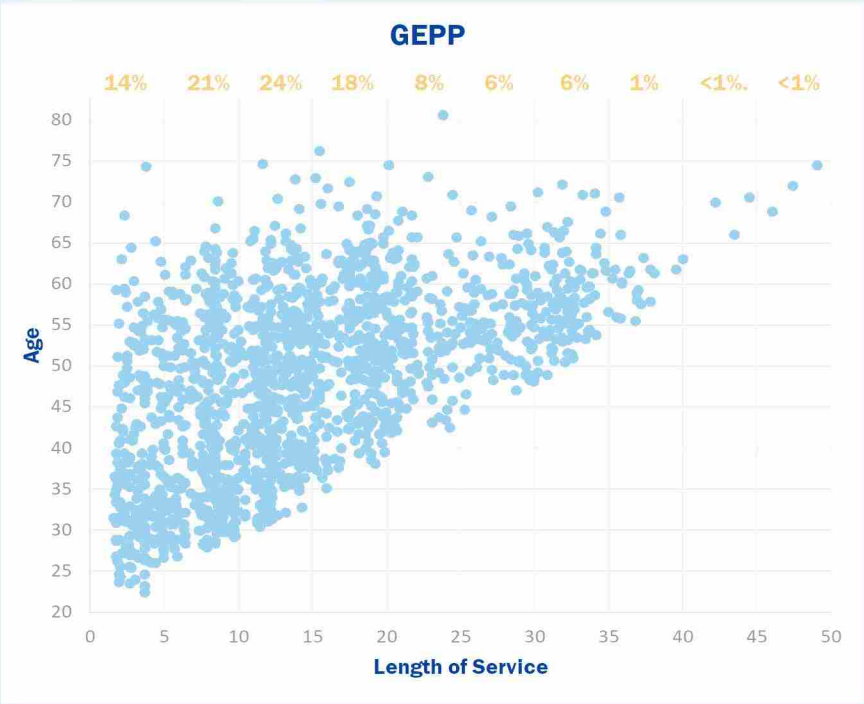
VESTING EMPLOYEES

We recommend the Board consider pension legislation changes that protect vested employees by increasing years of service credit and non-vested employees by vesting them in the pension

MATRIX OF AGE AND LENGTH OF TIME

= % of employees in each 5-year time period





- Employees in the GEDC with more than 5 service years can move back into the GEPP if they choose, prior to any transaction if one should take place.
- Those on the GEPP plan hired before October 1, 2017 with under 5 years of service have the option to receive a 100% matching contribution in addition to what they invested to date.

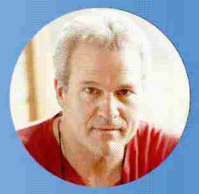
EMPLOYEE PENSION SCENARIO EXAMPLES

KATELYN J.

PROFILE EXAMPLE 1

- 26 years old
- 6 years of service
- Will draw pension in 24 years

Katelyn will receive 24 additional years of service credit on top of her 6 years served, which will result in her having a 30–year pension she can begin receiving at age 50 (75% of her current salary)



FRANK C.

PROFILE EXAMPLE 2

- 53 years old
- 18 years of service
- Will draw pension in 2 years

Frank will receive 2 additional years of service credit on top of his 18 years served, which will result in his having a 20–year pension he can begin receiving at age 55 (50% of salary)

NECESSARY ACTIONS THE BOARD OF DIRECTORS SHOULD TAKE TO PROVIDE PEACE OF MIND

EMPLOYEES	CUSTOMERS & COMMUNITY	BOND INVESTORS
• Pension • Retention	• Commit to base rate freeze during competitive process • Commit to open competitive process	• Board and Management continued commitment to operational and financial excellence

RESOLUTION 2019-07

A RESOLUTION AUTHORIZING THE CEO TO TAKE ANY AND ALL ACTION TO INVESTIGATE AND PURSUE SCENARIO 3: THE NON-TRADITIONAL UTILITY RESPONSE

WHEREAS, the Board believes that it is in the best interest of JEA to investigate and pursue Scenario 3: the non-traditional utility response, as presented to the Board at the July 23, 2019 JEA Board meeting.

BE IT RESOLVED, by the Board that:

1. The Board authorizes the Chief Executive Officer and Managing Director (the "CEO") or his designee to take any and all action to maximize the four core values of JEA of customer, community, environmental, and financial through a competitive solicitation process regarding JEA assets including, but not limited to:

    a. Issuance of a competitive solicitation instrument including, but not limited to, an invitation to negotiate;

    b. Engaging in and undertaking a competitive solicitation process; and

    c. Engaging accountants, consultants, financial advisors, and legal counsel to assist in a competitive solicitation process.

2. For purposes of developing an invitation to negotiate or other competitive solicitation instrument, any competitive solicitation outcome must achieve the following. Any final outcome is subject to additional Board action and other approvals, as set forth in federal, state, and local law.

    a. Greater than $3 billion of value to the City of Jacksonville;

    b. Greater than $400 million of value distributed to customers;

    c. At least three (3) years of contractually guaranteed base rate stability for customers;

    d. Commitment to fund and provide the City of Jacksonville and the Duval County Public School system with 100% renewable electricity by the year 2030;

    e. Commitment to fund and provide forty (40) million gallons per day of alternative water capacity for Northeast Florida by the year 2035;

    f. Protection of certain employee retirement benefits;

    g. Maintenance of substantially comparable employee compensation and benefits for three (3) years;

    h. Retention payments to all full-time employees of 100% current base compensation; and

i. Commitment to new headquarters and employees in downtown Jacksonville.

3. There shall be no base rate changes for any customers during the period of any competitive solicitation process.

4. JEA shall continue throughout any competitive solicitation process to operate in the financially responsible manner investors and rating agencies have come to expect and in accordance with JEA's core values.

5. This resolution shall be effective immediately upon its adoption.

Dated this 23rd day of July 2019.

JEA

By: _____

April Green, Chair

_____

Secretary

Form Approved:

_____

Office of General Counsel

RESOLUTION 2019-08

A RESOLUTION APPROVING THE REQUEST FOR INTRODUCTION OF PENSION REVISION LEGISLATION TO THE CITY COUNCIL UNDER SCENARIO 3 (THE NON-TRADITIONAL UTILITY RESPONSE) AND AUTHORIZING THE CEO TO TAKE ANY AND ALL ACTION TO PURSUE THE INTRODUCTION OF THE LEGISLATION

WHEREAS, the Board believes that it is in the best interest of JEA to introduce pension revision legislation to the City Council of the City of Jacksonville in substantially the form attached hereto as Exhibit 1 (the "Pension Legislation");

WHEREAS, such legislation may require collective bargaining for certain employees; and

WHEREAS, the Board has reviewed the Pension Legislation.

BE IT RESOLVED, by the Board that:

1. The (i) Board authorizes the request for introduction of the Pension Legislation, (ii) in consultation with the Office of General Counsel, the Chief Executive Officer and Managing Director (the "CEO") or his designee shall have authority to make technical and clerical amendments to the Pension Legislation, all of which do not increase the financial obligations or liability of JEA under the Pension Legislation, and (iii) the CEO or his designee shall have authority to take, or cause to be taken, any and all action and to prepare, execute and deliver, or cause to be prepared, executed and delivered, any and all documents that the CEO or his designee deems necessary or advisable to carry out the intent of this resolution.

2. This resolution shall be effective immediately upon its adoption.

Dated this 23rd day of July, 2019.

JEA

By: _____
April Green, Chair

_____
Secretary

Form Approved:

_____
Office of General Counsel

RESOLUTION 2019-08 EXHIBIT 1

Pension Legislation

Introduced by the Council President at the request of the Mayor:

ORDINANCE 2019-XXX

AN ORDINANCE REGARDING THE GENERAL EMPLOYEES AND CORRECTIONS OFFICERS PENSIONS PLANS AND ALL EMPLOYEES DEFINED CONTRIBUTION RETIREMENT PLANS; AMENDING CHAPTER 120, *ORDINANCE CODE;* AMENDING SECTION 120.201 (DEFINITIONS), SECTION 120.202 (MEMBERSHIP), SECTION 120.203 (CONTRIBUTIONS)SECTION 120.206 (TIME SERVICE RETIREMENT BENEFITS, SECTION 120.207 (SURVIVOR BENEFITS, SECTION 120.209 (VESTING, TERMINATION, REEEMPLOYMENT), SECTION 120.502A (GENERAL EMPLOYEES DEFINED CONTRIBUTION PLAN MEMBERSHIP) SECTION 120.503A (CONTRIBUTIONS) SECTION 120.504A (VESTING IN GENERAL EMPLOYEES DEFINED CONTRIBUTION PLAN); REQUIRING COLLECTIVE BARGAINING WHERE APPLICABLE; MAKING AMENDMENTS CONTINGENT UPON RECAPITALIZATION EVENT; PROVIDING AN EFFECTIVE DATE.

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

WHEREAS, employees of JEA participate in and are members of the City of Jacksonville General Employees Retirement Plan; and

WHEREAS, all JEA employees perform valuable services for the customers and citizens they serve; and

WHEREAS, JEA provides a work environment which emphasizes safety and a positive culture;

WHEREAS, JEA operates in a rapidly evolving business climate

to provide energy, water and waste water services; and

WHEREAS, the City Council approves of JEA exploring strategic options to ensure it continues to serve its customers and citizens in a cost-effective and reliable way; and

WHEREAS, JEA employees devote their professional lives and careers to its service and have earned the certainty of a retirement benefit contained within the General Employee Retirement Plan; and

WHEREAS, JEA desires to recognize the past and continued service of its employees and incentivize their continued service by protecting employees' retirement benefits under the General Employee Retirement Plan; now therefore

BE IT ORDAINED BY THE COUNCIL OF THE CITY OF JACKSONVILLE

CHAPTER 120 - THE GENERAL EMPLOYEES AND CORRECTIONS OFFICERS PENSION PLANS AND ALL EMPLOYEES DEFINED CONTRIBUTION RETIREMENT PLAN

Section 1. Amending Chapter 120 (General Employees and Corrections Officers Retirement Plans), Ordinance Code. Chapter 120, *Ordinance Code*, is hereby amended to read as follows:

Section 120.201 – Definitions - is amended to read:

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(i) *Credited Service* shall mean membership credit upon which a member's eligibility to receive benefits under the Retirement Plan is based, or upon which the amount of such benefits is to be determined; provided that employees of JEA employed on the effective date of a Recapitalization Event shall be granted Credited Service pursuant to section 120.209(b)(1) and (2).

(aa) *Time Service Retirement* shall mean a member's retirement from active service under circumstances permitting payment of a retirement allowance without reduction because of age or

length of service, or in the case of JEA employees the accrual of Credited Service pursuant to section 120.209(b)(2) and without special qualifications such as disability. Time service retirement shall be considered normal retirement.

(dd) *Minimum Vesting* shall mean five years of credited service before the member is entitled to retirement benefits except for service-incurred disability retirement income or service incurred death benefits. Employees of JEA actively employed on the effective date of a Recapitalization Event shall be deemed to have reached Minimum Vesting without regard to the number of years of Credited Service.

(hh) *Recapitalization Event* shall mean the "Recapitalization Event" means the closing and funding of a transaction or a series of related transactions in accordance with Article 21 of the Charter of the City of Jacksonville and any other applicable law that results in either (i) unencumbered cash proceeds to the City of Jacksonville of at least Three Billion Dollars ($3,000,000,000) or (ii) at least 50% of the net depreciated property, plant and equipment value of either JEA's electric system or JEA's water and wastewater system being transferred, assigned, sold or otherwise disposed of. The effective date of a Recapitalization Event shall be the date of closing of a transaction that results in either of the above two contingencies occurring, or in the case of a series of related transactions, the date of a closing of a transaction that, when combined with other prior transactions in the series, results in either of the above two contingencies.

***

Sec. 120.202. – Membership – is amended to read:

(a) Consistent with the provisions of Chapter 16 of the City Charter, full-time civil service employees not eligible for membership in another City-sponsored pension plan shall become members of the Plan if hired before October 1, 2017. Any full-time civil service employee hired on or after October 1, 2017, shall not be eligible for membership in the Plan but shall be a member of the defined contribution plan as provided for in Part V, Subpart A.

(3) Employees hired on or after October 1, 2017, shall never be eligible to be Members of the Retirement Plan. Employees hired on or after October 1, 2017, shall be members of the General Employees Defined Contribution plan provided for in Part V, Subpart A. This prohibition shall apply to employees of JEA regardless of method of accrual or computation of years of Credited Service.

(4) JEA employees who received additional Credited Service pursuant to section 120.209(b) may be reemployed by the City of Jacksonville, and if otherwise eligible, re-enroll in the Retirement Plan. However, the employee will not receive additional credited service or be required to make employee contributions until their actual period of employment by the City following re-enrollment in the Plan exceeds the period of Credited Service granted to them pursuant to section 120.209(b).

(d)If a new employee chooses the GEDC plan, the employee may elect to revert to the DB plan not later than the employee's fifth anniversary of employment, following certification that the employee has completed the intensive training program sponsored

by the City. In addition, the employee shall have a one-time option after the employee's fifth anniversary of employment and prior to retirement to convert back to the DC plan. For purposes of this section as it applies to JEA employees only, the fifth anniversary shall be based on the actual period of JEA employment and not years of Credited Service pursuant to section 120.206(a) or section 120.209(b).

(e) If a new employee initially chooses the DB plan, and then elects to transfer to the GEDC plan within the first five years of employment, then the employee will have the remaining portion of the initial five year period of employment to elect to transfer to the DB plan. This initial five year window will be open to a new employee regardless of his or her initial choice of Plan, but the number of changes from one Plan to the other will be limited to three during such five year period. All employees seeking to revert from the DB plan to the DC plan must be certified to have completed the intensive training program sponsored by the City. A new employee who elects the DB plan will have an additional option after the first five years of employment to convert to the DC plan at any time prior to retirement from the City. A new employee who elects the GEDC plan will not have any option after the end of the first five years of employment to convert to the DB plan. For purposes of this section as it applies to JEA employees, the fifth anniversary or first five years of employment or five year window shall be based on the actual period of JEA employment and not years of Credited Service pursuant to section 120.206(a).

(f) JEA employees hired before October 1, 2017 who are members of the General Employees Defined Contribution Plan and who are actively employed on the effective date of a Recapitalization Event shall be permitted to transfer to the DB Plan. Such JEA

employees who transfer to the DB Plan will receive Credited Service under the DB Plan for the actual period of their JEA employment prior to the transfer, as well as Credited Service granted pursuant to section 120.209(b)(1) or (2). JEA employees hired before October 1, 2017 and who are actively employed on the effective date of a Recapitalization Event but who are not yet vested shall be subject to the provisions of section 120.209(b)(1).

Sec. 120.203. - Contributions; refunds of contributions – is amended to read:

(j) In consideration of the exit of JEA employees from active membership in the Plan upon a Recapitalization Event and the additional benefits granted to them in section 120.209(b), JEA shall make an additional contribution to the Plan in a lump sum within fourteen (14) days following the funding of a Recapitalization Event. That additional contribution shall be calculated as an amount necessary to maintain the Plan's level of Unfunded Actuarial Accrued Liability, as calculated for funding purposes. Other events during the year may affect the Unfunded Actuarial Accrued Liability. However, the objective underlying the calculation of this additional contribution from JEA is for the Plan's Unfunded Actuarial Accrued Liability not to be affected by the transaction, i.e., the Unfunded Actuarial Accrued Liability shall be the same before as after the date of the Recapitalization Event. This objective and the calculation of the additional contribution shall recognize the actuarial gain occurring due to the exit of all Plan members employed by JEA, converting from active employees to either retirees or vested separated members, and shall recognize the cost of the additional benefits granted to

such members and as described in this Part II by reason of the Recapitalization Event.

After the Recapitalization Event and the exit of JEA employees from active membership in the Plan, the Plan shall not have any recourse against JEA or its successor for any employer contribution or other amortization payments on the Unfunded Actuarial Accrued Liability.

***

Sec. 120.206. – Time service retirement benefit; cost-of-living adjustments – is amended to read:

(b) A normal retirement benefit shall be determined by multiplying 2.5 percent of final monthly compensation as defined in Section 120.201 by the number of years of Credited Service to a maximum of 80 percent. Members actively employed by JEA on the effective date of a Recapitalization Event who are, at that time, eligible for term service retirement benefits pursuant to section 120.206(a) shall be treated in all respects as retired as of such date and entitled to immediate retirement benefits and attendant rights as described in this Part II.

Section 120.207 – Surviving spouse benefits; children's benefits; orphans' benefits; dependent parents; funeral expenses – is amended by the addition of a new section 120.207(l) and (m) immediately following section 120.207(k) to read as follows:

(l) For members actively employed by JEA on the effective date of the Recapitalization Event as described in section 120.209(b)(1), in the event of the death of such a member subsequent to the effective date of a Recapitalization Event but prior to the date of eligibility for monthly benefits or the date of application

to rescind the deferred vested accrued benefit, the member's surviving spouse, or if none the member's named beneficiary, or if none the member's estate, shall receive a single sum amount equal to twice the accumulated employee contributions, without interest.

(m) For members actively employed by JEA on the effective date of the Recapitalization Event as described in section 120.209(b)(2), in the event of the death of such a member subsequent to the effective date of the Recapitalization Event but prior to the date of eligibility for monthly benefits, the member's surviving spouse or, if none, the member's named beneficiary, or if none the member's estate, shall receive a single sum amount equal to twice the accumulated employee contributions.

Section 120.209(b) - Vesting, termination, re-employment - is amended to read:

(b) A member who shall leave the service of the City prior to eligibility for normal service retirement or early service retirement, but who has completed five years of creditable service shall be entitled to receive retirement benefits commencing at age 65 at a 2.5 percent accrual rate for each year of creditable service. Such benefits will be based on final monthly compensation and credited service as of the date of termination.

(1) Notwithstanding any provision to the contrary in this Part II, members actively employed by JEA on the effective date of a Recapitalization Event who have, at that time, completed less than five years of credited service:

(a) Shall be treated for all purposes under this Part II has having, as of such date, completed five years of credited

service for vesting eligibility and for benefit accrual purposes and shall be considered vested in such accrued benefit and treated as a Vested Separated Member;

(b) Shall be entitled to receive such monthly accrued benefit commencing on the date otherwise applicable to Members as set forth in section 120.209(b) based on five years of credited service and final monthly compensation determined based on the member's average monthly compensation for the highest 36 consecutive months of JEA service, or if the member's actual period of JEA service is less than 36 months, the monthly average for the actual period of service, to the effective date of such Recapitalization Event;

(c) May rescind the deferred vested accrued benefit and, in lieu of the right to any future benefit from the Plan, receive a single sum amount equal to twice the accumulated employee contributions, without interest, either by lump sum payment or by rollover, as provided in section 120.203, provided the application to rescind vested rights is received by the Plan not less than six months prior to the date the deferred vested benefit would be payable; and

(2) Notwithstanding any provision to the contrary in this Part II, members actively employed by JEA on the effective date of the Recapitalization Event who have, at that time, completed five or more years of credited service but who have not satisfied the conditions for time service requirement set forth in section 120.206(a) shall:

(a) Shall be treated for all purposes under this Part II as a vested separated member;

(b) Shall have additional years of credited service added for benefit accrual purposes as follows; each such vested separated member's monthly deferred vested benefit accrued as of the effective date of such Recapitalization Event shall be determined using the number of years of credited service such member would have as of their earliest normal retirement date (i.e., the earliest date the conditions set forth in section 120.206(a) would be satisfied if such member were to continue to working in covered employment until such date);

(c) Shall have the monthly vested benefit accrued as of the effective date of such Recapitalization Event determined using the member's final monthly compensation as of the effective date of such Recapitalization Event;

(d) Shall have the monthly vested benefit accrued as of the effective date of such Recapitalization Event determined with recognition of any minimum benefit applicable under section 120.206(g) including any indexation of the minimum as described therein;

(e) Shall be entitled to receipt of such monthly vested benefit accrued commencing on the earliest normal retirement date commencing on the earliest date the conditions set forth in section 120.206(a) would be satisfied if such member were to continue to work in covered employment until such date.

(3) Following a Recapitalization Event, and the accrual of additional service pursuant to section 120.209, JEA employees shall have no further accruals under the Retirement Plan unless reemployed by the City and in accordance with section 120.202(a)(4).

***

Part II - GENERAL EMPLOYEES DEFINED CONTRIBUTION PLAN

Sec. 120.502A. – Membership – is amended to read:

(a) Membership shall be comprised of all general employees of the City as defined in Section 120.201(m), Ordinance Code, hired on or after October 1, 2017, including those JEA employees actively employed as of the effective date of the Recapitalization Event.

The membership shall also include any employee hired prior to October 1, 2017 who pursuant to the provisions of Section 120.202 elects to become a member of the GEDC.

Sec. 120.503A. – Contributions – is amended to read:

Member contributions shall be eight percent of earnable compensation as defined in Section 120.201(l) of the Ordinance Code. Member contributions shall be picked-up rather than contributed as provided in Section 414(h) of the Internal Revenue Code. A portion of the Member contributions, equal to three tenths percent (.3%), shall be used to fund the disability and survivor benefits outlined below. The City shall contribute the minimum amount necessary to maintain the City's exemption from Social Security, but not less than seven and seven tenths percent of earnable compensation. On and after October 1, 2017, the City's contribution shall be twelve percent. A portion of the City contributions, equal to three tenths percent (.3%), shall be used to fund the disability and survivor benefits outlined below; however, the City shall contribute such additional sums, as necessary, to fund the disability and survivor benefits on a sound actuarial basis. Members may make additional contributions on an

after-tax basis, to the extent permitted by law. Members may also rollover to the GEDC plan benefits accrued in other qualified plans consistent with the then prevailing provisions of the Internal Revenue Code. Members actively employed by JEA on the effective date of a Recapitalization Event, as defined in section 120.201(hh), who are members of the GEDC Plan, will be deemed separated from service on that date and deemed fully vested in their employer contributions and earnings credited to that date pursuant to section 120.504A. JEA will make no further contributions to the GEDC plan on behalf of such members following a Recapitalization Event.

Sec. 120.504A. – Vesting is amended to read:

Upon leaving employment, GEDC plan members will be entitled to 100% of their own contributions and earnings and will be entitled to the following percentages of the employer's contribution and earnings after the indicated number of years of service: Members of the GEDC plan shall be 25 percent vested upon the conclusion of two years of credited service and shall vest an additional 25 percent each year thereafter until fully vested upon the conclusion of five years of credited service. Provided, however, that Members actively employed by JEA on the effective date of a Recapitalization Event shall be deemed fully vested in their employer's contributions and earnings credited to that date.

Section 2. Collective Bargaining. If, or as required, the JEA will collectively bargain with unions representing covered bargaining unit employees of JEA.

Section 3. Contingency of a Recapitalization Event. All provisions of this ordinance amending Chapter 120 and pertaining specifically to employees of JEA shall apply only to those individuals actively employed by JEA on the effective date of a

Recapitalization Event and only if a Recapitalization Event occurs.

Section 4. Effective Date. This Ordinance shall become effective upon signature by the Mayor or upon becoming effective without the Mayor's signature.

Form Approved:

/s/

Office of General Counsel

Legislation Prepared By:

7/22/2019 5:06 PM

RESOLUTION 2019-09

A RESOLUTION APPROVING EMPLOYEE PROTECTION AND RETENTION PROGRAM AND APPROVING CEO AND NON-CEO EXECUTIVE EMPLOYMENT AGREEMENTS UNDER SCENARIO 3 (THE NON-TRADITIONAL UTILITY RESPONSE) AND AUTHORIZING ACTION TO PURSUE IMPLEMENTATION OF SUCH PROGRAM AND EXECUTION OF SUCH AGREEMENTS

WHEREAS, the Board believes that it is in the best interest of JEA to adopt an employee protection and retention program in connection with investigation and pursuit of Scenario 3: the non-traditional utility response;

WHEREAS, the Board has reviewed the summary of the terms and conditions of the employee protection and retention program attached hereto as Exhibit 1 (the "Employee Protection and Retention Summary");

WHEREAS, such employee protection and retention program may require collective bargaining for certain represented employees;

WHEREAS, the Board believes that it is in the best interest of JEA to retain the talent necessary to effectively implement Scenario 3 (the non-traditional utility response) and to enter into employment agreements with employees of JEA that have a title of Vice President or higher; and

WHEREAS, the Board has reviewed the employment agreement with JEA's Chief Executive Officer and Managing Director (the "CEO") attached hereto as Exhibit 2 (the "CEO Employment Agreement") and the employment agreement with JEA's senior executive management team (other than the CEO) in substantially the form attached hereto as Exhibit 3 (the "Form Non-CEO Executive Employment Agreement").

BE IT RESOLVED, by the Board that:

1. The CEO or his designee shall have the authority to execute with each full-time employee who is actively employed with JEA on the date hereof or as otherwise recommended by the CEO and approved by the Chair of the Compensation Committee an employee protection and retention program agreement (the "Form Employee Protection and Retention Program Agreement") on the terms and conditions set forth on the Employee Protection and Retention Summary and to take, or cause to be taken, any and all action and to prepare, execute and deliver, or cause to be prepared, executed and delivered, any and all documents that the CEO or his designee deems necessary or advisable to carry out the intent of this resolution.

2. The CEO or his designee shall have the authority to, in consultation with the Office of General Counsel, make technical and clerical amendments to the Form Employee Protection and Retention Program Agreement, all of which do not increase the financial obligations or liability of JEA under the Form Employee Protection and Retention Program Agreement.

3. The Board hereby approves the CEO Employment Agreement and Form Non-CEO Executive Employment Agreement.

4. The Chair of the Board shall have the authority to (i) execute the CEO Employment Agreement, (ii) in consultation with the Office of General Counsel, make technical and clerical amendments to the CEO Employment Agreement, all of which do not increase the financial obligations or liability of JEA under the CEO Employment Agreement, and (iii) take, or cause to be taken, any and all action and to prepare, execute and deliver, or cause to be prepared, executed and delivered, any and all documents that the Chair of the Board deems necessary or advisable to carry out the intent of this resolution.

5. The CEO or his designee shall have the authority to (i) execute Non-CEO Executive Employment Agreements in substantially the same form as the Form Non-CEO Executive Employment Agreement, (ii) in consultation with the Office of General Counsel, make technical and clerical amendments to the Non-CEO Executive Employment Agreements, all of which do not increase the financial obligations or liability of JEA under the Non-CEO Executive Employment Agreement, and (iii) take, or cause to be taken, any and all action and to prepare, execute and deliver, or cause to be prepared, executed and delivered, any and all documents that the CEO or his designee deems necessary or advisable to carry out the intent of this resolution.

6. This resolution shall be effective immediately upon its adoption.

Dated this 23rd day of July 2019.

JEA

By: _____
April Green, Chair

_____
Secretary

Form Approved:

_____
Office of General Counsel

RESOLUTION 2019-09 EXHIBIT 1

Employee Protection and Retention Summary

RESOLUTION 2019-09 EXHIBIT 1

Employee Protection and Retention Summary

Overview	Subject to the occurrence of a Recapitalization Event (as defined below) and the satisfaction of the conditions described below, each eligible employee may receive a cash payment equal to 100% of his annual base salary in effect on July 23, 2019.
Documentation	An eligible employee will be required to sign an agreement with JEA.
Eligible Employees	All full-time employees who are actively employed with JEA on July 23, 2019 are eligible to receive a cash payment. Any exceptions to the above must be recommended by JEA's CEO and approved by the Chair of the Compensation Committee.
Payments and Vesting Generally	The cash payment will vest in three equal installments (each, an "Installment") on the closing date (the "Closing Date") of the Recapitalization Event, the first anniversary of the Closing Date and the second anniversary of the Closing Date (each, a "Vesting Date"). Except as otherwise described herein, an eligible employee must be employed on the Vesting Date for each Installment to vest. Each Installment will be paid to an eligible employee as soon as reasonably practicable after each applicable Vesting Date, but no later than 30 days thereafter.
Termination of Employment	If an eligible employee experiences an involuntary termination of employment (as described below) prior to the applicable Vesting Date, such employee will receive 100% of the cash payment (to the extent unpaid) and any such amount will be paid to such employee at the same time as each Installment would have been paid had there been no termination of employment. An involuntary termination means a termination of employment by JEA without cause or due to the eligible employee's death or disability.
Recapitalization Event	"Recapitalization Event" means the closing and funding of a transaction or a series of related transactions in accordance with Article 21 of the Charter of the City of Jacksonville and any other applicable law that results in either (i) unencumbered cash proceeds to the City of Jacksonville of at least Three Billion Dollars ($3,000,000,000) or (ii) at least 50% of the net depreciated property, plant and equipment value of either JEA's electric system or JEA's water and wastewater system being transferred, assigned, sold or otherwise disposed of.

Conditions to Receipt	An eligible employee will receive the cash payment if: (i) he executes an agreement; (ii) the Recapitalization Event occurs no later than December 31, 2021; (iii) the employee is continuously employment with JEA (except as set forth above); (iv) the employee executes and does not revoke a release of claims in favor of JEA and the City of Jacksonville; (v) the employee complies with the covenants set forth below; and (vi) the conditions in Section 215.425(3), Florida Statutes are satisfied.
Employee Covenants	Each eligible employee must (i) devote his best efforts to faithfully discharge his duties on behalf of JEA and not take any action that would be contrary to the best interests of JEA, (ii) not disclose confidential JEA information (except as required by applicable law or to perform his job duties) or (iii) not make any unauthorized public statements about, among others, JEA and government officials of the City of Jacksonville. If an eligible employee breaches or threatens to breach these covenants, JEA will not pay such employee the cash payment (to the extent unpaid) and/or such employee will promptly repay all or any portion of the cash payment previously paid to him, as applicable.
Miscellaneous	Any payments made to an eligible employee will be paid less applicable withholding taxes. The agreements will be subject to Sections 409A and 457(f) of the Internal Revenue Code (the "Code") and will be construed and interpreted accordingly. The agreements will be governed by the laws of the State of Florida and subject to arbitration in Duval County in the State of Florida. If or as required, JEA will collectively bargain the applicable agreements with unions representing covered bargaining unit employees of JEA. If any payments under an agreement to an eligible employee are subject to any excise tax, interest or penalties under the Code (the "Penalties"), JEA will pay to such employee an amount equal to the full amount of the Penalties. JEA will not pay to an eligible employee any amount in respect of Penalties caused by such employee's breach of his or her agreement or such employee's failure to comply with applicable law.

RESOLUTION 2019-09 EXHIBIT 2

CEO Employment Agreement

EXECUTION VERSION

EMPLOYMENT AGREEMENT
FOR CHIEF EXECUTIVE OFFICER

THIS EMPLOYMENT AGREEMENT (this "Agreement") is made and entered on July 23, 2019 by and between JEA, a body politic and corporate under the laws of the State of Florida and an independent agency of the Consolidated City of Jacksonville (hereinafter referred "JEA" or "Employer"), and Aaron F. Zahn, an individual currently residing in Florida, hereinafter referred to as Employee.

WHEREAS, JEA is a community-owned, not-for-profit utility providing electricity to more than 485,000 customers in Jacksonville and the surrounding areas in northeastern Florida;

WHEREAS, JEA, founded in 1968, manages an electric system that dates back to 1895, and now owns and operates an electric system with five generating plants, transmission and distribution facilities, including 745 miles of transmission lines and 6,625 miles of distribution lines; is part owner and full operator of a sixth generating plant; produces energy from two methane-fueled generating facilities and owns a 12.6-megawatt solar project, placing JEA's total generating capacity at approximately 3,757 megawatts;

WHEREAS, JEA also provides water and wastewater services to approximately 352,000 water customers, 12,600 reuse water customers and 275,000 wastewater customers;

WHEREAS, JEA's water system consists of 136 artesian wells tapping the Floridian aquifer, distributing water through 37 water treatment plants and 4,352 miles of water lines and with a sewer system of more than 3,760 miles of collection lines and seven regional and seven non-regional sewer treatment plants;

WHEREAS, JEA owns and operates the District Energy System, a separate utility system that provides chilled water to 13 locations in Jacksonville;

WHEREAS, the JEA governing body is made up of a seven-member Board of Directors ("Board") appointed by the Mayor and confirmed by the City Council;

WHEREAS, the Board is tasked with appointing a Managing Director & Chief Executive Officer to operate the eighth largest community-owned electric utility company in the United States and the largest in Florida, with total assets of $8.4 billion (2018), total equity of $2.8 billion (2018), and approximately 2,000 employees (2018); and

WHEREAS, JEA is desirous of continuing to employ Employee as Chief Executive Officer pursuant to the terms and conditions and for the consideration set forth in this Agreement, and Employee is desirous of entering into this Agreement pursuant to such terms and conditions.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, and obligations contained herein, JEA and Employee agree as follows:

SECTION I – EMPLOYMENT AND DUTIES:

1.1 **Engagement**. JEA agrees to continue to employ Employee and Employee agrees to continue to be employed by JEA, for a time period beginning on November 27, 2018 (the "Effective Date"), and continuing until the employment relationship is terminated in accordance with the terms and conditions of this Agreement (the "Term").

1.2 **Terms and Duties**. Employee shall be employed as Managing Director and Chief Executive Officer of JEA (hereinafter collectively "CEO"). Employee agrees to serve in this position and to perform diligently Employee's duties and services with the dedication and in manner of similarly situated executives and as reasonably directed by the Board.

1.3 **Compliance with Policies and Procedures**. Employee shall at all times comply with and be subject to such policies and procedures as the Board may establish.

1.4 **Diligence to Position**. Employee shall devote full business time, energy, and best efforts to the business of Employer with the dedication and in the manner of similarly situated executives; provided, however, that it is agreed that this obligation shall not preclude Employee from engaging in appropriate civic, charitable or religious activities or from serving on the boards of directors of companies that are not competitors to JEA, as long as the activities do not materially interfere or conflict with Employee's responsibilities to JEA or Employee's ability to perform Employee's duties of employment at JEA, within the sole discretion of the Board. Subject to the foregoing, Employee may not engage, directly or indirectly, in any other business, investment, or activity that interferes with Employee's performance of his duties, is directly contrary to JEA's interests, or requires any significant portion of Employee's business time; provided, however, that Employee may own less than two percent (2%) of the voting stock of a corporation listed for trading or traded over the counter on a recognized stock exchange in the United States. Employee's responsibilities and duties are generally described in the Position Profile for the CEO, which may be amended from time to time and which is attached hereto as Exhibit A and by reference made a part hereof.

1.5 **Fiduciary Obligations**. Employee acknowledges and agrees that, during the Term, Employee owes a fiduciary duty of loyalty toward JEA, and will not intentionally injure the direct or indirect interests of JEA, or benefit from any outside activities which Employee knows conflict with interests of JEA or, upon discovery of any such conflict, allow such a conflict to continue. Moreover, Employee agrees to disclose to JEA any facts which involve a conflict of interest during the Term.

SECTION II – COMPENSATION AND BENEFITS:

2.1 **Annual Compensation**. Employee shall be paid an annual salary of $520,392.00 (the "Annual Base Salary"), which shall be paid in equal installments in accordance with JEA's standard payroll practice, including deductions for all legally applicable taxes and withholdings. Once every twelve (12) months (measured from, and contemporaneous with, the completion of JEA's annual audit), JEA shall conduct a performance review of Employee, including a review of the market pricing peer group assessment of Employee's Annual Base Salary by a nationally

recognized compensation consultant and shall discuss the results of such review with Employee. The Board shall make modifications to Employee's Annual Base Salary as deemed to be appropriate based upon this annual review of Employee's performance.

2.2 **Pay for Performance Program**. The Board has established a Pay for Performance Program for fiscal year 2018/2019, and anticipates continuing the Program or a similar program in future years (all such programs are referred to in this Agreement as the "Program"). During the Term, Employee shall be eligible to participate in the Program, or any other incentive compensation program established by the Board in accordance with the terms of any such program.

2.3 **Vehicle**. Employee will have the use of an appropriately equipped JEA vehicle at the expense of JEA to supplement Employee's personal vehicle. In lieu of having use of a JEA vehicle, at Employee's option, JEA shall pay to Employee a monthly automobile allowance of $850.00, to be paid on or before the first regular payday of each month following the Effective Date, subject to withholding. It is specifically intended and understood that this allowance shall be provided as compensation for unreimbursed expenses incurred by Employee within the territorial limits of the JEA service territory and receipt of this allowance shall not prevent Employee from claiming and being reimbursed for travel expenses resulting from travel by Employee outside the JEA service territory in the manner provided by the Ordinance Code of the City of Jacksonville. JEA and Employee understand and agree that $850.00 is an estimate of the total cost Employee would incur if not provided with a JEA vehicle, including vehicle wear and tear and other costs that cannot be measured with precision, and that the full $850.00 shall be paid without any obligation on the part of Employee to provide proof of actual expenses.

2.4 **Business Allowance**. JEA shall pay to Employee a monthly allowance in the amount of $2,200.00 for general business expenses incurred in Employee's efforts to promote and represent JEA beyond those identified in JEA employee policies. The business allowance shall be paid on or before the first regular payday of each month following the Effective Date, subject to withholding. Employee may expend the monthly allowance in such a manner as Employee determines, in Employee's sole discretion, in support of Employee's performance of Employee's duties under this Agreement.

2.5 **Parking Allowance**. On or before the first regular payday of each month following the Effective Date, Employee will be provided a monthly allowance in the amount of $50.00 for parking (subject to withholding).

2.6 **Expenses**. Notwithstanding anything herein to the contrary, and in addition to other payments provided for in this Agreement, JEA shall reimburse Employee for telephone, travel, continuing education, and general business expenses incurred by Employee in accordance with JEA policies and procedures.

2.7 **Annual Leave**. Employee will be provided annual Paid Time Off ("PTO") in accordance with JEA's existing policies and procedures in effect from time to time. Without limiting the generality of the foregoing, Employee shall be entitled to a minimum of two hundred and eighty (280) hours of PTO during each year of employment commencing on the Effective Date. In addition, JEA shall observe eleven (11) paid holidays and one floating holiday each year.

2.8 **Fringe Benefits**. Employee shall be allowed to participate, on the same basis generally as other employees of JEA, in all general employee benefit plans and programs, including improvements or modifications of same, which on the Effective Date or thereafter are made available by JEA to all or substantially all of JEA's executive employees, or to JEA's employees generally, including any amendments thereto. Such benefits, plans, and programs may include, without limitation, medical, health, and dental care, life insurance, disability protection, and flexible spending accounts. Except as specifically provided herein, nothing in this Agreement is to be construed or interpreted to provide greater or lesser rights, participation, coverage, or benefits under the benefit plans or programs than provided to executive employees pursuant to the terms and conditions of such benefit plans and programs. JEA shall not by reason of this Agreement be obligated to institute, maintain, or refrain from changing, amending, or discontinuing, any incentive compensation or employee benefit program or plan, so long as such actions are similarly applicable to covered employees generally. Notwithstanding anything to the contrary in this Agreement, for so long as Employee's employment with JEA continues, JEA shall pay the premiums required to maintain a life insurance policy, with $500,000.00 in coverage, payable to one or more beneficiaries to be designated by Employee, and with a conversion provision that will allow Employee to continue coverage upon and after termination of employment.

2.9 **Pension Benefits**. Employee shall be allowed to participate in the General Employees Pension Plan, the JEA 401(a) Defined Contribution Plan, and in any other pension or retirement plan made available by JEA to all or substantially all of JEA's executive employees or to JEA's employees generally, including any amendments thereto. Any amounts which the Company would contribute to any Section 401(a) defined contribution plan but for the Section 401(a) limit under the Internal Revenue Code of 1986, as amended (the "Code"), shall be paid to Employee as taxable compensation on a current basis.

SECTION III – TERMINATION OF EMPLOYMENT:

3.1 **Termination**. Subject to the terms of Subsections 3.1.4, 3.1.5 and 3.1.6 of this Agreement, Employee's employment with JEA may be terminated (i) by JEA immediately for "Cause" (as defined in, and subject to the notice and cure provisions of, Subsection 3.1.1 of this Agreement); (ii) by Employee for "Good Reason" (as defined in, and subject to the notice and cure provisions of, Subsection 3.1.2 of this Agreement); (iii) upon Employee's death or upon Employee's "Disability" (as defined in Subsection 3.1.3 of this Agreement); or (iv) by either party, without Cause or Good Reason, upon thirty (30) days' advance notice to the other party.

3.1.1 For purposes of this Agreement, "Cause" for termination of employment means: (i) a willful breach by Employee of material duties, obligations and policies of JEA which Employee fails to cure within ten (10) days after written notice from JEA specifically identifying such breach; (ii) Employee's gross negligence or gross neglect of duties and obligations required in performance of Employee's duties, or willful misconduct; (iii) Employee's continued violation of written rules and policies of the Board after written notice of same and reasonable opportunity to cure; (iv) conviction of Employee for any criminal act which is a felony; (v) commission by Employee in a public or private capacity of theft, fraud, or misappropriation or embezzlement of funds; or (vi) misconduct

as defined in Florida Statutes § 443.036(29). For purposes of this Agreement, termination of employment "without Cause" means any termination of employment by JEA for any reason not explicitly defined by this Subsection 3.1.1 as Cause for termination.

3.1.2 For purposes of this Agreement, "Good Reason" shall mean the occurrence of any of the following: (a) a material diminution in Employee's role, responsibilities, compensation, benefits and/or title without Employee's consent; (b) a directive by the Board to Employee to take any action or to refrain from action when implementing said directive would constitute a violation of applicable law; or (c) a material breach of this Agreement by JEA. Without in any way limiting the foregoing, a reduction in Employee's Base Salary to a level of 95% or less of the Base Salary stated in this Agreement shall be conclusively presumed to be a material diminution in Employee's compensation. Notwithstanding anything to the contrary in this Subsection 3.1.2 or in this Agreement, Employee may terminate Employee's employment for Good Reason only under the following terms and conditions. A termination of employment by Employee for Good Reason shall be effectuated by giving JEA written notice of the termination (the "Notice of Termination for Good Reason") within thirty (30) days after the event constituting Good Reason, setting forth in reasonable detail the specific conduct that constitutes Good Reason and the specific provisions of this Agreement on which Employee relies in support of the assertion of Good Reason. JEA shall have thirty (30) days from the receipt of the Notice of Termination for Good Reason within which to (i) deny that an event of Good Reason has occurred, or (ii) correct, rescind or otherwise substantially reverse the occurrence supporting termination for Good Reason as identified by Employee. If JEA does not deny that an event of Good Reason has occurred or if such event has not been cured within thirty (30) days after JEA received the Notice of Termination for Good Reason, then the termination of employment by Employee for Good Reason shall be effective upon expiration of said thirty (30)-day period after JEA received the Notice of Termination for Good Reason. If the event of Good Reason is cured within such thirty (30)-day period, the Notice of Termination for Good Reason shall have no effect. If JEA disputes that Good Reason exists, and does not within thirty (30) days cure the event cited by Employee as Good Reason, and if Employee then elects to terminate employment, the parties agree to arbitrate the dispute pursuant to Subsection 4.19. Any disputes between the parties regarding this Subsection 3.1.2, including with respect to whether circumstances giving rise to Good Reason exist, shall be resolved pursuant to the arbitration procedure set forth in Subsection 4.19.

3.1.3 For purposes of this Agreement, the term "Disability" shall mean: if JEA provides long-term disability insurance to its employees generally, and if JEA's long-term disability plan defines the term "Disability," then that term shall have the same meaning in this Agreement as in JEA's long-term disability plan; otherwise, the term "Disability" means a physical or mental incapacity as a result of which Employee becomes unable to continue to perform Employee's essential job functions, with or without reasonable accommodation, for four consecutive months.

3.1.4 If Employee's employment is terminated by JEA for Cause, by Employee without Good Reason, or as a result of Employee's death or Disability, then (a) Employee shall be paid all amounts and shall receive all benefits earned through the date of termination of employment, and (b) all future compensation to which Employee would otherwise be entitled and all future benefits for which Employee would otherwise be eligible shall cease and terminate as of the date of termination, except that (c) Employee shall be entitled to all vested benefits, to the right to continuation of benefits to the extent provided by applicable benefits plans, COBRA, and other applicable law, and to all other rights provided by applicable law.

3.1.5 If Employee's employment is terminated by JEA without Cause or by Employee for "Good Reason" then, subject to Employee's compliance with the covenants set forth in this Agreement and Employee's execution and non-revocation of the release of claims substantially in the form of Exhibit B attached hereto, (a) Employee shall be paid all amounts and shall receive all benefits earned through the date of termination of employment, (b) JEA shall pay Employee a lump sum payment equal to twenty (20) weeks of the current Annual Base Salary, less applicable taxes and deductions (such payment will be made within thirty (30) days of the date Employee's termination occurs), (c) Employee shall become fully vested in any unvested amounts contributed on his behalf to any available retirement plan that may then be in effect to the extent allowable under the terms of the applicable plan and applicable law, (d) if Employee makes a timely and effective election to continue health insurance coverage under COBRA, then JEA shall pay directly to its COBRA provider the COBRA premiums necessary to continue Employee's coverage (and coverage for Employee's covered dependents) under COBRA for a period of twenty (20) weeks following the end of the month in which the termination occurs, (e) Subsection 3.1.6 shall become operative, and JEA and Employee shall comply with Subsection 3.1.6, and (f) Employee shall be entitled to all other vested benefits, to all additional rights to continuation of benefits to the extent provided by applicable benefits plans, COBRA, and other applicable law, and to all other rights provided by applicable law.

3.1.6 JEA and Employee further agree that if, during the first six (6) years following the Effective Date, Employee's employment is terminated by JEA without Cause, or by Employee for "Good Reason" then, beginning on the first Monday after the effective date of termination of Employee's employment with JEA, Employee shall serve as a consultant to JEA for a period of twelve (12) months in accordance with the terms of the Separation and Transition Agreement substantially in the form of Exhibit B attached hereto.

SECTION IV – MISCELLANEOUS:

4.1 **Eligibility to Work in the United States**. Employee has provided previously to JEA the appropriate documentation to verify Employee's authorization to work in the United States.

4.2 **Governing Law; Binding Effect; Amendment**. This Agreement shall be interpreted and enforced in accordance with the laws of the State of Florida, and shall be binding on JEA's

successors (including any organization that succeeds to substantially all of the assets and business of JEA) and assigns, and the term "JEA" whenever used in this Agreement shall mean and include any such successor or assign. This Agreement shall not be assignable or transferable by Employee or his beneficiaries or legal representatives. Notwithstanding the foregoing, in the event of the death of Employee, payments that otherwise would have been made to Employee shall instead be provided to Employee's estate. No amendment or modification shall be effective unless in writing by the parties, including the approval by the Board.

4.3 **Savings Clause**. Employee's present benefits and rights are preserved, including but not limited to accrued service credits, accrued leave, and accrued incentive compensation carried forward in accordance with existing policies and procedures.

4.4 **Public Records and Open Meetings (Sunshine) Requirements**. Employee will become familiar, with the assistance of JEA's staff and JEA's legal counsel, with the unique obligations and parameters of the State of Florida's public records and sunshine act laws, in order that JEA maintain its record of compliance with such laws.

4.5 **Legal Counsel**. Employee shall be entitled to legal counsel from or approved by the Office of General Counsel, paid for by JEA in a prompt and current manner as provided in Section 111.07, Florida Statutes, as necessary if Employee is a defendant participant in a lawsuit against JEA for actions that occurred during period of employment with JEA, excepting where a court has adjudicated Employee as having committed intentional tort or torts.

4.6 **Indemnification**. Pursuant to Section 768.28(9)(a), Florida Statutes, Employee is not personally liable in any action for any injury or damage suffered as a result of any act, event, or omission of action in the scope of her or his employment or function. JEA hereby agrees to indemnify, defend and hold Employee harmless from any and all claims, to the fullest extent permitted by Sections 111.07, 111.071 and 768.28(9)(a), Florida Statutes, and other applicable law. Without limiting the scope of this Subsection 4.6, which the parties agree shall be construed as broadly as permitted by applicable law, JEA's agreement to indemnify, defend and hold employee harmless includes claims arising out of the exercise of (or failure to exercise) Employee's duties and responsibilities to JEA, and to all other acts entitled to indemnification pursuant to Sections 111.07, 111.071 and 768.28(9)(a), Florida Statutes. If Employee's claim for indemnification is one for which indemnification is provided by Sections 111.07, 111.071 and 768.28(9)(a), Florida Statutes, or by other applicable law, then Employee shall be entitled to the benefits and protections of this Subsection 4.6 notwithstanding (i) any provision in this Agreement to the contrary, (ii) termination of Employee's employment, regardless of the reason for or circumstances surrounding said termination, or (iii) the termination of this Agreement.

4.7 **Confidentiality**. Employee agrees and acknowledges that, in the course of Employee's employment with JEA, Employee may learn trade secrets and other proprietary information of JEA. For purposes of this Agreement, "trade secrets" means any information protected by Florida's Trade Secrets Act, and "proprietary information" means any information obtained during the course of Employee's employment with JEA the disclosure of which would reasonably be expected to create a material risk of harm to JEA's legitimate business interests. JEA agrees and acknowledges that, in the course of Employee's employment with JEA, JEA may learn

confidential information about Employee's finances and other personal matters. Accordingly, Employee agrees that Employee will not, during or after Employee's employment with JEA, disclose any of JEA's trade secrets or other proprietary information, except in performance of Employee's duties as an Employee of JEA, and JEA agrees that it will not, during or after Employee's employment with JEA, disclose any confidential information about Employee. However, nothing in this Agreement or in this Subsection 4.7 shall impose or be construed to impose any limitation that is contrary to applicable law or applicable court order, or to limit the parties' opportunity to agree in the future to permit disclosures of information otherwise made confidential by this Subsection 4.7.

4.8 **Non-disparagement**. Employee agrees not to disparage JEA, its officers or its Board members, and JEA agrees not to disparage Employee, except that nothing in this Agreement or in this Subsection 4.8 shall preclude either Employee or JEA from making truthful statements in legal proceedings, to preclude Employee from providing information to or initiating or participating in a proceeding before any federal, state or local administrative agency, or to impose any limitation that is contrary to applicable law or applicable court order.

4.9 **Authority**. The person executing and delivering this Agreement on behalf of JEA is an authorized officer, director or agent of JEA with full power and authority to bind JEA. Upon execution and delivery of this Agreement by JEA, this Agreement shall constitute the legal, valid and binding obligation of JEA.

4.10 **Execution**. This Agreement shall not become a binding and enforceable contract until signed by Employee, the Chair of JEA's Board of Directors, JEA's Chief Financial Officer and JEA's Chief Legal Officer. This Agreement may be executed in multiple counterparts, each of which shall be deemed to constitute an original, and which together, when signed by Employee, the Chair, the Chief Financial Officer and the Chief Legal Officer, shall constitute a single, legally binding contract.

4.11 **Entire Agreement**. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. This Agreement supersedes all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter of this Agreement.

4.12 **Compliance with Sections 409A / 457**. JEA intends that all payments provided under this Agreement be exempt from, or comply with, the requirements of Sections 409A and 457 of the Code and any guidance promulgated under Sections 409A / 457 of the Code (collectively, "Sections 409A / 457") so that none of the payments or benefits will be subject to the additional tax imposed under Sections 409A / 457, and any ambiguities in this Agreement will be interpreted in accordance with this intent. No payment or benefits to be paid to Employee, if any, under this Agreement or otherwise, when considered together with any other severance payments or separation benefits that are considered deferred compensation under Sections 409A / 457 will be paid or otherwise provided until Employee has a separation from service within the meaning of Sections 409A / 457. Each severance payment, installment, and benefit payable under Section 3 of this Agreement is intended to constitute a separate payment for purposes of U.S. Treasury Regulation Section 1.409A-2(b)(2).

All expenses or other reimbursements under this Agreement that would constitute nonqualified deferred compensation subject to Sections 409A / 457, (i) shall be paid on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by Employee, (ii) no such reimbursement or expenses eligible for reimbursement in any taxable year shall in any way affect Employee's right to reimbursement of any other expenses eligible for reimbursement in any other taxable year, and (iii) Employee's right to reimbursement shall not be subject to liquidation in exchange for any other benefit.

4.13 **Confidential Disclosure in Reporting Violations of Law or in Court Filings**. Employee acknowledges and JEA agrees that Employee may disclose confidential information in confidence directly or indirectly to federal, state, or local government officials, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law or regulation or making other disclosures that are protected under the whistleblower provisions of state or federal laws or regulations. Employee may also disclose confidential information in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal. Nothing in this Agreement is intended to conflict with federal law protecting confidential disclosures of a trade secret to the government or in a court filing, 18 U.S.C. § 1833(b), or to create liability for disclosures of confidential information that are expressly allowed by 18 U.S.C. § 1833(b).

4.14 **Notices**. For purposes of this Agreement, notices, demands and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when received if delivered in person, the next business day if delivered by overnight commercial courier (e.g., Federal Express), or the third business day if mailed by United States certified mail, return receipt requested, postage prepaid, to the following addresses:

If to JEA, to:

JEA
21 West Church Street
Jacksonville, FL 32202

If to Employee, to:

Aaron F. Zahn
at the address on file with JEA

Either party may change its address for notices in accordance with this Subsection 4.14 by providing written notice of such change to the other party.

4.15 **Survival**. The provisions of this Agreement that are intended to survive this Agreement and Employee's termination of employment shall survive in accordance with their terms.

4.16 **Severability**. If any provision of this Agreement becomes or is deemed invalid, illegal or unenforceable in any applicable jurisdiction by reason of the scope, extent or duration of its

coverage, then such provision shall be deemed amended to the minimum extent necessary to conform to applicable law so as to be valid and enforceable or, if such provision cannot be so amended without materially altering the intention of the parties, then such provision shall be stricken and the remainder of this Agreement (as applicable) shall continue in full force and effect.

4.17 **Waiver**. Any failure of Employee to comply with any of his obligations under this Agreement may be waived only in writing signed by JEA. Any failure of JEA to comply with any of its obligations under this Agreement may be waived only in writing signed by Employee. No waiver of any breach, failure, right or remedy contained in or granted by the provisions of this Agreement shall constitute a continuing waiver of a subsequent or other breach, failure, right or remedy, unless the writing so specifies.

4.18 **Compliance with Applicable Laws**. No provision of this Agreement shall be deemed to violate applicable law and this Agreement shall be interpreted in accordance with this intent.

4.19 **Arbitration**. Except for suits seeking injunctive relief or specific performance or as otherwise prohibited by applicable law, the parties hereby agree that any dispute, controversy or claim arising out of, connected with and/or otherwise relating to this Agreement and the arbitrability of any controversy or claim relating hereto shall be finally settled by binding arbitration. The parties hereby knowingly and voluntarily waive any rights that they may have to a jury trial for any such disputes, controversies or claim. The parties agree to resolve any dispute arising out of this Agreement before the American Arbitration Association (the "AAA") in accordance with the AAA's then existing National Rules of Resolution of Employment Disputes. The arbitration shall be administered by the AAA and the hearing shall be conducted in Duval County in the State of Florida before a neutral arbitrator, who must have been admitted to the practice of law for at least the last ten (10) years (the "Arbitrator"). Each party further agrees to pay its or his own arbitration costs, attorneys' fees, and expenses, unless otherwise required by the AAA's then-existing arbitration rules. The Arbitrator shall issue an opinion within thirty (30) days of the final arbitration hearing and shall be authorized to award reasonable attorneys' fees to the prevailing party, which decision of the Arbitrator shall be final, conclusive, unappealable and binding on the parties. Subject to applicable law, the arbitration proceeding and any and all related awards, relief or findings shall be confidential, except that any arbitration award may be filed in a court of competent jurisdiction by either party for the purpose of enforcing the award.]

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have duly executed this Employment Agreement on the day and year above first written.

ATTEST:

_____

JEA

_____
April Green, Chair

Date: _____

WITNESSES:

_____

_____

_____
Aaron F. Zahn, Employee
Date: _____

I hereby certify that the expenditure contemplated by the foregoing Agreement has been duly authorized, and provision has been made for the payment of the moneys provided therein to be paid in respect of Fiscal Year 2019/2020.

_____
Ryan Wannemacher, Chief Financial Officer

Approved:

_____
Lynne Rhode, Chief Legal Officer

EXHIBIT A

Position Profile

Position Title Managing Director & Chief Executive Officer (CEO)

Location Jacksonville, Florida

Reports To This position reports directly to the JEA Board of Directors (the "Board"), comprised of seven members appointed by the Jacksonville Mayor, confirmed by City Council, who serve staggered terms.

Reporting Structure *Current Reporting Structure under the CEO:*

- President & Chief Operating Officer
- Chief Financial Officer
- Chief Public & Shareholders Affairs Officer
- Chief Administrative Officer
- Chief Innovations and Transformation Officer
- Chief Information Officer

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

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

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

Responsibilities

- Provide strategic leadership for the organization by developing and

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

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

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

- Establish the appropriate policies to support the business strategy that enable creativity, diversity, and commercial growth while also protecting the assets, people, and information of JEA and those it serves.

- Facilitate stakeholder communication of strategy to gain buy-in; clearly and continuously articulate the business strategy/direction to the Board of Directors, regulators, senior management team and all employees.

- Effectively communicate risk and opportunity to facilitate decision-making, prioritization and measurement of operating performance against plan.

- Represent JEA with its major customers, the financial community, the public, and other stakeholders including local, state, and national forums.

- Manage company operations to ensure operational efficiency, safety, quality service and cost-effective use of resources. Identify and implement ongoing financial and operational improvements.

- Define and execute a workforce development plan to attract and engage a high performing team with the skills and competencies

necessary to accomplish the goals of JEA today and in the future. Identify and mentor future leaders for the organization, creating a workplace of safe, reliable, cost-effective service with excellent customer experience.

- Enhance and maintain relationships with key constituents across the region and the industry including elected officials, industry leaders, suppliers, environmental groups and customers. Communicate effectively to stakeholder groups with messaging appropriate for the audience.

- Define and oversee JEA's Disaster Preparedness Plan and ensure the appropriate training, logistics plan, and communication equipment are in place to respond to emergency/disaster situations.

- Lead public policy and public affairs activity, serving as the primary spokesperson for the agency locally, regionally and nationally.

- Increase understanding of the role of JEA in economic development efforts across the region. Participate actively in legislative and regulatory initiatives regionally and nationally.

- Promote strong fiscal accountability and responsibility.

- Develop a culture of productivity, diversity, efficiency, flexibility, and accountability to customers. Help JEA continue to evolve its internal development capabilities and be a top employer of choice with a diverse employment base with varying backgrounds.

EXHIBIT B

Separation and Transition Agreement

FORM OF SEPARATION AND TRANSITION AGREEMENT

THIS SEPARATION AND TRANSITION AGREEMENT (this "Agreement") is made and entered into on [DATE] by and between JEA, a body politic and corporate under the laws of the State of Florida and an independent agency of the Consolidated City of Jacksonville (hereinafter referred to as "JEA"), and [NAME], an individual currently residing in Florida, hereinafter referred to as Service Provider. Capitalized terms used herein but not defined shall have the meanings in the Employment Agreement for [TITLE], dated as of July 23, 2019 (the "Employment Agreement"), between JEA and Service Provider.

WHEREAS, Service Provider is employed by JEA as its [TITLE] pursuant to the Employment Agreement;

WHEREAS, Service Provider's employment with JEA shall be terminated; and

WHEREAS, in connection with Service Provider's separation from service with JEA, JEA and Service Provider desire to commence the transition of the [TITLE] position and Service Provider agrees to make himself or herself available to provide services to JEA on the terms and conditions set forth herein.

Now therefore JEA and Service Provider agree as follows:

SECTION 1 – SEPARATION:

1.1 **Removal from Positions**. The Service Provider's last day of employment with JEA is [DATE] (such date, the "Separation Date"). In that regard, as of the Separation Date, (a) Service Provider's position as [TITLE] of JEA and (b) all other officer positions, directorships and other positions that Service Provider holds with JEA shall terminate.

1.2 **Release Agreement**. Service Provider's receipt of any payments and benefits pursuant to this Agreement (other than the payments and benefits pursuant to Sections 3.1.5(a) and (f) of the Employment Agreement (the "Accrued Obligations")) is subject to Service Provider's signing and not revoking the Release Agreement substantially in the form attached hereto as Exhibit A (the "Release Agreement"); provided that the Release Agreement is effective within thirty (30)[1] days following the Separation Date. No payments or benefits under this Agreement (other than the Accrued Obligations) shall be paid or provided to Service Provider until the Release Agreement becomes effective in accordance with the deadline specified in the preceding sentence.

SECTION II – TRANSITION:

2.1 **Consulting Period and Services**. Commencing on the Separation Date and ending on the [NUMBER] ([NUMBER])-month anniversary thereof (the "Consulting Period"),

[1] Note to Draft: To be increased to 60 days for group terminations.

Service Provider shall make himself or herself available to consult with JEA as reasonably requested by JEA from time to time (the "Services").

2.2 **Consulting Fee.** In exchange for the Services, commencing on the Separation Date, JEA agrees to pay Service Provider a monthly fee of $[AMOUNT] (the "Monthly Fee") for a total fee of $[AMOUNT].[2] Except as to the Monthly Fee, no other payment or benefits shall be due or payable to Service Provider for the Services. JEA may terminate Service Provider's service for Cause prior to the expiration of the Consulting Period and, in such event, Service Provider shall forfeit his or her right to receive the Monthly Fee for the remainder of the Consulting Period.

2.3 **Status as an Independent Contractor**. In all matters relating to the Services, nothing under this Agreement shall be construed as creating any partnership, joint venture or agency between JEA and Service Provider or to constitute Service Provider as an agent, employee or representative of JEA. Service Provider shall act solely as an independent contractor and, as such, is not authorized to bind any member of JEA to third parties. Consequently, Service Provider shall not be entitled to participate during the Consulting Period in any of the employee benefit plans, programs or arrangements of JEA in his capacity as a consultant. Service Provider shall be responsible for and pay all taxes related to the receipt of compensation in connection with the provision of the Services. Service Provider shall not make any public statements concerning the Services that purport to be on behalf of JEA, in each case without prior written consent from JEA. Notwithstanding Service Provider's status as an independent contractor in providing the Services, to the fullest extent permitted by applicable law and JEA's constituent documents applicable to officers and directors of JEA, (a) Service Provider shall continue to be entitled to indemnification for any loss, damage, or claim incurred by, imposed or asserted against Service Provider in connection with the Services provided to JEA, and (b) JEA shall pay the expenses incurred by Service Provider in defending any claim, demand, action, suit or proceeding related thereto as such expenses are incurred by Service Provider and in advance of the final disposition of such matter; provided that Service Provider shall be entitled to the coverage under clauses (a) and (b) on the same terms and conditions as were in effect prior to the Separation Date as reflected in Section 3.2.

2.4 **Legal Counsel**. The Service Provider shall be entitled to legal counsel, paid for by JEA, as necessary if Service Provider is a defendant participant in a lawsuit against JEA for actions that occurred during his period of employment and the Consulting Period with JEA, excepting intentional torts.

SECTION III – SEVERANCE BENEFITS:

[2] Note to Draft: To be calculated based on an annualized amount equal to the combined total of all items reflected on Service Provider's total compensation statement provided to Service Provide for the most recent 12-month period.

3.1 **Compliance with Employment Agreement**. JEA shall comply with any and all of its payment and benefit obligations of the Employment Agreement.

3.2 **Indemnification**. Pursuant to Section 768.28(9)(a), Florida Statutes, Service Provider is not personally liable in any action for any injury or damage suffered as a result of any act, event, or omission of action in the scope of her or his employment or function. JEA hereby agrees to indemnify, defend and hold Service Provider harmless from any and all claims, to the fullest extent permitted by Sections 111.07, 111.071 and 768.28(9)(a), Florida Statutes, and other applicable law. Without limiting the scope of this Section 3.2, which the parties agree shall be construed as broadly as permitted by applicable law, JEA's agreement to indemnify, defend and hold Service Provider harmless includes claims arising out of the exercise of (or failure to exercise) Service Provider's duties and responsibilities to JEA, and to all other acts entitled to indemnification pursuant to Sections 111.07, 111.071 and 768.28(9)(a), Florida Statutes. If Service Provider's claim for indemnification is one for which indemnification is provided by Sections 111.07, 111.071 and 768.28(9)(a), Florida Statutes, or by other applicable law, then Service Provider shall be entitled to the benefits and protections of this Section 3.2 notwithstanding (i) any provision in this Agreement or the Employment Agreement to the contrary, (ii) termination of Service Provider's employment, regardless of the reason for or circumstances surrounding said termination, or (iii) the termination of this Agreement.

3.3 **No Other Compensation or Benefits**. Except as otherwise specifically provided herein or as required by the terms of any employee benefit plan, program or arrangement of JEA, the Consolidated Omnibus Reconciliation Act or other applicable law, Service Provider shall not be entitled to any compensation or benefits or to participate in any past, present or future employee benefit plans, programs or arrangements of JEA on or after the Separation Date.

SECTION IV – COVENANTS AND AGREEMENTS:

4.1 **Incorporation by Reference**. The covenants and agreements set forth in Sections 4.7, 4.8 and Section 4.13 of the Employment Agreement (the "Restrictive Covenants") are incorporated herein by reference as if such provisions were set forth herein in full.

4.2. **Return of Property**. All files, records, documents, manuals, books, forms, reports, memoranda, studies, data, calculations, recordings, or correspondence, whether visually perceptible, machine-readable or otherwise, in whatever form they may exist, and all copies, abstracts and summaries of the foregoing, and all physical items related to the business of JEA, whether of a public nature or not, and whether prepared by Service Provider or not, are and shall remain the exclusive property of JEA, and shall not be removed from its premises, except as required in the course of Service Provider's employment by JEA, without the prior written consent of JEA. No later than the Separation Date, such items, including any copies or other reproductions thereof, shall be promptly returned by Service Provider to JEA (or, if requested by JEA, destroyed by Service Provider).

SECTION V – MISCELLANEOUS:

5.1 **Governing Law; Binding Effect; Amendment**. This Agreement shall be interpreted and enforced in accordance with the laws of the State of Florida, and shall be binding on JEA's successors and assigns. This Agreement shall not be assignable or transferable by Service Provider or his or her beneficiaries or legal representatives. Notwithstanding the foregoing, in the event of the death of Service Provider, payments that otherwise would have been made to Service Provider shall instead be provided to Service Provider's estate. No amendment or modification shall be effective unless in writing by the parties, including the approval by the Board.

5.2 **Authority**. The person executing and delivering this Agreement on behalf of JEA is an authorized officer, director or agent of JEA with full power and authority to bind JEA. Upon execution and delivery of this Agreement by JEA, this Agreement shall constitute the legal, valid and binding obligation of JEA.

5.3 **Execution**. This Agreement shall not become a binding and enforceable contract until signed by Service Provider, the Chair of JEA's Board of Directors, JEA's Chief Financial Officer and JEA's Chief Legal Officer. This Agreement may be executed in multiple counterparts, each of which shall be deemed to constitute an original, and which together, when signed by Service Provider, the Chair, the Chief Financial Officer and the Chief Legal Officer, shall constitute a single, legally binding contract.

5.4 **Entire Agreement**. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. This Agreement supersedes all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter of this Agreement (including, without limitation, the Employment Agreement (other than to the extent set forth herein and the Restrictive Covenants, which shall remain in full force and effect)).

5.5 **Compliance with Sections 409A / 457**. JEA intends that all payments provided under this Agreement be exempt from, or comply with, the requirements of Sections 409A and 457 of the Code and any guidance promulgated under Sections 409A / 457 of the Code (collectively, "Sections 409A / 457") so that none of the payments or benefits shall be subject to the additional tax imposed under Sections 409A / 457, and any ambiguities in this Agreement shall be interpreted in accordance with this intent. No payment or benefits to be paid to Service Provider, if any, under this Agreement or otherwise, when considered together with any other severance payments or separation benefits that are considered deferred compensation under Sections 409A / 457 shall be paid or otherwise provided until Service Provider has a separation from service within the meaning of Sections 409A / 457. Each severance payment, installment, and benefit payable under Section 3 of this Agreement is intended to constitute a separate payment for purposes of U.S. Treasury Regulation Section 1.409A-2(b)(2).

All expenses or other reimbursements under this Agreement that would constitute nonqualified deferred compensation subject to Sections 409A / 457, (i) shall be paid on

or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by Service Provider, (ii) no such reimbursement or expenses eligible for reimbursement in any taxable year shall in any way affect Service Provider's right to reimbursement of any other expenses eligible for reimbursement in any other taxable year, and (iii) Service Provider's right to reimbursement shall not be subject to liquidation in exchange for any other benefit.

5.6 **Notices**. For purposes of this Agreement, notices, demands and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when received if delivered in person, the next business day if delivered by overnight commercial courier (e.g., Federal Express), or the third business day if mailed by United States certified mail, return receipt requested, postage prepaid, to the following addresses:

If to JEA, to:

JEA
21 West Church Street
Jacksonville, FL 32202

If to Service Provider, to:

[NAME]
at the address on file with JEA

Either party may change its address for notices in accordance with this Subsection 5.6 by providing written notice of such change to the other party.

5.7 **Survival**. The provisions of this Agreement that are intended to survive this Agreement and Service Provider's termination of employment shall survive in accordance with their terms.

5.8 **Severability**. If any provision of this Agreement becomes or is deemed invalid, illegal or unenforceable in any applicable jurisdiction by reason of the scope, extent or duration of its coverage, then such provision shall be deemed amended to the minimum extent necessary to conform to applicable law so as to be valid and enforceable or, if such provision cannot be so amended without materially altering the intention of the parties, then such provision shall be stricken and the remainder of this Agreement (as applicable) shall continue in full force and effect.

5.9 **Waiver**. Any failure of Service Provider to comply with any of his or her obligations under this Agreement may be waived only in writing signed by JEA. Any failure of JEA to comply with any of its obligations under this Agreement may be waived only in writing signed by Service Provider. No waiver of any breach, failure, right or remedy contained in or granted by the provisions of this Agreement shall constitute a continuing

waiver of a subsequent or other breach, failure, right or remedy, unless the writing so specifies.

5.10 **Arbitration**. Except for suits seeking injunctive relief or specific performance or as otherwise prohibited by applicable law, the parties hereby agree that any dispute, controversy or claim arising out of, connected with and/or otherwise relating to this Agreement and the arbitrability of any controversy or claim relating hereto shall be finally settled by binding arbitration. The parties hereby knowingly and voluntarily waive any rights that they may have to a jury trial for any such disputes, controversies or claim. The parties agree to resolve any dispute arising out of this Agreement before the American Arbitration Association (the "AAA") in accordance with the AAA's then existing National Rules of Resolution of Employment Disputes. The arbitration shall be administered by the AAA and the hearing shall be conducted in Duval County in the State of Florida before a neutral arbitrator, who must have been admitted to the practice of law for at least the last ten (10) years (the "Arbitrator"). Each party further agrees to pay its or his own arbitration costs, attorneys' fees, and expenses, unless otherwise required by the AAA's then-existing arbitration rules. The Arbitrator shall issue an opinion within thirty (30) days of the final arbitration hearing and shall be authorized to award reasonable attorneys' fees to the prevailing party, which decision of the Arbitrator shall be final, conclusive, unappealable and binding on the parties. Subject to applicable law, the arbitration proceeding and any and all related awards, relief or findings shall be confidential, except that any arbitration award may be filed in a court of competent jurisdiction by either party for the purpose of enforcing the award.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have duly executed this Separation and Transition Agreement on the day and year above first written.

ATTEST:

_____

JEA

_____
[NAME], Chair

Date: _____

WITNESSES:

_____

_____

_____
[NAME], Service Provider
Date: _____

I hereby certify that the expenditure contemplated by the foregoing Agreement has been duly authorized, and provision has been made for the payment of the moneys provided therein to be paid in respect of Fiscal Year 20[__]/20[__].

_____
[NAME], Chief Financial Officer

Approved:

_____
[NAME], Chief Legal Officer

EXHIBIT A

MUTUAL RELEASE AGREEMENT

THIS MUTUAL RELEASE AGREEMENT (this "Agreement") is made and entered into on [DATE] by and between JEA, a body politic and corporate under the laws of the State of Florida and an independent agency of the Consolidated City of Jacksonville (hereinafter referred to as "JEA"), and [NAME], an individual currently residing in Florida, hereinafter referred to as Service Provider. Capitalized terms used herein but not defined shall have the meanings set forth in the Separation and Transition Agreement, dated as of [DATE] (the "Separation Agreement"), by and between JEA and Service Provider.

WHEREAS, the Separation Agreement sets forth the terms and conditions of Service Provider's separation from service with JEA effective as [DATE]; and

WHEREAS, the Separation Agreement provides that, in consideration for certain payments and benefits payable to Service Provider in connection with his or her separation from service, Service Provider shall fully and finally release JEA from all claims relating to Service Provider's employment relationship with JEA and the termination of such relationship.

Accordingly, the parties hereto agree as follows:

SECTION I – RELEASE:

1.1 **General Release by Service Provider**. In consideration of JEA's obligations under the Separation Agreement and for other valuable consideration, Service Provider hereby releases and forever discharges JEA and each of its respective officers, employees, directors and agents from any and all claims, actions and causes of action (collectively, "Claims"), including, without limitation, any Claims arising under (a) the Sarbanes-Oxley Act of 2002, 18 U.S.C. § 1514; Sections 748(h)(i), 922(h)(i) and 1057 of the Dodd-Frank Wall Street and Consumer Protection Act (the "Dodd Frank Act"), 7 U.S.C. § 26(h), 15 U.S.C. § 78u-6(h)(i) and 12 U.S.C. § 5567(a) but excluding from this release any right Service Provider may have to receive a monetary award from the Securities and Exchange Commission as an SEC Whistleblower, pursuant to the bounty provision under Section 922(a)-(g) of the Dodd Frank Act, 7 U.S.C. Sec. 26(a)-(g), or directly from any other federal or state agency pursuant to a similar program, or (b) any applicable federal, state, local or foreign law, including, but not limited to, claims under Chapter 112 or Chapter 760, Florida Statutes, that Service Provider may have, or in the future may possess arising out of (x) Service Provider's employment relationship with and service as a director, employee, officer or manager of JEA, and the termination of such relationship or service, or (y) any event, condition, circumstance or obligation that occurred, existed or arose on or prior to the date hereof; provided, however, that the release set forth in this Section 1.1 shall not apply to (i) the obligations of JEA under the Separation Agreement, (ii) the obligations of JEA to continue to provide indemnification to Service Provider as provided under applicable law or in the Separation Agreement and (iii) any Claims which cannot be released under applicable law. Service Provider further agrees that the payments and benefits described in the Separation Agreement shall be in full satisfaction

of any and all claims for payments or benefits, whether express or implied, that Service Provider may have against JEA arising out of Service Provider's employment relationship, Service Provider's service as a director, employee, officer or manager of JEA and the termination thereof. The provision of the payments and benefits described in the Separation Agreement shall not be deemed an admission of liability or wrongdoing by JEA. This Section 1.1 does not apply to any Claims that Service Provider may have as of the date Service Provider signs this Agreement arising under the federal Age Discrimination in Employment Act of 1967, as amended, and the applicable rules and regulations promulgated thereunder ("ADEA"). Claims arising under ADEA are addressed in Section 1.2 of this Agreement.

1.2 **Specific Release of ADEA Claims by Service Provider**. In consideration of the payments and benefits provided to Service Provider under the Separation Agreement, Service Provider hereby releases and forever discharges JEA and each of their respective officers, employees, directors and agents from any and all Claims that Service Provider may have as of the date Service Provider signs this Agreement arising under ADEA. By signing this Agreement, Service Provider hereby acknowledges and confirms the following: (a) Service Provider was advised by JEA in connection with Service Provider's termination to consult with an attorney of Service Provider's choice prior to signing this Agreement and to have such attorney explain to Service Provider the terms of this Agreement, including, without limitation, the terms relating to Service Provider's release of claims arising under ADEA; (b) Service Provider has been given a period of not fewer than twenty-one (21)[3] days to consider the terms of this Agreement and to consult with an attorney of Service Provider's choosing with respect thereto; and (c) Service Provider is providing the release and discharge set forth in this Section 1.2 only in exchange for consideration in addition to anything of value to which Service Provider is already entitled.

1.3 **General Release by JEA**. JEA hereby releases and forever discharges Service Provider and each of his or her agents, representatives, attorneys, successors, assigns, heirs, executors and administrators from any Claims that JEA may have, or in the future may possess, arising out of (x) Service Provider's employment relationship with and service as a director, employee, officer or manager of JEA, and the termination of such relationship or service, or (y) any event, condition, circumstance or obligation that occurred, existed or arose on or prior to the date hereof; provided, however, that the release set forth in this Section 1.3 shall not apply to any Claims which cannot be released under applicable law.

1.4 **Representation**. Service Provider hereby represents that Service Provider has not instituted, assisted or otherwise participated in connection with, any action, complaint, claim, charge, grievance, arbitration, lawsuit or administrative agency proceeding, or

[3] Note to Draft: To insert for employees who are age 40 years or older and to be increased to 45 days for a group termination.

action at law or otherwise against any member of JEA or any of their respective officers, employees, directors, shareholders or agents.

SECTION II – CESSATION OF PAYMENTS:

In the event that Service Provider (a) files any charge, claim, demand, action or arbitration with regard to Service Provider's employment, compensation or termination of employment under any federal, state or local law, or an arbitration under any industry regulatory entity, except in either case for a claim for breach of the Separation Agreement or failure to honor the obligations set forth therein or (b) breaches any of the covenants or obligations contained in or incorporated into the Separation Agreement, JEA shall be entitled to cease making any payments due pursuant to Section 3 of the Separation Agreement (other than the Accrued Obligations).

SECTION III – VOLUNTARY ASSENT:

Service Provider affirms that Service Provider has read this Agreement, and understands all of its terms, including the full and final release of claims set forth in Section 1. Service Provider further acknowledges that (a) Service Provider has voluntarily entered into this Agreement; (b) Service Provider has not relied upon any representation or statement, written or oral, not set forth in this Agreement; (c) the only consideration for signing this Agreement is as set forth in the Separation Agreement; and (d) this document gives Service Provider the opportunity and encourages Service Provider to have this Agreement reviewed by Service Provider's attorney and/or tax advisor.

SECTION IV – REVOCATION:[4]

This Agreement may be revoked by Service Provider within the seven (7)-day period commencing on the date Service Provider signs this Agreement (the "Revocation Period"). In the event of any such revocation by Service Provider, all obligations of JEA under the Separation Agreement shall terminate and be of no further force and effect as of the date of such revocation. No such revocation by Service Provider shall be effective unless it is in writing and signed by Service Provider and received by JEA prior to the expiration of the Revocation Period.

SECTION V – MISCELLANEOUS:

5.1 **Governing Law; Binding Effect; Amendment**. This Agreement shall be interpreted and enforced in accordance with the laws of the State of Florida, and shall be binding on JEA's successors and assigns. This Agreement shall not be assignable or transferable by Service Provider or his or her beneficiaries or legal representatives. No amendment or modification shall be effective unless in writing by the parties, including the approval by the Board.

[4] Note to Draft: To insert for employees who are age 40 years or older.

5.2 **Authority**. The person executing and delivering this Agreement on behalf of JEA is an authorized officer, director or agent of JEA with full power and authority to bind JEA. Upon execution and delivery of this Agreement by JEA, this Agreement shall constitute the legal, valid and binding obligation of JEA.

5.3 **Execution**. This Agreement shall not become a binding and enforceable contract until signed by Service Provider, the Chair of JEA's Board of Directors, JEA's Chief Financial Officer and JEA's Chief Legal Officer. This Agreement may be executed in multiple counterparts, each of which shall be deemed to constitute an original, and which together, when signed by Service Provider, the Chair, the Chief Financial Officer and the Chief Legal Officer, shall constitute a single, legally binding contract.

5.4 **Entire Agreement**. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. This Agreement supersedes all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter of this Agreement.

5.5 **Notices**. For purposes of this Agreement, notices, demands and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when received if delivered in person, the next business day if delivered by overnight commercial courier (e.g., Federal Express), or the third business day if mailed by United States certified mail, return receipt requested, postage prepaid, to the following addresses:

If to JEA, to:

JEA
21 West Church Street
Jacksonville, FL 32202

If to Service Provider, to:

[NAME]
at the address on file with JEA

Either party may change its address for notices in accordance with this Subsection 5.5 by providing written notice of such change to the other party.

5.6 **Survival**. The provisions of this Agreement that are intended to survive this Agreement and Service Provider's termination of employment shall survive in accordance with their terms.

5.7 **Severability**. If any provision of this Agreement becomes or is deemed invalid, illegal or unenforceable in any applicable jurisdiction by reason of the scope, extent or duration of its coverage, then such provision shall be deemed amended to the minimum extent necessary to conform to applicable law so as to be valid and enforceable or, if such

provision cannot be so amended without materially altering the intention of the parties, then such provision shall be stricken and the remainder of this Agreement (as applicable) shall continue in full force and effect.

5.8 **Waiver**. Any failure of Service Provider to comply with any of his or her obligations under this Agreement may be waived only in writing signed by JEA. Any failure of JEA to comply with any of its obligations under this Agreement may be waived only in writing signed by Service Provider. No waiver of any breach, failure, right or remedy contained in or granted by the provisions of this Agreement shall constitute a continuing waiver of a subsequent or other breach, failure, right or remedy, unless the writing so specifies.

5.9 **Arbitration**. Except for suits seeking injunctive relief or specific performance or as otherwise prohibited by applicable law, the parties hereby agree that any dispute, controversy or claim arising out of, connected with and/or otherwise relating to this Agreement and the arbitrability of any controversy or claim relating hereto shall be finally settled by binding arbitration. The parties hereby knowingly and voluntarily waive any rights that they may have to a jury trial for any such disputes, controversies or claim. The parties agree to resolve any dispute arising out of this Agreement before the American Arbitration Association (the "AAA") in accordance with the AAA's then existing National Rules of Resolution of Employment Disputes. The arbitration shall be administered by the AAA and the hearing shall be conducted in Duval County in the State of Florida before a neutral arbitrator, who must have been admitted to the practice of law for at least the last ten (10) years (the "Arbitrator"). Each party further agrees to pay its or his own arbitration costs, attorneys' fees, and expenses, unless otherwise required by the AAA's then-existing arbitration rules. The Arbitrator shall issue an opinion within thirty (30) days of the final arbitration hearing and shall be authorized to award reasonable attorneys' fees to the prevailing party, which decision of the Arbitrator shall be final, conclusive, unappealable and binding on the parties. Subject to applicable law, the arbitration proceeding and any and all related awards, relief or findings shall be confidential, except that any arbitration award may be filed in a court of competent jurisdiction by either party for the purpose of enforcing the award.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have duly executed this Release Agreement on the day and year above first written.

ATTEST:

_____

JEA

_____
[NAME], Chair

Date: _____

I hereby certify that the expenditure contemplated by the foregoing Agreement has been duly authorized, and provision has been made for the payment of the moneys provided therein to be paid in respect of Fiscal Year 2019/2020.

_____
[NAME], Chief Financial Officer

Approved:

_____
[NAME], Chief Legal Officer

SERVICE PROVIDER HEREBY ACKNOWLEDGES THAT SERVICE PROVIDER HAS READ THIS AGREEMENT, THAT SERVICE PROVIDER FULLY KNOWS, UNDERSTANDS AND APPRECIATES ITS CONTENTS, AND THAT SERVICE PROVIDER HEREBY ENTERS INTO THIS AGREEMENT VOLUNTARILY AND OF SERVICE PROVIDER'S OWN FREE WILL.

_____
[NAME]

RESOLUTION 2019-09 EXHIBIT 3

Form Non-CEO Executive Employment Agreement

EXECUTION VERSION

EMPLOYMENT AGREEMENT
FOR [TITLE]

THIS EMPLOYMENT AGREEMENT (this "Agreement") is made and entered on [DATE] by and between JEA, a body politic and corporate under the laws of the State of Florida and an independent agency of the Consolidated City of Jacksonville (hereinafter referred "JEA" or "Employer"), and [NAME], an individual currently residing in Florida, hereinafter referred to as Employee.

WHEREAS, JEA is a community-owned, not-for-profit utility providing electricity to more than 485,000 customers in Jacksonville and the surrounding areas in northeastern Florida;

WHEREAS, JEA, founded in 1968, manages an electric system that dates back to 1895, and now owns and operates an electric system with five generating plants, transmission and distribution facilities, including 745 miles of transmission lines and 6,625 miles of distribution lines; is part owner and full operator of a sixth generating plant; produces energy from two methane-fueled generating facilities and owns a 12.6-megawatt solar project, placing JEA's total generating capacity at approximately 3,757 megawatts;

WHEREAS, JEA also provides water and wastewater services to approximately 352,000 water customers, 12,600 reuse water customers and 275,000 wastewater customers;

WHEREAS, JEA's water system consists of 136 artesian wells tapping the Floridian aquifer, distributing water through 37 water treatment plants and 4,352 miles of water lines and with a sewer system of more than 3,760 miles of collection lines and seven regional and seven non-regional sewer treatment plants;

WHEREAS, JEA owns and operates the District Energy System, a separate utility system that provides chilled water to 13 locations in Jacksonville;

WHEREAS, the JEA governing body is made up of a seven-member Board of Directors ("Board") appointed by the Mayor and confirmed by the City Council;

WHEREAS, the Board is tasked with appointing a [TITLE] to operate the eighth largest community-owned electric utility company in the United States and the largest in Florida, with total assets of $8.4 billion (2018), total equity of $2.8 billion (2018), and approximately 2,000 employees (2018); and

WHEREAS, JEA is desirous of continuing to employ Employee as [TITLE] pursuant to the terms and conditions and for the consideration set forth in this Agreement, and Employee is desirous of entering into this Agreement pursuant to such terms and conditions.

NOW, THEREFORE, for and in consideration of the mutual promises, covenants, and obligations contained herein, JEA and Employee agree as follows:

SECTION I – EMPLOYMENT AND DUTIES:

1.1 **Engagement**. JEA agrees to continue to employ Employee and Employee agrees to continue to be employed by JEA, for a time period beginning on August 1, 2019 (the "Effective Date"), and continuing until the employment relationship is terminated in accordance with the terms and conditions of this Agreement (the "Term").

1.2 **Terms and Duties**. Employee shall be employed as [TITLE] of JEA. Employee agrees to serve in this position and to perform diligently Employee's duties and services with the dedication and in manner of similarly situated executives and as reasonably directed by the Board.

1.3 **Compliance with Policies and Procedures**. Employee shall at all times comply with and be subject to such policies and procedures as the Board may establish.

1.4 **Diligence to Position**. Employee shall devote full business time, energy, and best efforts to the business of Employer with the dedication and in the manner of similarly situated executives; provided, however, that it is agreed that this obligation shall not preclude Employee from engaging in appropriate civic, charitable or religious activities or from serving on the boards of directors of companies that are not competitors to JEA, as long as the activities do not materially interfere or conflict with Employee's responsibilities to JEA or Employee's ability to perform Employee's duties of employment at JEA, within the sole discretion of the Board. Subject to the foregoing, Employee may not engage, directly or indirectly, in any other business, investment, or activity that interferes with Employee's performance of his duties, is directly contrary to JEA's interests, or requires any significant portion of Employee's business time; provided, however, that Employee may own less than two percent (2%) of the voting stock of a corporation listed for trading or traded over the counter on a recognized stock exchange in the United States. Employee's responsibilities and duties shall be commensurate with Employee's position together with any responsibilities and duties assigned by the Board or JEA's Chief Executive Officer.

1.5 **Fiduciary Obligations**. Employee acknowledges and agrees that, during the Term, Employee owes a fiduciary duty of loyalty toward JEA, and will not intentionally injure the direct or indirect interests of JEA, or benefit from any outside activities which Employee knows conflict with interests of JEA or, upon discovery of any such conflict, allow such a conflict to continue. Moreover, Employee agrees to disclose to JEA any facts which involve a conflict of interest during the Term.

SECTION II – COMPENSATION AND BENEFITS:

2.1 **Annual Compensation**. Employee shall be paid an annual salary of $[AMOUNT].00 (the "Annual Base Salary"), which shall be paid in equal installments in accordance with JEA's standard payroll practice, including deductions for all legally applicable taxes and withholdings. Once every twelve (12) months (measured from, and contemporaneous with, the completion of JEA's annual audit), JEA shall conduct a performance review of Employee, including a review of the market pricing peer group assessment of Employee's Annual Base Salary by a nationally recognized compensation consultant and shall discuss the results of such review with Employee.

The Board shall make modifications to Employee's Annual Base Salary as deemed to be appropriate based upon this annual review of Employee's performance.

2.2 **Pay for Performance Program**. The Board has established a Pay for Performance Program for fiscal year 2018/2019, and anticipates continuing the Program or a similar program in future years (all such programs are referred to in this Agreement as the "Program"). During the Term, Employee shall be eligible to participate in the Program, or any other incentive compensation program established by the Board in accordance with the terms of any such program.

2.3 **Vehicle**. Employee will have the use of an appropriately equipped JEA vehicle at the expense of JEA to supplement Employee's personal vehicle. In lieu of having use of a JEA vehicle, at Employee's option, JEA shall pay to Employee a monthly automobile allowance of $850.00, to be paid on or before the first regular payday of each month following the Effective Date, subject to withholding. It is specifically intended and understood that this allowance shall be provided as compensation for unreimbursed expenses incurred by Employee within the territorial limits of the JEA service territory and receipt of this allowance shall not prevent Employee from claiming and being reimbursed for travel expenses resulting from travel by Employee outside the JEA service territory in the manner provided by the Ordinance Code of the City of Jacksonville. JEA and Employee understand and agree that $850.00 is an estimate of the total cost Employee would incur if not provided with a JEA vehicle, including vehicle wear and tear and other costs that cannot be measured with precision, and that the full $850.00 shall be paid without any obligation on the part of Employee to provide proof of actual expenses.

2.4 **Business Allowance**. JEA shall pay to Employee a monthly allowance in the amount of $[AMOUNT].00 for general business expenses incurred in Employee's efforts to promote and represent JEA beyond those identified in JEA employee policies. The business allowance shall be paid on or before the first regular payday of each month following the Effective Date, subject to withholding. Employee may expend the monthly allowance in such a manner as Employee determines, in Employee's sole discretion, in support of Employee's performance of Employee's duties under this Agreement.

2.5 **Parking Allowance**. On or before the first regular payday of each month following the Effective Date, Employee will be provided a monthly allowance in the amount of $50.00 for parking (subject to withholding).

2.6 **Expenses**. Notwithstanding anything herein to the contrary, and in addition to other payments provided for in this Agreement, JEA shall reimburse Employee for telephone, travel, continuing education, and general business expenses incurred by Employee in accordance with JEA policies and procedures.

2.7 **Annual Leave**. Employee will be provided annual Paid Time Off ("PTO") in accordance with JEA's existing policies and procedures in effect from time to time. Without limiting the generality of the foregoing, Employee shall be entitled to a minimum of [NUMBER] ([NUMBER]) hours of PTO during each year of employment commencing on the Effective Date. In addition, JEA shall observe eleven (11) paid holidays and one floating holiday each year.

2.8 **Fringe Benefits**. Employee shall be allowed to participate, on the same basis generally as other employees of JEA, in all general employee benefit plans and programs, including improvements or modifications of same, which on the Effective Date or thereafter are made available by JEA to all or substantially all of JEA's executive employees, or to JEA's employees generally, including any amendments thereto. Such benefits, plans, and programs may include, without limitation, medical, health, and dental care, life insurance, disability protection, and flexible spending accounts. Except as specifically provided herein, nothing in this Agreement is to be construed or interpreted to provide greater or lesser rights, participation, coverage, or benefits under the benefit plans or programs than provided to executive employees pursuant to the terms and conditions of such benefit plans and programs. JEA shall not by reason of this Agreement be obligated to institute, maintain, or refrain from changing, amending, or discontinuing, any incentive compensation or employee benefit program or plan, so long as such actions are similarly applicable to covered employees generally. Notwithstanding anything to the contrary in this Agreement, for so long as Employee's employment with JEA continues, JEA shall pay the premiums required to maintain a life insurance policy, with $500,000.00 in coverage, payable to one or more beneficiaries to be designated by Employee, and with a conversion provision that will allow Employee to continue coverage upon and after termination of employment.

2.9 **Pension Benefits**. Employee shall be allowed to participate in the General Employees Pension Plan, the JEA 401(a) Defined Contribution Plan, and in any other pension or retirement plan made available by JEA to all or substantially all of JEA's executive employees or to JEA's employees generally, including any amendments thereto. Any amounts which the Company would contribute to any Section 401(a) defined contribution plan but for the Section 401(a) limit under the Internal Revenue Code of 1986, as amended (the "Code"), shall be paid to Employee as taxable compensation on a current basis.

SECTION III – TERMINATION OF EMPLOYMENT:

3.1 **Termination**. Subject to the terms of Subsections 3.1.4, 3.1.5 and 3.1.6 of this Agreement, Employee's employment with JEA may be terminated (i) by JEA immediately for "Cause" (as defined in, and subject to the notice and cure provisions of, Subsection 3.1.1 of this Agreement); (ii) by Employee for "Good Reason" (as defined in, and subject to the notice and cure provisions of, Subsection 3.1.2 of this Agreement); (iii) upon Employee's death or upon Employee's "Disability" (as defined in Subsection 3.1.3 of this Agreement); or (iv) by either party, without Cause or Good Reason, upon thirty (30) days' advance notice to the other party.

3.1.1 For purposes of this Agreement, "Cause" for termination of employment means: (i) a willful breach by Employee of material duties, obligations and policies of JEA which Employee fails to cure within ten (10) days after written notice from JEA specifically identifying such breach; (ii) Employee's gross negligence or gross neglect of duties and obligations required in performance of Employee's duties, or willful misconduct; (iii) Employee's continued violation of written rules and policies of the Board after written notice of same and reasonable opportunity to cure; (iv) conviction of Employee for any criminal act which is a felony; (v) commission by Employee in a public or private capacity of theft, fraud, or misappropriation or embezzlement of funds; or (vi) misconduct as defined in Florida Statutes § 443.036(29). For purposes of this Agreement, termination

of employment "without Cause" means any termination of employment by JEA for any reason not explicitly defined by this Subsection 3.1.1 as Cause for termination.

3.1.2 For purposes of this Agreement, "Good Reason" shall mean the occurrence of any of the following: (a) a material diminution in Employee's role, responsibilities, compensation, benefits and/or title without Employee's consent; (b) a directive by the Board to Employee to take any action or to refrain from action when implementing said directive would constitute a violation of applicable law; or (c) a material breach of this Agreement by JEA. Without in any way limiting the foregoing, a reduction in Employee's Base Salary to a level of 95% or less of the Base Salary stated in this Agreement shall be conclusively presumed to be a material diminution in Employee's compensation. Notwithstanding anything to the contrary in this Subsection 3.1.2 or in this Agreement, Employee may terminate Employee's employment for Good Reason only under the following terms and conditions. A termination of employment by Employee for Good Reason shall be effectuated by giving JEA written notice of the termination (the "Notice of Termination for Good Reason") within thirty (30) days after the event constituting Good Reason, setting forth in reasonable detail the specific conduct that constitutes Good Reason and the specific provisions of this Agreement on which Employee relies in support of the assertion of Good Reason. JEA shall have thirty (30) days from the receipt of the Notice of Termination for Good Reason within which to (i) deny that an event of Good Reason has occurred, or (ii) correct, rescind or otherwise substantially reverse the occurrence supporting termination for Good Reason as identified by Employee. If JEA does not deny that an event of Good Reason has occurred or if such event has not been cured within thirty (30) days after JEA received the Notice of Termination for Good Reason, then the termination of employment by Employee for Good Reason shall be effective upon expiration of said thirty (30)-day period after JEA received the Notice of Termination for Good Reason. If the event of Good Reason is cured within such thirty (30)-day period, the Notice of Termination for Good Reason shall have no effect. If JEA disputes that Good Reason exists, and does not within thirty (30) days cure the event cited by Employee as Good Reason, and if Employee then elects to terminate employment, the parties agree to arbitrate the dispute pursuant to Subsection 4.19. Any disputes between the parties regarding this Subsection 3.1.2, including with respect to whether circumstances giving rise to Good Reason exist, shall be resolved pursuant to the arbitration procedure set forth in Subsection 4.19.

3.1.3 For purposes of this Agreement, the term "Disability" shall mean: if JEA provides long-term disability insurance to its employees generally, and if JEA's long-term disability plan defines the term "Disability," then that term shall have the same meaning in this Agreement as in JEA's long-term disability plan; otherwise, the term "Disability" means a physical or mental incapacity as a result of which Employee becomes unable to continue to perform Employee's essential job functions, with or without reasonable accommodation, for four consecutive months.

3.1.4 If Employee's employment is terminated by JEA for Cause, by Employee without Good Reason, or as a result of Employee's death or Disability, then (a) Employee shall be paid

all amounts and shall receive all benefits earned through the date of termination of employment, and (b) all future compensation to which Employee would otherwise be entitled and all future benefits for which Employee would otherwise be eligible shall cease and terminate as of the date of termination, except that (c) Employee shall be entitled to all vested benefits, to the right to continuation of benefits to the extent provided by applicable benefits plans, COBRA, and other applicable law, and to all other rights provided by applicable law.

3.1.5 If Employee's employment is terminated by JEA without Cause or by Employee for "Good Reason" then, subject to Employee's compliance with the covenants set forth in this Agreement and Employee's execution and non-revocation of the release of claims substantially in the form of Exhibit A attached hereto, (a) Employee shall be paid all amounts and shall receive all benefits earned through the date of termination of employment, (b) JEA shall pay Employee a lump sum payment equal to twenty (20) weeks of the current Annual Base Salary, less applicable taxes and deductions (such payment will be made within thirty (30) days of the date Employee's termination occurs), (c) Employee shall become fully vested in any unvested amounts contributed on his behalf to any available retirement plan that may then be in effect to the extent allowable under the terms of the applicable plan and applicable law, (d) if Employee makes a timely and effective election to continue health insurance coverage under COBRA, then JEA shall pay directly to its COBRA provider the COBRA premiums necessary to continue Employee's coverage (and coverage for Employee's covered dependents) under COBRA for a period of twenty (20) weeks following the end of the month in which the termination occurs, (e) Subsection 3.1.6 shall become operative, and JEA and Employee shall comply with Subsection 3.1.6, and (f) Employee shall be entitled to all other vested benefits, to all additional rights to continuation of benefits to the extent provided by applicable benefits plans, COBRA, and other applicable law, and to all other rights provided by applicable law.

3.1.6 JEA and Employee further agree that if, during the first five (5) years following the Effective Date, Employee's employment is terminated by JEA without Cause, or by Employee for "Good Reason" then, beginning on the first Monday after the effective date of termination of Employee's employment with JEA, Employee shall serve as a consultant to JEA for a period of [NUMBER] ([NUMBER]) months in accordance with the terms of the Separation and Transition Agreement substantially in the form of Exhibit A attached hereto.

SECTION IV – MISCELLANEOUS:

4.1 **Eligibility to Work in the United States**. Employee has provided previously to JEA the appropriate documentation to verify Employee's authorization to work in the United States.

4.2 **Governing Law; Binding Effect; Amendment**. This Agreement shall be interpreted and enforced in accordance with the laws of the State of Florida, and shall be binding on JEA's successors (including any organization that succeeds to substantially all of the assets and business of JEA) and assigns, and the term "JEA" whenever used in this Agreement shall mean and

include any such successor or assign. This Agreement shall not be assignable or transferable by Employee or his or her beneficiaries or legal representatives. Notwithstanding the foregoing, in the event of the death of Employee, payments that otherwise would have been made to Employee shall instead be provided to Employee's estate. No amendment or modification shall be effective unless in writing by the parties, including the approval by the Board.

4.3 **Savings Clause**. Employee's present benefits and rights are preserved, including but not limited to accrued service credits, accrued leave, and accrued incentive compensation carried forward in accordance with existing policies and procedures.

4.4 **Public Records and Open Meetings (Sunshine) Requirements**. Employee will become familiar, with the assistance of JEA's staff and JEA's legal counsel, with the unique obligations and parameters of the State of Florida's public records and sunshine act laws, in order that JEA maintain its record of compliance with such laws.

4.5 **Legal Counsel**. Employee shall be entitled to legal counsel from or approved by the Office of General Counsel, paid for by JEA in a prompt and current manner as provided in Section 111.07, Florida Statutes, as necessary if Employee is a defendant participant in a lawsuit against JEA for actions that occurred during period of employment with JEA, excepting where a court has adjudicated Employee as having committed intentional tort or torts.

4.6 **Indemnification**. Pursuant to Section 768.28(9)(a), Florida Statutes, Employee is not personally liable in any action for any injury or damage suffered as a result of any act, event, or omission of action in the scope of her or his employment or function. JEA hereby agrees to indemnify, defend and hold Employee harmless from any and all claims, to the fullest extent permitted by Sections 111.07, 111.071 and 768.28(9)(a), Florida Statutes, and other applicable law. Without limiting the scope of this Subsection 4.6, which the parties agree shall be construed as broadly as permitted by applicable law, JEA's agreement to indemnify, defend and hold employee harmless includes claims arising out of the exercise of (or failure to exercise) Employee's duties and responsibilities to JEA, and to all other acts entitled to indemnification pursuant to Sections 111.07, 111.071 and 768.28(9)(a), Florida Statutes. If Employee's claim for indemnification is one for which indemnification is provided by Sections 111.07, 111.071 and 768.28(9)(a), Florida Statutes, or by other applicable law, then Employee shall be entitled to the benefits and protections of this Subsection 4.6 notwithstanding (i) any provision in this Agreement to the contrary, (ii) termination of Employee's employment, regardless of the reason for or circumstances surrounding said termination, or (iii) the termination of this Agreement.

4.7 **Confidentiality**. Employee agrees and acknowledges that, in the course of Employee's employment with JEA, Employee may learn trade secrets and other proprietary information of JEA. For purposes of this Agreement, "trade secrets" means any information protected by Florida's Trade Secrets Act, and "proprietary information" means any information obtained during the course of Employee's employment with JEA the disclosure of which would reasonably be expected to create a material risk of harm to JEA's legitimate business interests. JEA agrees and acknowledges that, in the course of Employee's employment with JEA, JEA may learn confidential information about Employee's finances and other personal matters. Accordingly, Employee agrees that Employee will not, during or after Employee's employment with JEA,

disclose any of JEA's trade secrets or other proprietary information, except in performance of Employee's duties as an Employee of JEA, and JEA agrees that it will not, during or after Employee's employment with JEA, disclose any confidential information about Employee. However, nothing in this Agreement or in this Subsection 4.7 shall impose or be construed to impose any limitation that is contrary to applicable law or applicable court order, or to limit the parties' opportunity to agree in the future to permit disclosures of information otherwise made confidential by this Subsection 4.7.

4.8 **Non-disparagement**. Employee agrees not to disparage JEA, its officers or its Board members, and JEA agrees not to disparage Employee, except that nothing in this Agreement or in this Subsection 4.8 shall preclude either Employee or JEA from making truthful statements in legal proceedings, to preclude Employee from providing information to or initiating or participating in a proceeding before any federal, state or local administrative agency, or to impose any limitation that is contrary to applicable law or applicable court order.

4.9 **Authority**. The person executing and delivering this Agreement on behalf of JEA is an authorized officer, director or agent of JEA with full power and authority to bind JEA. Upon execution and delivery of this Agreement by JEA, this Agreement shall constitute the legal, valid and binding obligation of JEA.

4.10 **Execution**. This Agreement shall not become a binding and enforceable contract until signed by Employee, the Chair of JEA's Board of Directors, JEA's Chief Executive Officer and JEA's Chief Legal Officer. This Agreement may be executed in multiple counterparts, each of which shall be deemed to constitute an original, and which together, when signed by Employee, the Chair, the Chief Executive Officer and the Chief Legal Officer, shall constitute a single, legally binding contract.

4.11 **Entire Agreement**. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. This Agreement supersedes all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter of this Agreement.

4.12 **Compliance with Sections 409A / 457**. JEA intends that all payments provided under this Agreement be exempt from, or comply with, the requirements of Sections 409A and 457 of the Code and any guidance promulgated under Sections 409A / 457 of the Code (collectively, "Sections 409A / 457") so that none of the payments or benefits will be subject to the additional tax imposed under Sections 409A / 457, and any ambiguities in this Agreement will be interpreted in accordance with this intent. No payment or benefits to be paid to Employee, if any, under this Agreement or otherwise, when considered together with any other severance payments or separation benefits that are considered deferred compensation under Sections 409A / 457 will be paid or otherwise provided until Employee has a separation from service within the meaning of Sections 409A / 457. Each severance payment, installment, and benefit payable under Section 3 of this Agreement is intended to constitute a separate payment for purposes of U.S. Treasury Regulation Section 1.409A-2(b)(2).

All expenses or other reimbursements under this Agreement that would constitute nonqualified deferred compensation subject to Sections 409A / 457, (i) shall be paid on or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by Employee, (ii) no such reimbursement or expenses eligible for reimbursement in any taxable year shall in any way affect Employee's right to reimbursement of any other expenses eligible for reimbursement in any other taxable year, and (iii) Employee's right to reimbursement shall not be subject to liquidation in exchange for any other benefit.

4.13 **Confidential Disclosure in Reporting Violations of Law or in Court Filings**. Employee acknowledges and JEA agrees that Employee may disclose confidential information in confidence directly or indirectly to federal, state, or local government officials, including but not limited to the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law or regulation or making other disclosures that are protected under the whistleblower provisions of state or federal laws or regulations. Employee may also disclose confidential information in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal. Nothing in this Agreement is intended to conflict with federal law protecting confidential disclosures of a trade secret to the government or in a court filing, 18 U.S.C. § 1833(b), or to create liability for disclosures of confidential information that are expressly allowed by 18 U.S.C. § 1833(b).

4.14 **Notices**. For purposes of this Agreement, notices, demands and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when received if delivered in person, the next business day if delivered by overnight commercial courier (e.g., Federal Express), or the third business day if mailed by United States certified mail, return receipt requested, postage prepaid, to the following addresses:

If to JEA, to:

JEA
21 West Church Street
Jacksonville, FL 32202

If to Employee, to:

[NAME]
at the address on file with JEA

Either party may change its address for notices in accordance with this Subsection 4.14 by providing written notice of such change to the other party.

4.15 **Survival**. The provisions of this Agreement that are intended to survive this Agreement and Employee's termination of employment shall survive in accordance with their terms.

4.16 **Severability**. If any provision of this Agreement becomes or is deemed invalid, illegal or unenforceable in any applicable jurisdiction by reason of the scope, extent or duration of its coverage, then such provision shall be deemed amended to the minimum extent necessary to

conform to applicable law so as to be valid and enforceable or, if such provision cannot be so amended without materially altering the intention of the parties, then such provision shall be stricken and the remainder of this Agreement (as applicable) shall continue in full force and effect.

4.17 **Waiver**. Any failure of Employee to comply with any of his or her obligations under this Agreement may be waived only in writing signed by JEA. Any failure of JEA to comply with any of its obligations under this Agreement may be waived only in writing signed by Employee. No waiver of any breach, failure, right or remedy contained in or granted by the provisions of this Agreement shall constitute a continuing waiver of a subsequent or other breach, failure, right or remedy, unless the writing so specifies.

4.18 **Compliance with Applicable Laws**. No provision of this Agreement shall be deemed to violate applicable law and this Agreement shall be interpreted in accordance with this intent.

4.19 **Arbitration**. Except for suits seeking injunctive relief or specific performance or as otherwise prohibited by applicable law, the parties hereby agree that any dispute, controversy or claim arising out of, connected with and/or otherwise relating to this Agreement and the arbitrability of any controversy or claim relating hereto shall be finally settled by binding arbitration. The parties hereby knowingly and voluntarily waive any rights that they may have to a jury trial for any such disputes, controversies or claim. The parties agree to resolve any dispute arising out of this Agreement before the American Arbitration Association (the "AAA") in accordance with the AAA's then existing National Rules of Resolution of Employment Disputes. The arbitration shall be administered by the AAA and the hearing shall be conducted in Duval County in the State of Florida before a neutral arbitrator, who must have been admitted to the practice of law for at least the last ten (10) years (the "Arbitrator"). Each party further agrees to pay its or his own arbitration costs, attorneys' fees, and expenses, unless otherwise required by the AAA's then-existing arbitration rules. The Arbitrator shall issue an opinion within thirty (30) days of the final arbitration hearing and shall be authorized to award reasonable attorneys' fees to the prevailing party, which decision of the Arbitrator shall be final, conclusive, unappealable and binding on the parties. Subject to applicable law, the arbitration proceeding and any and all related awards, relief or findings shall be confidential, except that any arbitration award may be filed in a court of competent jurisdiction by either party for the purpose of enforcing the award.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have duly executed this Employment Agreement on the day and year above first written.

ATTEST:

_____

JEA

_____
April Green, Chair

Date: _____

WITNESSES:

_____

_____

_____
[NAME], Employee
Date: _____

I hereby certify that the expenditure contemplated by the foregoing Agreement has been duly authorized, and provision has been made for the payment of the moneys provided therein to be paid in respect of Fiscal Year 2019/2020.

_____
Aaron F. Zahn, Managing Director & Chief Executive Officer

Approved:

_____
Lynne Rhode, Chief Legal Officer

EXHIBIT A

Separation and Transition Agreement

FORM OF SEPARATION AND TRANSITION AGREEMENT

THIS SEPARATION AND TRANSITION AGREEMENT (this "Agreement") is made and entered into on [DATE] by and between JEA, a body politic and corporate under the laws of the State of Florida and an independent agency of the Consolidated City of Jacksonville (hereinafter referred to as "JEA"), and [NAME], an individual currently residing in Florida, hereinafter referred to as Service Provider. Capitalized terms used herein but not defined shall have the meanings in the Employment Agreement for [TITLE], dated as of July 23, 2019 (the "Employment Agreement"), between JEA and Service Provider.

WHEREAS, Service Provider is employed by JEA as its [TITLE] pursuant to the Employment Agreement;

WHEREAS, Service Provider's employment with JEA shall be terminated; and

WHEREAS, in connection with Service Provider's separation from service with JEA, JEA and Service Provider desire to commence the transition of the [TITLE] position and Service Provider agrees to make himself or herself available to provide services to JEA on the terms and conditions set forth herein.

Now therefore JEA and Service Provider agree as follows:

SECTION 1 – SEPARATION:

1.1 **Removal from Positions**. The Service Provider's last day of employment with JEA is [DATE] (such date, the "Separation Date"). In that regard, as of the Separation Date, (a) Service Provider's position as [TITLE] of JEA and (b) all other officer positions, directorships and other positions that Service Provider holds with JEA shall terminate.

1.2 **Release Agreement**. Service Provider's receipt of any payments and benefits pursuant to this Agreement (other than the payments and benefits pursuant to Sections 3.1.5(a) and (f) of the Employment Agreement (the "Accrued Obligations")) is subject to Service Provider's signing and not revoking the Release Agreement substantially in the form attached hereto as Exhibit A (the "Release Agreement"); provided that the Release Agreement is effective within thirty (30)[1] days following the Separation Date. No payments or benefits under this Agreement (other than the Accrued Obligations) shall be paid or provided to Service Provider until the Release Agreement becomes effective in accordance with the deadline specified in the preceding sentence.

SECTION II – TRANSITION:

2.1 **Consulting Period and Services**. Commencing on the Separation Date and ending on the [NUMBER] ([NUMBER])-month anniversary thereof (the "Consulting Period"),

[1] Note to Draft: To be increased to 60 days for group terminations.

Service Provider shall make himself or herself available to consult with JEA as reasonably requested by JEA from time to time (the "Services").

2.2 **Consulting Fee.** In exchange for the Services, commencing on the Separation Date, JEA agrees to pay Service Provider a monthly fee of $[AMOUNT] (the "Monthly Fee") for a total fee of $[AMOUNT].[2] Except as to the Monthly Fee, no other payment or benefits shall be due or payable to Service Provider for the Services. JEA may terminate Service Provider's service for Cause prior to the expiration of the Consulting Period and, in such event, Service Provider shall forfeit his or her right to receive the Monthly Fee for the remainder of the Consulting Period.

2.3 **Status as an Independent Contractor**. In all matters relating to the Services, nothing under this Agreement shall be construed as creating any partnership, joint venture or agency between JEA and Service Provider or to constitute Service Provider as an agent, employee or representative of JEA. Service Provider shall act solely as an independent contractor and, as such, is not authorized to bind any member of JEA to third parties. Consequently, Service Provider shall not be entitled to participate during the Consulting Period in any of the employee benefit plans, programs or arrangements of JEA in his capacity as a consultant. Service Provider shall be responsible for and pay all taxes related to the receipt of compensation in connection with the provision of the Services. Service Provider shall not make any public statements concerning the Services that purport to be on behalf of JEA, in each case without prior written consent from JEA. Notwithstanding Service Provider's status as an independent contractor in providing the Services, to the fullest extent permitted by applicable law and JEA's constituent documents applicable to officers and directors of JEA, (a) Service Provider shall continue to be entitled to indemnification for any loss, damage, or claim incurred by, imposed or asserted against Service Provider in connection with the Services provided to JEA, and (b) JEA shall pay the expenses incurred by Service Provider in defending any claim, demand, action, suit or proceeding related thereto as such expenses are incurred by Service Provider and in advance of the final disposition of such matter; provided that Service Provider shall be entitled to the coverage under clauses (a) and (b) on the same terms and conditions as were in effect prior to the Separation Date as reflected in Section 3.2.

2.4 **Legal Counsel**. The Service Provider shall be entitled to legal counsel, paid for by JEA, as necessary if Service Provider is a defendant participant in a lawsuit against JEA for actions that occurred during his period of employment and the Consulting Period with JEA, excepting intentional torts.

SECTION III – SEVERANCE BENEFITS:

[2] Note to Draft: To be calculated based on an annualized amount equal to the combined total of all items reflected on Service Provider's total compensation statement provided to Service Provide for the most recent 12-month period.

3.1 **Compliance with Employment Agreement**. JEA shall comply with any and all of its payment and benefit obligations of the Employment Agreement.

3.2 **Indemnification**. Pursuant to Section 768.28(9)(a), Florida Statutes, Service Provider is not personally liable in any action for any injury or damage suffered as a result of any act, event, or omission of action in the scope of her or his employment or function. JEA hereby agrees to indemnify, defend and hold Service Provider harmless from any and all claims, to the fullest extent permitted by Sections 111.07, 111.071 and 768.28(9)(a), Florida Statutes, and other applicable law. Without limiting the scope of this Section 3.2, which the parties agree shall be construed as broadly as permitted by applicable law, JEA's agreement to indemnify, defend and hold Service Provider harmless includes claims arising out of the exercise of (or failure to exercise) Service Provider's duties and responsibilities to JEA, and to all other acts entitled to indemnification pursuant to Sections 111.07, 111.071 and 768.28(9)(a), Florida Statutes. If Service Provider's claim for indemnification is one for which indemnification is provided by Sections 111.07, 111.071 and 768.28(9)(a), Florida Statutes, or by other applicable law, then Service Provider shall be entitled to the benefits and protections of this Section 3.2 notwithstanding (i) any provision in this Agreement or the Employment Agreement to the contrary, (ii) termination of Service Provider's employment, regardless of the reason for or circumstances surrounding said termination, or (iii) the termination of this Agreement.

3.3 **No Other Compensation or Benefits**. Except as otherwise specifically provided herein or as required by the terms of any employee benefit plan, program or arrangement of JEA, the Consolidated Omnibus Reconciliation Act or other applicable law, Service Provider shall not be entitled to any compensation or benefits or to participate in any past, present or future employee benefit plans, programs or arrangements of JEA on or after the Separation Date.

SECTION IV – COVENANTS AND AGREEMENTS:

4.1 **Incorporation by Reference**. The covenants and agreements set forth in Sections 4.7, 4.8 and Section 4.13 of the Employment Agreement (the "Restrictive Covenants") are incorporated herein by reference as if such provisions were set forth herein in full.

4.2. **Return of Property**. All files, records, documents, manuals, books, forms, reports, memoranda, studies, data, calculations, recordings, or correspondence, whether visually perceptible, machine-readable or otherwise, in whatever form they may exist, and all copies, abstracts and summaries of the foregoing, and all physical items related to the business of JEA, whether of a public nature or not, and whether prepared by Service Provider or not, are and shall remain the exclusive property of JEA, and shall not be removed from its premises, except as required in the course of Service Provider's employment by JEA, without the prior written consent of JEA. No later than the Separation Date, such items, including any copies or other reproductions thereof, shall be promptly returned by Service Provider to JEA (or, if requested by JEA, destroyed by Service Provider).

SECTION V – MISCELLANEOUS:

5.1 **Governing Law; Binding Effect; Amendment**. This Agreement shall be interpreted and enforced in accordance with the laws of the State of Florida, and shall be binding on JEA's successors and assigns. This Agreement shall not be assignable or transferable by Service Provider or his or her beneficiaries or legal representatives. Notwithstanding the foregoing, in the event of the death of Service Provider, payments that otherwise would have been made to Service Provider shall instead be provided to Service Provider's estate. No amendment or modification shall be effective unless in writing by the parties, including the approval by the Board.

5.2 **Authority**. The person executing and delivering this Agreement on behalf of JEA is an authorized officer, director or agent of JEA with full power and authority to bind JEA. Upon execution and delivery of this Agreement by JEA, this Agreement shall constitute the legal, valid and binding obligation of JEA.

5.3 **Execution**. This Agreement shall not become a binding and enforceable contract until signed by Service Provider, the Chair of JEA's Board of Directors, JEA's Chief Executive Officer and JEA's Chief Legal Officer. This Agreement may be executed in multiple counterparts, each of which shall be deemed to constitute an original, and which together, when signed by Service Provider, the Chair, the Chief Executive Officer and the Chief Legal Officer, shall constitute a single, legally binding contract.

5.4 **Entire Agreement**. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. This Agreement supersedes all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter of this Agreement (including, without limitation, the Employment Agreement (other than to the extent set forth herein and the Restrictive Covenants, which shall remain in full force and effect)).

5.5 **Compliance with Sections 409A / 457**. JEA intends that all payments provided under this Agreement be exempt from, or comply with, the requirements of Sections 409A and 457 of the Code and any guidance promulgated under Sections 409A / 457 of the Code (collectively, "Sections 409A / 457") so that none of the payments or benefits shall be subject to the additional tax imposed under Sections 409A / 457, and any ambiguities in this Agreement shall be interpreted in accordance with this intent. No payment or benefits to be paid to Service Provider, if any, under this Agreement or otherwise, when considered together with any other severance payments or separation benefits that are considered deferred compensation under Sections 409A / 457 shall be paid or otherwise provided until Service Provider has a separation from service within the meaning of Sections 409A / 457. Each severance payment, installment, and benefit payable under Section 3 of this Agreement is intended to constitute a separate payment for purposes of U.S. Treasury Regulation Section 1.409A-2(b)(2).

All expenses or other reimbursements under this Agreement that would constitute nonqualified deferred compensation subject to Sections 409A / 457, (i) shall be paid on

or prior to the last day of the taxable year following the taxable year in which such expenses were incurred by Service Provider, (ii) no such reimbursement or expenses eligible for reimbursement in any taxable year shall in any way affect Service Provider's right to reimbursement of any other expenses eligible for reimbursement in any other taxable year, and (iii) Service Provider's right to reimbursement shall not be subject to liquidation in exchange for any other benefit.

5.6 **Notices**. For purposes of this Agreement, notices, demands and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when received if delivered in person, the next business day if delivered by overnight commercial courier (e.g., Federal Express), or the third business day if mailed by United States certified mail, return receipt requested, postage prepaid, to the following addresses:

If to JEA, to:

JEA
21 West Church Street
Jacksonville, FL 32202

If to Service Provider, to:

[NAME]
at the address on file with JEA

Either party may change its address for notices in accordance with this Subsection 5.6 by providing written notice of such change to the other party.

5.7 **Survival**. The provisions of this Agreement that are intended to survive this Agreement and Service Provider's termination of employment shall survive in accordance with their terms.

5.8 **Severability**. If any provision of this Agreement becomes or is deemed invalid, illegal or unenforceable in any applicable jurisdiction by reason of the scope, extent or duration of its coverage, then such provision shall be deemed amended to the minimum extent necessary to conform to applicable law so as to be valid and enforceable or, if such provision cannot be so amended without materially altering the intention of the parties, then such provision shall be stricken and the remainder of this Agreement (as applicable) shall continue in full force and effect.

5.9 **Waiver**. Any failure of Service Provider to comply with any of his or her obligations under this Agreement may be waived only in writing signed by JEA. Any failure of JEA to comply with any of its obligations under this Agreement may be waived only in writing signed by Service Provider. No waiver of any breach, failure, right or remedy contained in or granted by the provisions of this Agreement shall constitute a continuing

waiver of a subsequent or other breach, failure, right or remedy, unless the writing so specifies.

5.10 **Arbitration**. Except for suits seeking injunctive relief or specific performance or as otherwise prohibited by applicable law, the parties hereby agree that any dispute, controversy or claim arising out of, connected with and/or otherwise relating to this Agreement and the arbitrability of any controversy or claim relating hereto shall be finally settled by binding arbitration. The parties hereby knowingly and voluntarily waive any rights that they may have to a jury trial for any such disputes, controversies or claim. The parties agree to resolve any dispute arising out of this Agreement before the American Arbitration Association (the "AAA") in accordance with the AAA's then existing National Rules of Resolution of Employment Disputes. The arbitration shall be administered by the AAA and the hearing shall be conducted in Duval County in the State of Florida before a neutral arbitrator, who must have been admitted to the practice of law for at least the last ten (10) years (the "Arbitrator"). Each party further agrees to pay its or his own arbitration costs, attorneys' fees, and expenses, unless otherwise required by the AAA's then-existing arbitration rules. The Arbitrator shall issue an opinion within thirty (30) days of the final arbitration hearing and shall be authorized to award reasonable attorneys' fees to the prevailing party, which decision of the Arbitrator shall be final, conclusive, unappealable and binding on the parties. Subject to applicable law, the arbitration proceeding and any and all related awards, relief or findings shall be confidential, except that any arbitration award may be filed in a court of competent jurisdiction by either party for the purpose of enforcing the award.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have duly executed this Separation and Transition Agreement on the day and year above first written.

ATTEST:

_____

JEA

_____
[NAME], Chair

Date: _____

WITNESSES:

_____

_____
[NAME], Service Provider
Date: _____

_____

I hereby certify that the expenditure contemplated by the foregoing Agreement has been duly authorized, and provision has been made for the payment of the moneys provided therein to be paid in respect of Fiscal Year 20[__]/20[__].

_____
[NAME], Managing Director & Chief Executive Officer

Approved:

_____
[NAME], Chief Legal Officer

EXHIBIT A

MUTUAL RELEASE AGREEMENT

THIS MUTUAL RELEASE AGREEMENT (this "Agreement") is made and entered into on [DATE] by and between JEA, a body politic and corporate under the laws of the State of Florida and an independent agency of the Consolidated City of Jacksonville (hereinafter referred to as "JEA"), and [NAME], an individual currently residing in Florida, hereinafter referred to as Service Provider. Capitalized terms used herein but not defined shall have the meanings set forth in the Separation and Transition Agreement, dated as of [DATE] (the "Separation Agreement"), by and between JEA and Service Provider.

WHEREAS, the Separation Agreement sets forth the terms and conditions of Service Provider's separation from service with JEA effective as [DATE]; and

WHEREAS, the Separation Agreement provides that, in consideration for certain payments and benefits payable to Service Provider in connection with his or her separation from service, Service Provider shall fully and finally release JEA from all claims relating to Service Provider's employment relationship with JEA and the termination of such relationship.

Accordingly, the parties hereto agree as follows:

SECTION I – RELEASE:

1.1 **General Release by Service Provider**. In consideration of JEA's obligations under the Separation Agreement and for other valuable consideration, Service Provider hereby releases and forever discharges JEA and each of its respective officers, employees, directors and agents from any and all claims, actions and causes of action (collectively, "Claims"), including, without limitation, any Claims arising under (a) the Sarbanes-Oxley Act of 2002, 18 U.S.C. § 1514; Sections 748(h)(i), 922(h)(i) and 1057 of the Dodd-Frank Wall Street and Consumer Protection Act (the "Dodd Frank Act"), 7 U.S.C. § 26(h), 15 U.S.C. § 78u-6(h)(i) and 12 U.S.C. § 5567(a) but excluding from this release any right Service Provider may have to receive a monetary award from the Securities and Exchange Commission as an SEC Whistleblower, pursuant to the bounty provision under Section 922(a)-(g) of the Dodd Frank Act, 7 U.S.C. Sec. 26(a)-(g), or directly from any other federal or state agency pursuant to a similar program, or (b) any applicable federal, state, local or foreign law, including, but not limited to, claims under Chapter 112 or Chapter 760, Florida Statutes, that Service Provider may have, or in the future may possess arising out of (x) Service Provider's employment relationship with and service as a director, employee, officer or manager of JEA, and the termination of such relationship or service, or (y) any event, condition, circumstance or obligation that occurred, existed or arose on or prior to the date hereof; provided, however, that the release set forth in this Section 1.1 shall not apply to (i) the obligations of JEA under the Separation Agreement, (ii) the obligations of JEA to continue to provide indemnification to Service Provider as provided under applicable law or in the Separation Agreement and (iii) any Claims which cannot be released under applicable law. Service Provider further agrees that the payments and benefits described in the Separation Agreement shall be in full satisfaction

of any and all claims for payments or benefits, whether express or implied, that Service Provider may have against JEA arising out of Service Provider's employment relationship, Service Provider's service as a director, employee, officer or manager of JEA and the termination thereof. The provision of the payments and benefits described in the Separation Agreement shall not be deemed an admission of liability or wrongdoing by JEA. This Section 1.1 does not apply to any Claims that Service Provider may have as of the date Service Provider signs this Agreement arising under the federal Age Discrimination in Employment Act of 1967, as amended, and the applicable rules and regulations promulgated thereunder ("ADEA"). Claims arising under ADEA are addressed in Section 1.2 of this Agreement.

1.2 **Specific Release of ADEA Claims by Service Provider**. In consideration of the payments and benefits provided to Service Provider under the Separation Agreement, Service Provider hereby releases and forever discharges JEA and each of their respective officers, employees, directors and agents from any and all Claims that Service Provider may have as of the date Service Provider signs this Agreement arising under ADEA. By signing this Agreement, Service Provider hereby acknowledges and confirms the following: (a) Service Provider was advised by JEA in connection with Service Provider's termination to consult with an attorney of Service Provider's choice prior to signing this Agreement and to have such attorney explain to Service Provider the terms of this Agreement, including, without limitation, the terms relating to Service Provider's release of claims arising under ADEA; (b) Service Provider has been given a period of not fewer than twenty-one (21)[3] days to consider the terms of this Agreement and to consult with an attorney of Service Provider's choosing with respect thereto; and (c) Service Provider is providing the release and discharge set forth in this Section 1.2 only in exchange for consideration in addition to anything of value to which Service Provider is already entitled.

1.3 **General Release by JEA**. JEA hereby releases and forever discharges Service Provider and each of his or her agents, representatives, attorneys, successors, assigns, heirs, executors and administrators from any Claims that JEA may have, or in the future may possess, arising out of (x) Service Provider's employment relationship with and service as a director, employee, officer or manager of JEA, and the termination of such relationship or service, or (y) any event, condition, circumstance or obligation that occurred, existed or arose on or prior to the date hereof; provided, however, that the release set forth in this Section 1.3 shall not apply to any Claims which cannot be released under applicable law.

1.4 **Representation**. Service Provider hereby represents that Service Provider has not instituted, assisted or otherwise participated in connection with, any action, complaint, claim, charge, grievance, arbitration, lawsuit or administrative agency proceeding, or

[3] Note to Draft: To insert for employees who are age 40 years or older and to be increased to 45 days for a group termination.

action at law or otherwise against any member of JEA or any of their respective officers, employees, directors, shareholders or agents.

SECTION II – CESSATION OF PAYMENTS:

In the event that Service Provider (a) files any charge, claim, demand, action or arbitration with regard to Service Provider's employment, compensation or termination of employment under any federal, state or local law, or an arbitration under any industry regulatory entity, except in either case for a claim for breach of the Separation Agreement or failure to honor the obligations set forth therein or (b) breaches any of the covenants or obligations contained in or incorporated into the Separation Agreement, JEA shall be entitled to cease making any payments due pursuant to Section 3 of the Separation Agreement (other than the Accrued Obligations).

SECTION III – VOLUNTARY ASSENT:

Service Provider affirms that Service Provider has read this Agreement, and understands all of its terms, including the full and final release of claims set forth in Section 1. Service Provider further acknowledges that (a) Service Provider has voluntarily entered into this Agreement; (b) Service Provider has not relied upon any representation or statement, written or oral, not set forth in this Agreement; (c) the only consideration for signing this Agreement is as set forth in the Separation Agreement; and (d) this document gives Service Provider the opportunity and encourages Service Provider to have this Agreement reviewed by Service Provider's attorney and/or tax advisor.

SECTION IV – REVOCATION:[4]

This Agreement may be revoked by Service Provider within the seven (7)-day period commencing on the date Service Provider signs this Agreement (the "Revocation Period"). In the event of any such revocation by Service Provider, all obligations of JEA under the Separation Agreement shall terminate and be of no further force and effect as of the date of such revocation. No such revocation by Service Provider shall be effective unless it is in writing and signed by Service Provider and received by JEA prior to the expiration of the Revocation Period.

SECTION V – MISCELLANEOUS:

5.1 **Governing Law; Binding Effect; Amendment**. This Agreement shall be interpreted and enforced in accordance with the laws of the State of Florida, and shall be binding on JEA's successors and assigns. This Agreement shall not be assignable or transferable by Service Provider or his or her beneficiaries or legal representatives. No amendment or modification shall be effective unless in writing by the parties, including the approval by the Board.

[4] Note to Draft: To insert for employees who are age 40 years or older.

5.2 **Authority**. The person executing and delivering this Agreement on behalf of JEA is an authorized officer, director or agent of JEA with full power and authority to bind JEA. Upon execution and delivery of this Agreement by JEA, this Agreement shall constitute the legal, valid and binding obligation of JEA.

5.3 **Execution**. This Agreement shall not become a binding and enforceable contract until signed by Service Provider, the Chair of JEA's Board of Directors, JEA's Chief Executive Officer and JEA's Chief Legal Officer.[5] This Agreement may be executed in multiple counterparts, each of which shall be deemed to constitute an original, and which together, when signed by Service Provider, the Chair, the Chief Executive Officer and the Chief Legal Officer, shall constitute a single, legally binding contract.

5.4 **Entire Agreement**. This Agreement constitutes the entire agreement between the parties with respect to the subject matter hereof. This Agreement supersedes all prior agreements and understandings, both oral and written, between the parties with respect to the subject matter of this Agreement.

5.5 **Notices**. For purposes of this Agreement, notices, demands and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given when received if delivered in person, the next business day if delivered by overnight commercial courier (e.g., Federal Express), or the third business day if mailed by United States certified mail, return receipt requested, postage prepaid, to the following addresses:

If to JEA, to:

JEA
21 West Church Street
Jacksonville, FL 32202

If to Service Provider, to:

[NAME]
at the address on file with JEA

Either party may change its address for notices in accordance with this Subsection 5.5 by providing written notice of such change to the other party.

5.6 **Survival**. The provisions of this Agreement that are intended to survive this Agreement and Service Provider's termination of employment shall survive in accordance with their terms.

[5] Note to Draft: To update applicable signatories accordingly.

5.7 **Severability**. If any provision of this Agreement becomes or is deemed invalid, illegal or unenforceable in any applicable jurisdiction by reason of the scope, extent or duration of its coverage, then such provision shall be deemed amended to the minimum extent necessary to conform to applicable law so as to be valid and enforceable or, if such provision cannot be so amended without materially altering the intention of the parties, then such provision shall be stricken and the remainder of this Agreement (as applicable) shall continue in full force and effect.

5.8 **Waiver**. Any failure of Service Provider to comply with any of his or her obligations under this Agreement may be waived only in writing signed by JEA. Any failure of JEA to comply with any of its obligations under this Agreement may be waived only in writing signed by Service Provider. No waiver of any breach, failure, right or remedy contained in or granted by the provisions of this Agreement shall constitute a continuing waiver of a subsequent or other breach, failure, right or remedy, unless the writing so specifies.

5.9 **Arbitration**. Except for suits seeking injunctive relief or specific performance or as otherwise prohibited by applicable law, the parties hereby agree that any dispute, controversy or claim arising out of, connected with and/or otherwise relating to this Agreement and the arbitrability of any controversy or claim relating hereto shall be finally settled by binding arbitration. The parties hereby knowingly and voluntarily waive any rights that they may have to a jury trial for any such disputes, controversies or claim. The parties agree to resolve any dispute arising out of this Agreement before the American Arbitration Association (the "AAA") in accordance with the AAA's then existing National Rules of Resolution of Employment Disputes. The arbitration shall be administered by the AAA and the hearing shall be conducted in Duval County in the State of Florida before a neutral arbitrator, who must have been admitted to the practice of law for at least the last ten (10) years (the "Arbitrator"). Each party further agrees to pay its or his own arbitration costs, attorneys' fees, and expenses, unless otherwise required by the AAA's then-existing arbitration rules. The Arbitrator shall issue an opinion within thirty (30) days of the final arbitration hearing and shall be authorized to award reasonable attorneys' fees to the prevailing party, which decision of the Arbitrator shall be final, conclusive, unappealable and binding on the parties. Subject to applicable law, the arbitration proceeding and any and all related awards, relief or findings shall be confidential, except that any arbitration award may be filed in a court of competent jurisdiction by either party for the purpose of enforcing the award.

[*Signature Page Follows*]

IN WITNESS WHEREOF, the parties hereto have duly executed this Release Agreement on the day and year above first written.

ATTEST:

_____

JEA

_____
[NAME], Chair

Date: _____

I hereby certify that the expenditure contemplated by the foregoing Agreement has been duly authorized, and provision has been made for the payment of the moneys provided therein to be paid in respect of Fiscal Year 2019/2020.

_____
[NAME], Managing Director & Chief Executive Officer

Approved:

_____
[NAME], Chief Legal Officer

SERVICE PROVIDER HEREBY ACKNOWLEDGES THAT SERVICE PROVIDER HAS READ THIS AGREEMENT, THAT SERVICE PROVIDER FULLY KNOWS, UNDERSTANDS AND APPRECIATES ITS CONTENTS, AND THAT SERVICE PROVIDER HEREBY ENTERS INTO THIS AGREEMENT VOLUNTARILY AND OF SERVICE PROVIDER'S OWN FREE WILL.

_____
[NAME]

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

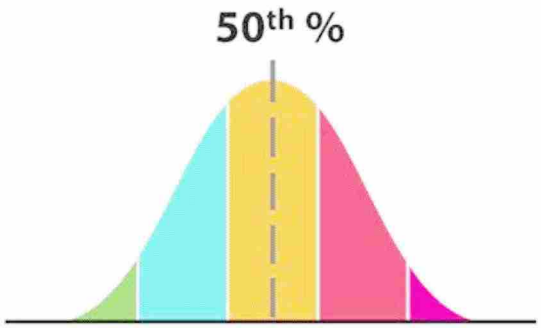
Work together to elevate the entire team

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

JEA'S COMPENSATION PHILOSOPHY

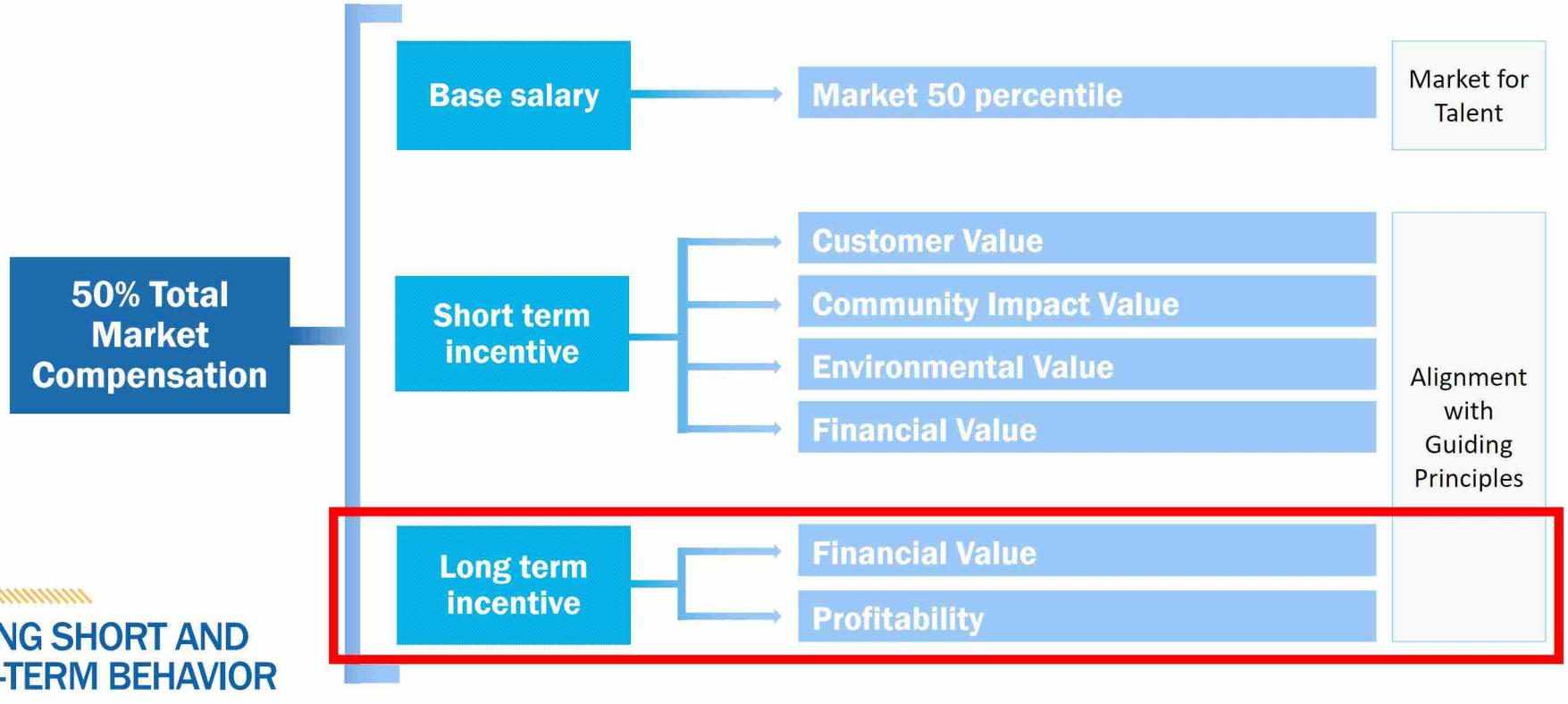
JEA Board Policy Manual

(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."

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”

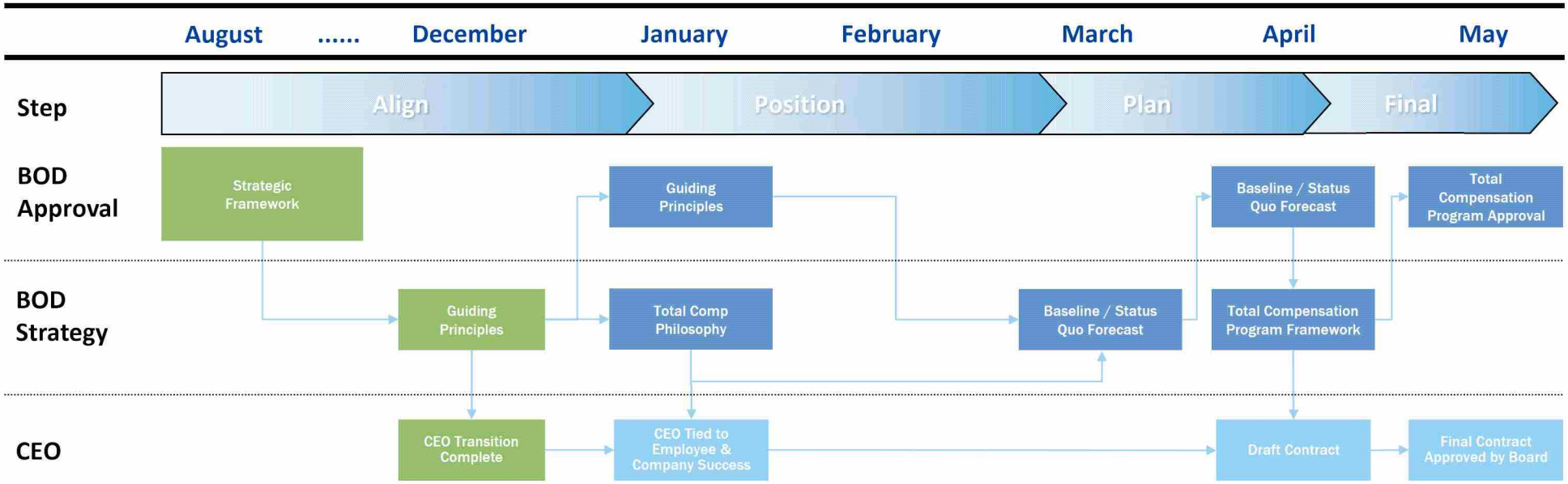
LEADING BY EXAMPLE

- DRIVING ORGANIZATIONAL CULTURE
- EMPLOYEE ENGAGEMENT & BEHAVIOR
- RETAINING AND ATTRACTING TALENT
- ALIGNMENT OF COMPANY AND EMPLOYEE GOALS
- STRATEGY TO DRIVE THE BUSINESS
- TAKING CALCULATED RISKS & EXECUTE
- ACHIEVE EXTRAORDINARY RESULTS

ALIGNMENT OF COMPENSATION TO RESULTS

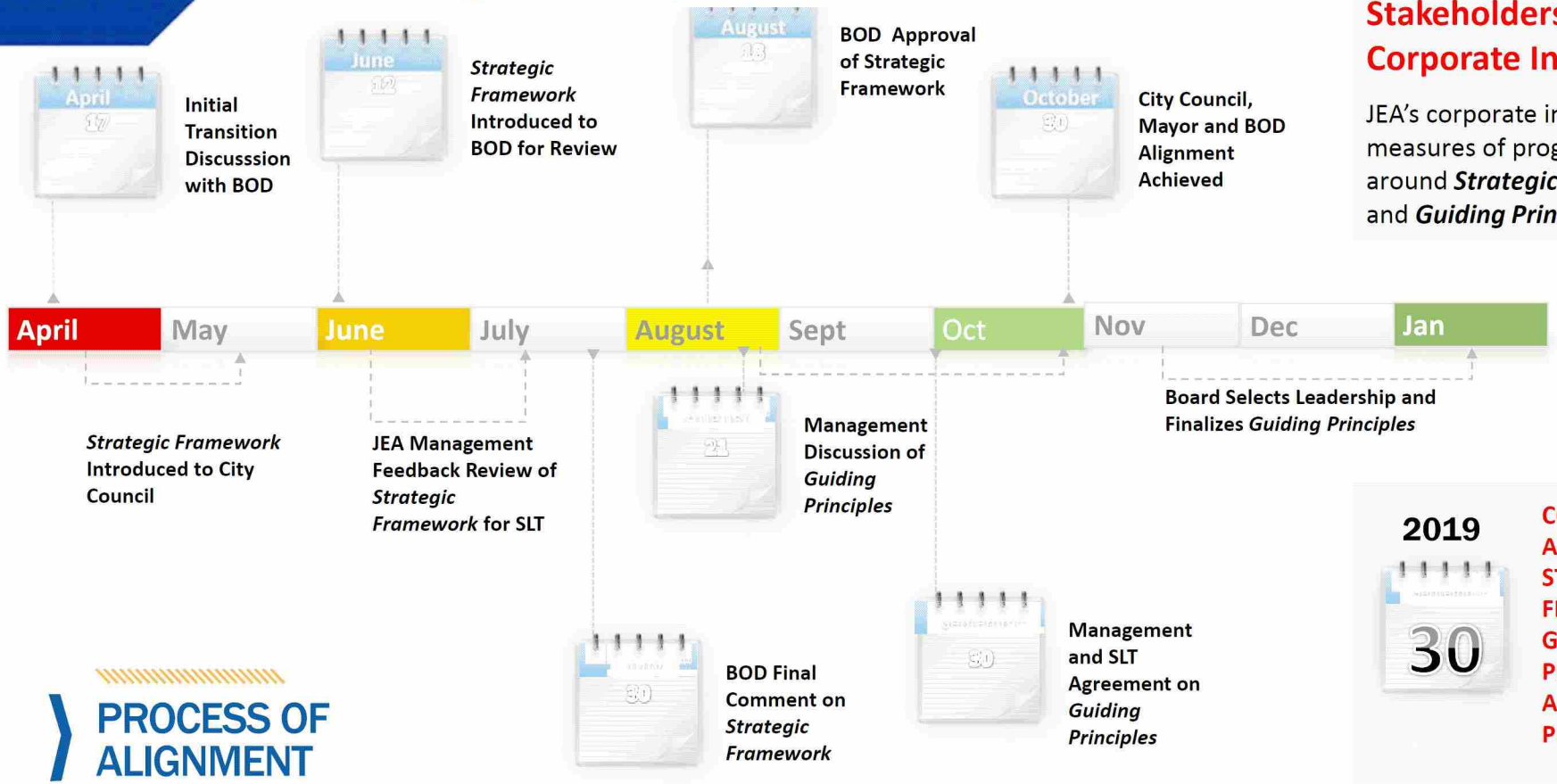
ALIGNING TO RESULTS & VALUE

- 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



TOTAL COMPENSATION PHILOSOPHY

"Guiding Principles" More Than Talk



PROCESS OF ALIGNMENT

Result: Alignment of Stakeholders to JEA Corporate Initiatives

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

2019

COMPLETE ALIGNMENT OF STRATEGIC FRAMEWORK, GUIDING PRINCIPLES AND STRATEGIC PLAN

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

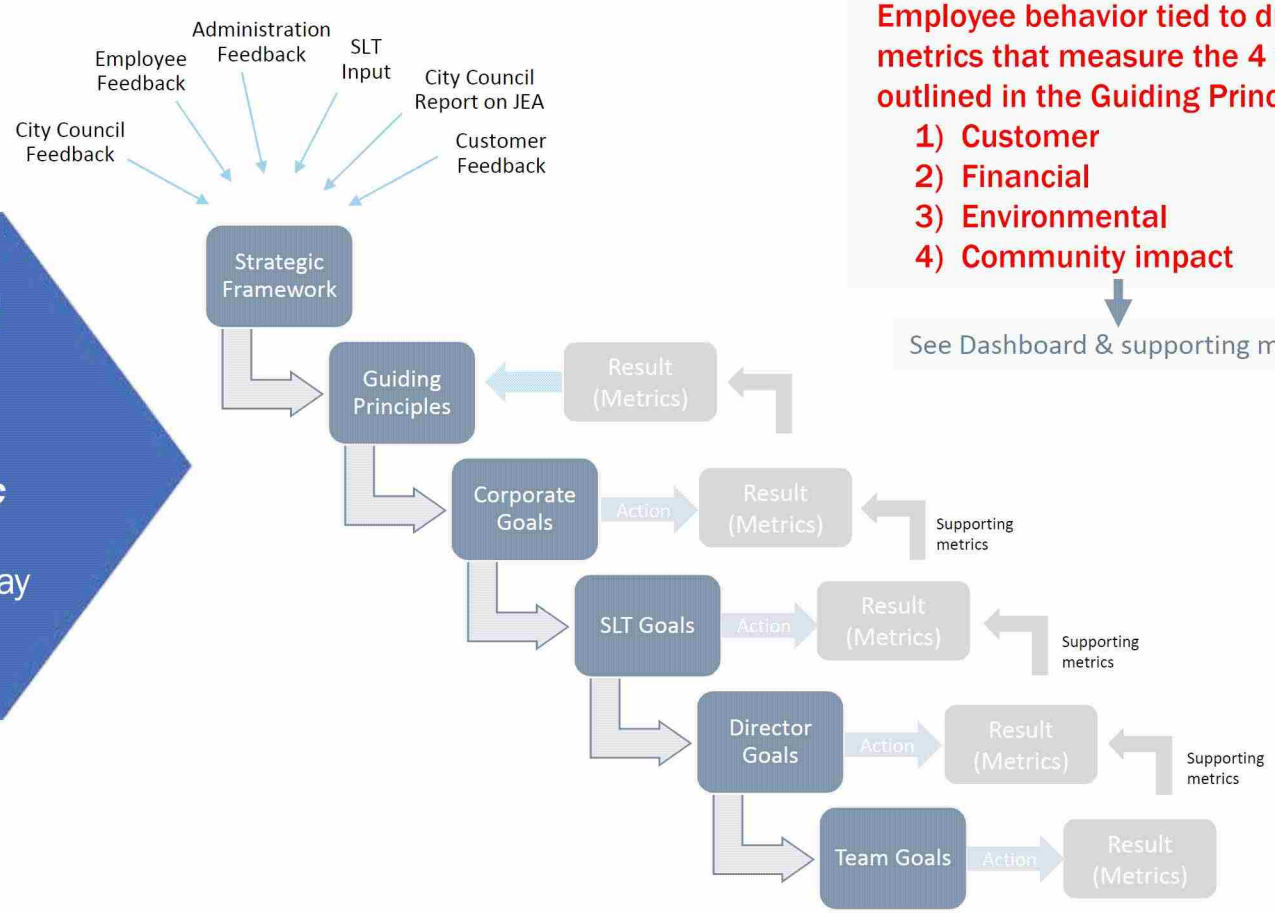
Core Competencies

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



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

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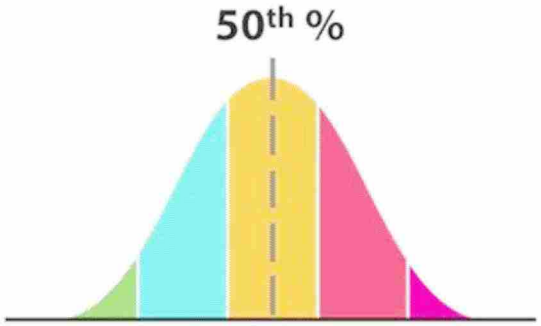
Employee incentives should drive "value" & "teamwork"



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

JEA'S COMPENSATION PHILOSOPHY

JEA Board Policy Manual

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

"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?

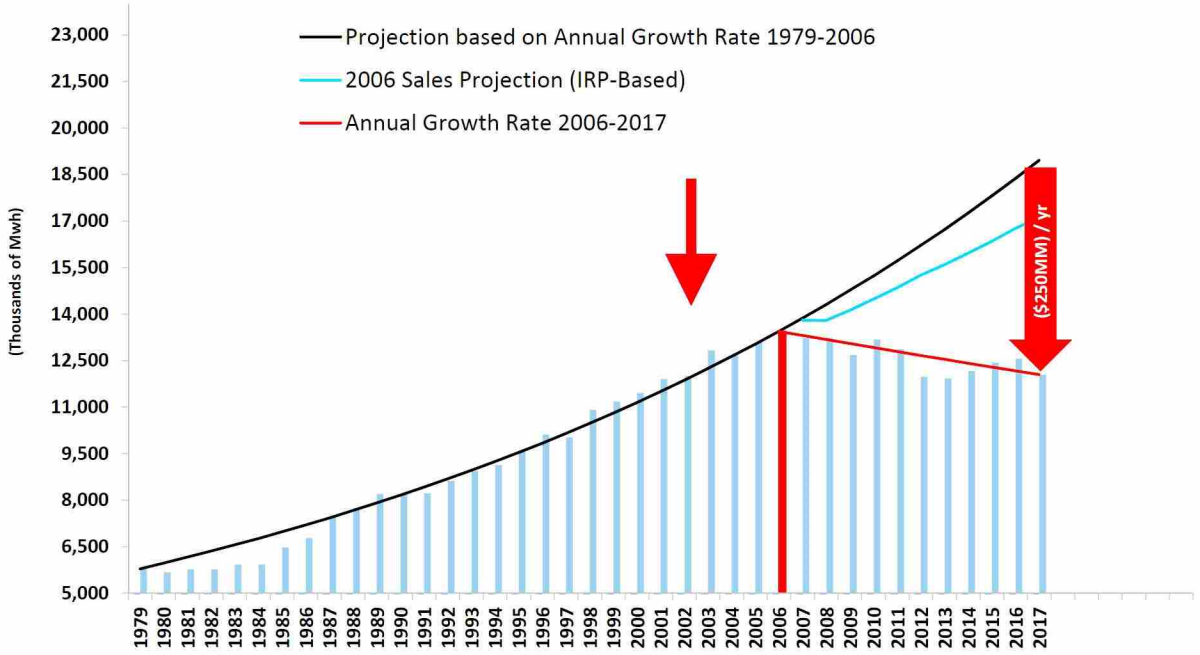
	BASE	+	SHORT TERM INCENTIVE	+	LONG TERM INCENTIVE
JEA	$132.8		$5.2		$0.0
50% Percentile	$124.9		$10.5		$5.5
DELTA ▲	$7.9		($5.3)		($5.5)

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

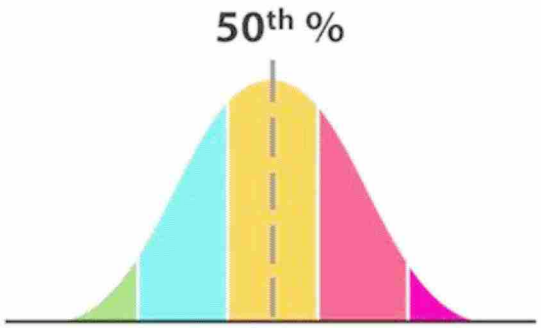
Distributed Generation (2010's tech trend)

- 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

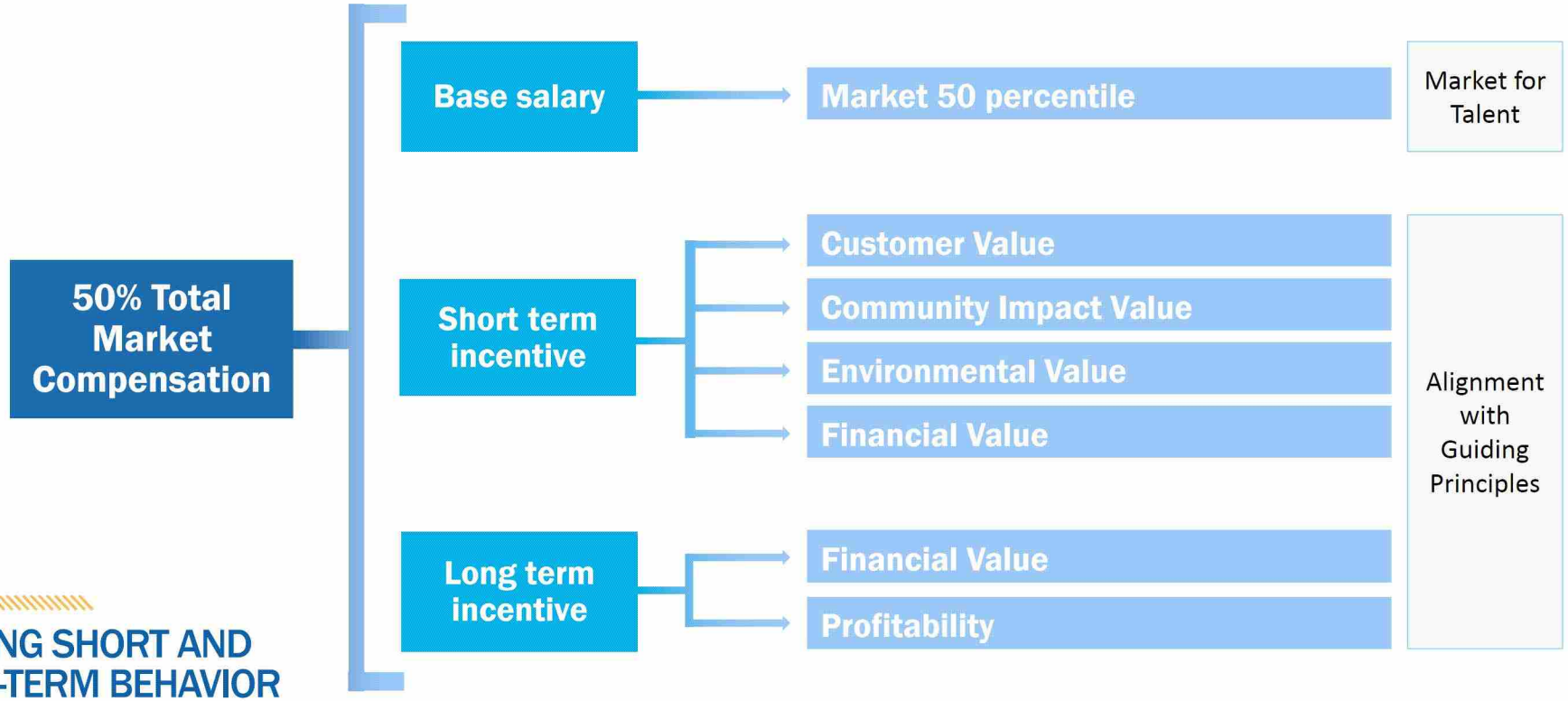
RECOMMENDED: JEA Board Policy Manual

(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: P~~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



DRIVING SHORT AND LONG-TERM BEHAVIOR

ADAPTABLE CULTURE

Cultural Values

- Safety
- Service
- Growth^2
- Accountability
- Integrity
- *Ideas*

CULTURE EATS STRATEGY

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

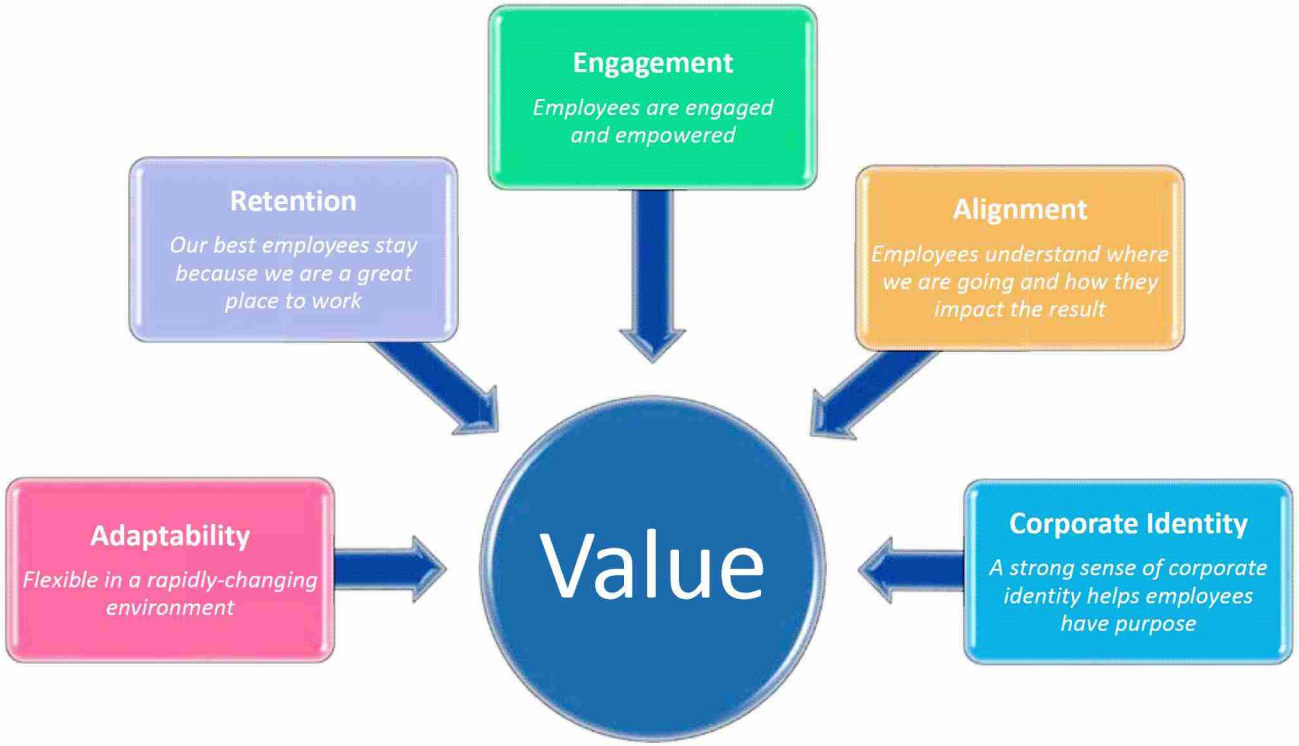
Working Not to Fail

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

WHERE ARE WE GOING?

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

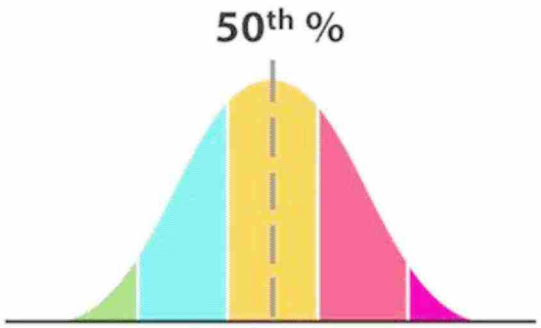
ELEVATE THE ENTIRE TEAM

1. Ensure JEA's corporate compensation philosophy is aligned with JEA's Guiding Principles
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"

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

JEA'S COMPENSATION PHILOSOPHY

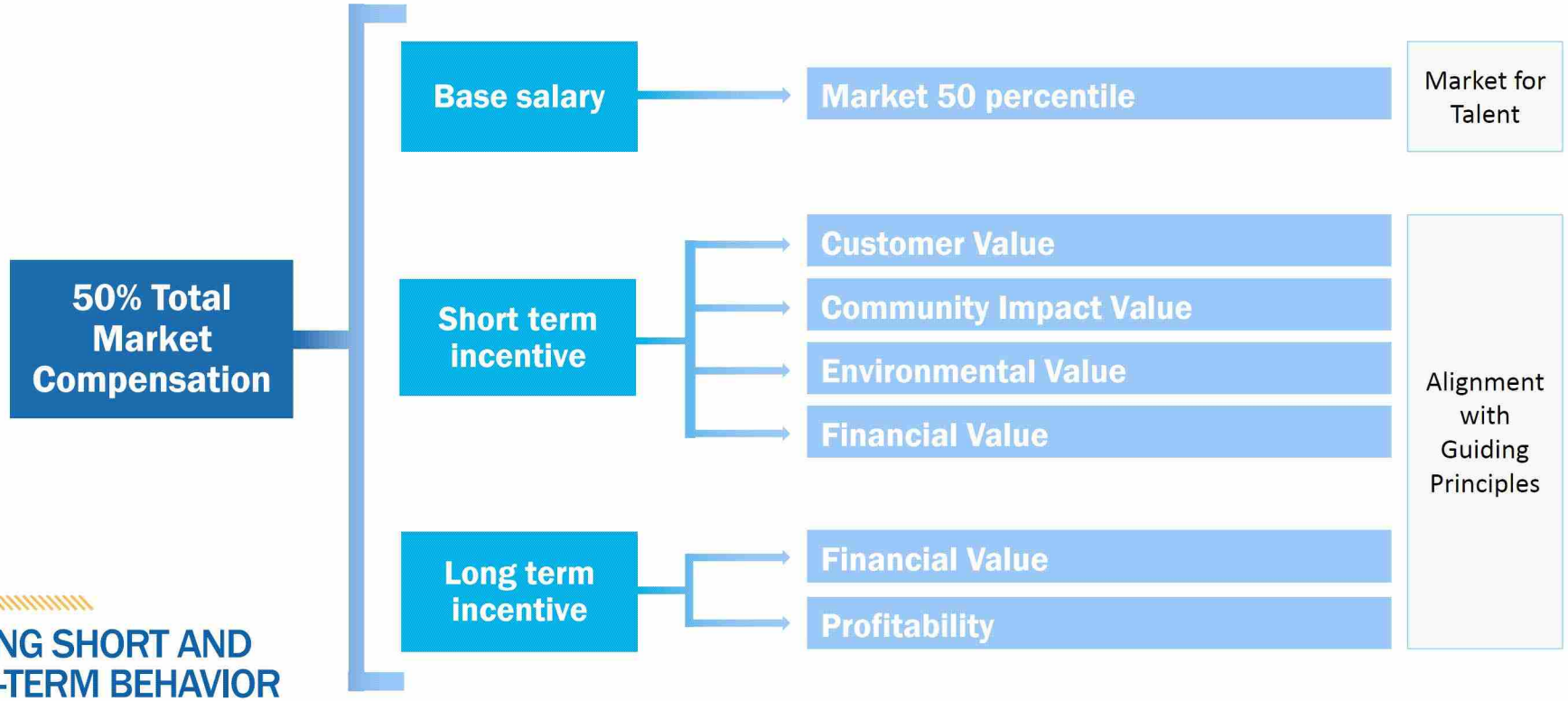
JEA Board Policy Manual

(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, 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."

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



DRIVING SHORT AND LONG-TERM BEHAVIOR

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	[redacted]	
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

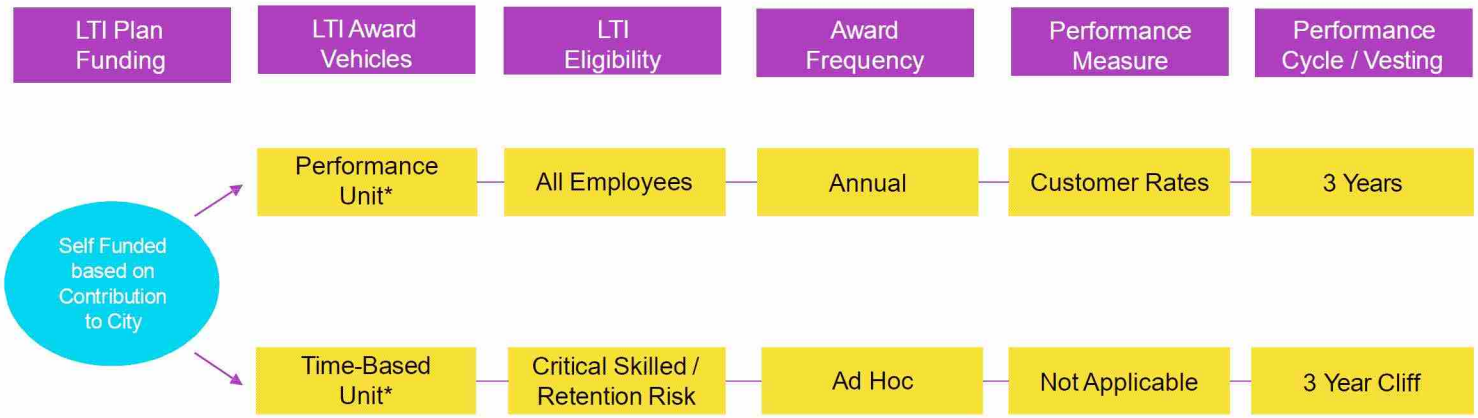
Introduction

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:*

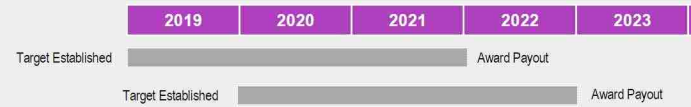


* Value of units tied to JEA Net Book Value.

Long-Term Incentive Plan Design

Proposed Design Details: Performance Unit

Performance Unit

Plan Design Element	Plan Design Details
Award Vehicle	• Performance Unit: value of unit tied to JEA Net Book Value; unit valuation formula to be determined
Eligibility	• All employees would be eligible in order to drive collective focus on JEA long-term performance
Target Award Opportunity (as % of base salary)	• 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	• Annual
Circuit Breaker	• 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	• 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	• 3-year performance cycle with overlapping cycles due to annual grant frequency 
Payout Range	• Threshold: 50% of Target • Maximum: 150% of Target
Estimated Cost	• 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

June	July	August	September	October
Presentation to the Comp Committee – 6/18 Presentation to the Board – 6/25	Hold Shade Meeting to discuss labor negotiations Develop economic strategy for negotiations	Finalize Comp Plan and begin installing components	Publicize Comp Plan to employees	Full implementation of Comp Plan

Formalize Compensation Plan as directed by the Board

Conduct Bargaining Unit negotiations and finalize contracts

Compensation Program Appendix for Compensation Committee Meeting

Prepared for JEA

June 18, 2019

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Willis Towers Watson

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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

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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: • Individual Contributors/Managers – local and regional scope • Directors/Executives – national scope
Target Competitiveness	Targets the market 50th %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 functional roles – a 50/50 weighted mix of Utility/General Industry market data For operational roles – only Utility Industry market data

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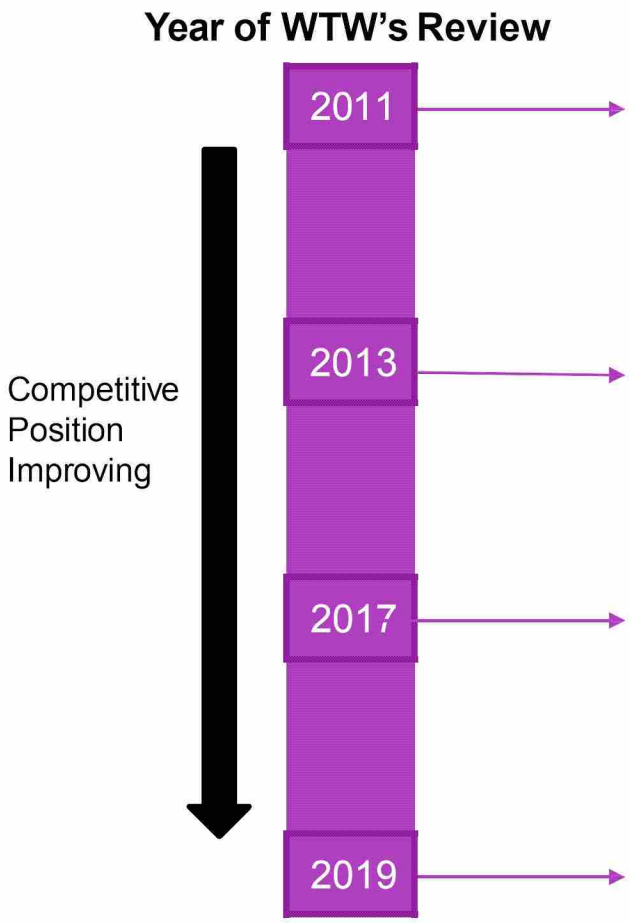
Evolution of JEA's Compensation Program

Timeline of Goals and Major Changes



- Conducted competitive cash compensation analysis for approximately 200 Appointed positions, as well as a benefits assessment
- While total cash compensation levels were generally below market, benefit programs were generally above market (retirement plan significantly above market)
- JEA re-instituted a short-term incentive plan where all employees were eligible to receive an award (re-instated for FY12)

- Conducted competitive market analysis, which showed JEA remained below market but had an improved competitive positioning

- Updated 2013 analysis, which showed that competitive positioning continued to improve
- Effective beginning FY18, the defined benefit plan was closed to new hires. All new hires will participate in the new defined contribution plan

- Competitive market positioning continues to improve JEA value creation
- JEA Board's objective is to create and implement a short-term and long-term incentive plan where all employees are eligible to receive an award based on individual and organization performance

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CEO Competitive Market Pricing

Methodology

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

[redacted]

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

[redacted]

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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	[redacted]		
	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". [redacted]

(3) Only 4 public power peers report a target bonus opportunity (sample size less than 5 is too small to report data). Responses range from 8-35% with an average of 22%.

(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.

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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

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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%**

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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

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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

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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	[redacted]	
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.

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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

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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)

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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

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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

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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	✓

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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	[redacted]
Award Frequency	Annual awards with overlapping cycles are most common	All 13 peers grant annual awards with overlapping cycles	[redacted]

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

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Long-Term Incentive Plan Design

Market Practices Summary (continued)

Design Aspect	Public Power Utilities	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: 28th %ile at threshold, 50th %ile at target, and 90th %ile at maximum	
Payout Range	Threshold: 50% of Target Maximum: 150% of Target	Threshold: 0-50% of Target Maximum: 150-200% of Target	

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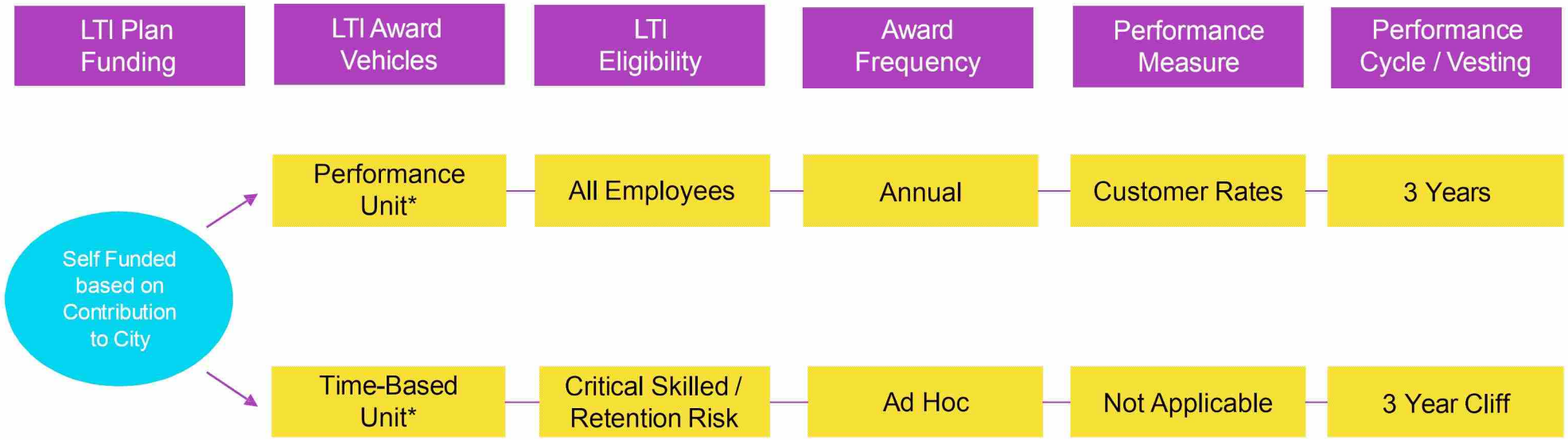
Long-Term Incentive Plan Design

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.

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Long-Term Incentive Plan Design

Proposed Design Details: Performance Unit

Performance Unit

Plan Design Element	Plan Design Details
Award Vehicle	• Performance Unit: value of unit tied to JEA Net Book Value; unit valuation formula to be determined
Eligibility	• All employees would be eligible in order to drive collective focus on JEA long-term performance
Target Award Opportunity (as % of base salary)	• 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	• Annual
Circuit Breaker	• 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	• 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	• 3-year performance cycle with overlapping cycles due to annual grant frequency
Payout Range	• Threshold: 50% of Target • Maximum: 150% of Target
Estimated Cost	• 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.

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Long-Term Incentive Plan Design

Proposed Design Details: Time-Based Unit

Time-Based Unit

Plan Design Element	Plan Design Details
Award Vehicle	• Time-Based Unit: value of unit tied to JEA Net Book Value; unit valuation formula to be determined
Eligibility	• 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)	• Retention award values range from 10% to 20% depending on criticality of role and/or retention need
Award Pool Funding	• 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	• Ad hoc awards
Vesting Period	• 3-year cliff vesting period
Estimated Cost	• 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.

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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.

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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

	Target Bonus %			LTI Opportunity %			Total At Risk Compensation		
Level	Current	Market	Proposed	Current	Market	Proposed	Current	Market	Proposed
Executive	10%	[redacted]	45%	--	[redacted]	40%	10%	[redacted]	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.

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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.

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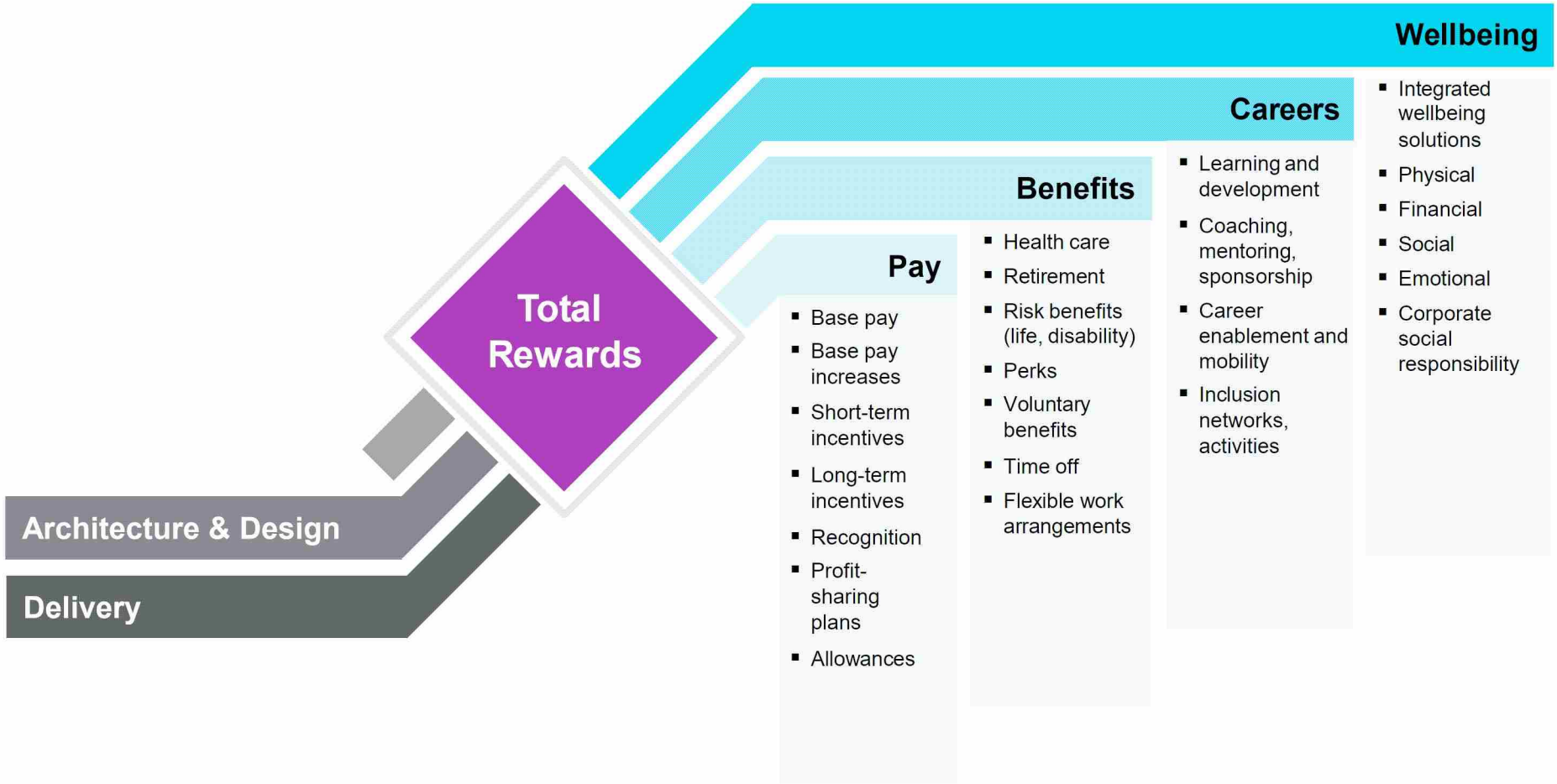
Modernizing Total Rewards

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



Source: 2018 Willis Towers Watson Modernizing Total Rewards Survey

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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

8. Wellbeing

Holistic *physical, financial, social and emotional health*

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

Source: 2018 Willis Towers Watson Modernizing Total Rewards Survey

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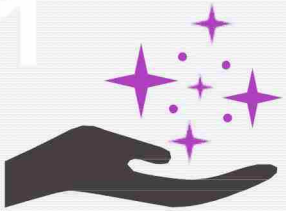
Modernizing Total Rewards

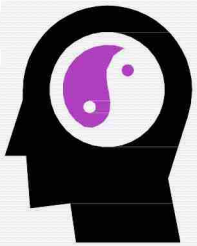
Our findings identify five areas critical to meeting employees' Total Rewards expectations and delivering a consumer-grade experience

1



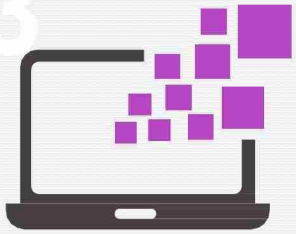
Understand what employees value

2



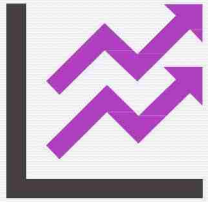
Consider employee wellbeing a top priority

3



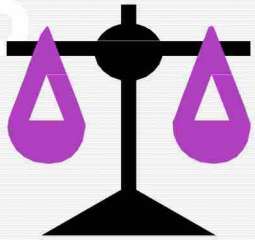
Make effective use of technology

4



Measure cost and impact of programs

5



Prioritize fairness, purpose-driven benefits, and I&D

Source: 2018 Willis Towers Watson Modernizing Total Rewards Survey

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RESOLUTION 2019-10

A RESOLUTION APPROVING LONG-TERM PERFORMANCE UNIT PLAN AND RELATED DOCUMENTATION AND AUTHORIZING THE CEO TO TAKE ANY AND ALL ACTION TO PURSUE THE IMPLEMENTATION OF SUCH PLAN AND RELATED DOCUMENTATION

WHEREAS, in accordance with Board Policy 2.7, the Compensation Committee directed JEA management in January 2019 to develop a compensation policy to align with talent market and guiding principles, JEA management presented to the Compensation Committee and the Compensation Committee approved in June 2019 the framework for a compensation plan, including a long-term incentive plan;

WHEREAS, at its June 2019 Board meeting, the Board approved the framework of JEA's long-term compensation plan and authorized JEA management to develop the plan and present it to the Board at the July 2019 Board meeting for final approval;

WHEREAS, the Board believes that it is in the best interest of JEA to adopt a long-term performance unit plan in connection with annual performance reviews and general operation of JEA; and

WHEREAS, the Board has reviewed the summary of the terms and conditions of the Long-Term Performance Unit Plan, which summary is attached hereto as Exhibit 1 (the "Long-Term Performance Plan Summary").

BE IT RESOLVED, by the Board that:

1. The Chief Executive Officer and Managing Director (the "CEO") or his designee shall have the authority to (i) implement a long-term performance unit plan (the "Long-Term Performance Unit Plan") on the terms and conditions set forth on the Long-Term Performance Plan Summary, (ii) execute with each actively employed eligible full-time employee, any full-time JEA employee as otherwise recommended by the CEO and approved by the Administrator of the Long Term Performance Unit Plan, and each actively employed eligible full-time attorney from the Office of General Counsel of the City of Jacksonville who is dedicated exclusively to JEA an agreement under the Long-Term Performance Unit Plan, (iii) in consultation with the Office of General Counsel, make technical and clerical amendments to the Long-Term Performance Unit Plan and/or the Form Long-Term Performance Agreement, all of which do not increase the financial obligations or liability of JEA under the Long-Term Performance Unit Plan and/or the Form Long-Term Performance Agreement, and (iv) take, or cause to be taken, any and all action and to prepare, execute and deliver, or cause to be prepared, executed and delivered, any and all documents that the CEO or his designee deems necessary or advisable to carry out the intent of this resolution.

2. The Chair of the Compensation Committee of the Board be, and hereby is, appointed as the Administrator of the Long-Term Performance Unit Plan with full power and authority to administer the Long-Term Performance Unit Plan in accordance with the terms

therewith.

3. The 2019 Redemption Price Schedule under the Long-Term Performance Unit Plan for the Performance Units to be purchased by Participants in January 2020 attached hereto as Exhibit 2 is hereby approved.

4. This resolution shall be effective immediately upon its adoption.

Dated this 23rd day of July 2019.

JEA

By: _____
April Green, Chair

_____
Secretary

Form Approved:

_____
Office of General Counsel

RESOLUTION 2019-10 EXHIBIT 1

The Long-Term Performance Plan Summary

RESOLUTION 2019-10 EXHIBIT 1

Long-Term Performance Plan Summary

Overview	Subject to the satisfaction of the conditions described below, each eligible employee may purchase a specified number of performance units from JEA on January 15th of each year. Eligible employees will be notified in and will execute the Long-Term Performance Unit Plan Agreement in Q4 of calendar year 2019 that they may purchase performance units and the first purchase date will be January 15, 2020. Each performance unit represents a potential right to receive a cash payment equal to the redemption price (as described below) for such unit.
Documentation	All eligible employees will be subject to a plan and will be required to sign an agreement with JEA.
Eligible Employees	All (i) full-time employees who are actively employed with JEA for at least three months prior to the purchase date and (ii) full-time attorneys from the Office of the General Counsel of the City of Jacksonville who are dedicated exclusively to JEA for at least three months prior to the purchase date are eligible to purchase performance units. Any exceptions to the above must be recommended by JEA's CEO and approved by the administrator (as described below).
Pool	A total of 100,000 performance units are available for purchase under the plan.
Purchase Price Payment	Each performance unit will have a purchase price of $10.00. To pay the purchase price, an eligible employee will elect to defer a portion of his or her pay equal to the aggregate purchase price for the performance units. Each eligible employee may elect to defer his or her pay in a lump sum or equal installments during the payroll periods as selected by such employee and such employee's pay will be deferred at such time as such pay would otherwise have been paid but not for the deferral election. An eligible employee will elect to defer in the calendar year prior to the year in which the compensation is earned.
Performance Period	Each performance period will be a three-year period that is used to calculate the redemption price (if a Recapitalization Event occurs, the performance period will be truncated and will end on the closing date of such Recapitalization Event).

Redemption Price	An eligible employee will receive a cash payment equal to the redemption price for each performance unit that such employee purchases. The redemption price will include the purchase price paid by an eligible employee for such unit. The redemption price will increase by $100.00 per performance unit for each Value Change Percentage increase of 1% in excess of the "Challenge Value Target" and will decrease by $0.50 per performance unit for each "Value Change Percentage" decrease of 1% below the Threshold Value Target, but the redemption price will not be less than $0.00 per performance unit. • The "Challenge Value Target" will be 110% for the first performance period and the "Threshold Value Target" will be 90% for the first performance period. • The "Value Change Percentage" means a percentage equal to the "Current Year Value" divided by the "Base Year Value." • "Current Year Value" means, with respect to each performance period, the sum of (i) JEA's Net Position, as shown on JEA's audited financial statements for such performance period, (ii) the aggregate consideration paid, distributed, credited or otherwise provided to the City of Jacksonville whether in cash or in-kind (excluding any public service taxes or franchise fees) during the 12-month period prior to the end of the performance period, and (iii) the aggregate consideration (including refunds, rebates and distributions) paid, distributed, credited or otherwise provided to JEA's customers during the 12-month period prior to the end of the performance period. Any consideration and change in Net Position, as applicable, in connection with the Recapitalization Event will be taken into account for purposes of calculating the amounts in (i) – (iii). • For the first performance period, "Base Year Value" is the amount equal to the Current Year Value for fiscal year 2019 as reflected on JEA's audited financial statements when available. JEA's Chief Financial Officer will calculate the redemption price. The administrator will certify the redemption price as soon as practicable following the completion of JEA's audit for the applicable performance period, but in no event later than 30 days thereafter (or, if a Recapitalization Event occurs, no later than 30 days following the closing date of such Recapitalization Event).

Payments and Vesting Generally	The performance units will vest on the earlier to occur of (i) the first anniversary of the last day of the performance period and (ii) the date on which a Recapitalization Event occurs (the "Vesting Date"). Except as otherwise described herein, an eligible employee must be employed on the Vesting Date for the performance units to vest. Payments will be paid to an eligible employee no later than 30 days after the redemption price has been certified by the administrator as described above.
Termination of Employment	If an eligible employee experiences an involuntary termination of employment (as described below) prior to the applicable Vesting Date, such employee will receive a payment in respect of all of his performance units. Any amounts payable to a terminated eligible employee in respect of his performance units will be paid to such employee at the same time as the amounts would have been paid had there been no termination of employment. An involuntary termination means a termination of employment by JEA without cause or due to the eligible employee's death or disability. An eligible employee will forfeit his performance units and aggregate purchase price on a termination of employment that is not involuntary.
Retirement Eligible Employees	If an eligible employee becomes a retirement eligible employee (as described below) and retires, in each case, prior to the applicable Vesting Date, such employee's performance units will vest on the applicable Vesting Date. An eligible employee is retirement eligible if such employee has attained one of the retirement milestones as described in the General Employees Retirement Plan.
Recapitalization Event	"Recapitalization Event" means the closing and funding of a transaction or a series of related transactions in accordance with Article 21 of the Charter of the City of Jacksonville and any other applicable law that results in either (i) unencumbered cash proceeds to the City of Jacksonville of at least Three Billion Dollars ($3,000,000,000) or (ii) at least 50% of the net depreciated property, plant and equipment value of either JEA's electric system or JEA's water and wastewater system being transferred, assigned, sold or otherwise disposed of.
Conditions to Receipt	An eligible employee will receive the cash payment in respect of his performance units if: (i) he executes an agreement; (ii) the employee is continuously employment with JEA (except as set forth above); (iii) the employee executes and does not revoke a release of claims in favor of JEA and the City of Jacksonville; (iv) the employee complies with the covenants set forth below; and (v) the conditions in Section 215.425(3), Florida Statutes are satisfied.

Employee Covenants	Each eligible employee must (i) devote his best efforts to faithfully discharge his duties on behalf of JEA and not take any action that would be contrary to the best interests of JEA, (ii) not disclose confidential JEA information (except as required by applicable law or to perform his job duties) or (iii) not make any unauthorized public statements about, among others, JEA and government officials of the City of Jacksonville. If an eligible employee breaches or threatens to breach these covenants, such employee will forfeit his unvested performance units and JEA will not pay to such employee any amount in respect of his performance units (including any purchase price paid by such employee for the performance units) and/or such employee will promptly repay all or any portion of the cash payment previously paid to him in respect of his performance units, as applicable.
Administrator	The Chair of the Compensation Committee will be the administrator.
Miscellaneous	Any payments made to an eligible employee will be paid less applicable withholding taxes. The plan and agreements will be subject to Sections 409A and 457(f) of the Internal Revenue Code (the "Code") and will be construed and interpreted accordingly. The agreements will be governed by the laws of the State of Florida and subject to arbitration in Duval County in the State of Florida. If or as required, JEA will collectively bargain the plan and applicable agreements with unions representing covered bargaining unit employees of JEA. If any payments under the plan or an agreement to an eligible employee are subject to any excise tax, interest or penalties under the Code (the "Penalties"), JEA will pay to such employee an amount equal to the full amount of the Penalties. JEA will not pay to an eligible employee any amount in respect of Penalties caused by such employee's breach of his or her agreement or such employee's failure to comply with applicable law.

RESOLUTION 2019-10 EXHIBIT 2

2019 Redemption Price Schedule under the Long-Term Performance Unit Plan

RESOLUTION 2019-10 EXHIBIT 2

Long-Term Performance Unit Plan – 2019 Redemption Price Schedule

SCHEDULE A
2019 REDEMPTION PRICE SCHEDULE

The Redemption Price shall increase by $100.00 per Performance Unit for each Value Change Percentage increase of 1.00% in excess of the Challenge Value Target and shall decrease by $0.50 per Performance Unit for each Value Change Percentage decrease of 1.00% below the Threshold Value Target, but in no event shall the Redemption Price per Performance Unit be less than $0.00.

For purposes of this Schedule A, the following defined terms shall mean:

(a) "Base Year Value" means $[AMOUNT].[1]

(b) "Challenge Value Target" means 110%.

(c) "Current Year Value" means, with respect to each Performance Period, the sum of (i) JEA's Net Position, as shown on JEA's audited financial statements for such Performance Period, (ii) the aggregate consideration paid, distributed, credited or otherwise provided to the City of Jacksonville whether in cash or in-kind (excluding any public service taxes or franchise fees) during the twelve (12)-month period prior to the end of the Performance Period, and (iii) the aggregate consideration (including refunds, rebates and distributions) paid, distributed, credited or otherwise provided to the customers of the JEA Group during the twelve (12)-month period prior to the end of the Performance Period. For the avoidance of doubt, for purposes of calculating the amounts in clauses (a), (b) and (c), any consideration and change in Net Position, as applicable, in connection with the Recapitalization Event shall be taken into account.

(d) "Value Change Percentage" means a percentage equal to the Current Year Value divided by the Base Year Value.

(e) "Threshold Value Target" means 100%.

Any amounts paid, distributed, credited or otherwise provided in a form other than cash shall be valued at the value ascribed to them in the documents governing, or if none, then at their fair market value as determined by the Administrator in its sole discretion.

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[1] For 2019, this amount will be equal to the Current Year Value for fiscal year 2019 as reflected on the audited financial statements when available.