



INTER-OFFICE MEMORANDUM

October 21, 2019

SUBJECT: CEO PERFORMANCE EVALUATION

FROM: Lynne C. Rhode, Chief Legal Officer

TO: JEA Board of Directors

BACKGROUND:

The CEO performance review process and appraisal tool are in accordance with satisfying certain terms and conditions required of the Board of Directors in the CEO's Employment Agreement dated July 23, 2019. Accordingly, JEA's Board of Directors shall:

"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 market pricing peer group assessment of Employee's Annual Base Salary by a nationally recognized compensation consultant and shall discuss the results of such a 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."

The performance appraisal process for the CEO is conducted in the same manner and at the same time as performance appraisals of each JEA employee.

DISCUSSION:

Attached is the composite CEO performance review based upon the result of the Compensation Committee members' review and input from the CEO.

RECOMMENDATION:

That the board find that the CEO has met the standards of the performance review for 2019 and no adjustment to the CEO employment agreement be made.

Lynne C. Rhode, Chief Legal Officer

LCR

Resolution No. 2019-15

**A RESOLUTION ADOPTING 2019 CEO
PERFORMANCE REVIEW AND CONFIRMING
NO ADJUSTMENT TO CEO EMPLOYMENT AGREEMENT**

WHEREAS, The CEO performance review process and appraisal tool are in accordance with satisfying certain terms and conditions required of the Board of Directors in the CEO's Employment Agreement dated July 23, 2019; and

WHEREAS, the CEO has met or exceeded the metrics of the performance review process as confirmed by the composite report of the Compensation Committee.

BE IT RESOLVED by the JEA Board of Directors that:

1. That the CEO has met the standards of the performance review for 2019 and no adjustment to the CEO employment agreement be made.
2. This Resolution shall be effective immediately upon passage.

Dated this _____ day of _____ 2019.

JEA

By: _____
Chair

Form Approved:

Lynne C. Rhode
Chief Legal Officer

Performance Appraisal Process for the CEO

This process and appraisal tool are in accordance with satisfying certain terms and conditions required of the Board of Directors in the CEO's Employment Agreement dated July 23, 2019. Accordingly, JEA's Board of Directors shall:

"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 market pricing peer group assessment of Employee's Annual Base Salary by a nationally recognized compensation consultant and shall discuss the results of such a 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."

The performance appraisal process for the CEO is conducted in the same manner and at the same time as performance appraisals of each JEA employee.

Importance of Performance Appraisal

Performance appraisal / evaluation is the regular process of both formally and informally providing feedback about an individual's implementation of his / her responsibilities. All employees deserve and expect ongoing feedback, whether formal or informal. And all employees should expect a formal appraisal, conducted annually by the supervisor. 100% of JEA's employees are subject to annual performance reviews and the process outlined below mirrors the standard evaluation process for the balance of JEA employees.

The CEO assures proper and timely appraisal for all organization employees. The CEO is responsible for an effective process that retains and supports the best employees, and provides appropriate intervention with those requiring improvement.

CEO Performance Appraisal Process

The Chair of the Compensation Committee for of the Board of Directors manages the performance appraisal process of the CEO and conducts the performance appraisal interview.

To assure continuity, at least two additional members, beyond the Chair of Compensation Committee, will participate in the review of the CEO.

Compensation Committee Responsibilities

- Draft and secure Board approval for the CEO job description¹.
- Design and manage the CEO Performance Appraisal Process, then recommend to the Board for discussion and action. The Board formally approves the process and tools.²

¹ Based on the JEA Board of Director approved CEO Position Specification dated July 30, 2018.

² The process and tools are as provided for in this memorandum.

- Complete the formal Performance Appraisal Process by the October JEA Board of Directors meeting, which is the meeting immediately following the end of the fiscal year for JEA (September 30).
- Recommend changes, if any, to the CEO's Employment Agreement for Board consideration and action.
- Finalize with CEO input a set of goals and objectives for the next fiscal year which will be utilized by for the CEO Performance Appraisal Process the following year.

Performance Appraisal Ratings³

Exceeds expectations (EE) – The individual is making an exceptional, significant contribution to the organization. This person constantly accepts responsibilities beyond those of the job held and continuously exceeds expectations regarding completion of work assignments. There are few areas regarding performance of job responsibilities in which he/she could improve.

Meets expectations (ME) – The individual is a steady, consistent, dependable performer and carries out duties in a fully responsible and effective manner. Meets and occasionally exceeds expectations regarding job responsibilities and completion of work assignments. Even though present performance is acceptable, there may be areas regarding performance of job responsibilities in which the person should improve.

Needs improvement (NI) – The individual falls below standards or expectations. It is expected that with the appropriate improvement plan, performance will reach a fully satisfactory level within a specified time period.

Steps in the CEO Performance Appraisal Process

- 1) Chair of Compensation Committee reviews Performance Appraisal Process, informs the Compensation Committee members of the process start, and invites Compensation Committee members to provide any comments to the process.
- 2) CEO completes self-performance review utilizing the same tool and submits to task force.
- 3) Each member of the Compensation Committee meets and conducts appraisal process while comparing results to CEO.
- 4) Chair of Compensation Committee prepares final forms and then drafts a cover memo for Board review and action. The memo summarizes strengths and weaknesses, goals, improvement and development plans, and recommends the overall performance status.
- 5) The Chair presents the results of the CEO Performance Appraisal Process to the Board to discuss the results and recommendations.
- 6) The Board discusses the appraisal memo and merit recommendation – and makes changes, if any, as it desires.
- 7) The Board then acts and minutes reflect action and are filed in the permanent record.

³ Performance appraisal ratings are based on standardized ratings utilized to evaluate all JEA employees in yearend Performance Review

- 8) The Chair then meets with the CEO to discuss the results of the appraisal process, and the resulting Board decision.

Position Summary⁴

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

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

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

Responsibilities⁵

- 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.

⁴ Based on the JEA Board of Director approved CEO Position Specification dated July 30, 2018.

⁵ Ibid.

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

Performance Review from Camille Lee-Johnson

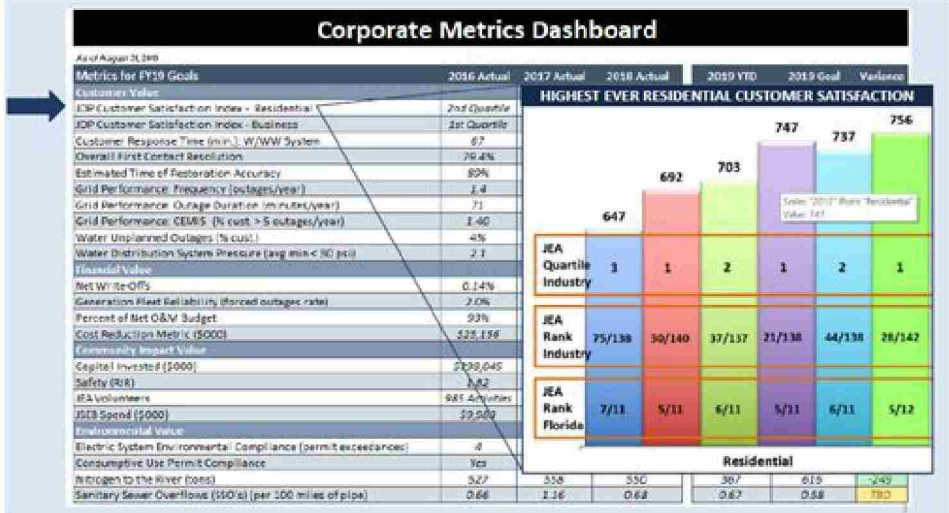
Performance on key responsibilities of the job description:

Use Performance Appraisal Ratings (described above): Exceeds Expectations (EE), Meets Expectations (ME), Needs Improvement (NI). When using NI, please give specific example(s) below the goal statement:

Responsibility	CEO Self - Rating	BOD Rating
<u>Mission, policy and planning</u>		
1. Helps Board determine vision, mission, and values ⁶	EE	EE
Note: Proactively worked with JEA's Board, employees, City Council and civic leaders to finalize: i) the JEA Strategic Framework on August 21, 2018; and ii) the JEA Guiding Principles on January 24, 2019.		
2. Helps Board monitor and evaluate organization's relevancy, effectiveness and results	ME	EE
Note: Established rhythm of JEA's Corporate Dashboard and metrics management to provide clear and concise overview and review of JEA's performance and operational health.		
3. Keeps Board fully informed regarding organization's condition and important factors influencing performance and resources	ME	EE
Note: Worked with Chair of the Board to established specific Board agenda sections: i) Operations; ii) Strategy; iii) Subject Matter Exploration. This sectional approach provided transparency and framed dialog with Board and public to better inform on the 'condition and important factors influencing performance and resources.' Additionally, established significant information channels around major issues such as Vogtle, cybersecurity, enterprise risk management, etc.		
4. Keeps Board fully informed of developments in the organization's mission, measures of value, general business management and operational performance	ME	ME
Note: September 24, 2019 JEA Corporate Metrics Dashboard and Performance Presentation for FY19.		
5. Assures appropriate policies are in place to guide the organization's work in all functional areas	ME	ME

⁶ See Board of Director approved Guiding Principles

Note:		
<u>Operational and Financial Results</u>		
1. Deliver operational and financial results in line with Board approved metrics set in October 2018 (See JEA Metrics Dashboard)	EE	EE
Note: See FY19 JEA Corporate Dashboard for results.		
2. Drives corporate culture and work environment to ensure safe and high-quality performance of employees	ME	ME
Note: See JEA OHI Presentation from February 26, 2019.		
3. Actively recruits, trains, and retains talent at a Senior Leadership level to drive the organizations Vision, Mission and Corporate Measures of Value	EE	ME
Note: Quickly recruited, established, and organized a high-performing Senior Leadership Team to both execute on the business and plan for future aspects of JEA.		
4. Sets clear annual Goals and Metrics for organization to drive value	ME	ME
Note: Restructured JEA's performance and goal cascade to tie all 2,000 employees goals and metrics to the CEO's goals and metrics.		
<u>Governance</u>		
1. Works effectively with Board, its officers and committees to define roles and responsibilities while elevating performance of the entire group	ME	ME
Note:		
2. Works with Board Chair to enable Board to fulfill its governance, oversight and regulatory function to assure timely attention to core issues	ME	ME
Note:		

3. Works with Board Chair to focus Board attention on long-range strategic issues	ME	ME
Note:		
4. Frames significant questions and complex issues in ways to facilitate Board discussion, deliberation and action	ME	ME
Note:		
Finance		
1. Oversees financial performance of organization to maintain appropriate ratings metrics and risk management (ERM)	ME	EE
Note: See September 30, 2019 JEA Enterprise Risk Management Registry (attached)		
2. Promotes culture, programs and services that are cost effective while maintaining high-level of customer service (reliability / affordability) and satisfaction (JD Powers)	ME	ME
Note: Performed Organizational Health Index measurements as first step of Strategic Planning in January 2019. This was completed in order to understand a baseline of JEA's organizational health and to develop a cultural development roadmap. See JEA OHI Presentation from February 26, 2019. JEA delivered highest ever residential customer satisfaction score for JD Powers in 2019.		
		
Leadership		

1. Demonstrates initiative and creativity in identifying strategic issues facing the organization then communicates effectively to the Board for consideration and action	EE	EE
Note: See JEA strategic planning process in 2019.		
2. Effectively manages continuity, change and transition	ME	ME
Note: See JEA strategic planning process in 2019.		
3. Sets and achieves clear and measurable goals and reasonable deadlines	ME	ME
Note: See JEA strategic planning process in 2019.		
4. Deals effectively with demanding situations and designs / implements effective interventions to manage risk and ensure organizational performance	ME	ME
Note: See September 30, 2019 JEA Enterprise Risk Management Registry (attached)		
5. Consistently displays all of the Company's Cultural Values – Safety, Service, Integrity, Growth ² , Accountability and ideas ⁷	ME	ME
Note:		

See next page for overall rating and recommendation.

⁷ See Board of Directors approved Guiding Principles

Overall Rating & Recommendation	CEO Self - Rating	BOD Rating
2018/2019 CEO Performance Rating	ME	ME

Market Analysis of CEO Compensation:

JEA's CEO compensation is between the 25th and 30th percentile of the market. Below is a summary of the market analysis conducted by Willis Towers Watson in 2019.

CEO Competitive Market Pricing

Market Pricing Details

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

...= Data not available.

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

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

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

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

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Willis Towers Watson

Recommendation to Board:

In consultation with the Chair of the Compensation Committee, the CEO believes no adjustment is necessary to the terms and conditions of his Employment Agreement.

Performance Review from Andy Allen

Performance on key responsibilities of the job description:

Use Performance Appraisal Ratings (described above): Exceeds Expectations (EE), Meets Expectations (ME), Needs Improvement (NI). When using NI, please give specific example(s) below the goal statement: Andy Allen Review

Responsibility	CEO Self - Rating	BOD Rating
<u>Mission, policy and planning</u>		
6. Helps Board determine vision, mission, and values ⁸	EE	EE
Note: Proactively worked with JEA's Board, employees, City Council and civic leaders to finalize: i) the JEA Strategic Framework on August 21, 2018; and ii) the JEA Guiding Principles on January 24, 2019.		
7. Helps Board monitor and evaluate organization's relevancy, effectiveness and results	ME	ME
Note: Established rhythm of JEA's Corporate Dashboard and metrics management to provide clear and concise overview and review of JEA's performance and operational health.		
8. Keeps Board fully informed regarding organization's condition and important factors influencing performance and resources	ME	ME
Note: Worked with Chair of the Board to established specific Board agenda sections: i) Operations; ii) Strategy; iii) Subject Matter Exploration. This sectional approach provided transparency and framed dialog with Board and public to better inform on the 'condition and important factors influencing performance and resources.' Additionally, established significant information channels around major issues such as Vogtle, cybersecurity, enterprise risk management, etc.		
9. Keeps Board fully informed of developments in the organization's mission, measures of value, general business management and operational performance	ME	ME
Note: September 24, 2019 JEA Corporate Metrics Dashboard and Performance Presentation for FY19.		
10. Assures appropriate policies are in place to guide the organization's work in all functional areas	ME	ME

⁸ See Board of Director approved Guiding Principles

Note:		
<u>Operational and Financial Results</u>		
5. Deliver operational and financial results in line with Board approved metrics set in October 2018 (See JEA Metrics Dashboard)	EE	ME
Note: See FY19 JEA Corporate Dashboard for results.		
6. Drives corporate culture and work environment to ensure safe and high-quality performance of employees	ME	ME
Note: See JEA OHI Presentation from February 26, 2019.		
7. Actively recruits, trains, and retains talent at a Senior Leadership level to drive the organizations Vision, Mission and Corporate Measures of Value	EE	EE
Note: Quickly recruited, established, and organized a high-performing Senior Leadership Team to both execute on the business and plan for future aspects of JEA.		
8. Sets clear annual Goals and Metrics for organization to drive value	ME	ME
Note: Restructured JEA's performance and goal cascade to tie all 2,000 employees goals and metrics to the CEO's goals and metrics.		
<u>Governance</u>		
5. Works effectively with Board, its officers and committees to define roles and responsibilities while elevating performance of the entire group	ME	ME
Note:		
6. Works with Board Chair to enable Board to fulfill its governance, oversight and regulatory function to assure timely attention to core issues	ME	ME
Note:		

7. Works with Board Chair to focus Board attention on long-range strategic issues	ME	ME
Note:		
8. Frames significant questions and complex issues in ways to facilitate Board discussion, deliberation and action	ME	ME
Note:		
Finance		
3. Oversees financial performance of organization to maintain appropriate ratings metrics and risk management (ERM)	ME	ME
Note: See September 30, 2019 JEA Enterprise Risk Management Registry (attached)		
4. Promotes culture, programs and services that are cost effective while maintaining high-level of customer service (reliability / affordability) and satisfaction (JD Powers)	ME	ME
Note: Performed Organizational Health Index measurements as first step of Strategic Planning in January 2019. This was completed in order to understand a baseline of JEA’s organizational health and to develop a cultural development roadmap. See JEA OHI Presentation from February 26, 2019. JEA delivered highest ever residential customer satisfaction score for JD Powers in 2019.		

As of August 31, 2019

Metrics for FY19 Goals

	2016 Actual	2017 Actual	2018 Actual	2019 YTD	2019 Goal	Variance
Customer Value						
JOP Customer Satisfaction Index - Residential	2nd Quartile					
JOP Customer Satisfaction Index - Business	1st Quartile					
Customer Response Time (min.) W/VW System	67					
Overall First Contact Resolution	70.4%					
Estimated Time of Restoration Accuracy	89%					
Grid Performance: Frequency (outages/year)	1.4					
Grid Performance: Outage Duration (minutes/year)	71					
Grid Performance: CEMIS (% cust. > 5 outages/year)	1.40					
Water Unplanned Outages (% cust.)	4%					
Water Distribution System Pressure (avg min < 90 psi)	2.1					
Financial Value						
Net W/te-Offs	0.14%					
Generation Asset Reliability (forced outage rate)	2.0%					
Percent of Met O&M Budget	93%					
Cost Reduction Metric (\$000)	\$25,156					
Community Impact Value						
Capital Invested (\$000)	\$230,045					
Safety (RIR)	1.62					
JEA Volunteers	981 hours/year					
JOP Spend (\$000)	\$2,500					
Environmental Value						
Electric System Environmental Compliance (permit exceedances)	0					
Consumptive Use Permit Compliance	Yes					
Nitrogen to the River (tons)	527					
Sanitary Sewer Overflows (SSOs) (per 100 miles of pipe)	0.66	1.16	0.68	0.67	0.58	750

HIGHEST EVER RESIDENTIAL CUSTOMER SATISFACTION

Score: 2019 JOP Residential Value: 747

	2016	2017	2018	2019 YTD	2019 Goal
JEA Customer Satisfaction Index - Residential	647	692	703	747	737
JEA Customer Satisfaction Index - Business	756				

	2016	2017	2018	2019 YTD	2019 Goal
JEA Rank Industry	75/138	30/140	37/137	21/138	44/138
JEA Rank Florida	7/11	5/11	6/11	5/11	6/11

Residential

	2016	2017	2018	2019 YTD	2019 Goal
JEA Rank Industry	75/138	30/140	37/137	21/138	44/138
JEA Rank Florida	7/11	5/11	6/11	5/11	6/11

Leadership

6. Demonstrates initiative and creativity in identifying strategic issues facing the organization then communicates effectively to the Board for consideration and action	EE	ME
Note: See JEA strategic planning process in 2019.		
7. Effectively manages continuity, change and transition	ME	ME
Note: See JEA strategic planning process in 2019.		
8. Sets and achieves clear and measurable goals and reasonable deadlines	ME	EE
Note: See JEA strategic planning process in 2019.		
9. Deals effectively with demanding situations and designs / implements effective interventions to manage risk and ensure organizational performance	ME	ME
Note: See September 30, 2019 JEA Enterprise Risk Management Registry (attached)		
10. Consistently displays all of the Company's Cultural Values – Safety, Service, Integrity, Growth ² , Accountability and ideas ⁹	ME	ME
Note:		

See next page for overall rating and recommendation.

⁹ See Board of Directors approved Guiding Principles

Overall Rating & Recommendation	CEO Self - Rating	BOD Rating
2018/2019 CEO Performance Rating	ME	ME

Market Analysis of CEO Compensation:

JEA's CEO compensation is between the 25th and 30th percentile of the market. Below is a summary of the market analysis conducted by Willis Towers Watson in 2019.

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Target Bonus % ⁽¹⁾	Combined Peer Group			
	Investor Owned Utility Peers			
	Public Power Peers ⁽²⁾			
Target TCC (\$000s)	Combined Peer Group			
	Investor Owned Utility Peers			
	Public Power Peers			
LTI % ⁽³⁾	Combined Peer Group			
	Investor Owned Utility Peers			
	Public Power Peers			
Target TDC (\$000s)	Combined Peer Group ⁽⁴⁾			
	Investor Owned Utility Peers			
	Public Power Peers			

...= Data not available.

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

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

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

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

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Willis Towers Watson

Recommendation to Board:

In consultation with the Chair of the Compensation Committee, the CEO believes no adjustment is necessary to the terms and conditions of his Employment Agreement.

Performance Review from April Green

Performance on key responsibilities of the job description:

Use Performance Appraisal Ratings (described above): Exceeds Expectations (EE), Meets Expectations (ME), Needs Improvement (NI). When using NI, please give specific example(s) below the goal statement:

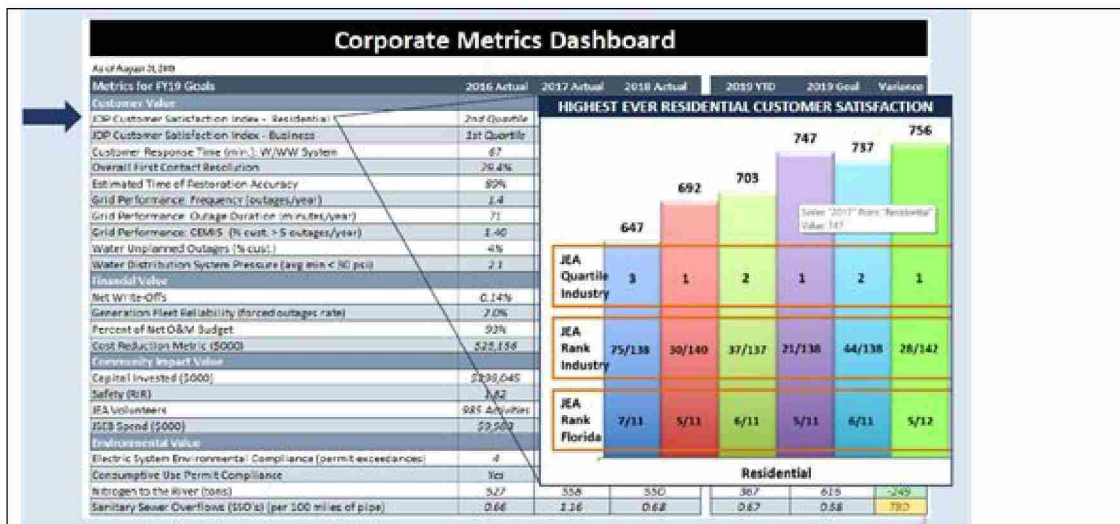
Responsibility	CEO Self - Rating	BOD Rating
<u>Mission, policy and planning</u>		
1. Helps Board determine vision, mission, and values ¹⁰	EE	ME
Note: Proactively worked with JEA's Board, employees, City Council and civic leaders to finalize: i) the JEA Strategic Framework on August 21, 2018; and ii) the JEA Guiding Principles on January 24, 2019.		
2. Helps Board monitor and evaluate organization's relevancy, effectiveness and results	ME	EE
Note: Established rhythm of JEA's Corporate Dashboard and metrics management to provide clear and concise overview and review of JEA's performance and operational health.		
3. Keeps Board fully informed regarding organization's condition and important factors influencing performance and resources	ME	ME
Note: Worked with Chair of the Board to established specific Board agenda sections: i) Operations; ii) Strategy; iii) Subject Matter Exploration. This sectional approach provided transparency and framed dialog with Board and public to better inform on the 'condition and important factors influencing performance and resources.' Additionally, established significant information channels around major issues such as Vogtle, cybersecurity, enterprise risk management, etc.		

¹⁰ See Board of Director approved Guiding Principles

4. Keeps Board fully informed of developments in the organization's mission, measures of value, general business management and operational performance	ME	ME
<p>Note:</p> <p>September 24, 2019 JEA Corporate Metrics Dashboard and Performance Presentation for FY19.</p>		
5. Assures appropriate policies are in place to guide the organization's work in all functional areas	ME	ME
<p>Note:</p>		
<u>Operational and Financial Results</u>		
1. Deliver operational and financial results in line with Board approved metrics set in October 2018 (See JEA Metrics Dashboard)	EE	ME
<p>Note:</p> <p>See FY19 JEA Corporate Dashboard for results.</p>		
2. Drives corporate culture and work environment to ensure safe and high-quality performance of employees	ME	ME
<p>Note:</p> <p>See JEA OHI Presentation from February 26, 2019.</p>		

3. Actively recruits, trains, and retains talent at a Senior Leadership level to drive the organizations Vision, Mission and Corporate Measures of Value	EE	EE
<p>Note:</p> <p>Quickly recruited, established, and organized a high-performing Senior Leadership Team to both execute on the business and plan for future aspects of JEA.</p> <p>BOD Note: Mr. Zahn has established a high-performing SLT with a wealth of industry and proving innovative experience.</p>		
4. Sets clear annual Goals and Metrics for organization to drive value	ME	ME
<p>Note:</p> <p>Restructured JEA's performance and goal cascade to tie all 2,000 employees goals and metrics to the CEO's goals and metrics.</p>		
<u>Governance</u>		
1. Works effectively with Board, its officers and committees to define roles and responsibilities while elevating performance of the entire group	ME	ME
<p>Note:</p>		
2. Works with Board Chair to enable Board to fulfill its governance, oversight and regulatory function to assure timely attention to core issues	ME	ME
<p>BOD Note: Mr. Zahn is prompt and efficient informing the Board of Directors of arising issues of concern.</p>		

3. Works with Board Chair to focus Board attention on long-range strategic issues	ME	ME
Note:		
4. Frames significant questions and complex issues in ways to facilitate Board discussion, deliberation and action	ME	ME
Note:		
<u>Finance</u>		
1. Oversees financial performance of organization to maintain appropriate ratings metrics and risk management (ERM)	ME	ME
Note: See September 30, 2019 JEA Enterprise Risk Management Registry (attached)		
2. Promotes culture, programs and services that are cost effective while maintaining high-level of customer service (reliability / affordability) and satisfaction (JD Powers)	ME	ME
Note: Performed Organizational Health Index measurements as first step of Strategic Planning in January 2019. This was completed in order to understand a baseline of JEA's organizational health and to develop a cultural development roadmap. See JEA OHI Presentation from February 26, 2019. JEA delivered highest ever residential customer satisfaction score for JD Powers in 2019.		



Leadership

1. Demonstrates initiative and creativity in identifying strategic issues facing the organization then communicates effectively to the Board for consideration and action	EE	ME
<p>Note:</p> <p>See JEA strategic planning process in 2019.</p>		
2. Effectively manages continuity, change and transition	ME	EE
<p>Note:</p> <p>See JEA strategic planning process in 2019.</p> <p>BOD Note: Mr. Zahn embraced the challenges of being a new leader of JEA by ensuring a level of open communication with employees and community stakeholders. ie. Employee listening tour</p>		
3. Sets and achieves clear and measurable goals and reasonable deadlines	ME	ME

<p>Note:</p> <p>See JEA strategic planning process in 2019.</p>		
4. Deals effectively with demanding situations and designs / implements effective interventions to manage risk and ensure organizational performance	ME	ME
<p>Note:</p> <p>See September 30, 2019 JEA Enterprise Risk Management Registry (attached)</p>		
5. Consistently displays all of the Company's Cultural Values – Safety, Service, Integrity, Growth ² , Accountability and ideas ¹¹	ME	ME
<p>Note:</p>		

See next page for overall rating and recommendation.

¹¹ See Board of Directors approved Guiding Principles

<p>Note:</p> <p>See JEA strategic planning process in 2019.</p>		
4. Deals effectively with demanding situations and designs / implements effective interventions to manage risk and ensure organizational performance	ME	ME
<p>Note:</p> <p>See September 30, 2019 JEA Enterprise Risk Management Registry (attached)</p>		
5. Consistently displays all of the Company's Cultural Values – Safety, Service, Integrity, Growth ² , Accountability and ideas ¹¹	ME	ME
<p>Note:</p>		

See next page for overall rating and recommendation.

¹¹ See Board of Directors approved Guiding Principles

Overall Rating & Recommendation	CEO Self - Rating	BOD Rating
2018/2019 CEO Performance Rating	ME	ME

Market Analysis of CEO Compensation:

JEA's CEO compensation is between the 25th and 30th percentile of the market. Below is a summary of the market analysis conducted by Willis Towers Watson in 2019.

CEO Competitive Market Pricing

Market Pricing Details

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

...= Data not available.

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

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

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

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

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Willis Towers Watson 

Recommendation to Board:

In consultation with the Chair of the Compensation Committee, the CEO believes no adjustment is necessary to the terms and conditions of his Employment Agreement.

Overall Rating & Recommendation	CEO Self - Rating	BOD Rating
2018/2019 CEO Performance Rating	ME	ME

Market Analysis of CEO Compensation:

JEA's CEO compensation is between the 25th and 30th percentile of the market. Below is a summary of the market analysis conducted by Willis Towers Watson in 2019.

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	Investor Owned Utility Peers			
	Public Power Peers			
Target Bonus % ⁽¹⁾	Combined Peer Group			
	Investor Owned Utility Peers			
	Public Power Peers ⁽²⁾			
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.

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Willis Towers Watson 

Recommendation to Board:

In consultation with the Chair of the Compensation Committee, the CEO believes no adjustment is necessary to the terms and conditions of his Employment Agreement.

Reference Documents

1. Appendix A - December 28, 2018 Board Approved Guiding Principles
2. Appendix B - September 24, 2019 JEA Corporate Metrics Dashboard and Performance Presentation for FY19
3. Appendix C - September 24, 2019 JEA Corporate Metrics Dashboard for FY20
4. Appendix D - July 30, 2018 Board Approved CEO Positions Specification
5. Appendix E - September 30, 2019 JEA Enterprise Risk Management Registry
6. Appendix F - February 26, 2019 JEA OHI Presentation

Fiscal Year 2020 JEA Corporate / CEO Goals

Goal #1: Finalizes Board of Director direction regarding 10-year strategic plan in line with our guiding principles (growth or traditional response).

Detail: Board direction received on strategic plan developed in line with guiding principles.

Success Criteria:

Exceeds: Board authorizes, via majority vote of approval by 9/30/2020, a Strategic Plan for JEA through 2030 that sets forth a path, the resources, specific initiatives and capital plan to add greater than \$1 billion in value to JEA, JEA's customers and the City of Jacksonville relative to the May 28, 2019 Status Quo forecast.

Meets: Board authorizes, via majority vote of approval by 9/30/2020, a Strategic Plan for JEA through 2030 that sets forth a path, the resources, specific initiatives and capital plan to add at least \$250 million in value to JEA, JEA's customers and the City of Jacksonville relative to the May 28, 2019 Status Quo forecast.

Goal #2: De-risk and capitalize the business appropriately to execute on strategic plan.

Detail: Risk reduction and capitalization.

Success Criteria:

Exceeds: Exceed on Goal #1 with all necessary authorizations per JEA charter and reduce Enterprise Risk Management's "most likely financial exposure" by 10%.

Meets: Meet or exceed on Goal #1, obtain all necessary COJ approvals and maintain Enterprise Risk Management's "most likely financial exposure".

Goal #3: Expand trusted partner relationship with customers and stakeholders.

Detail: Develop and implement customer/stakeholder outreach strategy that increases engagement (Expand trusted partner relationship).

Success Criteria:

Exceeds: Customer engagement in JEA eBill increases by 25% by 9/30/2020; achieve JD Powers metrics on JEA Corporate Dashboard; and passage of all key JEA state and local legislation.

Meets: Customer engagement in JEA eBill increases by 10% by 9/30/2020; achieve JD Powers metrics on JEA Corporate Dashboard; and passage of all key JEA state and local legislation.

Goal #4: Maintain pervasive commitment to CCEF by delivering results.

Detail: Dashboard measurement of CCEF (see FY20 JEA Corporate Dashboard).

Success Criteria:

Exceeds: By 9/30/2020, deliver a weighted average measurement of dashboard metrics at or above "Exceeds" (see FY20 JEA Corporate Dashboard).

Meets: By 9/30/2020, deliver a weighted average measurement of dashboard metrics at or above "Meets" (see FY20 JEA Corporate Dashboard).

Goal #5: Corporate development around JEA’s Cultural Values (see Guiding Principles) and around employee capabilities in Change Management.

Detail: Develop and implement change leadership and appropriate culture change plan for FY20.

Success Criteria:

Exceeds: By 9/30/2020: (i) deliver an “Exceeds” on JEA Corporate Safety Metrics; (ii) accelerate innovation by obtaining ## of new ideas from employees to drive CCEF; (iii) establish a baseline of corporate sentiment measure and improve the employee average measure by 10% (negative = 0, neutral = 1 and positive = 2); and (iv) achieve 60,000 hours of training.

Meets: By 9/30/2020: (i) deliver an “Exceeds” on JEA Corporate Safety Metrics; (ii) accelerate innovation by obtaining ## of new ideas from employees to drive CCEF; (iii) plan, develop, roll out and implement innovation & corporate sentiment measures by 3/31/2020, and (iv) achieve 50,000 hours of training.



GUIDING PRINCIPLES

ACCELERATING UTILITY INNOVATION

1 2 . 2 8 . 1 8

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 customers' needs with market trends

Cultural Values

In every action, system and communication, JEA and its employees strive to abide by our Cultural Values; how we act when no one is looking

Safety

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

Service

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

Integrity

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

Growth²

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

Accountability

Each and every employee should operate as an owner of JEA who is responsible for delivering outcomes and results. Hold yourself and others accountable and appreciate them for holding you accountable. If you've agreed with someone that something is supposed to go a certain way, make sure it goes that way—unless you get in sync about doing it differently. Create a culture in which it is “okay” to make mistakes and unacceptable not to learn from them. Be loyal to the common mission and not to anyone who is not operating consistently with it. Get over “blame” and “credit” and get on with “accurate” and “inaccurate.” Create an environment in which everyone has the right to understand what makes sense and no one has the right to hold a critical opinion without speaking up.

Ideas

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

Corporate Metrics Dashboard

As of August 31, 2019

Metrics for FY19 Goals	2016 Actual	2017 Actual	2018 Actual	2019 YTD	2019 Goal	Variance
Customer Value						
JDP Customer Satisfaction Index - Residential	2nd Quartile	1st Quartile	2nd Quartile	1st Quartile	1st Quartile	-
JDP Customer Satisfaction Index - Business	1st Quartile	1st Quartile	1st Decile	2nd Quartile	Top Decile	-
Customer Response Time (min.): W/WW System	67	68	76	65	65	0%
Overall First Contact Resolution	79.4%	79.4%	79.0%	79.3%	80.0%	-1%
Estimated Time of Restoration Accuracy	89%	82%	80%	91%	80%	14%
Grid Performance: Frequency (outages/year)	1.4	1.6	1.4	1.28	1.6	20%
Grid Performance: Outage Duration (minutes/year)	71	99.5	67	60	75	20%
Grid Performance: CEMI5 (% cust. > 5 outages/year)	1.40	1.07	0.40	0.09	0.80	89%
Water Unplanned Outages (% cust.)	4%	1%	5%	2.53%	2%	-27%
Water Distribution System Pressure (avg min < 30 psi)	2.1	3.7	1.8	9.0	2.0	-350%
Financial Value						
Net Write-Offs	0.14%	0.14%	0.13%	0.13%	0.18%	28%
Generation Fleet Reliability (forced outages rate)	2.0%	2.2%	2.1%	4.9%	2.0%	-145%
Percent of Net O&M Budget	93%	93%	93%	95%	95%	0%
Cost Reduction Metric (\$000)	\$25,156	\$10,087	\$10,495	\$10,364	\$9,100	14%
Community Impact Value						
Capital Invested (\$000)	\$298,045	\$307,918	\$374,456	\$408,267	\$437,774 - \$574,578	TBD
Safety (RIR)	1.82	2.10	1.48	1.44	1.40	-3%
JEA Volunteers	985 Activities	913 Activities	1,050 Activities	6,102	4,800 Hours	9.6%
JSEB Spend (\$000)	\$9,983	\$13,365	\$15,760	\$15,919	\$15,000	\$919
Environmental Value						
Electric System Environmental Compliance (permit exceedances)	4	6	2	0	4	-400%
Consumptive Use Permit Compliance	Yes	Yes	Yes	Yes	Yes	Yes
Nitrogen to the River (tons)	527	558	550	367	616	-249
Sanitary Sewer Overflows (SSO's) (per 100 miles of pipe)	0.66	1.16	0.68	0.67	0.58	TBD

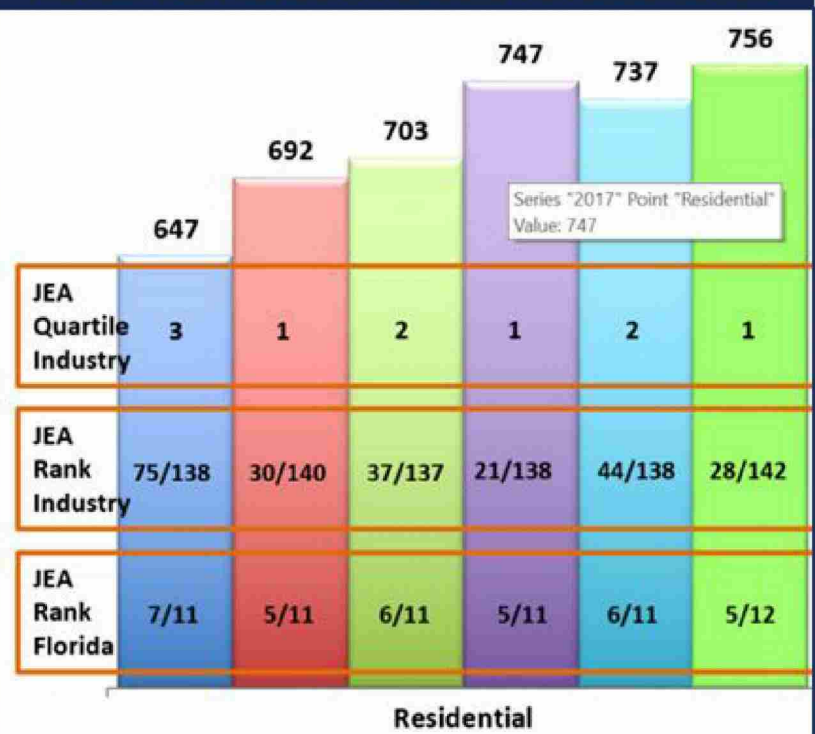
Summary

- ▶ JEA has had a strong year operationally & financially
 - ▶ Our electric debt is the lowest it has been in 34 years
 - ▶ Our water debt is the lowest it has been in 16 years
- ▶ Operational and customer service levels are best in class
- ▶ The actions we have taken to pay down debt and de-risk the business provide the luxury to be able to have strategic planning discussions in a thoughtful and deliberate manner

Corporate Metrics Dashboard

As of August 31, 2019

Metrics for FY19 Goals	2016 Actual	2017 Actual	2018 Actual	2019 YTD	2019 Goal	Variance
HIGHEST EVER RESIDENTIAL CUSTOMER SATISFACTION						
Customer Value						
JDP Customer Satisfaction Index - Residential	2nd Quartile					
JDP Customer Satisfaction Index - Business	1st Quartile					
Customer Response Time (min.): W/WW System	67					
Overall First Contact Resolution	79.4%					
Estimated Time of Restoration Accuracy	89%					
Grid Performance: Frequency (outages/year)	1.4					
Grid Performance: Outage Duration (minutes/year)	71					
Grid Performance: CEM15 (% cust. > 5 outages/year)	1.40					
Water Unplanned Outages (% cust.)	4%					
Water Distribution System Pressure (avg min < 30 psi)	2.1					
Financial Value						
Net Write-Offs	0.14%					
Generation Fleet Reliability (forced outages rate)	2.0%					
Percent of Net O&M Budget	93%					
Cost Reduction Metric (\$000)	\$25,156					
Community Impact Value						
Capital Invested (\$000)	\$298,045					
Safety (RIR)	1.82					
JEA Volunteers	985 Activities					
JSEB Spend (\$000)	\$9,983					
Environmental Value						
Electric System Environmental Compliance (permit exceedances)	4					
Consumptive Use Permit Compliance	Yes					
Nitrogen to the River (tons)	527	558	550	367	616	-249
Sanitary Sewer Overflows (SSO's) (per 100 miles of pipe)	0.66	1.16	0.68	0.67	0.58	TBD



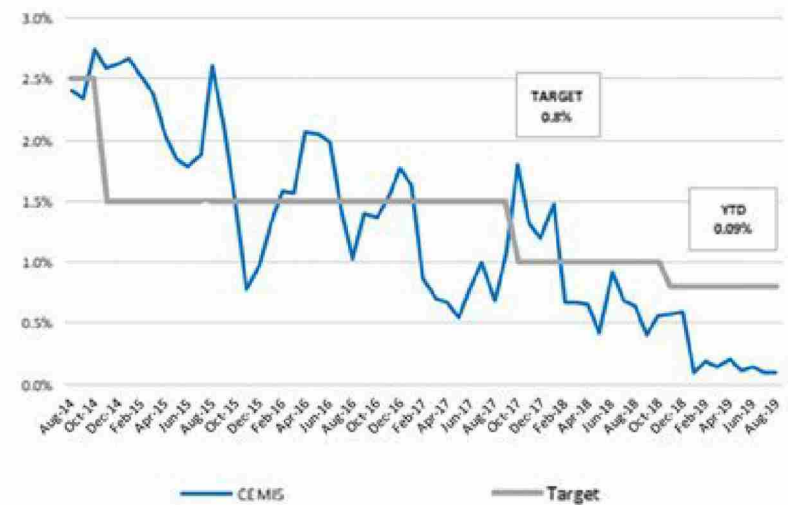
Corporate Metrics Dashboard

As of August 31, 2019

Metrics for FY19 Goals	2016 Actual	2017 Actual	2018 Actual	2019 YTD	2019 Goal	Variance
Customer Value						
JDP Customer Satisfaction Index - Residential	2nd Quartile					
JDP Customer Satisfaction Index - Business	1st Quartile					
Customer Response Time (min.): W/WW System	67					
Overall First Contact Resolution	79.4%					
Estimated Time of Restoration Accuracy	89%					
Grid Performance: Frequency (outages/year)	1.4					
Grid Performance: Outage Duration (minutes/year)	71					
Grid Performance: CEMI5 (% cust. > 5 outages/year)	1.40					
Water Unplanned Outages (% cust.)	4%					
Water Distribution System Pressure (avg min < 30 psi)	2.1					
Financial Value						
Net Write-Offs	0.14%					
Generation Fleet Reliability (forced outages rate)	2.0%					
Percent of Net O&M Budget	93%					
Cost Reduction Metric (\$000)	\$25,156					
Community Impact Value						
Capital Invested (\$000)	\$298,045					
Safety (RIR)	1.82					
JEA Volunteers	985 Activities					
JSEB Spend (\$000)	\$9,983	\$15,365	\$15,780	\$15,519	\$15,000	\$519
Environmental Value						
Electric System Environmental Compliance (permit exceedances)	4	6	2	0	4	-400%
Consumptive Use Permit Compliance	Yes	Yes	Yes	Yes	Yes	Yes
Nitrogen to the River (tons)	527	558	550	367	616	-249
Sanitary Sewer Overflows (SSO's) (per 100 miles of pipe)	0.66	1.16	0.68	0.67	0.58	TBD

RECORD DISTRIBUTION GRID RELIABILITY

CEMI-5

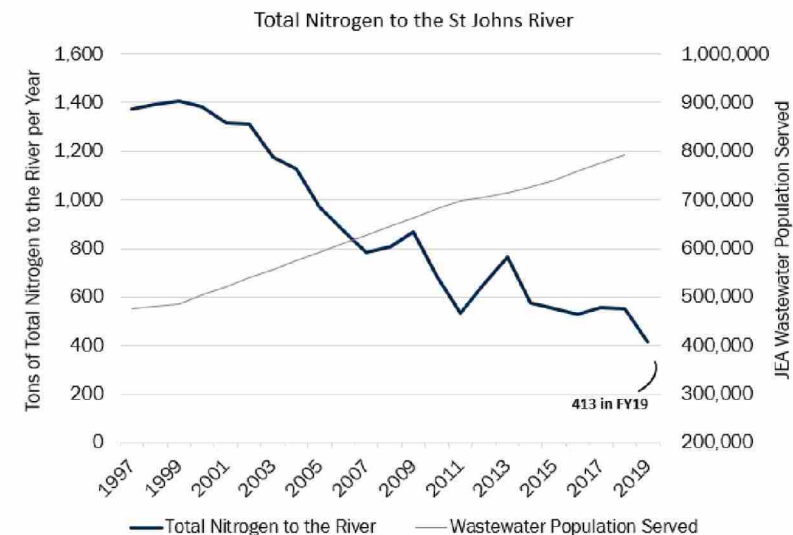


Corporate Metrics Dashboard

As of August 31, 2019

Metrics for FY19 Goals	2016 Actual	2017 Actual	2018 Actual	2019 YTD	2019 Goal	Variance
Customer Value						
JDP Customer Satisfaction Index - Residential	2nd Quartile	1st Quartile	2nd Quartile	1st Quartile	1st Quartile	-
JDP Customer Satisfaction Index - Business	1st Quartile	1st Quartile	1st Decile	2nd Quartile	Top Decile	-
Customer Response Time (min.): W/WW System	67	68	76	65	65	0%
Overall First Contact Resolution						8%
Estimated Time of Restoration Accuracy						9%
Grid Performance: Frequency (outages/year)						9%
Grid Performance: Outage Duration (minutes/year)						9%
Grid Performance: CEMI5 (% cust. > 5 outages/year)						9%
Water Unplanned Outages (% cust.)						7%
Water Distribution System Pressure (avg min < 30 psi)						0%
Financial Value						
Net Write-Offs						9%
Generation Fleet Reliability (forced outages rate)						5%
Percent of Net O&M Budget						9%
Cost Reduction Metric (\$000)						9%
Community Impact Value						
Capital Invested (\$000)						0%
Safety (RIR)						9%
JEA Volunteers	98					5%
JSEB Spend (\$000)						19%
Environmental Value						
Electric System Environmental Compliance (permit exceedances)						0%
Consumptive Use Permit Compliance						5%
Nitrogen to the River (tons)	527	558	550	367	616	-249
Sanitary Sewer Overflows (SSO's) (per 100 miles of pipe)	0.66	1.16	0.68	0.67	0.58	TBD

Lowest in JEA's History

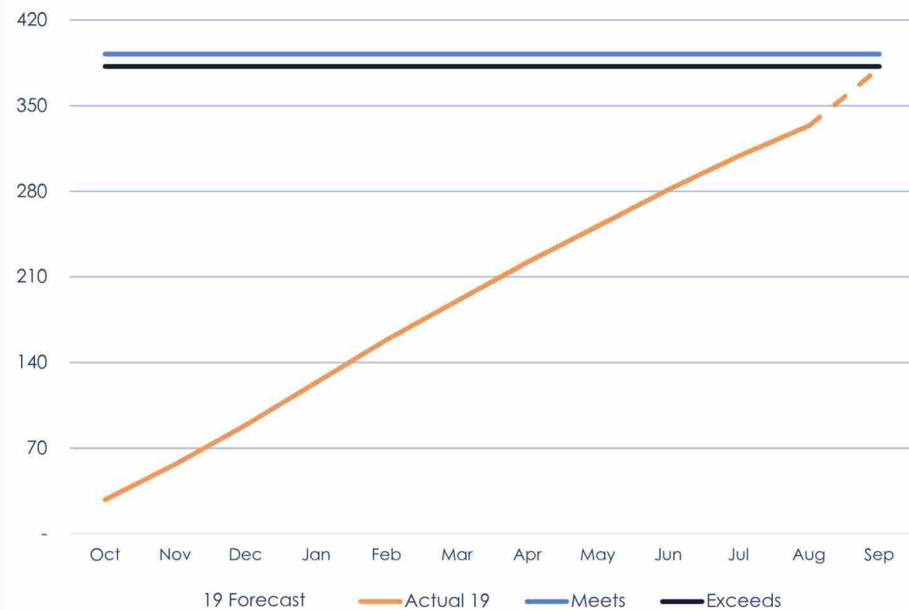


Corporate Metrics Dashboard

As of August 31, 2019

Metrics for FY19 Goals	2016 Actual	2017 Actual	2018 Actual	2019 YTD	2019 Goal	Variance
Customer Value						
JDP Customer Satisfaction Index - Residential	2nd Quartile	1st Quartile	2nd Quartile	1st Quartile	1st Quartile	-
JDP Customer Satisfaction Index - Business	1st					
Customer Response Time (min.): W/WW System						
Overall First Contact Resolution						
Estimated Time of Restoration Accuracy						
Grid Performance: Frequency (outages/year)						
Grid Performance: Outage Duration (minutes/year)						
Grid Performance: CEM15 (% cust. > 5 outages/year)						
Water Unplanned Outages (% cust.)						
Water Distribution System Pressure (avg min < 30 psi)						
Financial Value						
Net Write-Offs						
Generation Fleet Reliability (forced outages rate)						
Percent of Net O&M Budget						
Cost Reduction Metric (\$000)						
Community Impact Value						
Capital Invested (\$000)						
Safety (RIR)						
JEA Volunteers	98					
JSEB Spend (\$000)						
Environmental Value						
Electric System Environmental Compliance (permit exceedances)						
Consumptive Use Permit Compliance						
Nitrogen to the River (tons)	527	558	550	367	616	-249
Sanitary Sewer Overflows (SSO's) (per 100 miles of pipe)	0.66	1.16	0.68	0.67	0.58	TBD

JEA Consolidated O&M Forecast

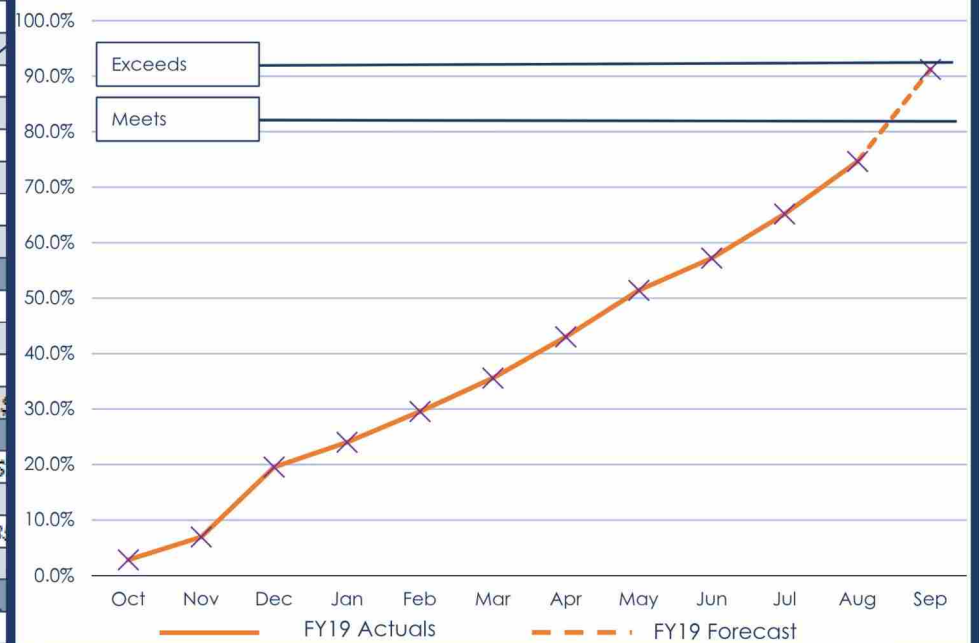


Corporate Metrics Dashboard

As of August 31, 2019

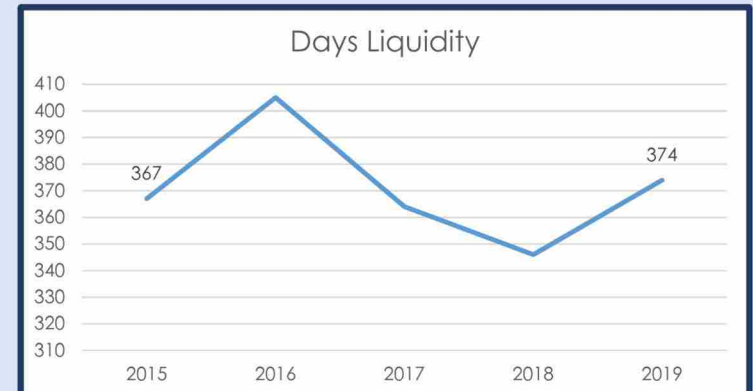
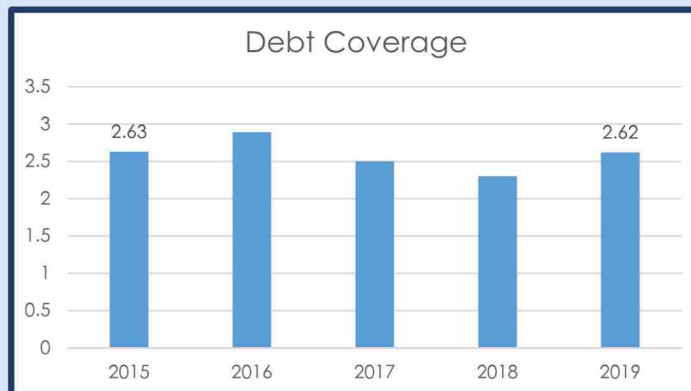
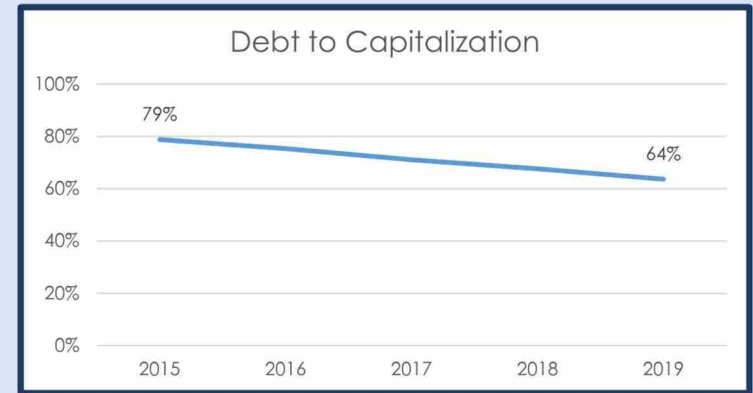
Metrics for FY19 Goals	2016 Actual	2017 Actual	2018 Actual	2019 YTD	2019 Goal	Variance
Customer Value						
JDP Customer Satisfaction Index - Residential	2n					
JDP Customer Satisfaction Index - Business	1s					
Customer Response Time (min.): W/WW System						
Overall First Contact Resolution						
Estimated Time of Restoration Accuracy						
Grid Performance: Frequency (outages/year)						
Grid Performance: Outage Duration (minutes/year)						
Grid Performance: CEM15 (% cust. > 5 outages/year)						
Water Unplanned Outages (% cust.)						
Water Distribution System Pressure (avg min < 30 psi)						
Financial Value						
Net Write-Offs						
Generation Fleet Reliability (forced outages rate)						
Percent of Net O&M Budget						
Cost Reduction Metric (\$000)						
Community Impact Value						
Capital Invested (\$000)						
Safety (RIR)						
JEA Volunteers	98					
JSEB Spend (\$000)						
Environmental Value						
Electric System Environmental Compliance (permit exceedances)						
Consumptive Use Permit Compliance	Yes	Yes	Yes	Yes	Yes	Yes
Nitrogen to the River (tons)	527	558	550	367	616	-249
Sanitary Sewer Overflows (SSO's) (per 100 miles of pipe)	0.66	1.16	0.68	0.67	0.58	TBD

JEA Consolidated Capital Spend



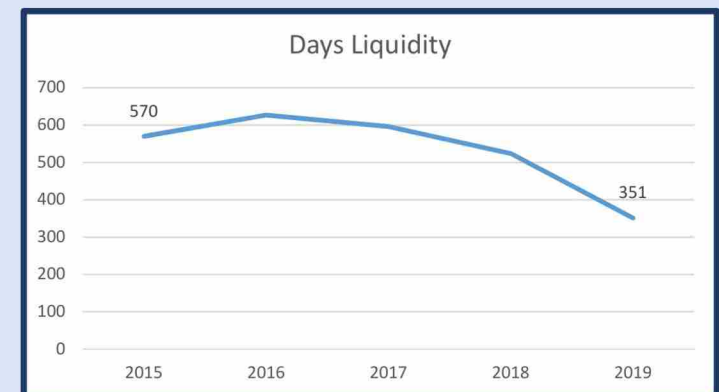
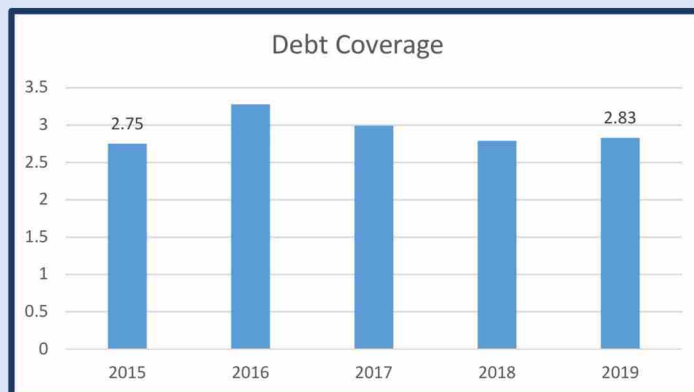
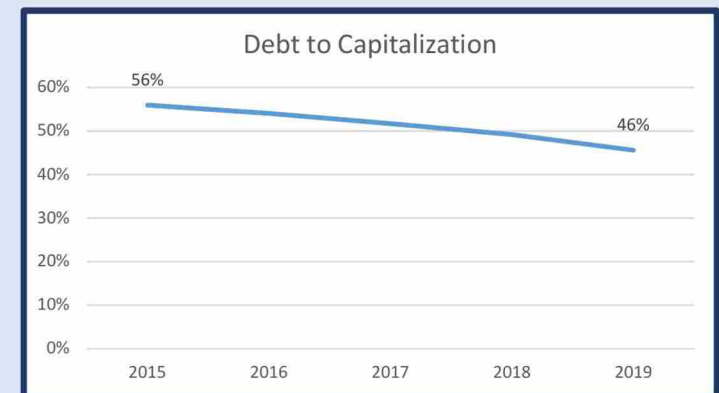
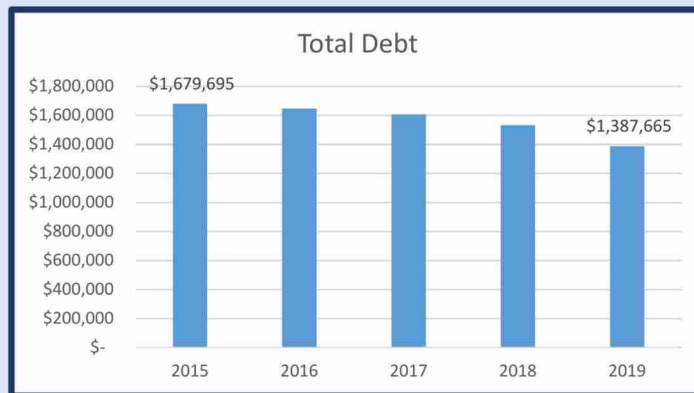
Financial Performance Energy

- ▶ The debt and liquidity metrics continue to support AA category ratings for the Energy System






Financial Performance Water

- Water debt and liquidity metrics support AAA ratings from all 3 agencies



STAR Plan Phase 2

- ▶ Phase 1 & 2 STAR Plan debt defeasances will reduce total debt by \$298 million this year
- ▶ Along with regularly scheduled payments JEA will have reduced debt by a total of \$664.9 million in 13 months
- ▶ This is a \$3.05 Billion reduction from the peak debt balance in FY2010

	 ENERGY	 WATER	 JEA
Early Debt Defeasance	\$48	\$45	\$93
Debt Service Savings	\$60	\$49	\$109

STAR Plan Phase 2

- ▶ Requires additional board action:
 - ▶ Pricing policy changes
 - ▶ Debt management policy changes
 - ▶ Environmental Stabilization Fund transfers for solar projects

Conclusion

- ▶ JEA's management has delivered "best in class" operational and financial results
- ▶ JEA's management, with its STAR plan, has been able to defer potential rate increases caused by falling sale and increases expenses
- ▶ JEA's management is planning for the future in parallel while maintaining focus on delivering current results
- ▶ JEA's strategic planning process is critical for long-term growth of CCEF

The Company

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

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

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

The Position

Position Title	Managing Director & Chief Executive Officer (CEO)
Location	Jacksonville, Florida
Reports To	This position is selected by and reports directly to the JEA Board of Directors, comprised of seven members appointed by the Jacksonville Mayor, confirmed by City Council, who serve staggered terms.
Reporting Structure	<p>Current Reporting Structure under the Interim CEO:</p> <ul style="list-style-type: none"> • President & Chief Operating Officer (COO) • Chief Financial Officer • Chief Public & Shareholders Affairs Officer <p><i>The President & COO role is a newly created position in conjunction with the interim CEO structure. The Current Direct Reports to the President & COO:</i></p> <ul style="list-style-type: none"> • VP/GM Electric Systems • VP/GM Water/Waste Water Systems • Chief Legal Officer – <i>solid line reporting to the City of Jacksonville Office of General Counsel and a dotted line to the JEA President & COO</i>

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

Position Summary

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

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

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

Responsibilities

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

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

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

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



Corporate Metrics Dashboard

UPDATED as of 9/17/18

Metrics for FY19 Goals	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2019 Goal	2019 Goal - Meets	2019 Goal - Exceeds	2020 Goal	2020 Goal - Meets	2020 Goal - Exceeds
Customer Value									1st Quartile	1st Quartile	Top Decile	Top 1/2 of 2nd - 1st Quartile	Top 1/2 of 2nd Quartile	1st Quartile
JDP Customer Satisfaction Index - Residential	4th Quartile	3rd Quartile	3rd Quartile	1st Quartile	2nd Quartile	1st Quartile	2nd Quartile		80.0%	80%	>80%	>80%	80%	>80%
JDP Customer Satisfaction Index - Business	4th Quartile	4th Quartile	1st Quartile	1st Quartile	1st Quartile	1st Quartile	1st Decile		46-50	46-50	<46	48	46-50	<46
Overall First Contact Resolution	N/A	N/A	78.5%	80.5%	79.4%	79.4%	79.0%		1.5%-2.0%	1.5%-2.0%	<1.5%	1.5%-2.0%	1.5%-2.0%	<1.5%
Grid Performance: Average Outage Length (CAIDI)	35	40	52	51	54	64	45		2%	1.9-2.1%	<1.9%	2%	1.9-2.1%	<1.9%
Grid Performance: CEM4	N/A	N/A	4.8%	5.1%	3.6%	3.2%	1.0%		2.0	2-3	<2	2.0	2-3	<2
Water Unplanned Outages (% cut.)	2%	1%	1%	2%	4%	1%	5%		1500	N/A	N/A		<90 min	<60 min
Water Distribution System Pressure (avg min < 30 psi)	34.9	20.0	2.1	2.8	2.1	3.7	1.8		100000					
Information Technology Mean Time to Recover	N/A	N/A	N/A	N/A	N/A	N/A	N/A							
Innovation (# of Ideas Submitted)*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A						
Innovation (# of hours improved)*	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A						
Community Impact Value														
Capital Invested (\$000)	\$173,774	\$234,718	\$158,392	\$204,708	\$298,045	\$307,918	\$374,456		\$437,774 ~ \$574,578	\$437,774 ~ \$574,578	\$487,774 ~ \$574,578	\$400,000 ~ \$500,000	\$400,000 ~ \$450,000	\$430,000 ~ \$500,000
Safety: % of safety checks closed														
Safety: % of work orders closed in a timely manner														
Safety: Recordable Incident Rate*	1.48	1.84	2.38	1.65	1.82	2.10	1.48					80% w/in 1-2 weeks	80% w/in 1-2 weeks	90% w/in 1-2 weeks
JEA Volunteers	237 Activities	465 Activities	670 Activities	753 Activities	985 Activities	913 Activities	1,050 Activities		4,800 Hours	4500-4800 Hours	>4800 Hours	4500-4800 hours	4500-4800 hours	>4800 hours
JSEB Spend (\$000)	\$9,168	\$10,121	\$7,302	\$9,318	\$9,983	\$13,365	\$15,780		\$15,000	\$13-15M	>\$15M	\$15M	\$15M-\$17M	>\$17M
Employee Sentiment*									2.5					
Employee Training Hours												50,000	50,000	60000
Environmental Value														
Electric System Environmental Compliance (permit exceedances)	5	4	3	2	4	6	2		4	4.00	<4	<4	4-6	<4
Consumptive Use Permit Compliance	Yes	Yes	Yes	Yes	Yes	Yes	Yes		Yes	Yes	Yes	Yes	Yes	Yes
Nitrogen to the River (tons)	650	767	579	553	527	558	550		616	566-616	<566	600	531-600	<531
Sanitary Sewer Overflows (SSO's) (per 100 miles of pipe)	0.62	0.60	0.74	0.56	0.66	1.16	0.68		0.58	0.58-0.68	0.58	0.68	0.58-0.68	<0.58
Generation Fleet Reliability (forced outages rate)	0.7%	1.6%	3.0%	1.8%	2.0%	2.2%	2.1%		2.0%	2-2.2%	<2%	2.5%	2.25%-2.5%	<2.25%
Percent of Net O&M Budget	92%	90%	88%	93%	93%	93%	93%		95%	95-97.5%	<95%	97.5%	95-97.5%	<95%
Cost Reduction Metric (\$000)	n/a	n/a	n/a	n/a	\$25,156	\$10,087	\$10,495		\$9,100	\$9,000-11,000	>\$11,000	\$3.85M	\$3.85M-\$5.3M	>\$5.35M

* Excluded from calculation of overall corporate performance

Metrics We Watch	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual	2020 Forecast
Financial Value									
Change in Net Position (\$000)	\$182,642	\$79,975	\$156,269	\$323,008	\$210,016	\$254,620	\$126,468		
Debt to Capitalization	75%	73%	70%	69%	66%	65%	59%		
City Contribution (\$000)	\$104,188	\$106,687	\$109,188	\$111,688	\$129,187	\$115,823	\$116,620		
Electric sales (000's MWh)	13,855	11,930	12,172	12,494	12,561	12,050	12,364		
Water Sales (000's kgal)	35,345	33,088	32,468	34,558	36,358	37,245	36,187		
Sewer Sales (000's kgal)	24,480	23,634	23,537	24,532	25,818	26,713	26,140		
Reclaim Sales (000's kgal)	1,330	1,110	1,301	1,784	2,644	3,290	3,120		
Community Impact Value									
Renewable Energy Production (000's MWh)	121	122	121	131	128	131	173	174	181
New Partnerships and Student Programs	N/A	N/A	N/A	N/A	N/A	N/A	N/A		
Voluntary Attrition	46	36	44	32	31	35	35		
Diverse Slate of Candidates (% of recruitments)	N/A	N/A	N/A	97.6%	98.6%	100%	100%		
Economic Development Program Participants	N/A	0	0	1	0	0	4		
Organizational Sentiment	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2.5
Strategic Metrics - Long Term Influence									
Customer Value									
Residential Electric Bill in FL (% of State Median)	101%	101%	99%	99.5%	101%	100%	98%		
Residential Water/Sewer Bill in FL (% of State Median)	110%	104%	102%	100%	96%	94%	92%		
Financial Value									
Consolidated Return on Equity	13%	8%	10%	12%	13%	13%	9%		
Return on Net Assets	4%	2%	3%	4%	5%	5%	4%		
Unlevered Free Cash Flow: EBITDA less CAPEX (\$000)	\$606,131	\$512,872	\$612,212	\$591,925	\$547,897	\$573,259	\$367,007		
Net Position (Book Value of Equity) (\$000)	\$1,991,311	\$2,071,286	\$2,196,006	\$2,166,909	\$2,376,928	\$2,631,543	\$2,755,310		
City Contribution NPV	-	-	-	-	-	-	\$1,998,311		
Electric Credit Ratings	Aa2/AA-/AA-	Aa2/AA-/AA	Aa2/AA-/AA	Aa2/AA-/AA	Aa2/AA-/AA	Aa2/AA-/AA	Aa2/AA-/AA		
W/WW Credit Ratings	Aa2/AA-/AA	Aa2/AA/AA	Aa2/AA/AA	Aa2/AA/AA	Aa2/AA/AA	Aa2/AA/AA	Aa2/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	1,759	1,593	1,516	1,611	1,611
CO ₂ Emissions Mass(10 ³ short tons), w/ Scherer	8,881	10,414	11,194	10,425	10,609	8,916	7,731	7,663	8,500
Aquifer Withdrawal Limit	104	100	103	107	112	114	112	119	121
Residential Water Use Efficiency (gal. per capita per day)	68	80	75	79	81	82	75	77%	<80%

*Only compares selected customers' properties against public water.

MANAGEMENT DISCUSSION

Financial

Electric Enterprise:

Water and Sewer:

DES:

Operations

Electric Enterprise:

Water and Sewer:

DES:

Risk Registry Summary - September, 2019

Ownership			Risks Impact				Probability Factors						Summaries						Status	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
Risk #	Risk Title	Risk Owner(s)	Initial Financial Impact	Modified Financial Impact (Insurance)	Reputation Impact	Total Impact Average	Likelihood	Velocity	Preparedness	Influence	Total Probability Average	Total Risk Score	Current Criticality Average Score	Optimal Criticality Average Score	Non-Adjusted Financial Impact (in millions) / Spend Rate	Most Likely Financial Exposure (in millions)	Cost of Mitigation (in millions)	Status	Last Updated	
Financial																				
F01	Revenues and Expenses Management	Ryan Wannemacher / SLT	Minor (\$1-\$5M)	None	Moderate	1.5	Almost Certain (81 - 100%)	3 - 5 years away	Medium prep/controls	Medium	2.8	4.2	20.0	10.0	\$3.0	Annual/Variable	\$1.5	\$0.0	Completed	6/21/2019
E10	Nuclear Power Portfolio	Steve McNall / Ryan Wannemacher	Severe/Catastrophic (>\$100M)	None	Severe	3.0	Almost Certain (81 - 100%)	5 - 10 years away	Medium prep/controls	Very Low	3.0	15.0	333.3	166.7	\$165.0	Once	\$165.0	\$165.0	Completed	6/21/2019
F03	Credit Availability/Cost	Ryan Wannemacher / Joe Orfano	Significant (\$21-\$50M)	None	Moderate	2.5	Almost Certain (81 - 100%)	1 - 3 years away	Medium prep/controls	Low	3.2	8.0	120.0	60.0	\$42.0	Annual	\$42.0	\$42.0	Completed	6/21/2019
E05	Cooling Water Intake Structures 316(b)	Caren Anders / Paul Steinbrecher	Severe/Catastrophic (>\$100M)	None	Moderate	3.5	Possible (41 - 60%)	1 - 3 years away	Medium prep/controls	Very Low	3.0	10.5	160.0	80.0	\$130.0	Once	\$65.0	\$65.0	Completed	6/21/2019
E03	Coal Combustion Residual Rule (CCR)	Caren Anders / Paul Steinbrecher	Significant (\$21-\$50M)	None	Moderate	2.5	Almost Certain (81 - 100%)	5 - 10 years away	Medium prep/controls	Very Low	3.0	7.5	80.0	40.0	\$33.0	Once	\$33.0	\$33.0	Completed	6/21/2019
H01	Pension Costs	Ryan Wannemacher	Significant (\$21-\$50M)	None	Moderate	2.5	Possible (41 - 60%)	> 10 years away	Medium prep/controls	Medium	2.0	5.0	12.0	6.0	\$35.0	Annual/Variable	\$10.5	\$0.0	Completed	6/21/2019
C10	Project Risk Assessment and Capital Allocation	Caren Anders / Steve McNall / Deryle Calhoun / Ryan Wannemacher	Minor (\$1-\$5M)	None	Moderate	1.5	Unlikely (21 - 40%)	1 - 3 years away	Medium prep/controls	High	2.2	3.3	5.3	2.7	\$0.0	Annual	\$0.0	\$0.0	Completed	6/21/2019
Totals												9.2	141.1		\$405.0		\$315.5	\$305.0		
Total Risks												5								
Planning																				
E01	Carbon Emission Mitigation/Renewable Energy Standards	Paul Steinbrecher / Steve McNall	Severe/Catastrophic (>\$100M)	None	Severe	3.0	Likely (61 - 80%)	3 - 5 years away	Medium prep/controls	None	3.2	16.0	500.0	250.0	\$75.0	Annual	\$75.0	\$0.0	Completed	6/21/2019
C03	Disruptive Technologies/Long-term Planning	Julio Romero / Steve McNall	Severe/Catastrophic (>\$100M)	None	Significant	4.0	Likely (61 - 80%)	5 - 10 years away	Basic prep/controls	None	3.4	13.6	300.0	100.0	\$100.0	Variable	\$50.0	\$0.0	Completed	7/8/2019
C04	External Influence on Policy	SLT	Minor (\$1-\$5M)	None	Severe	3.0	Possible (41 - 60%)	3 - 5 years away	Medium prep/controls	Medium	2.4	7.2	30.0	15.0	\$3.0	Variable	\$0.9	\$0.0	In-Progress	
Totals												12.3	276.7		\$178.0		\$125.9	\$0.0		
Total Risks												3								
Cyber Security																				
E07	Critical Infrastructure Protection (CIP) Compliance	Caren Anders / Ted Hobson / Shawn Eads / Daniel Mishra	Moderate (\$6-\$20M)	None	Major	3.0	Possible (41 - 60%)	1 - 3 years away	Basic prep/controls	Medium	3.0	9.0	96.0	32.0	\$13.0	Variable	\$6.5	\$0.0	Completed	4/10/2019
T02	Cyber Security Information Protection	Shawn Eads / Stephen Datz / Bill Kearson	Significant (\$21-\$50M)	Limited Impact (\$0-\$300K)	Major	2.3	Possible (41 - 60%)	1 - 3 years away	Basic prep/controls	Low	3.2	7.4	36.0	12.0	\$0.3	Variable	\$0.2	\$0.0	In-Progress	
T03	Cyber Security Business Disruption	Shawn Eads / Stephen Datz / Bill Kearson	Significant (\$21-\$50M)	Limited Impact (\$0-\$300K)	Major	2.3	Possible (41 - 60%)	1 - 3 years away	Basic prep/controls	Low	3.2	7.4	36.0	12.0	\$0.3	Variable	\$0.2	\$0.0	In-Progress	
W02	Operations Technology Management - Water/Wastewater Systems	Deryle Calhoun / Shawn Eads	Moderate (\$6-\$20M)	Limited Impact (\$0-\$300K)	Major	2.3	Unlikely (21 - 40%)	1 - 3 years away	Basic prep/controls	Low	3.0	6.9	24.0	8.0	\$0.0	Variable	\$0.0	\$0.0	In-Progress	
E20	Operations Technology Management - Electric	Caren Anders / Shawn Eads	Moderate (\$6-\$20M)	Limited Impact (\$0-\$300K)	Major	2.3	Unlikely (21 - 40%)	1 - 3 years away	Basic prep/controls	Low	3.0	6.9	24.0	8.0	\$0.0	Variable	\$0.0	\$0.0	In-Progress	
Totals												7.5	43.2		\$13.6		\$6.8	\$0.0		
Total Risks												5								
Physical Security																				
C17	Physical Security/Terrorism	Ted Hobson / Brandon Edwards	Severe/Catastrophic (>\$100M)	Moderate (\$6-\$20M)	Severe	3.5	Unlikely (21 - 40%)	1 - 3 years away	Basic prep/controls	Low	3.0	10.5	120.0	40.0	\$13.0	Variable	\$6.5	\$0.0	Completed	4/15/2019
C02	Physical Security - Criminal Activity	Ted Hobson / Brandon Edwards	Minor (\$1-\$5M)	Limited Impact (\$0-\$300K)	Significant	1.8	Almost Certain (81 - 100%)	1 - 3 years away	Basic prep/controls	Low	3.6	6.5	45.0	15.0	\$0.3	Variable	\$0.2	\$0.0	Completed	4/17/2019
C07	Physical Security - Active Shooter Event	Ted Hobson / Brandon Edwards	Moderate (\$6-\$20M)	Limited Impact (\$0-\$300K)	Significant	1.8	Possible (41 - 60%)	1 - 3 years away	Basic prep/controls	Low	3.2	5.8	27.0	9.0	\$0.3	Variable	\$0.2	\$0.0	Completed	4/17/2019
Totals												7.6	64.0		\$13.6		\$6.9	\$0.0		
Total Risks												3								
Compliance																				
E09	FERC/NERC (Section 693) O&P Reliability & Compliance	Ted Hobson / Caren Anders / John Babik	Significant (\$21-\$50M)	None	Major	3.5	Possible (41 - 60%)	1 - 3 years away	Medium prep/controls	Medium	2.6	9.1	96.0	48.0	\$35.0	Variable	\$17.5	\$0.0	Completed	4/5/2019
C09	Other Regulatory Compliance	Jon Kendrick/ Kerri Stewart / Ted Hobson	Moderate (\$6-\$20M)	Minor (\$1-\$5M)	Significant	2.0	Possible (41 - 60%)	1 - 3 years away	Medium prep/controls	Medium	2.6	5.2	24.0	12.0	\$3.0	Variable	\$1.5	\$0.0	Completed	4/5/2019
C11	Physical Security - Regulatory Compliance	Ted Hobson / Brandon Edwards	Moderate (\$6-\$20M)	Minor (\$1-\$5M)	Significant	2.0	Possible (41 - 60%)	1 - 3 years away	Medium prep/controls	Medium	2.6	5.2	24.0	12.0	\$0.0	Variable	\$0.0	\$0.0	Completed	4/15/2019

Risk Registry Summary - September, 2019

Ownership			Risks Impact				Probability Factors					Summaries							Status	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	
Risk #	Risk Title	Risk Owner(s)	Initial Financial Impact	Modified Financial Impact (Insurance)	Reputation Impact	Total Impact Average	Likelihood	Velocity	Preparedness	Influence	Total Probability Average	Total Risk Score	Current Criticality Average Score	Optimal Criticality Average Score	Non-Adjusted Financial Impact (in millions) / Spend Rate	Most Likely Financial Exposure (in millions)	Cost of Mitigation (in millions)	Status	Last Updated	
C05	Records Management	Ted Hobson / Jasen Hutchinson	Moderate (\$6-\$20M)	Limited Impact (\$0-\$300K)	Significant	1.8	Possible (41 - 60%)	1 - 3 years away	Medium prep/controls	Medium	2.6	4.7	12.0	6.0	\$0.3	Variable	\$0.2	\$0.0	Completed	4/5/2019
C14	Environmental Compliance Management	Paul Steinbrecher / Caren Anders / Deryle Calhoun	Significant (\$21-\$50M)	Limited Impact (\$0-\$300K)	Major	2.3	Unlikely (21 - 40%)	1 - 3 years away	Medium prep/controls	Medium	2.4	5.5	10.7	5.3	\$0.3	Variable	\$0.1	\$0.0	Completed	3/5/2019
WXX	American Water Infrastructure ACT of 2018	Paul Steinbrecher / Deryle Calhoun																In-Progress		
Totals												5.9	33.3		\$38.6	\$19.2	\$0.0			
Total Risks												5								
Technology																				
T04	Technology Services Disaster Recovery/Business Continuity	Shawn Eads / Stephen Datz	Major (\$51-\$100M)	Minor (\$1-\$5M)	Significant	2.0	Possible (41 - 60%)	1 - 3 years away	Medium prep/controls	Medium	2.6	5.2	24.0	12.0	\$3.0	Variable	\$1.5	\$0.0	Completed	4/15/219
T01	Technology Infrastructure Reliability	Shawn Eads / Stephen Datz	Moderate (\$6-\$20M)	Minor (\$1-\$5M)	Significant	2.0	Unlikely (21 - 40%)	1 - 3 years away	Medium prep/controls	Medium	2.4	4.8	16.0	8.0	\$3.0	Variable	\$0.9	\$0.0	Completed	4/15/219
T05	Technology Services Resource Optimization	Shawn Eads	Minor (\$1-\$5M)	None	Minor	1.0	Unlikely (21 - 40%)	1 - 3 years away	Medium prep/controls	Medium	2.4	2.4	5.3	2.7	\$3.0	Variable	\$0.9	\$0.0	In-Progress	
Totals												4.1	15.1		\$9.0	\$3.3	\$0.0			
Total Risks												3								
WorkForce																				
H04	Work Environment	Jon Kendrick/ Kerri Stewart	Significant (\$21-\$50M)	None	Significant	3.0	Likely (61 - 80%)	1 - 3 years away	Basic prep/controls	Medium	3.2	9.6	144.0	48.0	\$35.0	Annual/Variable	\$17.5	\$0.0	Completed	7/8/2019
H02	Staffing	Jon Kendrick/ Robb Mack	Significant (\$21-\$50M)	None	Moderate	2.5	Possible (41 - 60%)	3 - 5 years away	Medium prep/controls	Medium	2.4	6.0	36.0	18.0	\$35.0	Annual/Variable	\$10.5	\$0.0	Completed	4/17/2019
Totals												7.8	90.0		\$70.0	\$28.0	\$0.0			
Total Risks												2								
Operations																				
C08	Black Swan (High Impact - Low probability event)	Caren Anders / Steve McNall	Major (\$51-\$100M)	Moderate (\$6-\$20M)	Severe	3.5	Possible (41 - 60%)	1 - 3 years away	Basic prep/controls	Low	3.2	11.2	180.0	60.0	\$13.0	Variable	\$6.5	\$0.0	Completed	4/15/2019
E13	Emergency Preparedness / Business Continuity	John McCarthy / John Sposato	Major (\$51-\$100M)	Moderate (\$6-\$20M)	Major	3.0	Possible (41 - 60%)	1 - 3 years away	Basic prep/controls	Medium	3.0	9.0	96.0	32.0	\$13.0	Variable	\$6.5	\$0.0	Completed	4/15/2019
W01	Water Supply Management/Long Term Planning	Steve McNall/ Paul Steinbrecher	Major (\$51-\$100M)	None	Severe	4.5	Possible (41 - 60%)	5 - 10 years away	Medium prep/controls	Medium	2.2	9.9	80.0	40.0	\$75.0	Variable	\$22.5	\$0.0	Completed	4/15/2019
C06	Fraud Risk Management	Ted Hobson / Steve Tuten	Moderate (\$6-\$20M)	Minor (\$1-\$5M)	Significant	2.0	Possible (41 - 60%)	1 - 3 years away	Basic prep/controls	Low	3.2	6.4	54.0	18.0	\$3.0	Once	\$1.5	\$0.0	Completed	4/15/2019
C16	Weather & Climate Change Impact Resiliency Efforts	Caren Anders / Deryle Calhoun / Steve McNall	Major (\$51-\$100M)	None	Major	4.0	Possible (41 - 60%)	> 10 years away	Basic prep/controls	Low	2.6	10.4	72.0	24.0	\$75.0	Variable	\$37.5	\$0.0	Completed	4/15/2019
E04	Adverse Electric Commodity Supply and Pricing	Steve McNall	Moderate (\$6-\$20M)	None	Major	3.0	Unlikely (21 - 40%)	1 - 3 years away	Medium prep/controls	Medium	2.4	7.2	42.7	21.3	\$13.0	Annual/Variable	\$3.9	\$0.0	Completed	4/15/2019
W04	Infrastructure Maintenance Water/Waste Water Systems	Deryle Calhoun	Significant (\$21-\$50M)	Moderate (\$6-\$20M)	Major	3.0	Unlikely (21 - 40%)	1 - 3 years away	Medium prep/controls	Medium	2.4	7.2	42.7	21.3	\$13.0	Annual/Variable	\$3.9	\$0.0	Completed	4/15/2019
E11	Generation Equipment and Infrastructure Maintenance - Generation Assets	Caren Anders / Steve McNall	Significant (\$21-\$50M)	Moderate (\$6-\$20M)	Significant	2.5	Unlikely (21 - 40%)	1 - 3 years away	Medium prep/controls	Medium	2.4	6.0	32.0	16.0	\$13.0	Annual/Variable	\$3.9	\$0.0	Completed	4/15/2019
C01	Customer Relationship Management	Kerri Stewart	Minor (\$1-\$5M)	None	Major	2.5	Possible (41 - 60%)	1 - 3 years away	Medium prep/controls	Medium	2.6	6.5	32.0	16.0	\$3.0	Annual/Variable	\$1.5	\$0.0	Completed	4/15/2019
W06	Drinking Water Quality Management	Deryle Calhoun / Paul Steinbrecher	Major (\$51-\$100M)	Minor (\$1-\$5M)	Severe	3.0	Unlikely (21 - 40%)	1 - 3 years away	Medium prep/controls	Medium	2.4	7.2	26.7	13.3	\$3.0	Annual/Variable	\$0.9	\$0.0	Completed	3/5/2019
W03	Sanitary Sewer Overflow Management	Deryle Calhoun	Moderate (\$6-\$20M)	Minor (\$1-\$5M)	Significant	2.0	Possible (41 - 60%)	1 - 3 years away	Medium prep/controls	Medium	2.6	5.2	24.0	12.0	\$3.0	Annual/Variable	\$1.5	\$0.0	Completed	3/5/2019
H03	Employee Safety	Jon Kendrick / Paul Thomas	Moderate (\$6-\$20M)	Limited Impact (\$0-\$300K)	Significant	1.8	Possible (41 - 60%)	1 - 3 years away	Medium prep/controls	Medium	2.6	4.7	12.0	6.0	\$0.3	Annual/Variable	\$0.2	\$0.0	Completed	3/10/2019
E12	By Product Management	Caren Anders	Moderate (\$6-\$20M)	Limited Impact (\$0-\$300K)	Moderate	1.3	Unlikely (21 - 40%)	1 - 3 years away	Medium prep/controls	Medium	2.4	3.1	5.3	2.7	\$0.3	Annual/Variable	\$0.1	\$0.0	Completed	4/15/2019
XXX	Supply Chain Management																			
Totals												7.8	58.3		\$228	\$90	\$0			
Total Risks												12								
Grand Totals												7.0	74.7		\$958.4	\$597.4	\$305.0			
Total Risks												41								

Risk Registry Summary - September, 2019

Risk Registry Summary - September, 2019																			
Ownership			Risks Impact				Probability Factors					Summaries						Status	
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20
Risk #	Risk Title	Risk Owner(s)	Initial Financial Impact	Modified Financial Impact (Insurance)	Reputation Impact	Total Impact Average	Likelihood	Velocity	Preparedness	Influence	Total Probability Average	Total Risk Score	Current Criticality Average Score	Optimal Criticality Average Score	Non-Adjusted Financial Impact (in millions) / Spend Rate	Most Likely Financial Exposure (in millions)	Cost of Mitigation (in millions)	Status	Last Updated

Financial Impact Criteria	Risk Value
Severe/Catastrophic (>\$100 M)	5
Major (\$51-\$100 M)	4
Significant (\$21-\$50 M)	3
Moderate (\$6-\$20 M)	2
Minor (\$1M-\$5M)	1
Limited Impact (\$0-\$300K)	0.5

Reputation Criteria (B)	Risk Value
Severe	5
Major	4
Significant	3
Moderate	2
Minor	1

Likelihood Criteria (C)	Risk Value
Almost Certain (81 - 100%)	5
Likely (61 - 80%)	4
Possible (41 - 60%)	3
Unlikely (21 - 40%)	2
Rare (< 20%)	1

Velocity Criteria (D)	Risk Value
< 1 year	5
1 - 3 years away	4
3 - 5 years away	3
5 - 10 years away	2
> 10 years away	1

Preparedness Criteria (E)	Risk Value
No prep/controls	5
Prep/controls are in development	4
Basic prep/controls	3
Medium prep/controls	2
Very well prepared/good controls	1

Influence Criteria (F)	Risk Value
None	5
Very Low	4
Low	3
Medium	2
High	1

Criticality Ranges	
Total Risk Score	Current Criticality Average Score
15 - 25	< 500
11 - 14	100 - 499
7 - 10	51 - 99
4 - 6	26 - 50
1 - 3	0 - 25

OWNERSHIP SECTION

- Risk # - Unique Risk Identifier. Identifies the Business Function and the risk associated with that function. E=Electric Systems, W= Water/Wastewater systems, H=Human Resources, T= Technology Services, F= Financial Services, C= All other Corporate Risks.
- Risk Title - Short Risk Name.
- Primary Risk Owners - Executives responsible for managing the risk. Always includes an SLT member, and may include other SLT members and/or Directors who are also managing the risk.

RISK IMPACT SECTION

- Initial Financial Impact - Identifies the Worst Credible Financial Impact if the risk event occurs, as defined by a specific scenario identified by the risk owner(s). Score criteria are noted on the graph labeled Financial Impact Criteria (A)
- Modified Financial Impact (Insurance) - Identifies the out of pocket /deductible financial impact after insurance coverage payment. Where applicable, this will be used in determining the true financial impact of a risk. i.e., Worst Credible Risk-Insurance Recovery= Risk Financial Impact
- Reputational Impact - Identifies the severity of the reputational impact as identified by the risk owner(s). Score criteria are noted on the graph labeled Reputational Impact Criteria (B)
- Total Impact Average- Identifies the average of the Financial Impact and the Reputational Impact. I.e., Column 4 or 5 + Column 6 divided by 2. The purpose of this calculation is to assess the over risk impact of a risk and put focus on high financial impact and/or low financial risks but high reputational impact.

PROBABILITY FACTORS SECTION

- Likelihood - Identifies the likelihood of the risk event occurring, as determined by the risk owners. Score criteria are noted on the graph labeled Likelihood Criteria (C)
- Velocity - Identifies the timeframe in which a risk event can occur, as determined by the risk owners. Score criteria are noted on the graph labeled Velocity Criteria (D). Where the risk timeframe can happen at anytime, the risk is given a score of 5.
- Preparedness - Identifies the effectiveness of current mitigations that reduce the impact/and or likelihood if the risk event occurs, as determined by the risk owners. Score criteria are noted on the graph labeled Preparedness Criteria (E).
- Influence - Identifies our ability to influence the risk from occurring. e.g., We have no influence in preventing a new regulatory requirement, some influence in managing fuel prices through hedging, and a high influence of reliability through an effective maintenance program. Score criteria are noted on the graph labeled Influence Criteria (F).
- Total Probability Average - Identifies the average score of all the Probability Factors (The sum of columns 8-11 divided by 4)

SUMMARY ANALYSIS SECTION

- Total Risk Score - Identifies the criticality of the risk by taking into account the impact and probability of the risk event. The score is based on the financial impact (column 4 or 5) times the probability score (column 12).
- Current Criticality Average Score - Identifies the risks which have the highest criticality impact by multiplying the value of all criteria. Column 4 or 5, column 6, and columns 8-11) dividing by 6. The purpose of this risk is to identify a more detailed scoring range to better assess the risk criticality between separate risks. i.e., Its easier to assess the criticality of the risk by comparing the total score (750 vs 250) than the average score (5.0 vs 3.6).
- Optimal Criticality Average Score - Identifies the risks with the highest criticality impact, if all mitigations are implemented and functioning effectively.
- Most likely financial exposure - Identifies the Most Likely financial exposure based on the midpoint of the Financial Impact (column 4 or 5, and the midpoint of the total Probability Average column 12).
- Non adjusted financial impact - Identifies the mid point of the Financial impact before probability adjustment.
- Cost of Mitigation - Identifies the cost of mitigations to reduce the risk impact and/or probability to the desired risk tolerance. The data provides a cost benefit analysis of whether to implement the mitigations.
- Status - Identifies the status of the risk review with the risk owners.
- Last Updated - Identifies the date the risk scoring and risk profile was reviewed and updated.

The big idea: leaders need to measure and manage organizational health with the same rigor as performance

Performance



Health

What an enterprise
delivers to stakeholders
in *financial and*
operational terms
through systems and
process change

Deliver Results

How an organization
aligns itself, *executes*
with excellence, and
renews itself to
sustainably
achieve
performance
aspirations

Run the Place

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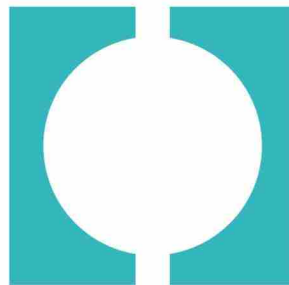


**Organizational
Health Update**

SOURCE: Organization Practice, McKinsey & Co.

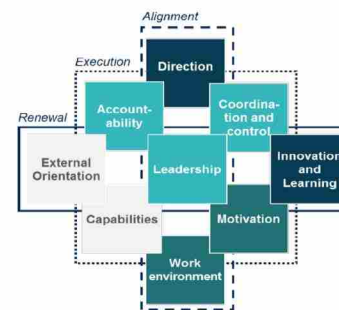
Along with overall health, the outcomes and practices create a common language to discuss “culture” and organizational health

Overall Health



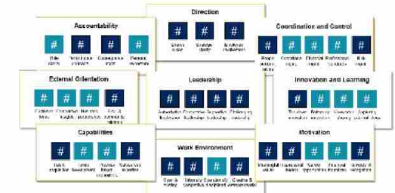
- An assessment of the overall health of the organization
- Color indicates health relative to other organizations in the OHI database

Outcomes



- “What you see” in an organization
- Based on questions asking whether respondents agree with certain statements about the organization
- Example: “Employees here are highly motivated”

Practices



- “What people do” – behaviors that drive each outcome
- Different questions from the outcomes, asking how often respondents see certain healthy behaviors done at the organization
- Example: “Managers in my company provide praise, thanks, or other forms of recognition to high performers”

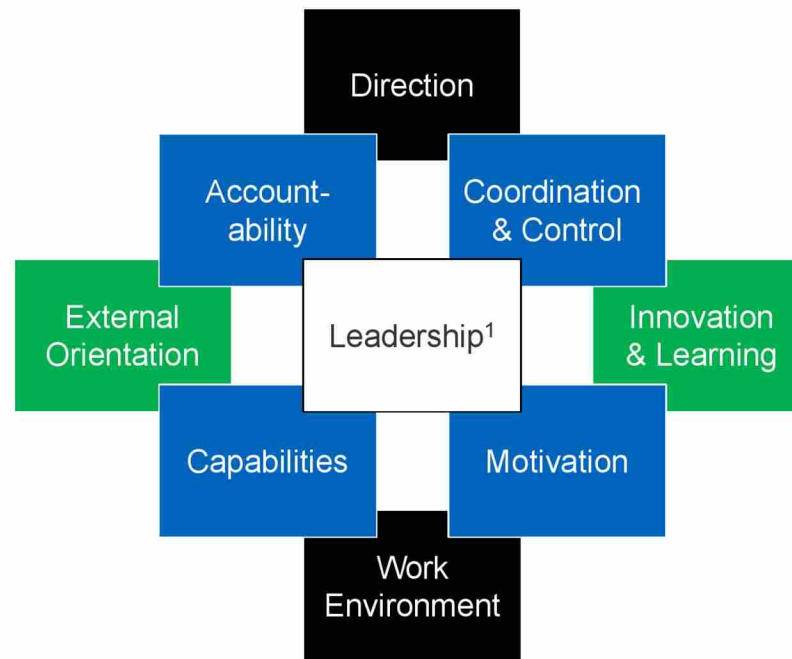
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**Organizational
Health Update**

SOURCE: Organization Practice, McKinsey & Co.

The nine outcomes measure the “soft” and “hard” building blocks of the organizational ecosystem across three dimensions

Measure agreement, from “strongly agree” to “strongly disagree”



Alignment

Are people aligned around the organization’s vision, strategy, culture and values?

Execution

Can employees deliver on their roles with the current capabilities, processes and motivation level?

Renewal

How does the organization understand, interact, respond, and adapt to its situation and external environment?

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**Organizational
Health Update**

¹ Leadership, as a central component to organizational health, is part of all 3 dimensions of health

SOURCE: Organizational Health Index, Organization Practice, McKinsey & Co.

Definitions of the 9 OHI outcomes

	Outcomes	How effective and in what ways does the organization ...
Alignment	Direction	
	Leadership	
	Work Environment	
Execution	Accountability	
	Coordination & Control	
	Capability	
	Motivation	
Renewal	Innovation & Learning	
	External Orientation	

NOTE: Leadership is shaded as part of the "alignment" dimension of health but technically is part of all three dimensions (alignment, execution, renewal)

SOURCE: Organizational Health Index, Organization Practice, McKinsey & Co.

The 37 practices offer tactical insights by looking at the behaviors, actions, and processes that create these healthy building blocks

Practices (Measure frequency, from “often” to “rarely”)

Direction 1. Shared Vision 2. Strategic Clarity 3. Employee Involvement	Accountability 4. Role Clarity 5. Performance Contracts 6. Consequence Management 7. Personal Ownership	Coordination & Control 8. People Performance Review 9. Operational Management 10. Financial Management 11. Professional standards 12. Risk Management
External Orientation 13. Customer Focus 14. Competitor Insights 15. External Partnerships 16. Gov’t & Community Relations	Leadership 17. Authoritative Leadership 18. Consultative Leadership 19. Supportive Leadership 20. Challenging Leadership	Innovation & Learning 21. Top-Down Innovation 22. Bottom-Up Innovation 23. Knowledge Sharing 24. Capturing External Ideas
Capabilities 25. Talent Acquisition 26. Talent Development 27. Process Based Capabilities 28. Outsourced Expertise	Work Environment 29. Open and Trusting 30. Performance Transparency 31. Operationally Disciplined 32. Creative & Entrepreneurial	Motivation 33. Meaningful Values 34. Inspirational Leaders 35. Career Opportunities 36. Financial Incentives 37. Rewards & Recognition

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SOURCE: Organizational Health Index, Organization Practice, McKinsey & Co.

Definitions of the 37 OHI outcomes (1/3)

Outcome	Practice	Description
Direction	1. Shared Vision	
	2. Strategic Clarity	
	3. Employee Involvement	
Leadership	4. Authoritative Leadership	
	5. Consultative Leadership	
	6. Supportive Leadership	
	7. Challenging Leadership	
Work Environment	8. Open & Trusting	
	9. Performance Transparency	
	10. Operationally Disciplined	
	11. Creative & Entrepreneurial	

NOTE: Leadership is shaded as part of the "alignment" dimension of health but technically is part of all three dimensions (alignment, execution, renewal)

SOURCE: Organizational Health Index, Organization Practice, McKinsey & Co.

Definitions of the 37 OHI outcomes (2/3)

Outcome	Practice	Description
Account-ability	12. Role Clarity	
	13. Performance Contracts	
	14. Personal Ownership	
	15. Consequence Management	
Coordinati-on & Control	16. People Performance Review	
	17. Operational Management	
	18. Financial Management	
	19. Professional Standards	
	20. Risk Management	
Capabilities	21. Talent Acquisition	
	22. Talent Development	
	23. Process Based Capabilities	
	24. Outsourced Expertise	

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SOURCE: Organizational Health Index, Organization Practice, McKinsey & Co.

Definitions of the 37 OHI outcomes (3/3)

Outcome	Practice	Description
Motivation	25. Meaningful Values	
	26. Inspirational Leaders	
	27. Career Opportunities	
	28. Financial Incentives	
	29. Rewards & Recognition	
Innovation & Learning	30. Top-down Innovation	
	31. Bottom-up Innovation	
	32. Knowledge Sharing	
	33. Capturing External Ideas	
External Orientation	34. Customer Focus	
	35. Competitive Insights	
	36. External Partnerships	
	37. Business & Community Relations	

SOURCE: Organizational Health Index, Organization Practice, McKinsey & Co.

JEA employees were also asked to assess practices that drive performance and organizational health in public institutions

What is the Public & Social Sector OHI Module?

- Core OHI practices apply to all organizations – however governments, inter-governmental organizations, non-profits, and other public institutions often face complex and unique challenges requiring different solutions
- A set of additional sector-specific practices are tailored to the behaviors and actions most linked to performance in non-commercial entities¹
- Complementing the core OHI with these practices can allow public & social sector entities to identify tailored insights relevant to them, and the right path to their own health aspirations
- The Public & social Sector module questions are not benchmarked and “quartiled” like the core OHI questions – their results are shown as numbers and are incorporated into the themes

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¹ New PSS practices were designed based on extensive SME interviews, literature reviews, and feedback from multiple pilots.
SOURCE: Organizational Health Index, Organization Practice, McKinsey & Co.

JEA's response rates – overall and by unit – were well above average, indicating strong engagement and successful deployment by the JEA team

Breakdown of completed responses



¹ "Finance" and "Logistics Services" were merged for the purposes of reporting, as these two units were recently separated and respondents may have identified themselves as part of the other unit incorrectly in the survey. ² In total 87% of recipients completed the survey but 2% were removed for responses that were flagged as potentially inaccurate (e.g., completing the survey in less than 2 minutes)

SOURCE: JEA (n=1685)

JEA has an overall health in the bottom quartile compared to the OHI global database

Overall health



- JEA is in the bottom quartile of organizational health relative to the 2019 OHI global database
- The global database includes nearly 900 organizations across industries and geographies that have completed the OHI in the last 5 years

Benchmark: ■ Top Decile ■ Top Quartile ■ Second Quartile ■ Third Quartile ■ Bottom Quartile

SOURCE: JEA (n=1685); Organizational Health Index Global Database, McKinsey & Company

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**Organizational
Health Update**

All of JEA's health outcomes are below the global database's median, with three in the third quartile and six in the bottom quartile

Percentage of respondents who selected 'agree' or 'strongly agree'



- All three outcomes in the **alignment axis** are in the **bottom quartile** (Direction, Leadership and Work Environment) for JEA
 - That axis might be the first and most critical place for JEA to focus to improve its health
- Two of JEA's healthier outcomes are Capabilities and Motivation – indicating employees believe they have the **right “raw people materials” to work with**
- **External Orientation** is strong for JEA relatively, not surprising given its relationship with the community it serves

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Organizational Health Update

Benchmark: ■ Top Decile ■ Top Quartile ■ Second Quartile ■ Third Quartile ■ Bottom Quartile

SOURCE: JEA (n=1685); Organizational Health Index Global Database, McKinsey & Company

When compared with peers groups who also tend to have weaker health, JEA's health is still low – especially relative to other utilities

Percentage of respondents who selected 'agree' or 'strongly agree'

JEA results



Benchmark: ■ Top Decile ■ Top Quartile ■ Second Quartile ■ Third Quartile ■ Bottom Quartile
Peer Group Difference: ■ Significantly Stronger¹ ■ Comparable ■ Significantly Weaker¹

1 - The significance level is at p = .05. Statistical significance is calculated based on practice distribution, size of population and size of point difference

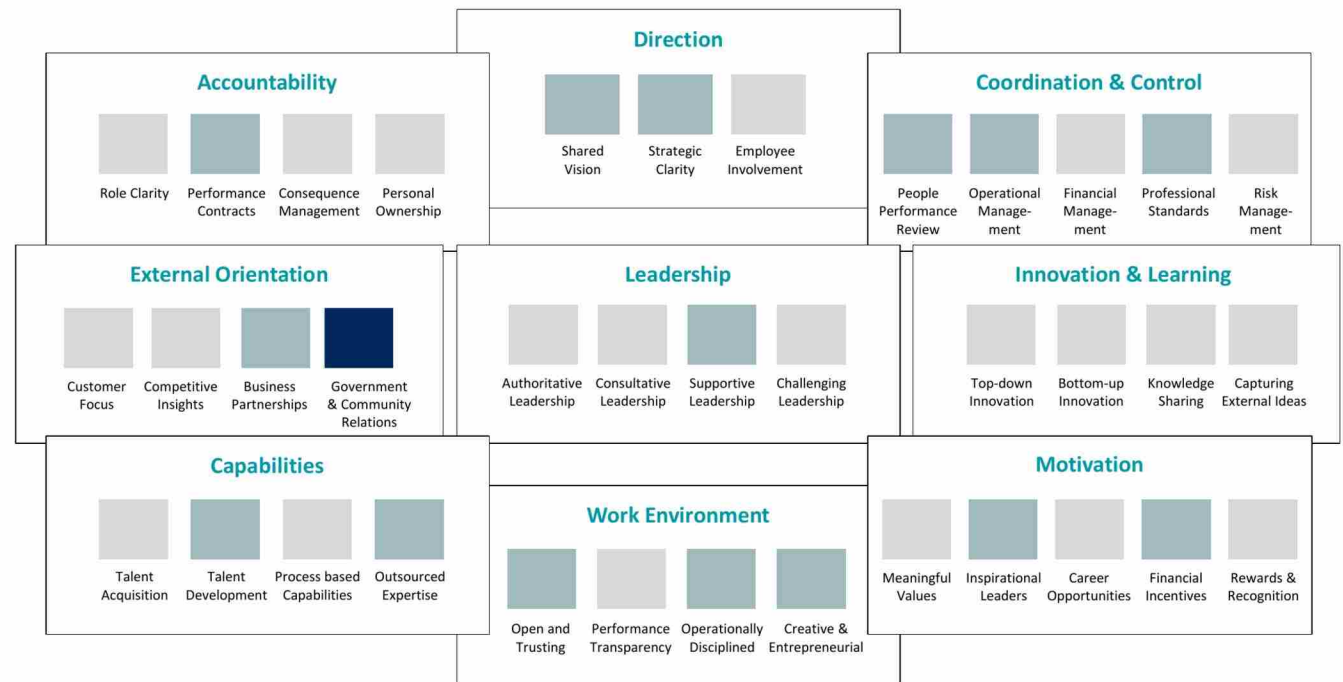
SOURCE: JEA (n=1685); Organizational Health Index Global Database, McKinsey & Company

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**Organizational
Health Update**

JEA's practices are primarily in the 3rd and bottom quartile, with one – Government & Community Relations – in the top quartile

Percentage of respondents who selected 'often' or 'almost always'



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Organizational Health Update

Benchmark: Top Decile Top Quartile Second Quartile Third Quartile Bottom Quartile

SOURCE: JEA (n=1685); Organizational Health Index Global Database, McKinsey & Company

Themes that emerge from JEA's practices

- 1** Employees perceive JEA prioritizes actively engaging its partners and other players in the market in order to serve the community
- 2** Employees say JEA has a relatively open and supportive culture, but say a sense of belonging and healthy work environment aren't there yet
- 3** JEA maintains clear performance standards and trainings to achieve them, however employees want coaching and personal development
- 4** Employees don't see a clear strategy at JEA – they want leaders to set the direction, and decisively push themselves & the organization to get there
- 5** There's an opportunity to bring in new ideas from outside JEA, and establish processes to share those ideas across the organization
- 6** Employees currently lack clarity around how JEA is structured, what is expected of them, and what authority they have to make decisions
- 7** OHI results suggest a need to better motivate people, especially high performers, using multiple methods to drive sustained performance

SOURCE: JEA (n=1685); Organizational Health Index Global Database, McKinsey & Company

A summary of JEA's organizational health today

Overall Health



- JEA has an **overall health is in the bottom quartile** compared to the current OHI global database of nearly 900 organizations
- All of JEA's health outcome **are below the global database's median**, with three in the 3rd quartile and six in the bottom quartile
- JEA's **practices are primarily in the 3rd and bottom quartiles**, with 15 in the former and 21 in the latter, with just one – Government & Community Relations – in the top quartile

Outcomes & Practices

Direction	Shared Vision	Accountability	Role Clarity	Motivation	Meaningful Values
	Strategic Clarity		Performance Contracts		Inspirational Leaders
	Employee Involvement		Consequence Management		Career Opportunities
Leadership	Authoritative Leadership	Coordination & Control	Personal Ownership	Innovation & Learning	Financial Incentives
	Consultative Leadership		People Performance Review		Rewards & Recognition
	Supportive Leadership		Operational Management		Top-down Innovation
	Challenging Leadership		Financial Management		Bottom-up Innovation
Work Environment	Open and Trusting	Capabilities	Professional Standards	External Orientation	Knowledge Sharing
	Performance Transparency		Risk Management		Capturing External Ideas
	Operationally Disciplined		Talent Acquisition		Customer Focus
	Creative & Entrepreneurial		Talent Development		Competitive Insights
			Process Based Capabilities		External Partnerships
			Outsourced Expertise		Business & Community Relations

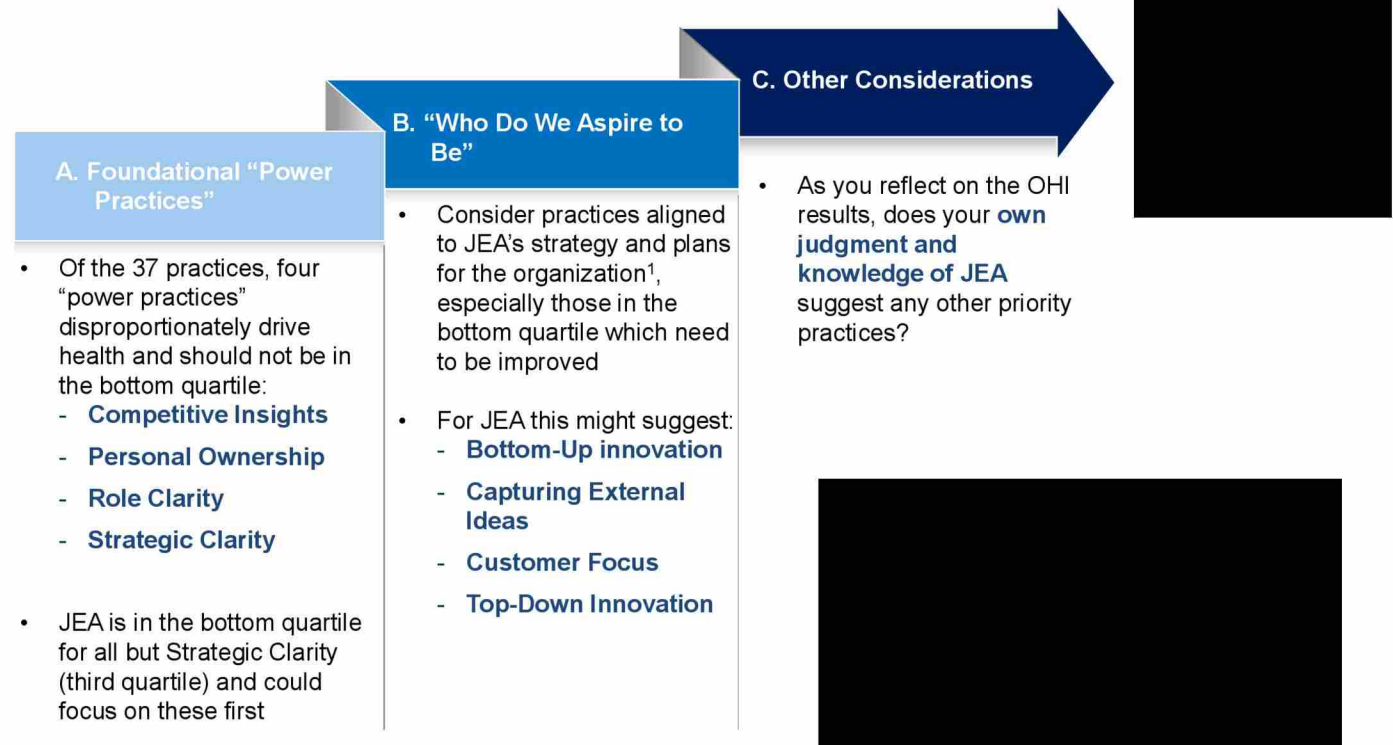
FEBRUARY 2019

Organizational Health Update

Benchmark: ■ Top Decile ■ Top Quartile ■ Second Quartile ■ Third Quartile ■ Bottom Quartile

SOURCE: JEA (n=1685); Organizational Health Index Global Database, McKinsey & Company

Organizations should pick a set of priority practices to work on to improve their health – the OHI provides principles to determine your short list



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Organizational Health Update

¹ OHI research identifies four "recipes" that health organizations typically follow – selecting a recipe aligned to the organization's strategy is one way to select priority practices that should help fast-track health improvements

SOURCE: Organizational Health Index, Organization Practice, McKinsey & Co.