IMPROVING LIVES. BUILDING COMMUNITY. to be the best utility in the country

FINANCE, GOVERNANCE, & AUDIT COMMITTEE

JEA Headquarters | 1st Floor | Room 120-A&B | 225 N. Pearl Street, Jacksonville, FL 32202
February 22, 2024 | 9:00 am – 11:00 am
Members: General Joseph DiSalvo, Chair, Rick Morales, Kawanza Humphrey – All Board Members are Welcome

WELCOME

Meeting Called to Order Adoption of Agenda (Action)	General Joseph DiSalvo, Chair
Values Moment	Chris Pruitt, Senior Manager, Generation Support

COMMENTS / PRESENTATIONS

Comments from the Public	Public

FOR COMMITTEE CONSIDERATION

MAKE DOING BUSINESS WITH JEA EASY

Contract Ratification (Action)	Laura Schepis, Chief External Affairs Officer
Compliance with JEA's Disclosure Policy & Procedures Annual Disclosure Reports	Randall Barnes, Treasurer
Internal Audit Charter (Action) Internal Audit & Ethics Update	Lee Montanez, Director, Audit Services Walette Stanford, Director, Ethics

DEEPEN CUSTOMER & COMMUNITY ENGAGEMENT

Rating Agency Presentation	Ted Phillips, Chief Financial Officer Joe Orfano, Vice President, Financial Services Randall Barnes, Treasurer

OTHER BUSINESS & CLOSING CONSIDERATIONS

Old & Other New Business / Open Discussion Announcements – June TBD Adjournment	General Joseph DiSalvo, Chair

SUPPLEMENTAL INFORMATION

Appendix A: Electric System and Water & Sewer System Fund Report
Appendix B: JEA Energy Market Risk Management Policy Report
Appendix C: Contract Ratification
Appendix D: Internal Audit Charter
Appendix E: Complete Rating Agency Presentation
Appendix F: Annual Disclosure Reports

Building Community

FINANCE, GOVERNANCE, & AUDIT COMMITTEE

February 22, 2024

Improving Lives...Building Community

Values Moment

Chris Pruitt, Senior Manager, Generation Support

Improving Lives...Building Community

Safety Briefing
Headquarters

Pearl Street Exit

Monroe Street Exit
Left of the American Flag

County Courthouse Lawn

In the event of an emergency, JEA Security will call 911 and coordinate any required evacuation

Emergency Evacuation Route: Exit building via Pearl Street main entrance/exit or Monroe Street exit to the left of the American flag

Assembly Point: Front of Duval County Clerk of Courts (NW corner of Adams St. & Clay St.)

Evacuation or Medical Assist: Notify JEA Security Officer

Hazard & Situational Awareness

Cell Phone & Computer Etiquette

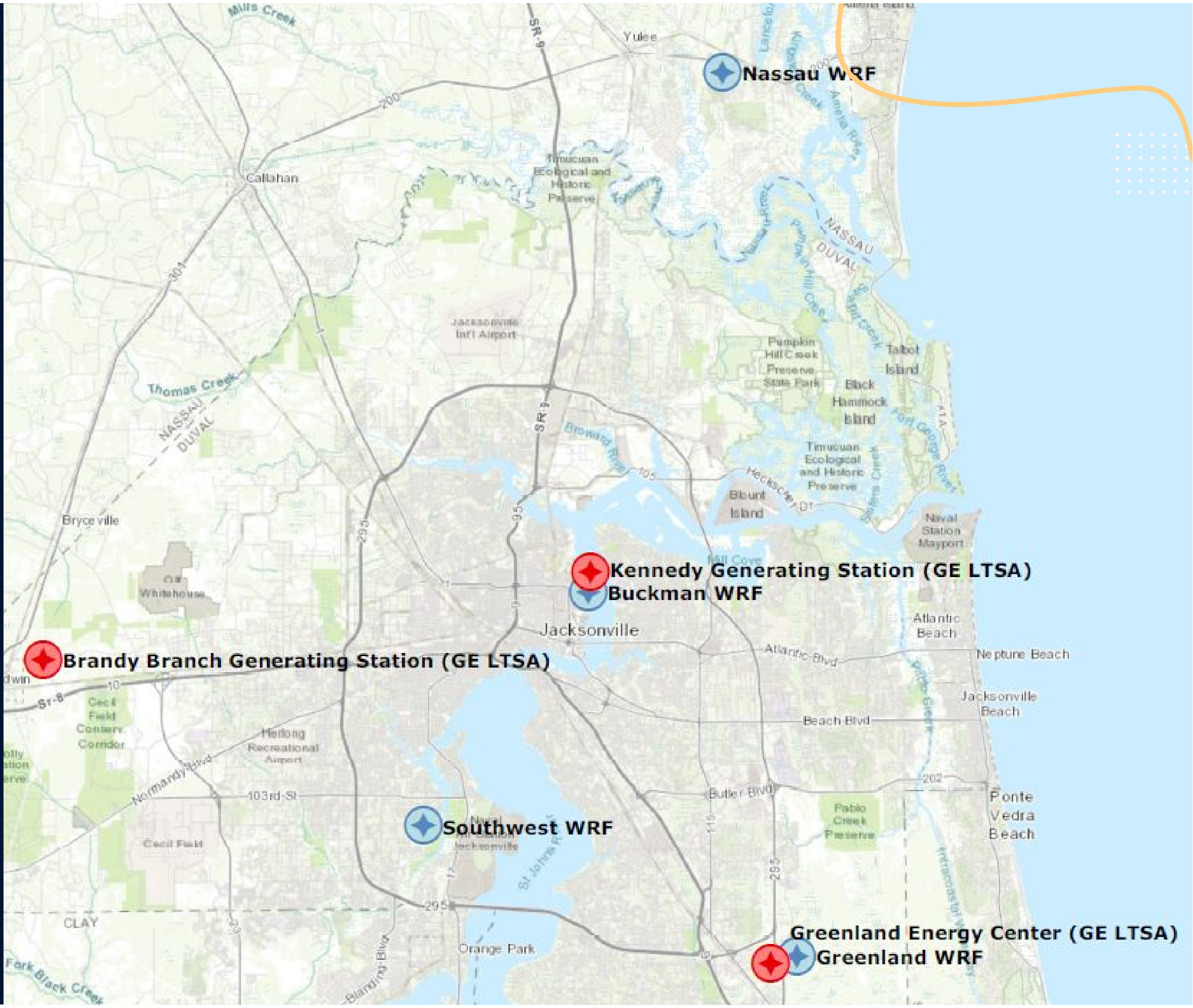

Our Values
Safety
We put the physical and emotional wellbeing of people first, both at and away from work.
Respect
We treat others with courtesy and respect, seeking diverse perspectives and helping to bring out the best in everyone.
Integrity
We place the highest standard on ethics and personal responsibility,
of the trust our customers and colleagues place in us.

"A person's ability to empathize keeps our own personal biases from becoming the standard of perfection and opens us up for real collaboration, engagement, and psychological safety for everyone."

Contract Ratification

Laura Schepis,
Chief External Affairs Officer
Action

Make Doing Business with JEA Easy



Contract Ratification Background

Historically, JEA CEO approved all contracts without a dollar limit cap

June 2021 - Board delegated its contract approval authority to the CEO but set a $50M cap, so that Board approval was required to approve contracts above $50M

August 2022 – Board raised the cap to $100M, due to the need to approve significant fuel and hedging contracts quickly

Some large contracts are negotiated and approved in segments, typically starting with a small dollar amount and expanding as JEA and the contractor approve designs and ascertain pricing, eventually reaching a final contract price

Today's presentation discusses four contracts for water capital projects from the recent past that followed this pattern, but where the final contract prices ultimately exceeded the cap.

Staff asks the FGAC and Board to ratify these contracts

A fifth current project is over the $100M cap

Staff will brief on this project and ask the FGAC and Board to approve it.

Large Contract Process Improvements

BUDGET REVIEW

Large capital and O&M projects are currently included in the budget reviews presented to the Board

MORE INFORMATION

Staff recognizes the need to provide more information to the Board on significant projects and obtain required approvals for projects that are expected to exceed $100M

CONSISTENCY

Staff will bring large projects and contracts to the Board on a consistent basis and make these projects a special focus during Budget presentations at the Finance, Governance, and Audit Committee

Contract 1

Greenland Water Reclamation Facility

Result will be new 4 MGD water reclamation facility, expected to be online Q2 FY25

Initial contract with Haskell started at $500k in 2019 and expanded to $10M December 2020, as design proceeded

At the 90 percent design stage December 2021, negotiated contract price rose to $118M

JEA and Haskell reached a final price of $122,101,114.94 in November 2023

Staff requests the Finance, Governance, & Audit Committee recommend the Board ratify this contract

Contract 2

Greenland Water Reclamation Facility Pipelines and Mains

Result will be upgraded and expanded infrastructure surrounding Greenland, expected to be online in Q4 of FY25

Initial contract with Garney started at $3.6M in 2019 and expanded to $54M in February 2022, as JEA and Garney agreed on costs for reclaimed main, force main, and water main

JEA and Garney reached a final price of $61,375,355.46 in August 2023

Staff requests the Finance, Governance, & Audit Committee recommend the Board ratify this contract

Contract 3

Southwest Water Reclamation Facility Expansion

Result will be larger Southwest Water Reclamation Facility, from 10 to 16 MGD, expected to be online Q1 FY26

JEA and Garney reached a final price of $114,220,667.00 in March 2022

Initial contract with Garney started at $700k in 2020 and rose to $11M in October 2021 to procure major equipment and pre-construction services

Staff requests to ratify this contract with a 3% contingency because this contract is 18 months away from completion

Staff requests the Finance, Governance, & Audit Committee recommend the Board ratify this contract

Contract 4

Buckman Biosolids Conversion

Project will result in several capital projects to update and rehabilitate Buckman Water Reclamation Facility, including new biosolids handling

Work will continue in phases until Q2 FY28

Initial contract with Wharton-Smith started at $971k in 2019 and expanded to $51M in May 2022, as design proceeded

Currently at $104,107,459.27 for the 60 percent design stage

Next Steps

March Board meeting update and potential ask for Board approval of next required contract expansion

Staff requests the Finance, Governance, & Audit Committee recommend the Board ratify this contract

Contract 5

Nassau Water Reclamation Facility Upgrade

Project will double Nassau Water Reclamation Facility capacity to serve a fast-growth area

At the 100 percent design stage February 2023, negotiated contract price to $111,813,476.00

Initial contract with Haskell for $420k in December 2020 expanded to $106M at 75 percent design October 2022

Staff requests to approve this contract with a 3% contingency because this project is 12 months away from completion

Staff requests the Finance, Governance, & Audit Committee recommend the Board approve this contract

GE Long Term Service Agreement

In 2000, JEA entered a long-term contract for inspection, repair, and maintenance of GE combustion turbines at generation sites (Brandy Branch, Kennedy, and eventually Greenland)

The contract is set to expire in December 2028

The original $45M award was intended to increase periodically to accommodate necessary work
Average annual spend is $14.4M

2017 - JEA and GE agreed to increase the contract to $264M

March 2021 - $23M increase to $287M

January 2023 - $43M increase to $330M

Staff will update the Board before additional significant increases

Compliance with JEA's Disclosure Policy & Procedures

Annual Disclosure Reports

Randall Barnes, Treasurer

Make Doing Business with JEA Easy

Annual Disclosure Reports

JEA Requirements

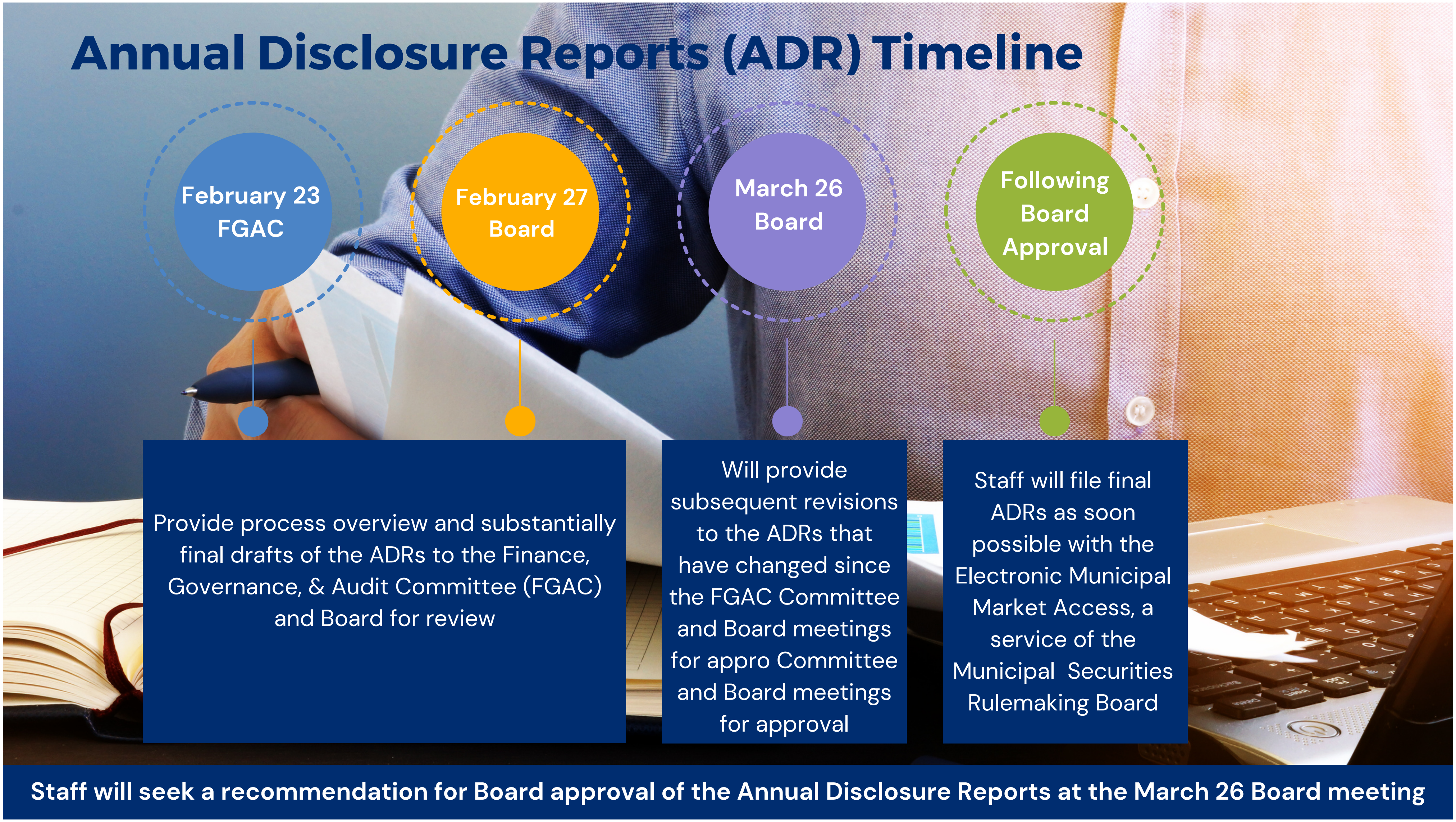
Board Member Requirements

Steps Board Members Can Take

Draft Annual Disclosure Reports

Accuracy of the Disclosure

Timeline


Annual Disclosure Reports (ADR) Timeline
February 23
FGAC
February 27
Board
March 26
Board
Following
Board
Approval
Provide process overview and substantially final drafts of the ADRs to the Finance, Governance, & Audit Committee (FGAC) and Board for review
Will provide subsequent revisions to the ADRs that have changed since the FGAC Committee and Board meetings for appro Committee and Board meetings for approval
Staff will file final ADRs as soon possible with the Electronic Municipal Market Access, a service of the Municipal Securities Rulemaking Board
Staff will seek a recommendation for Board approval of the Annual Disclosure Reports at the March 26 Board meeting

Internal Audit & Ethics Update

Lee Montanez, Director, Internal Audit
Walette Stanford, Director, Ethics

Make Doing Business with JEA Easy

Internal Audit (IA) Updates

Quality Assurance Improvement Program

Internal - Update of procedures related to IA's self-assessment process

External - Requesting proposals from providers for completing external assessment

Audit Software

Process improvement and cost savings

The Institute of Internal Auditors

Internal Audit Charter Updates

Institute of Internal Audit Standards

The Internal Audit Charter is reviewed on an annual basis and any modifications are submitted to the Committee for approval

Board Committee

Replacing Governance, Audit, and Compliance Committee with Finance, Governance, and Audit Committee

Title

Updating Director, Audit Services title to Director, Internal Audit

Outdated Information

Deletion of Enterprise Compliance & Risk Committee Responsibilites

Staff requests the Finance, Governance, & Audit Committee recommend the Board approve the Charter amendments

Audit & Action Plan Status

Completed Audits & Advisory Services

JEA Performance Pay Audit
EY External Audit Assistance
The Energy Authority Audit

In-Process Audits & Engagements with Status

Sales Tax	Reporting
Landscape Contract Review	Reporting
Recruitment Services	Fieldwork
Receivables & Collections	Fieldwork

Current Open Action Plans (15)

Notable – 13
Moderate – 1
Not Rated – 1

Closed Action Plans by Issue Rating (6)

Significant – 1
Notable – 1
Moderate – 2
Nominal – 1
Not Rated –1

Closed Action Plan Highlights

Action Plan	Description
Construction Manager at Risk (CMAR) - Contract Language	Procurement Contracts Administration updated the CMAR contract language to improve controls and ensure costs are better managed Updated contract was approved by the Office of General Counsel
Fleet Services - Preventative Maintenance	Fleet Services Manager has improved the preventive maintenance process to ensure all vehicles complete an annual safety inspection

Ethics Training Update

Business Ethics training for non-management starts on March 4

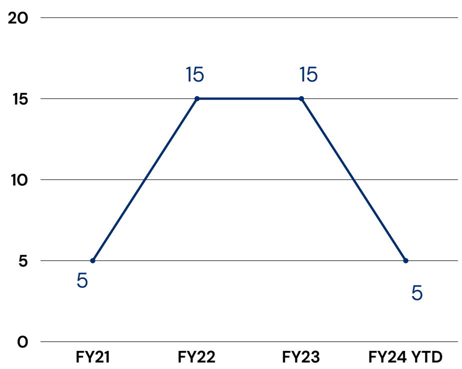
- Approximately 1,927 employees
- City Ordinance, Section 602.1001
- Topics based on past ethical issues
- Employee Responsibilities

Open Government training for management starts on March 5

- Approximately 277 employees
- City Charter
- In partnership with the City of Jacksonville Ethics office
- Supervisor Responsibilities

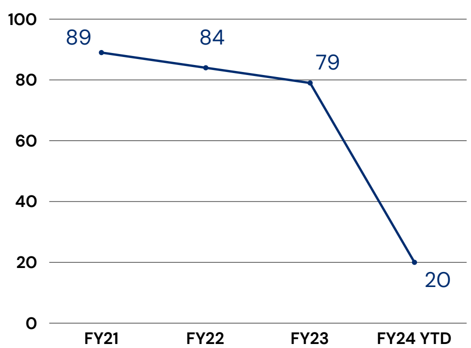
Increase employee commitment to a strong ethical culture

Hotline Cases



- Workplace harassment
- Workplace retaliation
- Improper use of company equipment

Ethics Inquiries From Employees



- Conflict of Interest
- Secondary Employment
- Gifts

Data as of January 19, 2024

Rating Agency Presentation

Financials
FY2023 Results
FY2024 - FY2027 Projections

Ted Phillips, Chief Financial Officer
Joe Orfano, Vice President, Financial Services
Randall Barnes, Treasurer

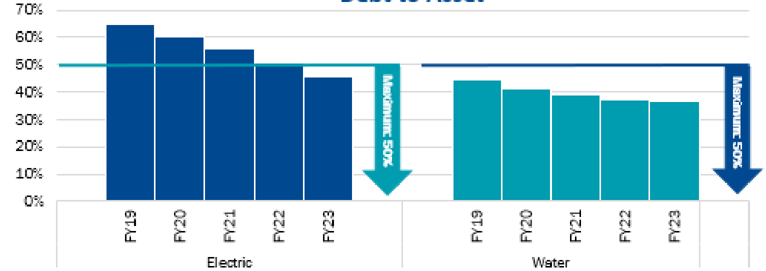
Deepen Customer & Community Engagement

Consolidated | Historical Financial Metrics

Debt Service Coverage

Electric System was lower due to higher contributions to rate stabilization funds in FY23. Water System returned to normal debt service range in FY23 after previous years were impacted by early debt paydown.

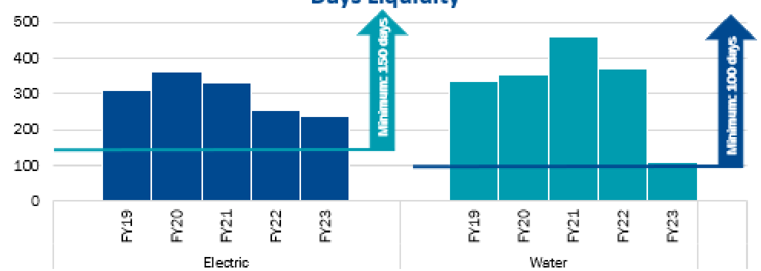
Debt to Asset[1]



Debt to Asset Ratio continued to improve in FY23 and now exceeds long-term pricing policy targets.

1 Includes Electric System, Scherer and SJRPP

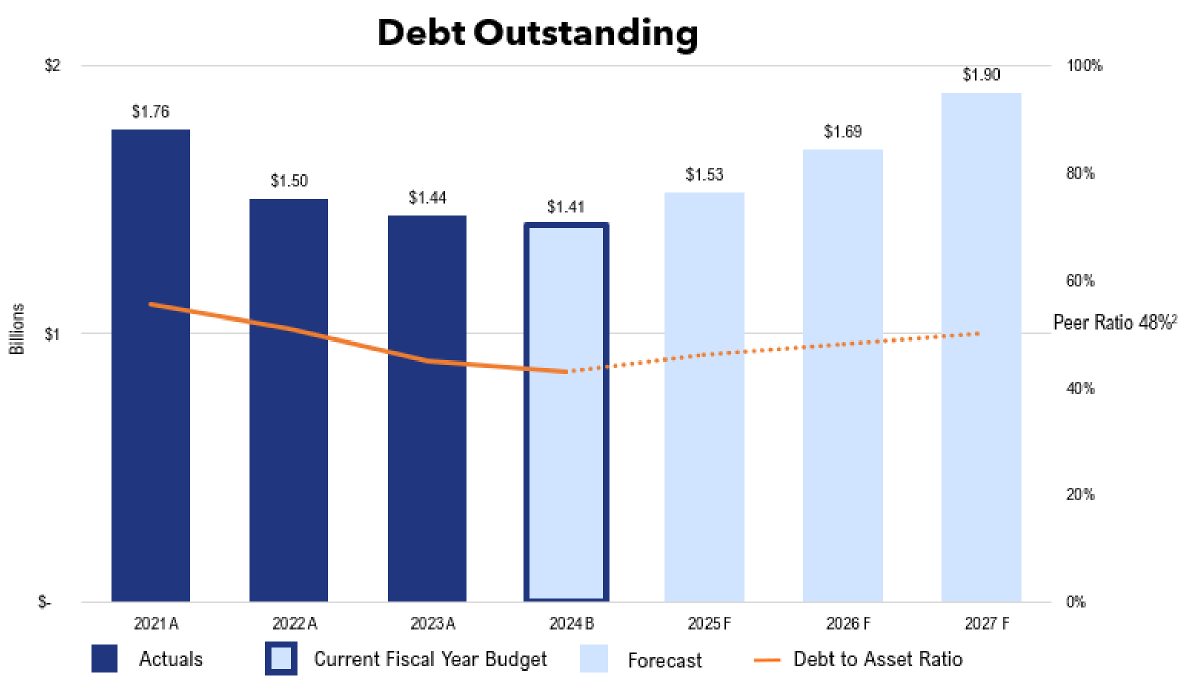
Days Liquidity



Days Liquidity remained strong and above the long-term pricing policy targets. Water System decrease in FY23 reflects increased capital investments and focus on efficient use of liquidity

FY2023 results demonstrate strong performance and a commitment to optimizing revenues

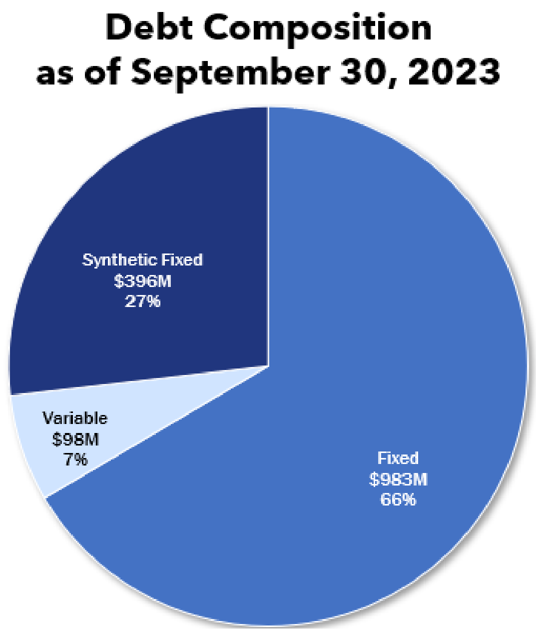
JEA Electric System | Debt Management



¹ Includes Electric System, Scherer, and SJRPP

² Fiscal 2021 medians – Top 30 City Owned Generators By Debt Outstanding – Aa-rated Moody's Sector Profile – Public Power – US, 2023-01-30

* Increase in Debt to Asset Ratio in FY18 due to SJRPP retirement



$2.8 billion reduction in debt since peak

Variable rate exposure reduced from 20% in 2008 to 6% in 2023

JEA Electric System | Financial Results

Our Forecasts For FY2023

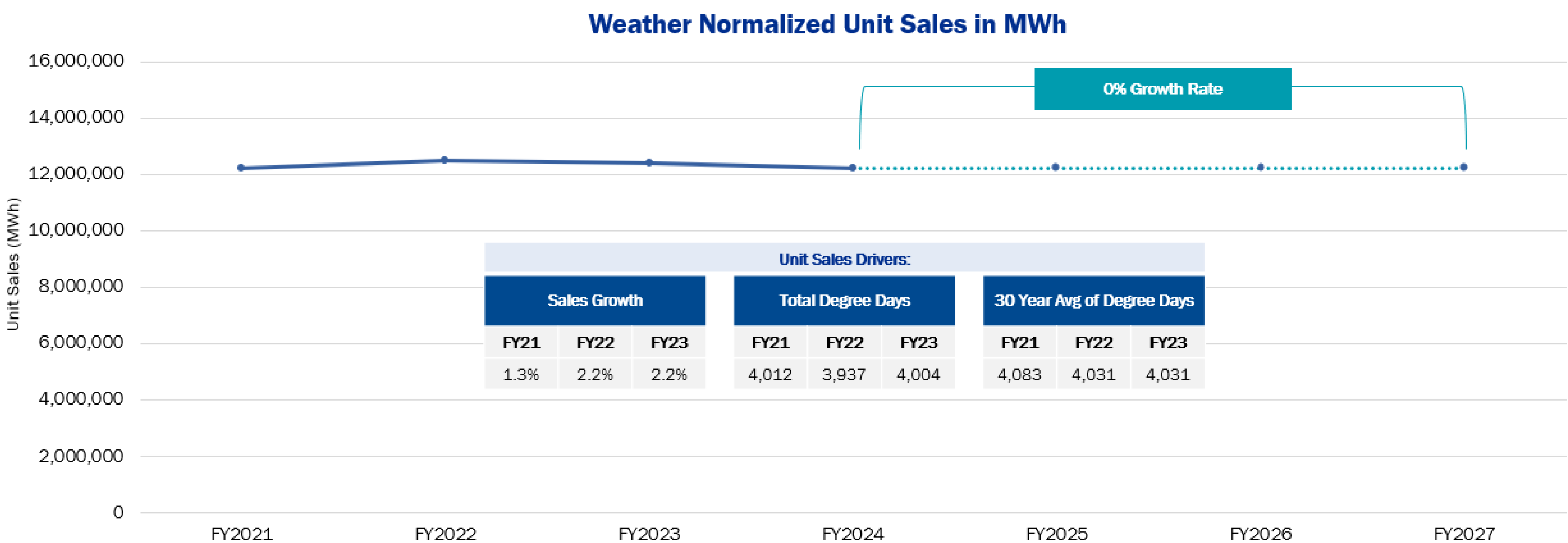
- **5.1x** Combined debt service coverage
- **173** Days of cash on hand
- **324** Days of liquidity
- **$62M** Total debt reduction[1,2]
- **45%** Debt to asset ratio[1]
- **46%** Debt to capitalization ratio[1]
- **$235M** Capital expenditures
- **0%** System MWh Sales growth

Our Outcomes for FY2023

- **3.7x** Combined debt service coverage
- **148** Days of cash on hand
- **236** Days of liquidity
- **$62M** Total debt reduction[1,2]
- **45%** Debt to asset ratio[1]
- **48%** Debt to capitalization ratio[1]
- **$242M** Capital expenditures
- **2.2%** System MWh Sales growth

[1] Includes Electric System, Scherer, and SJRPP
[2] Includes early retirement of $129 million of SJRPP debt and $48 million of Scherer debt

Electric System | Unit Sales



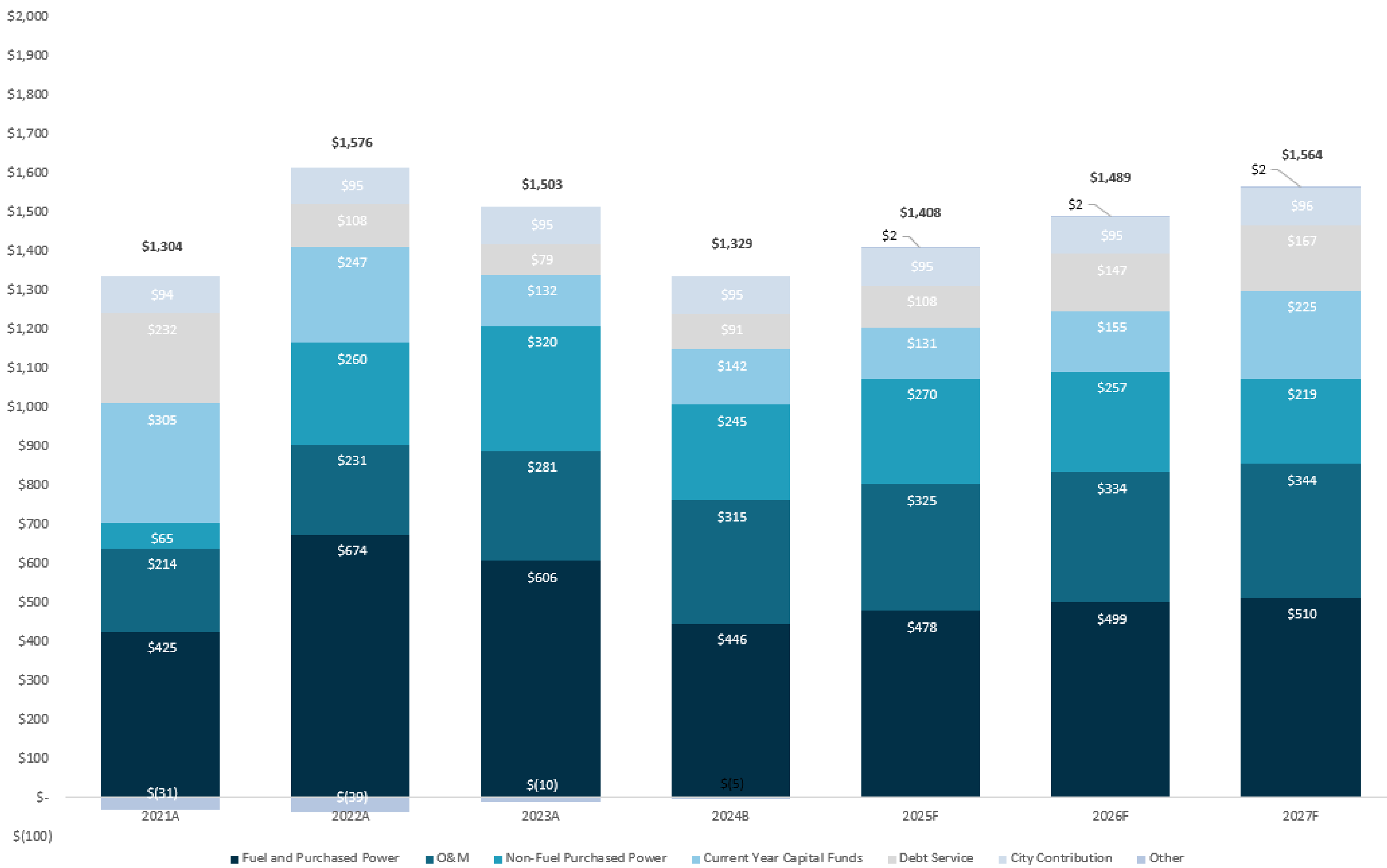
Unit Sales Drivers:

Sales Growth			Total Degree Days			30 Year Avg of Degree Days		
FY21	FY22	FY23	FY21	FY22	FY23	FY21	FY22	FY23
1.3%	2.2%	2.2%	4,012	3,937	4,004	4,083	4,031	4,031

- Historically the electric system experienced -0.1% annualized unit sales growth from 2011 –2023[1] on weather normalized basis
- For financial planning purposes, JEA forecasts system unit sales growth of 0% from FY2024 to FY2027

[1] Includes impact of expiration of sales for resale- territorial contract with FPU

Electric System | Revenue Requirements



JEA Electric System | Capital Funding Sources & Uses

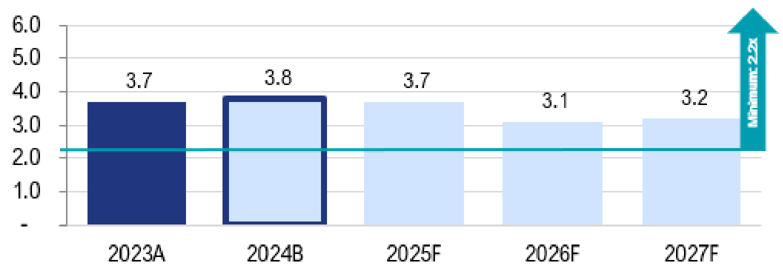
	Actuals	Budget	Forecast		
	2023	2024	2025	2026	2027
Beginning Electric System Capital Fund Balance	**$233**	**$135**	**$29**	**$0**	**$0**
Beginning Environmental Fund Balance	**$21**	**$15**	**$0**	**$0**	**$0**
Funds from Current Year Revenue[1]	$132	$128	$131	$155	$225
Funds from Debt Issuance	$0	$0	$169	$220	$305
Funds from Operating Fund Transfers	$0	$0	$0	$0	$1
Total Sources of Funds	**$132**	**$128**	**$300**	**$375**	**$530**
Capital Spending[2]	***($242)***	***($271)***	***($313)***	***($377)***	***($534)***
Early Debt Retirements	$0	$0	$0	$0	$1
Other[3]	$6	$22	($16)	$2	$4
Total Uses of Funds	**($236)**	**($249)**	**($329)**	**($375)**	**($529)**
Ending Electric System Capital Fund Balance	**$135**	**$29**	**$0**	**$0**	**$0**
Ending Environmental Fund Balance	**$15**	**$0**	**$0**	**$0**	**$0**

The Electric System capital plan is centered on renewal and replacement, while preparing for additional capital needs including future generation beginning in FY2025-FY2027

[1]Electric system. Includes Non-environmental & Environmental revenues in FY23. Environmental rate folded into base rates April 1 of FY23.
[2] Includes Non-environmental & Environmental spend in FY23.
[3] Include items such as sale of property, changes in working capital, adjustments for CWIP, Environmental O&M, and Amortization of Environmental Regulatory Asset

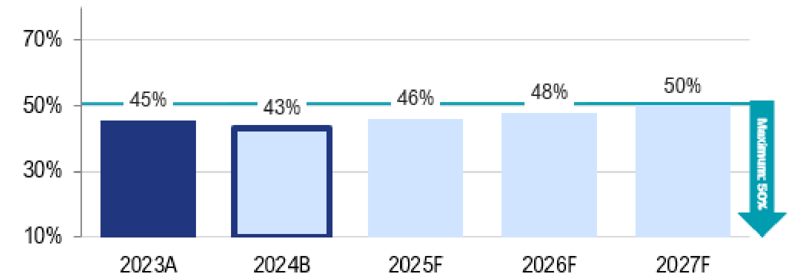
JEA Electric System | Financial Metrics

Debt Service Coverage



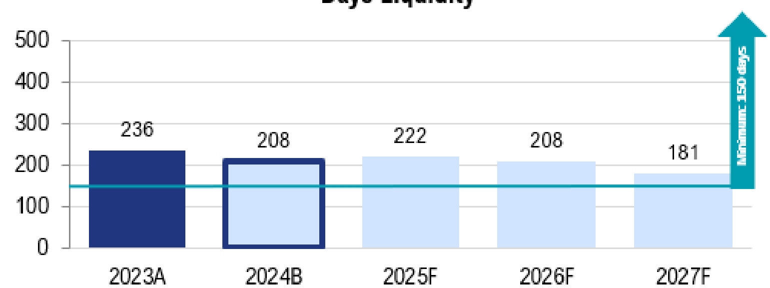
Strong Debt Service Coverage metrics continue to remain above pricing policy target

Debt to Asset %



Debt to Asset % remains under internal policy targets, but ratio increases due to higher capital investment

Days Liquidity

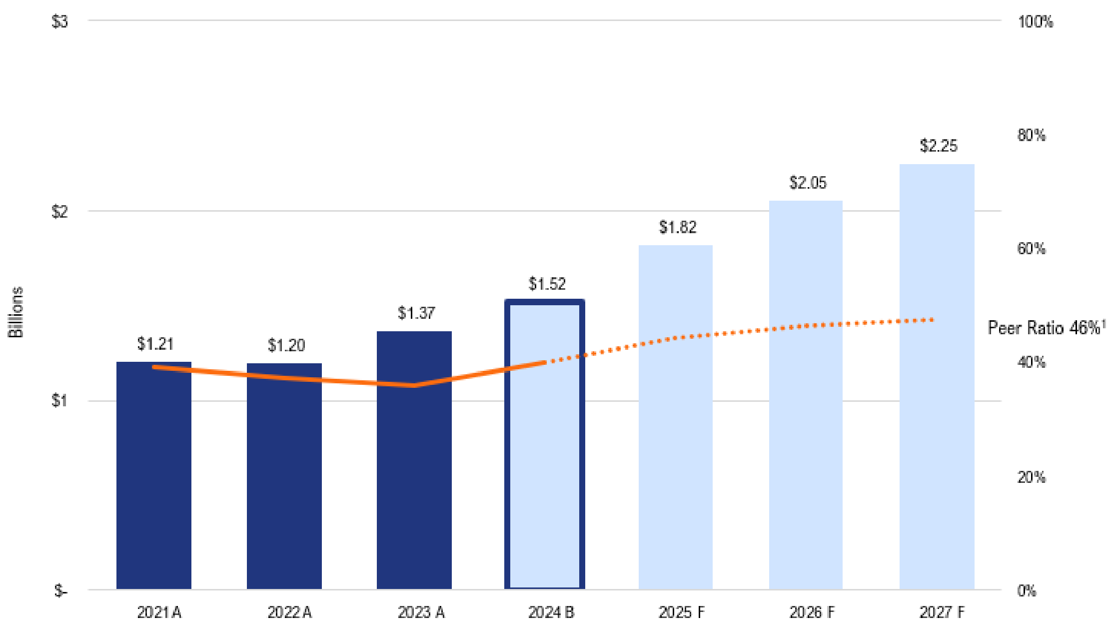


Liquidity metrics impacted by revolver available balance allocation.
days liquidity above pricing policy target

Actuals — Current Fiscal Year Budget — Forecast — Pricing Policy Target

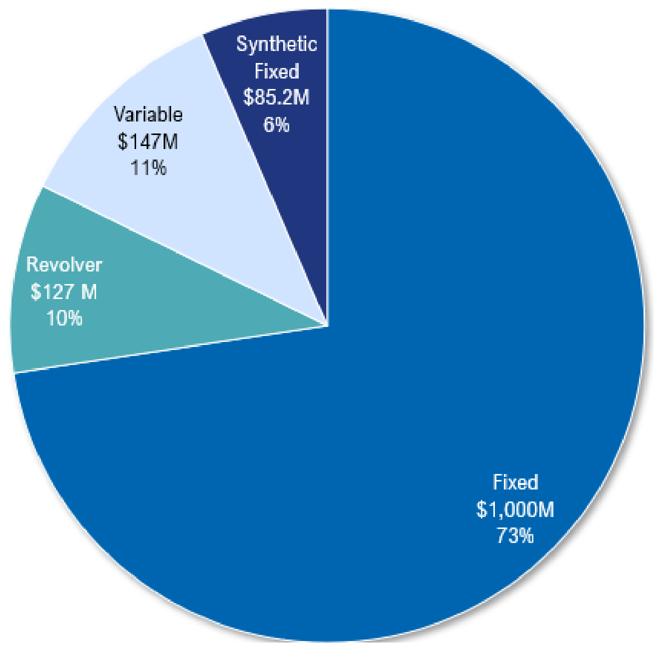
Water System | Debt Management

Debt Outstanding



[1] Calculated from Moody's Municipal Financial Ratio Analysis database of 189 Aa rated public water-sewer utilities, Nov. 22, 2022

Debt Composition as of September 30, 2023



$750 million reduction in debt since peak

Variable rate exposure reduced from 18% in 2009 to 11% in 2023 excluding the revolver

JEA Water System | Financial Results

Our Forecasts For FY2023

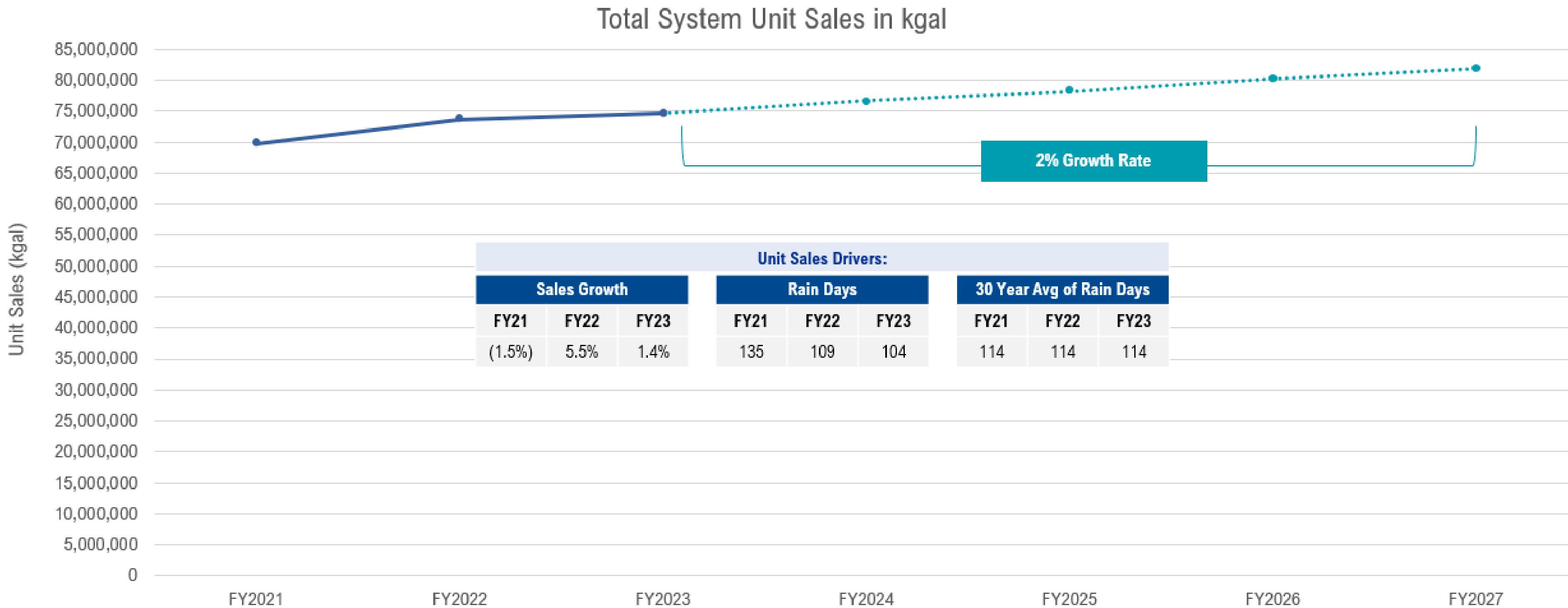
- **4.1x** Combined debt service coverage[1]
- **91** Days of cash on hand
- **210** Days of liquidity
- **$9.9M** Total debt reduction
- **34%** Debt to asset ratio
- **33%** Debt to capitalization ratio
- **$395M** Capital expenditures
- **2%** increase in Water kgal sales

Our Outcomes for FY2023

- **3.6x** Combined debt service coverage[1]
- **23** Days of cash on hand
- **109** Days of liquidity
- **$117M** Total debt increase[2]
- **36%** Debt to asset ratio
- **36%** Debt to capitalization ratio
- **$494M** Capital expenditures
- **1.4%** increase in Water kgal sales

[1] Includes capacity fees
[2] Net of $9.9M principal repayment and and $127M RCF draws

JEA Water System | Unit Sales

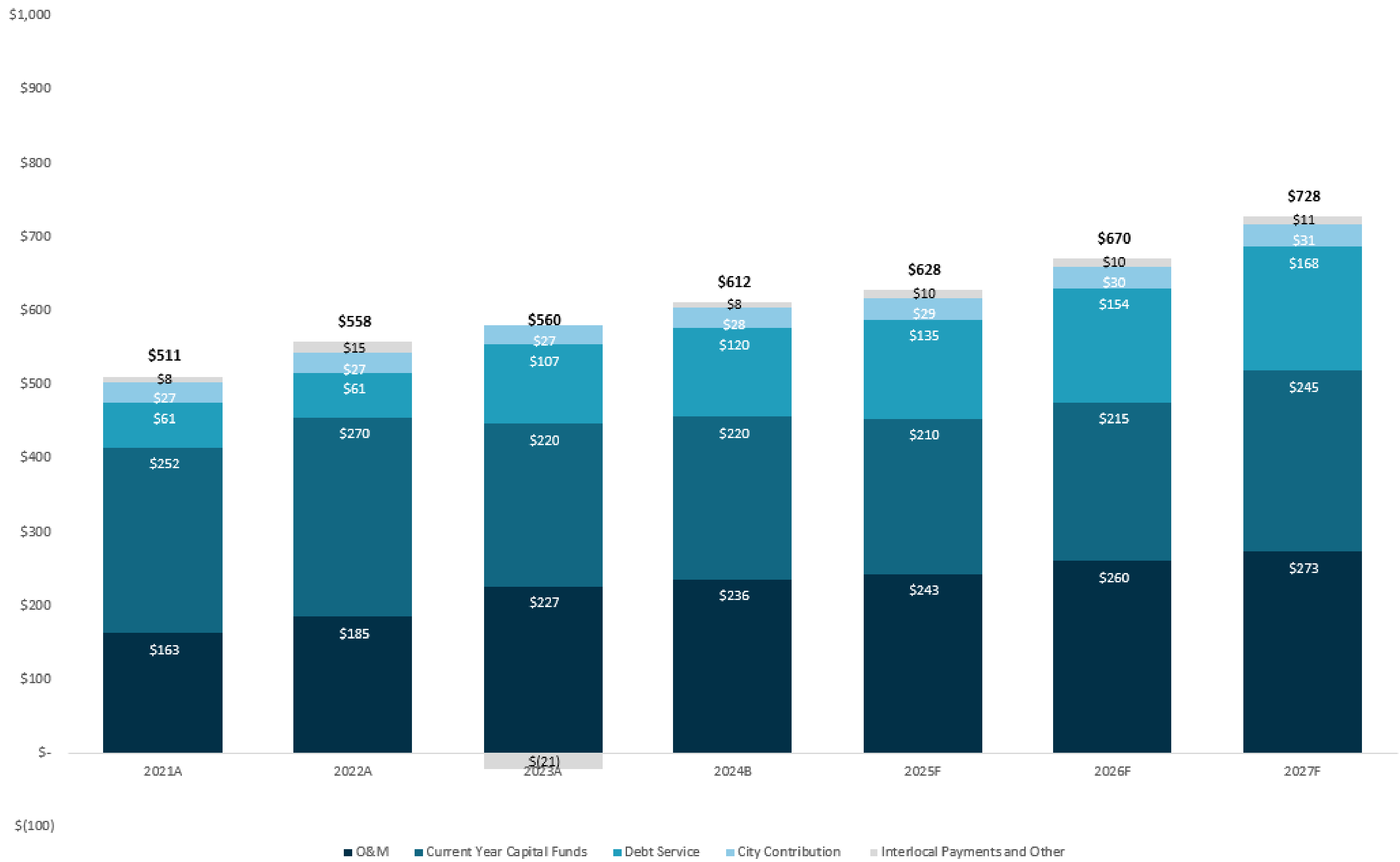


Unit Sales Drivers:

Sales Growth			Rain Days			30 Year Avg of Rain Days		
FY21	FY22	FY23	FY21	FY22	FY23	FY21	FY22	FY23
(1.5%)	5.5%	1.4%	135	109	104	114	114	114

- FY2024-2027 projected growth rate by commodity is 1.3% for Water, 1.4% for Sewer, 2.1% for Retail Reclaim, and 0% for Bulk Reclaim. Overall system projected unit sales growth is 2% from FY2024-2027.
- Sales growth assumptions based on production versus sales reconciliation utilizing historic average production ratios for each commodity

JEA Water System | Revenue Requirements



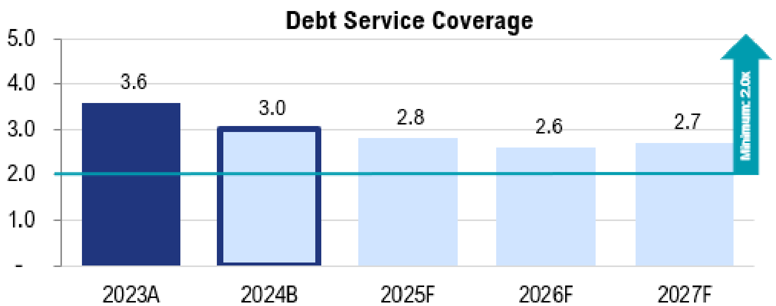
JEA Water System | Capital Funding Sources & Uses

	Actuals	Budget	Forecast		
	2023	2024	2025	2026	2027
Beginning Capital Fund Balance	**$113**	**$1**	**$1**	**$1**	**$1**
Beginning Environmental Fund Balance	**$26**	**$0**	**$0**	**$0**	**$0**
Funds from Current Year Revenue[1]	$189	$210	$215	$245	$283
Funds from Debt Issuance	$127	$353	$458	$299	$270
Funds from Operating Fund Transfers[2]	$0	$0	$0	$0	$0
Total Sources of Funds	**$316**	**$563**	**$673**	**$544**	**$553**
Capital Spending[3]	***($494)***	***($514)***	***($520)***	***($520)***	***($520)***
Early Debt Retirements	$0	$0	$0	$0	$0
Other[4]	$40	($48)	($153)	($24)	($33)
Total Uses of Funds	**($454)**	**($563)**	**($673)**	**($544)**	**($553)**
Ending Capital Fund Balance	**$1**	**$1**	**$1**	**$1**	**$1**
Ending Environmental Fund Balance	**$0**	**$0**	**$0**	**$0**	**$0**

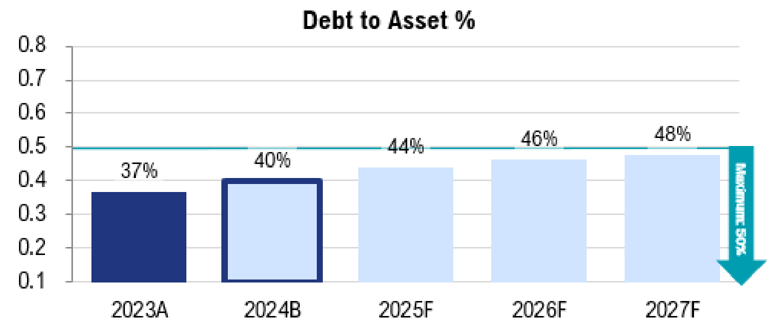
The Water System capital plan is driven by growth, programs to rehabilitate and harden infrastructure critical to system operation and reliability, and a Surface Water Discharge Elimination program.

[1] Includes Non-environmental & Environmental revenues in FY23. Environmental rate folded into base rates April 1 of FY23.
[2] Operating funds transfers to support environmental fund wind down plan. Close the Environmental Rate Stabilization Fund; no environmental wind-down plan after FY23.
[3] Includes Non-environmental & Environmental spend in FY23. No Environmental spend after FY23.
[4] Include items such as sale of property, changes in working capital, adjustments for CWIP, Environmental O&M, Amortization of Environmental Regulatory Asset, etc.

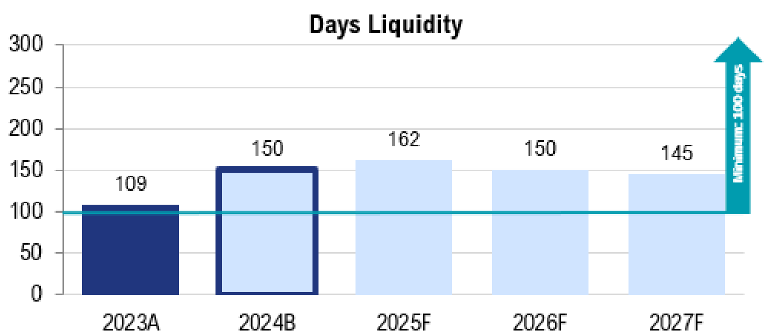
JEA Water System | Financial Metrics



Strong Debt Service Coverage metrics, result of prior accelerated debt repayments, above pricing policy target



Debt to Asset % under or reaching internal policy targets



Days Liquidity remains above target

Actuals | Current Fiscal Year | Forecast | Pricing Policy Target

Building Community

FINANCE, GOVERNANCE, & AUDIT COMMITTEE

SUPPLEMENTAL INFORMATION

Reserve Report

For the First Quarter Ending December 2023

Electric System and Water System Reserve and Fund Balances (1)

For the Years Ending September 30
(In Thousands of Dollars)

Electric System

	Actual Fiscal Year 2021	Actual Fiscal Year 2022	Actual Fiscal Year 2023	Projected Fiscal Year 2024	Detail Page #
Unrestricted					
Operations/Revenue Fund	$ 55,662	$ 2,140	$ 2,841	$ 4,107	
Self Insurance Reserve Fund					
• Property	10,000	10,000	10,000	10,000	3
• Employee health insurance	14,272	14,145	20,134	22,306	4
Rate Stabilization					
• Fuel	41,767	-	-	-	5
• DSM / Conservation	7,232	8,823	5,975	-	6
• Environmental	19,756	20,728	14,612	21,459	7
• Non-Fuel Purchased Power	10,513	55,000	246,000	231,000	8
Environmental	16,568	15,797	14,713	-	9
Customer Deposits	45,179	45,044	46,838	48,175	10
Total Unrestricted	220,949	171,676	361,114	337,047	
Days of Cash on Hand (2)	166	126	148	108	
Days of Liquidity (3)	331	254	236	201	
Restricted					
Debt Service Funds (Sinking Funds)	80,988	66,706	38,818	70,584	11
Debt Service Reserve Funds	50,993	50,993	50,993	50,993	12
Renewal and Replacement Funds/OCO	183,800	233,018	135,033	9,389	13
Environmental Fund [Capital Projects]	83	-	922	-	14
Construction Funds	286	111	-	-	15
Total Restricted	316,150	350,828	225,767	130,966	
Total Electric System	$ 537,099	$ 522,504	$ 586,880	$ 468,013	

Water System

	Actual Fiscal Year 2021	Actual Fiscal Year 2022	Actual Fiscal Year 2023	Projected Fiscal Year 2024	Detail Page #
Unrestricted					
Operations/Revenue Fund	$ 28,517	$ 27,055	$ 1,392	$ 10,225	
Rate Stabilization					
• Environmental	30,077	26,094	-	-	16
Customer Deposit	17,044	14,711	15,386	15,164	17
Total Unrestricted	75,638	67,860	16,778	25,389	
Days of Cash on Hand (2)	297	252	23	63	
Days of Liquidity (3)	459	370	109	150	
Restricted					
Debt Service Funds (Sinking Funds)	30,006	32,499	75,477	90,094	18
Debt Service Reserve Funds	55,665	56,606	57,587	56,079	19
Renewal and Replacement Funds	97,066	112,930	946	23,803	20
Environmental Fund [Capital Projects]	3,118	4,400	2,039	-	21
Construction Funds	14,266	646	242	-	22
Total Restricted	200,121	207,081	136,291	169,976	
Total Water & Sewer System	$ 275,759	$ 274,941	$ 153,069	$ 195,364	

(1) This report does not include Scherer, SJRPP, DES or funds held on behalf of the City of Jacksonville.
(2) Days of Cash on Hand includes R&R Fund in the cash balances, and includes the Contribution to the City of Jacksonville General Fund with the Operating Expenses net of Depreciation.
(3) Days of Liquidity includes R&R Fund in the cash balances, and includes the Contribution to the City of Jacksonville General Fund with the Operating Expenses, net of Depreciation. Revolving credit facility is allocated between Electric and Water & Sewer Systems based on their portion of the Operating Expenses, net of Depreciation.

Funds Established Per the Bond Resolutions

Fund/Account Description	Electric System	Water and Sewer System
Revenue Fund	Net Revenues (i.e. Revenues minus Cost of Operation and Maintenance), pledged to bondholders, balance available for any lawful purpose after other required payments under the bond resolution have been made.	Pledged to bondholders; balance available for any lawful purpose after other required payments under the bond resolution have been made, however, revenues representing impact fees may only be used to finance costs of expanding the system or on the debt service on bonds issued for such expansion purposes.
Rate Stabilization Fund	Not pledged to bondholders; available for any lawful purpose.	Pledged to bondholders; able to transfer to any other fund or account established under the resolution or use to redeem Bonds.
Subordinated Rate Stabilization Fund	Pledged to bondholders; available for any lawful purpose.	Pledged to bondholders; available for any lawful purpose.
Debt Service Account	Pledged to bondholders; used to pay debt service on bonds.	Pledged to bondholders; used to pay debt service on bonds.
Debt Service Reserve Account	Pledged to bondholders; used to pay debt service on bonds in the event revenues were insufficient to make such payments.	Pledged to bondholders; used to pay debt service on bonds in the event revenues were insufficient to make such payments.
Renewal and Replacement Fund	Not pledged to bondholders but required amounts deposited into this Fund pursuant to the bond resolution are limited as to what they can be spent on (e.g. capital expenditures and, bond redemptions) .	Pledged to bondholders; but required amounts deposited into this Fund pursuant to the bond resolution are limited as to what they can be spent on (e.g. capital expenditures and, bond redemptions).
Construction Fund	Pledged to bondholders; applied to the payment of costs of the system.	Pledged to bondholders; applied to the payment of costs of the system.
Subordinated Construction Fund	Pledged to bondholders; applied to the payment of costs of the system	Pledged to bondholders; applied to the payment of costs of the system
Construction Fund - Construction Reserve Account	Pledged to bondholders; applied to fund downgraded reserve fund sureties.	Pledged to bondholders; applied to fund downgraded debt service reserve fund sureties.
General Reserve Fund	Not pledged to bondholders; available for any lawful purpose.	n/a

Regardless of whether the Funds/Accounts are designated as pledged, in the event that monies in the Debt Service Account are insufficient to pay debt service on the bonds, pursuant to the respective bond resolutions, amounts in the various Funds/Accounts are required to be transferred to the respective Debt Service Accounts and used to pay debt service.

Electric System Self Insurance - Property

For the First Quarter Ending December 31, 2023

Definitions and Goals

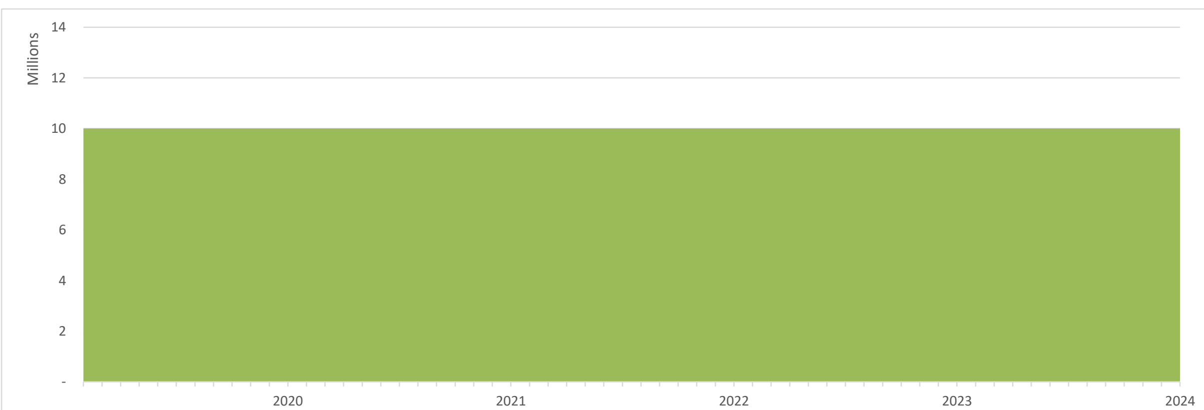
JEA's self-insurance fund is for catastrophic damage to JEA's electric lines (transmission and distribution) caused by the perils of hurricanes, tornadoes, and ice storms. This fund was established in October, 1992, as an alternative to JEA's procurement of commercial property insurance.

Current Activity

(In Thousands)	Quarter-End	2024
Opening Balance	$ 10,000	$ 10,000
Additions:		
Contributions		
Sub-total	$ -	$ -
Withdrawals		
Sub-total	$ -	$ -
Ending Balance	$ 10,000	$ 10,000

Historical Activity

	2020	2021	2022	2023	2024
Opening Balance	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000
Additions:					
Contributions	-	-	-		
Sub-total	$ -	$ -	$ -	$ -	$ -
Withdrawals					
Sub-total	$ -	$ -	$ -	$ -	$ -
Ending balance	$ 10,000	$ 10,000	$ 10,000	$ 10,000	$ 10,000



Observations

- Reserve/Fund Authorization: Budget Appropriation.

Electric System Self Insurance - Employee Health Insurance

For the First Quarter Ending December 31, 2023

Definitions and Goals

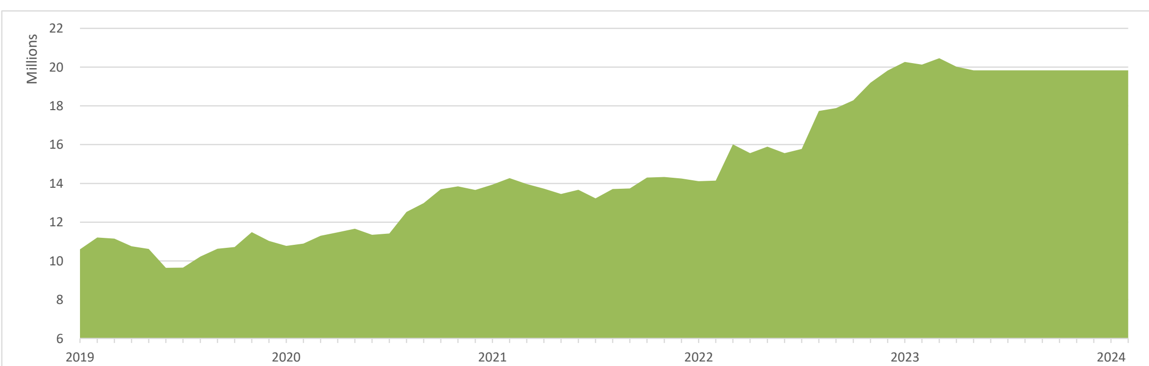
This reserve fund is a requirement under Florida Statute 112.08 that requires self insured government plans to have enough money in a reserve fund to cover the Incurred But Not Reimbursed (IBNR) claims and a 60 day surplus of claims. The IBNR claims are claims that would still need to be paid if the company went back to a fully insured plan or dropped coverage all together. An actuary calculates this amount annually.

Current Activity

(In Thousands)	Quarter-End	2024
Opening Balance	$ 20,134	$ 20,134
Additions:		
Employee Contributions	1,555	6,496
Retirees and Other	1,650	7,743
Employer Contributions	6,092	21,066
Sub-total	$ 9,297	$ 35,305
Withdrawals:		
Payments for Claims	8,804	30,670
Actuary & Other Payments	787	2,463
Other		
Sub-total	$ 9,592	$ 33,133
Ending Balance	$ 19,839	$ 22,306

Historical Activity

	2020	2021	2022	2023	2024
Opening Balance	$ 11,210	$ 10,890	$ 14,272	$ 14,145	$ 20,134
Additions:					
Employee Contributions	6,534	6,596	6,714	6,179	6,496
Retiree & Other Contributions	6,914	7,518	5,713	9,998	7,743
Employer Contributions	18,900	19,635	20,688	22,875	21,066
Sub-total	$ 32,348	$ 33,749	$ 33,115	$ 39,052	$ 35,305
Withdrawals:					
Payments for Claims	30,387	28,408	30,819	30,057	30,670
Actuary & Other Payments	2,281	1,959	2,423	3,006	2,463
Sub-total	$ 32,668	$ 30,367	$ 33,242	$ 33,063	$ 33,133
Ending balance	$ 10,890	$ 14,272	$ 14,145	$ 20,134	$ 22,306



Maximum Balance:	20,460	Average Balance:	14,895
Minimum Balance:	9,647		

Observations

- Self Insurance for Employee Health Insurance began in July 2009.

Electric System Rate Stabilization - Fuel Management

For the First Quarter Ending December 31, 2023

Definitions and Goals

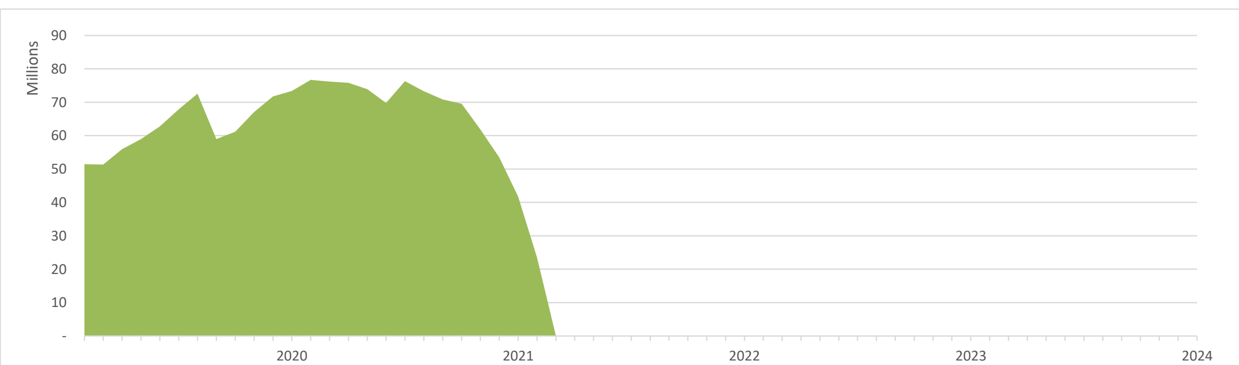
The Electric System Bond Resolution had authorized the establishment of a Rate Stabilization Fund in which contributions or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. In October 2021, the JEA Board approved the revision of the Pricing policy that states the Fuel Charge will be set monthly and is based on the energy cost projection for the billing month
to fully recover all expected fuel-related costs. The monthly adjustments became effective December 2021.

Current Activity

(In Thousands)	Quarter-End	2024
Opening Balance	$ -	$ -
Additions:		
Contributions	-	-
Sub-total	$ -	$ -
Withdrawals:		
Withdrawals	-	-
Sub-total	$ -	$ -
Ending Balance	$ -	$ -

Historical Activity

	2020	2021	2022	2023	2024
Opening Balance	$ 47,152	$ 73,347	$ 41,767	$ -	$ -
Additions:					
Contributions	44,553	9,945	-	-	-
Sub-total	$ 44,553	$ 9,945	$ -	$ -	$ -
Withdrawals:					
Withdrawals	18,358	41,525	41,767	-	-
Fuel Rebate Credit					
Sub-total	$ 18,358	$ 41,525	$ 41,767	$ -	$ -
Ending balance	$ 73,347	$ 41,767	$ -	$ -	$ -



Maximum Balance:	76,719	Average Balance:	26,611
Minimum Balance:	-		

Observations

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Electric System Rate Stabilization - DSM / Conservation

For the First Quarter Ending December 31, 2023

Definitions and Goals

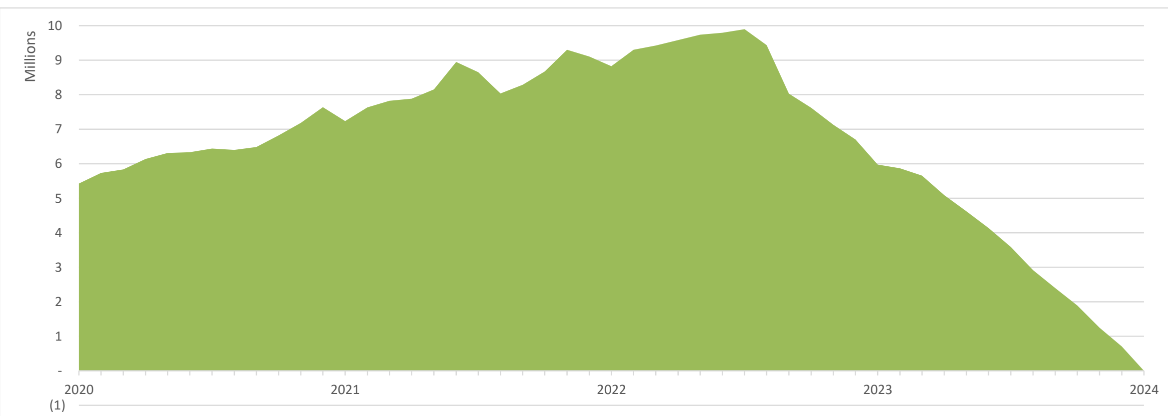
The Electric System Bond Resolution authorizes the establishment of a Rate Stabilization Fund in which contributions or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. The Rate Stabilization Fund provides a means to minimize the year-to-year impact to customer charges and support financial metrics by providing consistent revenue collection for expenditures impacted by external factors such as fuel, debt management and regulatory requirements or initiatives. Effective April 1, 2023, the Environmental charge and Conservation charges were eliminated for all rate classes and incorporated into the energy charge.

Current Activity

(In Thousands)	Quarter-End	2024
Opening Balance	$ 5,976	$ 5,976
Additions:		
Contributions	-	-
Sub-total	$ -	$ -
Withdrawals:		
Withdrawals	883	5,976
Sub-total	$ 883	$ 5,976
Ending Balance	$ 5,093	$ 0

Historical Activity

	2020	2021	2022	2023	2024
Opening Balance	$ 4,363	$ 5,423	$ 7,233	$ 8,824	$ 5,976
Additions:					
Contributions	6,969	6,929	7,164	2,959	-
Sub-total	$ 6,969	$ 6,929	$ 7,164	$ 7,164	$ -
Withdrawals:					
Withdrawals	5,909	5,119	5,573	5,807	5,976
Sub-total	$ 5,909	$ 5,119	$ 5,573	$ 5,807	$ 5,976
Ending balance	$ 5,423	$ 7,233	$ 8,824	$ 5,976	$ 0



Maximum Balance:	9,897	Average Balance:	6,320
Minimum Balance:	-		

Observations

● Rate Stabilization Fund for Demand Side Management began in April 2009.

Electric System Rate Stabilization - Environmental

For the First Quarter Ending December 31, 2023

Definitions and Goals

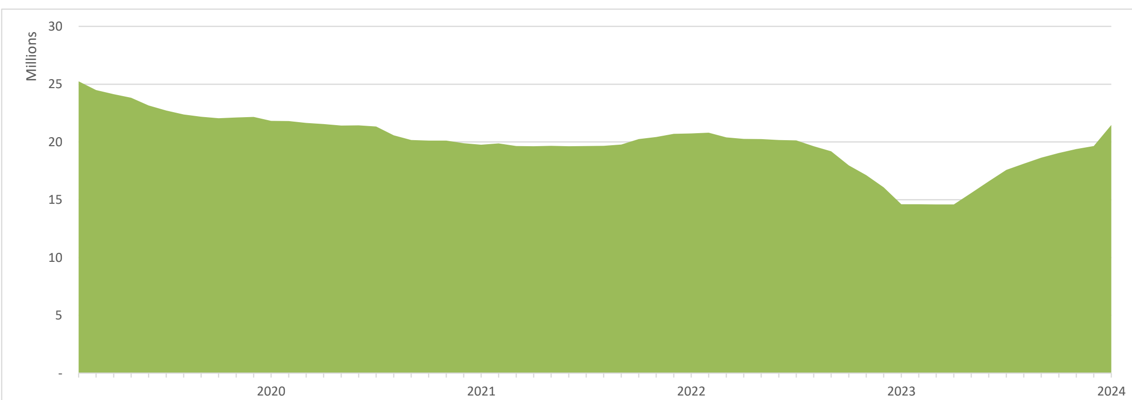
The Electric System Bond Resolution authorizes the establishment of a Rate Stabilization Fund in which contributions or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. The Rate Stabilization Fund provides a means to minimize the year-to-year impact to customer charges and support financial metrics by providing consistent revenue collection for expenditures impacted by external factors such as fuel, debt management and regulatory requirements or initiatives. Deposits to this fund began in fiscal year 2010 for amounts representing the Electric System Environmental Charge ($0.62 per 1000 kWh). Withdrawals from this reserve are limited to potential environmental expenditures approved by the Board, and may include initiatives such as the cost of acquisition of renewable energy capacity. Costs directly required to operate and maintain the environmentally driven or regulatory required assets can also be funded from this revenue source. Effective April 1, 2023, the Environmental charge and Conservation charges were eliminated for all rate classes and incorporated into the energy charge. Basic monthly charges for each rate class were raised to more closely represent the cost to serve each class of customer.

Current Activity

(In Thousands)	Quarter-End	2024
Opening Balance	$ 14,612	$ 14,612
Additions:		
Contributions	-	6,940
Sub-total	$ -	$ 6,940
Withdrawals:		
Withdrawals	22	93
Ending Balance	$ 14,590	$ 21,459

Historical Activity

	2020	2021	2022	2023	2024
Opening Balance	$ 25,632	$ 21,818	$ 19,756	$ 20,728	$ 14,612
Additions:					
Contributions	7,469	7,497	7,619	3,111	6,940
Sub-total	$ 7,469	$ 7,497	$ 7,619	$ 3,111	$ 6,940
Withdrawals:					
Withdrawals	11,283	9,559	6,647	9,227	93
Sub-total	$ 11,283	$ 9,559	$ 6,647	$ 9,227	$ 93
Ending balance	$ 21,818	$ 19,756	$ 20,728	$ 14,612	$ 21,458



Maximum Balance:	25,245	Average Balance:	20,036
Minimum Balance:	14,590		

Observations

● Rate Stabilization Fund for Environmental began in June 2010.

Electric System Rate Stabilization - Non-Fuel Purchased Power

For the First Quarter Ending December 31, 2023

Definitions and Goals

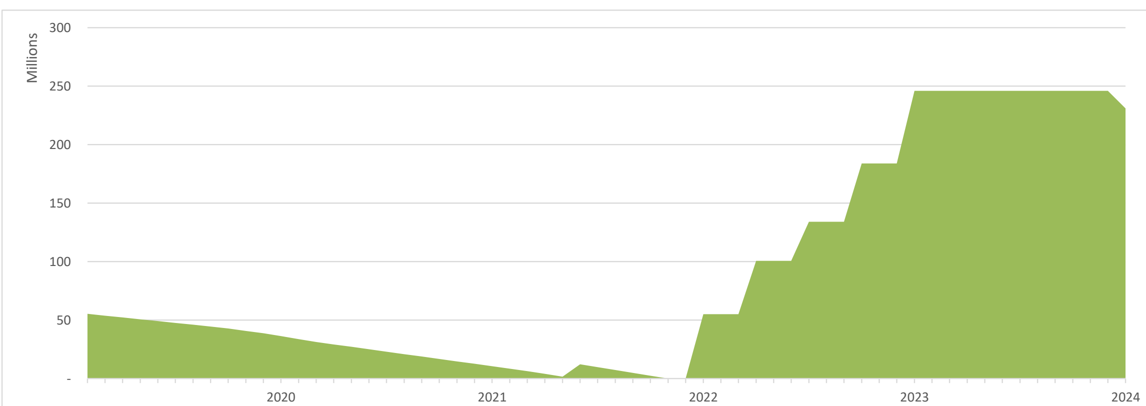
The Electric System Bond Resolution authorizes the establishment of a Rate Stabilization Fund in which deposits or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. The Rate Stabilization Funds provide a means to minimize the year-to-year impact to customer charges and support financial metrics by providing consistent revenue collection for expenditures impacted by external factors such as fuel, debt management and regulatory requirements or initiatives. Deposits to the Rate Stabilization Fund for Non-Fuel Purchased Power Stabilization during the fiscal year are made with the approval of the CEO or CFO, provided such deposits are not in excess of JEA's total operating budget for the current fiscal year. Withdrawals from the Rate Stabilization Fund for Non-Fuel Purchased Power are to reimburse the costs associated with any non-fuel purchased power activities. Withdrawals can be made as necessary during the fiscal year and requires the approval of the CEO or the CFO.

Current Activity

(In Thousands)	Quarter-End	2024
Opening Balance	$ 246,000	$ 246,000
Additions:		
Contributions	-	-
Sub-total	$ -	$ -
Withdrawals:		
Withdrawals	-	15,000
Ending Balance	$ 246,000	$ 231,000

Historical Activity

	2020	2021	2022	2023	2024
Opening Balance	$ 56,870	$ 36,326	$ 10,513	$ 55,000	$ 246,000
Additions:					
Contributions		-	72,731	191,000	-
Sub-total	$ -	$ -	$ 72,731	$ 191,000	$ -
Withdrawals:					
Withdrawals	20,544	25,813	28,244	-	15,000
Sub-total	$ 20,544	$ 25,813	$ 28,244	$ -	$ 15,000
Ending balance	$ 36,326	$ 10,513	$ 55,000	$ 246,000	$ 231,000



Maximum Balance:	246,000	Average Balance:	90,787
Minimum Balance:	-		

Observations

● The Non-Fuel Purchased Power Rate Stabiliation Fund began in FY 2014.

Electric System Environmental Reserve

For the First Quarter Ending December 31, 2023

Definitions and Goals

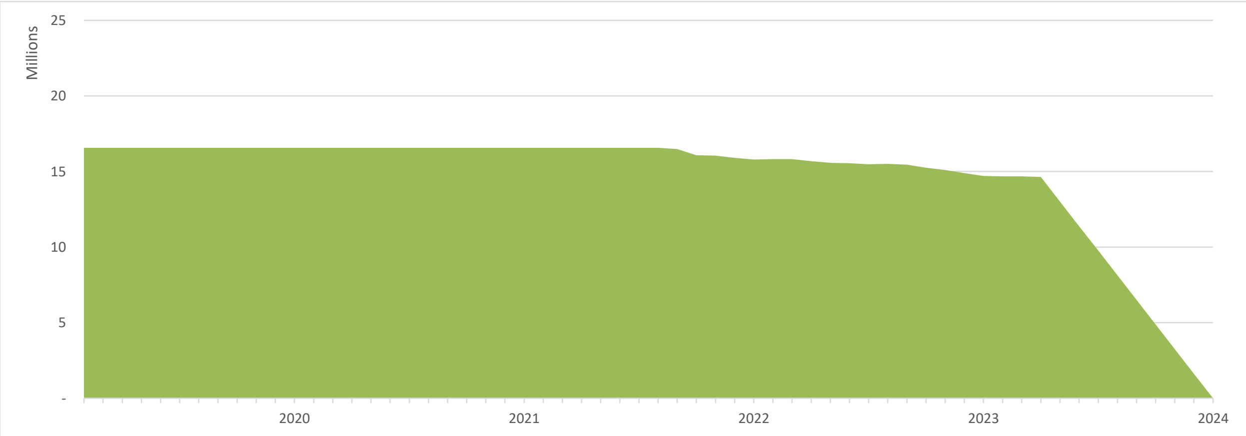
This reserve represents the initial amounts collected from the Electric System Environmental Charge and will be deposited until the balance in this reserve equals the balance in the environmental liability account. Withdrawals from this account will represent payments for these liabilities.

Current Activity

(In Thousands)	Quarter-End	2024
Opening Balance	$ 14,713	$ 14,713
Additions:		
Contributions	2	2
Sub-total	$ 2	$ 2
Withdrawals:		
Withdrawals	75	14,716
Ending Balance	$ 14,641	$ -

Historical Activity

	2020	2021	2022	2023	2024
Opening Balance	$ 16,568	$ 16,568	$ 16,568	$ 15,797	$ 14,713
Additions:					
Contributions				58	2
Sub-total	$ -	$ -	$ -	$ 58	$ 2
Withdrawals:					
Withdrawals			771	1,142	14,716
Sub-total	$ -	$ -	$ 771	$ 1,142	$ 14,716
Ending balance	$ 16,568	$ 16,568	$ 15,797	$ 14,713	$ -



Maximum Balance:	16,568	Average Balance:	14,689
Minimum Balance:	-		

Observations

- The Environmental Reserve began in FY 2008.

Electric System Customer Deposits

For the First Quarter Ending December 31, 2023

Definitions and Goals

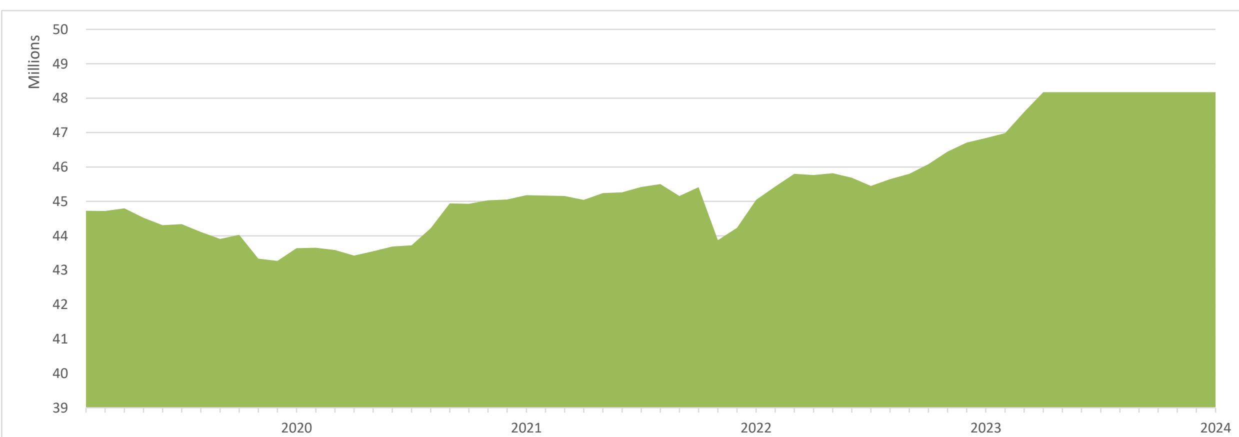
Pursuant to internal procedure CR40400 MBC302 Credit and Collections, JEA accesses customers a deposit that may be used to offset any future unpaid amounts during the course of providing utility service to a customer.

Current Activity

(In Thousands)	Quarter-End	2024
Opening Balance	$ 46,838	$ 46,838
Additions:		
Net Customer Activity	1,337	2,152
Sub-total	$ 1,337	$ 2,152
Withdrawals:		
Net Customer Activity	-	815
Sub-total	$ -	$ 815
Ending Balance	$ 48,175	$ 48,175

Historical Activity

	2020	2021	2022	2023	2024
Opening Balance	$ 44,242	$ 44,785	$ 43,641	$ 45,044	$ 46,838
Additions:					
Net Customer Activity	543	596	3,666	2,194	2,152
Sub-total	$ 543	$ 596	$ 3,666	$ 2,194	$ 2,152
Withdrawals:					
Net Customer Activity		1,740	2,263	400	815
Sub-total	$ -	$ 1,740	$ 2,263	$ 400	$ 815
Ending balance	$ 44,785	$ 43,641	$ 45,044	$ 46,838	$ 48,175



Maximum Balance:	48,175	Average Balance:	45,483
Minimum Balance:	43,271		

Observations

Electric System Debt Service Sinking Fund

For the First Quarter Ending December 31, 2023

Definitions and Goals

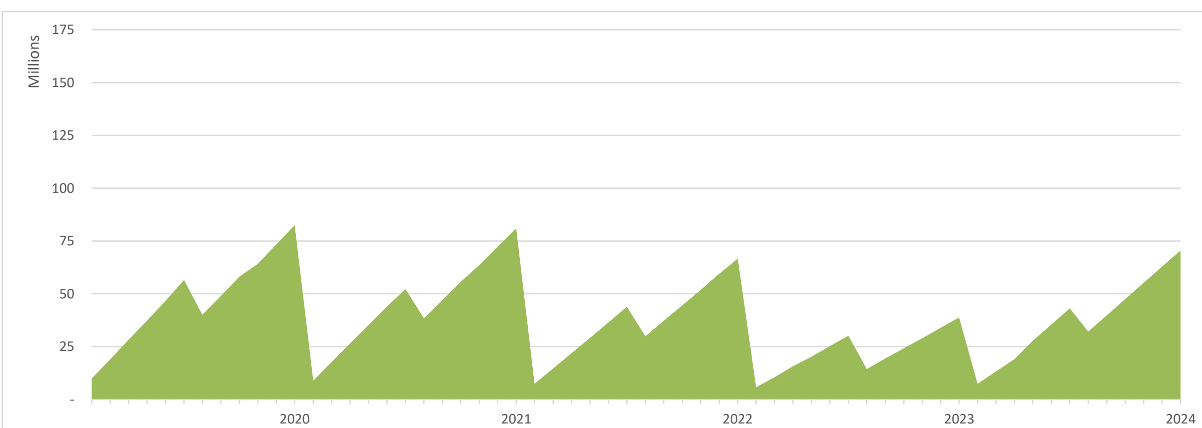
JEA is required monthly to fund from revenues an amount equal to the aggregate of the Debt Service Requirement for senior and subordinated bonds for such month into this account. On or before such interest payment date, JEA shall pay out of this account to the paying agents the amount required for the interest and principal due on such date.

Current Activity

(In Thousands)	Quarter-End	2024
Opening Balance	$ 38,817	$ 38,817
Additions:		
Revenue Fund Deposits	22,172	93,467
Sub-total	$ 22,172	$ 93,467
Withdrawals:		
Principal and Int Payments	41,865	61,700
Sub-total	$ 41,865	$ 61,700
Ending Balance	$ 19,124	$ 70,584

Historical Activity

	2019	2020	2021	2022	2024
Opening Balance	$ 144,215	$ 81,220	$ 80,988	$ 66,705	$ 38,817
Additions:					
Revenue Fund Deposits	116,826	107,672	91,059	73,191	93,467
Sub-total	$ 116,826	$ 107,672	$ 91,059	$ 73,191	$ 93,467
Withdrawals:					
Principal and Int Payments	179,821	107,904	105,342	101,079	61,700
Sub-total	$ 179,821	$ 107,904	$ 105,342	$ 101,079	$ 61,700
Ending balance	$ 81,220	$ 80,988	$ 66,705	$ 38,817	$ 70,584



Maximum Balance:	82,525	Average Balance:	37,887
Minimum Balance:	5,778		

Observations

- September 30th ending balances are used to pay the October 1st interest and principal payments.
- This report does not include any Scherer debt service sinking funds.
- Timing differences occur due to the accrual of debt service during one fiscal year and the payment in the following fiscal year (primarily fixed rate principal and interest on October 1st of the following fiscal year).
- Projections are based on the debt outstanding as of the quarter-end referenced above.

Electric System Debt Service Reserve Account

For the First Quarter Ending December 31, 2023

Definitions and Goals

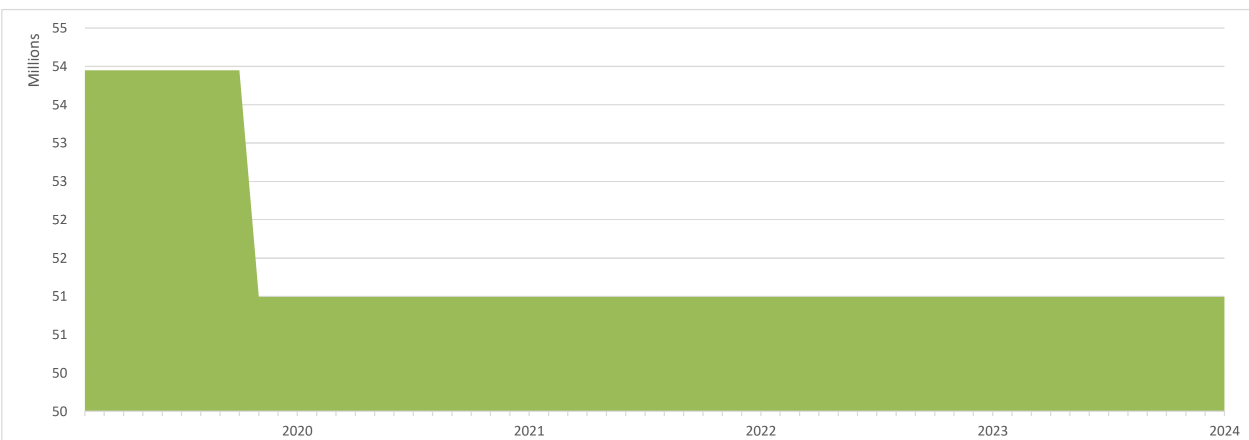
This reserve will be funded, maintained and held for the benefit of bondholders as specified in the Supplemental Resolution authorizing the sale of the bonds to pay principal and/or interest on the bonds should revenues from operations not be sufficient for such purpose in accordance with the appropriate bond resolution. It is JEA's current practice to fund this reserve account with cash from the sale of bonds; however, revenues may be utilized to fund this reserve when necessary.

Current Activity

(In Thousands)	Quarter-End	2024
Opening Balance	$ 50,993	$ 50,993
Additions:		
Proceeds from Bonds	-	-
Sub-total	$ -	$ -
Withdrawals:		
	-	-
Ending Balance	$ 50,993	$ 50,993

Historical Activity

	2020	2021	2022	2023	2024
Opening Balance	$ 60,582	$ 50,993	$ 50,993	$ 50,993	$ 50,993
Additions:					
Proceeds from Bonds					
Sub-total	$ -	$ -	$ -	$ -	$ -
Withdrawals:					
Release to Revenue Fund	2,956				
Release for Defeasance	6,633				
Sub-total	$ 9,589	$ -	$ -	$ -	$ -
Ending balance	$ 50,993	$ 50,993	$ 50,993	$ 50,993	$ 50,993



Maximum Balance:	53,949	Average Balance:	51,587
Minimum Balance:	50,993		

Observations

- This report does not include any Scherer debt service reserves.
- Projections are based on the debt outstanding as of the quarter-end referenced above.

Electric System Renewal and Replacement (R&R) / Operating Capital Outlay (OCO)

For the First Quarter Ending December 31, 2023

Definitions and Goals

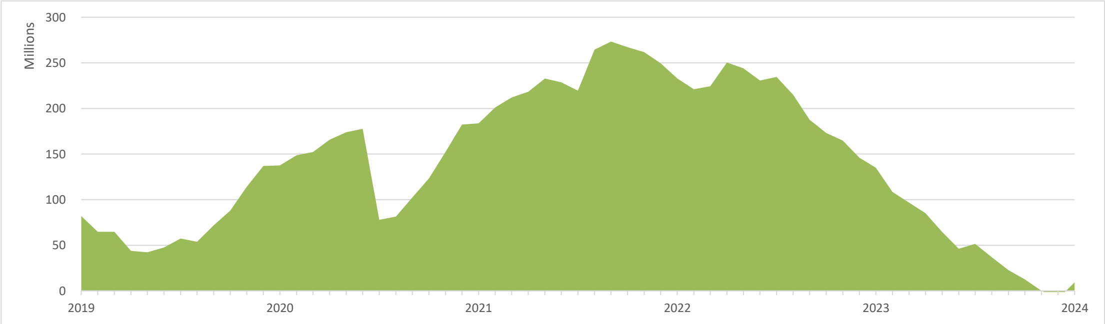
Pursuant to the bond resolution and Article 21 of the City of Jacksonville Charter, JEA is required to deposit from the revenue fund annually an amount for Renewal and Replacement of system assets. According to the bond resolutions the amount is equal to the greater of 10% of the prior year defined annual net revenues or 5% of the prior year defined gross revenues. The funds shall be used for the purposes of paying the cost of extensions, enlargements or additions to, or the replacement of capital assets. In addition, as a portion of the base rate, JEA will recover from current revenue a formula driven amount for capital expenditures known as Operating Capital Outlay. This amount is calculated separately from the R&R deposit and may be allocated for use between capacity or non-capacity related expenditures based on the most beneficial economic and tax related financing structure incorporating the use of internal and bond funding.

Current Activity

(In Thousands)	Quarter-End	2024
Opening Balance	$ 135,034	$ 135,034
Additions:		
R&R/OCO Contribution	27,210	139,839
Transfers betw Capital Fds		
Other	378	1,506
Sub-total	$ 27,587	$ 141,345
Withdrawals:		
Capital Expenditures	77,440	266,990
Transfers betw Capital Fds		
Debt Reduction	-	-
Other	-	-
Sub-total	$ 77,440	$ 266,990
Ending Balance	$ 85,181	$ 9,389

Historical Activity

	2020	2021	2022	2023	2024
Opening Balance	$ 81,964	$ 137,643	$ 183,800	$ 233,019	$ 135,034
Additions:					
R&R/OCO Contribution	272,342	296,824	240,825	143,458	139,839
Loans betw Capital Fds					
Other	8,389	11,668	6,031	12,774	1,506
Sub-total	$ 280,731	$ 308,492	$ 246,856	$ 156,232	$ 141,345
Withdrawals:					
Capital Expenditures	206,415	155,486	197,637	234,217	266,990
Transfers/loans b/w Capital Fds					
Debt Defeasance	18,637	106,849	-	20,000	-
Other	-	-	-	-	-
Sub-total	$ 225,052	$ 262,335	$ 197,637	$ 254,217	$ 266,990
Ending balance	$ 137,643	$ 183,800	$ 233,019	$ 135,034	$ 9,389



Maximum Balance:	273,391	Average Balance:	140,059
Minimum Balance:	(8,496)		

Observations

● Other includes Sale of Property and miscellaneous billings.

Electric System Environmental Fund - Capital Projects

For the First Quarter Ending December 31, 2023

Definitions and Goals

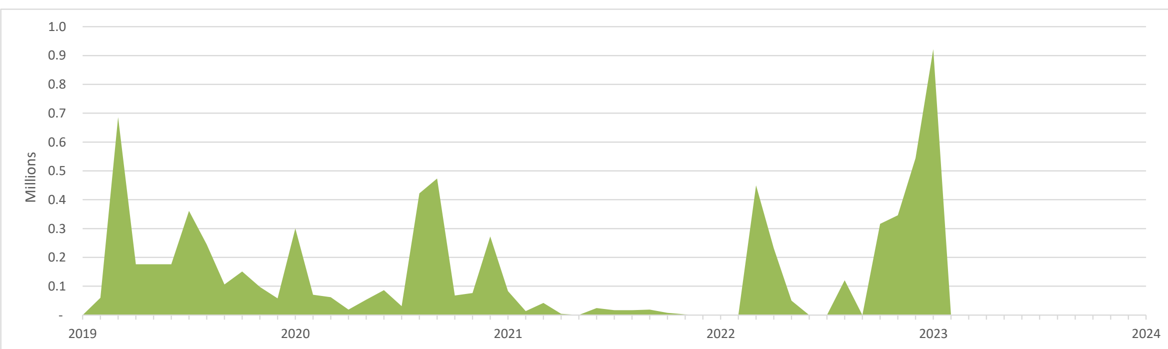
The Environmental Charge will be applied to all kWh consumption and structured to provide funding for major specific environmental and regulatory program needs. The Environmental Charge is designed to recover from customers all costs of environmental remediation and compliance with new and existing environmental regulations, excluding the amount already collected in the Environmental Liability Reserve, as specified in the Pricing Policy for specific environmental and regulatory programs. This fund represents the amounts collected from the Electric System Environmental Charge and used on expenditures for capital projects.

Current Activity

(In Thousands)	Quarter-End	2024
Opening Balance	$ 922	$ 922
Additions:		
Environmental Contributions	2	5
Transfers betw Capital Fds		
Other		
Sub-total	$ 2	$ 5
Withdrawals:		
Capital Expenditures	924	927
Transfers betw Capital Fds		
Other		
Sub-total	$ 924	$ 927
Ending Balance	$ -	$ -

Historical Activity

	2020	2021	2022	2023	2024
Opening Balance	$ -	$ 301	$ 83	$ -	$ 922
Additions:					
Environmental Contributions	4,389	2,769	503	3,088	5
Loans betw Capital Fds					
Other					
Sub-total	$ 4,389	$ 2,769	$ 503	$ 3,088	$ 5
Withdrawals:					
Capital Expenditures	4,088	2,987	586	2,166	927
Transfers/loans b/w Capital Fds					
Other					
Sub-total	$ 4,088	$ 2,987	$ 586	$ 2,166	$ 927
Ending balance	$ 301	$ 83	$ -	$ 922	$ -



Maximum Balance:	922	Average Balance:	146
Minimum Balance:	-		

Observations

● The Environmental Construction Fund began in October 2019.

Electric System Construction / Bond Fund

For the First Quarter Ending December 31, 2023

Definitions and Goals

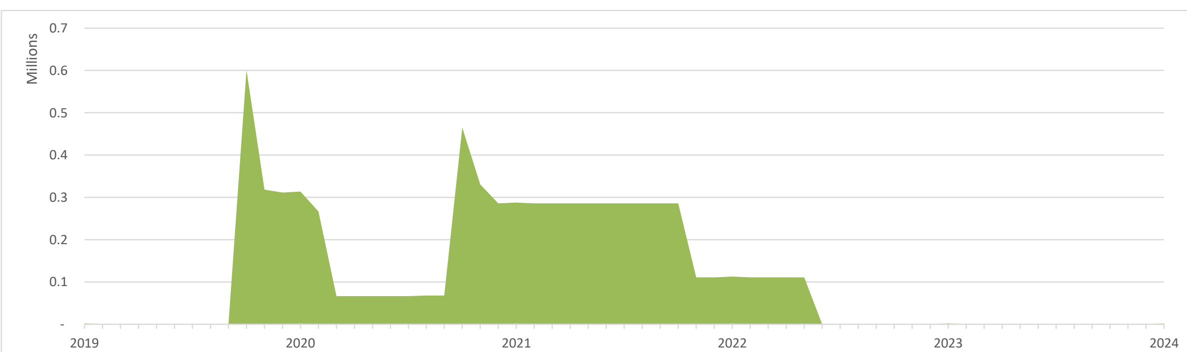
JEA maintains a senior and subordinated construction fund of which bonds proceeds are deposited and used for the payment of the costs of additions, extensions and improvements to the Electric System. The senior construction fund is limited to the costs of additions, extension and improvements relating to non-generation capital expenditures. The subordinated construction fund is used for capital projects relating to all categories of capital expenditures but primarily targeted to fund generation capital expenditures.

Current Activity

(In Thousands)	Quarter-End	2024
Opening Balance	$ -	$ -
Additions:		
Bond Proceeds	-	-
Loans betw Capital Fds		
Other		
Sub-total	$ -	$ -
Withdrawals:		
Capital Expenditures	-	-
Transfers betw Capital Fds		
Other		
Sub-total	$ -	$ -
Ending Balance	$ -	$ -

Historical Activity

	2020	2021	2022	2023	2024
Opening Balance	$ 2	$ 314	$ 286	$ 111	$ -
Additions:					
Bond Proceeds	601	397	-	-	-
Loans betw Capital Fds					
Other					
Sub-total	$ 601	$ 397	$ -	$ -	$ -
Withdrawals:					
Capital Expenditures	289	425	175	111	-
Transfers/loans b/w Capital Fds					
Other					
Sub-total	$ 289	$ 425	$ 175	$ 111	$ -
Ending balance	$ 314	$ 286	$ 111	$ -	$ -



Maximum Balance:	601	Average Balance:	117
Minimum Balance:	(8,496)		

Observations

- JEA's philosophy has been to borrow bond funds on a "just-in-time" basis. Staff has used revolving credit facility borrowings and loans between capital funds to decrease borrowing costs.

Water System Rate Stabilization - Environmental

For the First Quarter Ending December 31, 2023

Definitions and Goals

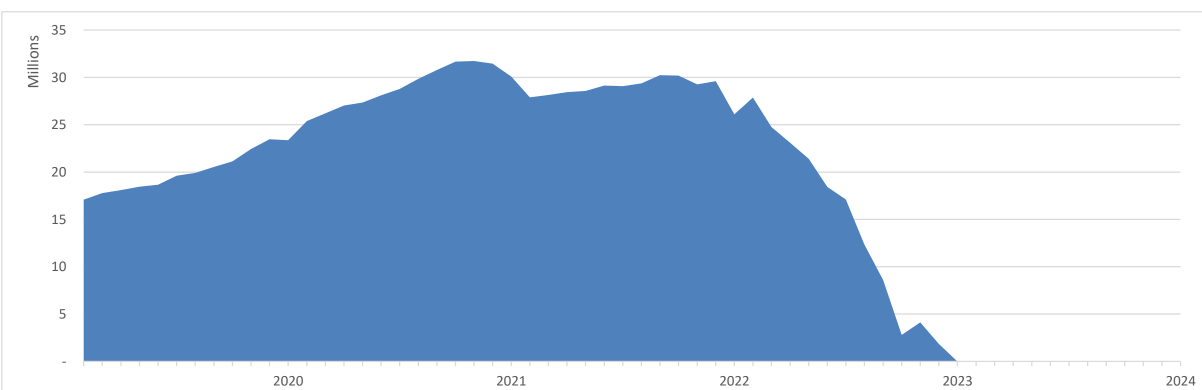
The Water System Bond Resolution authorizes the establishment of a Rate Stabilization Fund in which contributions or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. The Rate Stabilization Fund provides a means to minimize the year-to-year impact to customer charges and support financial metrics by providing consistent revenue collection for expenditures impacted by external factors such as debt management and regulatory requirements or initiatives.

Current Activity

(In Thousands)	Quarter-End	2024
Opening Balance	$ -	$ -
Additions:		
Contributions	-	-
Sub-total	$ -	$ -
Withdrawals:		
Withdrawals	-	-
COJ Septic Tank Agreement		-
Sub-total	$ -	$ -
Ending Balance	$ -	$ -

Historical Activity

	2020	2021	2022	2023	2024
Opening Balance	$ 15,687	$ 23,372	$ 30,077	$ 26,094	$ -
Additions:					
Contributions	25,677	25,198	27,434	12,842	-
Sub-total	$ 25,677	$ 25,198	$ 27,434	$ 12,842	$ -
Withdrawals:					
Withdrawals	17,992	18,493	31,417	38,936	-
Sub-total	$ 17,992	$ 18,493	$ 31,417	$ 38,936	$ -
Ending balance	$ 23,372	$ 30,077	$ 26,094	$ -	$ -



Maximum Balance:	31,730	Average Balance:	21,605
Minimum Balance:	-		

Observations

● Rate Stabilization Fund for Environmental began in June 2010.

Water System Customer Deposits

For the First Quarter Ending December 31, 2023

Definitions and Goals

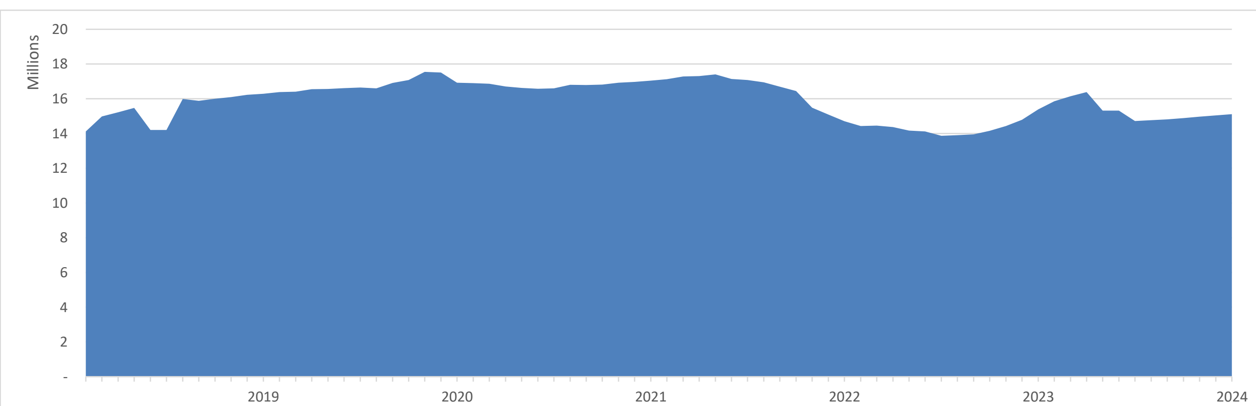
Pursuant to internal procedure CR40400 MBC302 Credit and Collections, JEA accesses customers a deposit that may be used to offset any future unpaid amounts during the course of providing utility service to a customer.

Current Activity

(In Thousands)	Quarter-End	2024
Opening Balance	$ 15,386	$ 15,386
Additions:		
Allocated from Electric	1,003	1,084
Sub-total	$ 1,003	$ 1,084
Withdrawals:		
Allocated from Electric	1,068	1,307
Sub-total	$ 1,068	$ 1,307
Ending Balance	$ 15,321	$ 15,164

Historical Activity

	2020	2021	2022	2023	2024
Opening Balance	$ 16,289	$ 16,926	$ 17,043	$ 14,710	$ 15,386
Additions:					
Allocated from Electric	1,318	480	356	1,544	1,084
Sub-total	$ 1,318	$ 480	$ 356	$ 1,544	$ 1,084
Withdrawals:	681	363	2,689	868	1,307
Allocated from Electric					
Sub-total	$ 681	$ 363	$ 2,689	$ 868	$ 1,307
Ending balance	$ 16,926	$ 17,043	$ 14,710	$ 15,386	$ 15,164



Maximum Balance:	17,549	Average Balance:	15,950
Minimum Balance:	13,864		

Observations

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Water System Debt Service Sinking Fund

For the First Quarter Ending December 31, 2023

Definitions and Goals

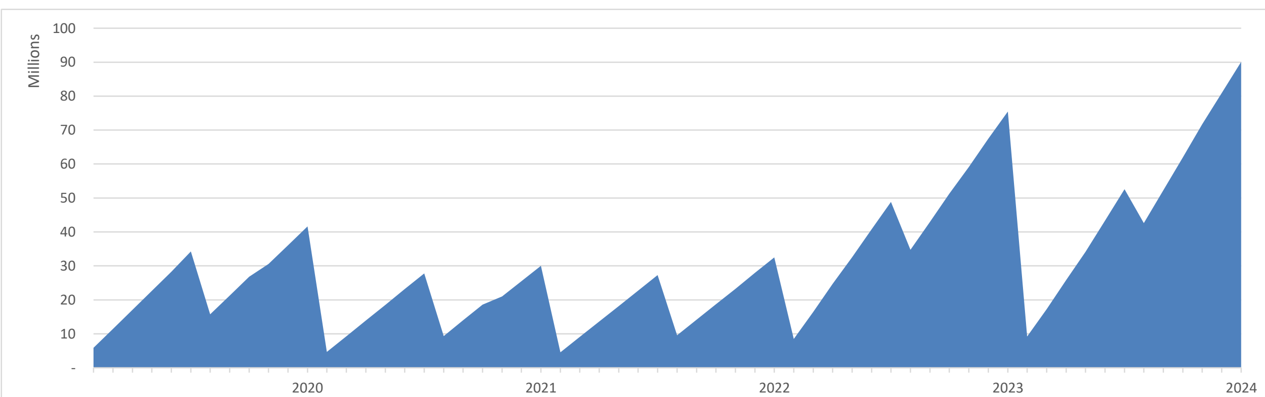
JEA is required monthly to fund from revenues an amount equal to the aggregate of the Debt Service Requirement for senior and subordinated bonds for such month into this account. On or before such interest payment date, JEA shall pay out of this account to the paying agents the amount required for the interest and principal due on such date.

Current Activity

(In Thousands)	Quarter-End	2024
Opening Balance	$ 75,477	$ 75,477
Additions:		
Revenue fund deposits	28,594	114,377
Sub-total	$ 28,594	$ 114,377
Withdrawals:		
Principal and interest payments	78,231	99,760
Sub-total	$ 78,231	$ 99,760
Ending Balance	$ 25,840	$ 90,094

Historical Activity

	2020	2021	2022	2023	2024
Opening Balance	$ 80,775	$ 41,660	$ 30,006	$ 32,499	$ 75,477
Additions:					
Revenue fund deposits	69,515	59,573	55,811	105,245	114,377
Sub-total	$ 69,515	$ 59,573	$ 55,811	$ 105,245	$ 114,377
Withdrawals:					
Principal and interest payments	108,630	71,227	53,318	62,267	99,760
Sub-total	$ 108,630	$ 71,227	$ 53,318	$ 62,267	$ 99,760
Ending balance	$ 41,660	$ 30,006	$ 32,499	$ 75,477	$ 90,094



Maximum Balance:	90,094	Average Balance:	30,644
Minimum Balance:	4,545		

Observations

- September 30th ending balances are used to pay Oct 1st interest and principal payments.
- Timing differences occur due to the accrual of debt service during one fiscal year and the payment in the following fiscal year (primarily fixed rate principal and interest on Oct 1st of the following fiscal year).
- Projections are based on the debt outstanding as of the quarter referenced above plus projected new money issuance.

Water System Debt Service Reserve Account

For the First Quarter Ending December 31, 2023

Definitions and Goals

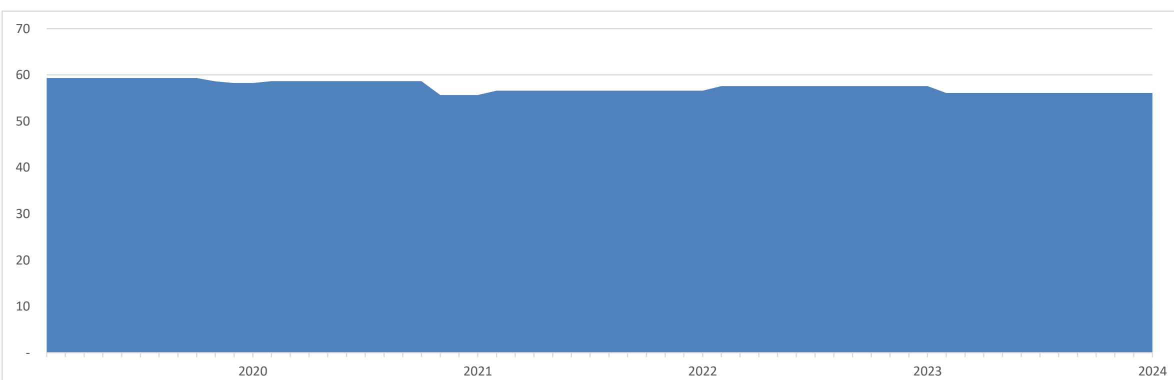
This reserve will be funded, maintained and held for the benefit of bondholders as specified in the Supplemental Resolution authorizing the sale of the bonds to pay principal and/or interest on the bonds should revenues from operations not be sufficient for such purpose in accordance with the appropriate bond resolution. It is JEA's current practice to fund this reserve account with cash from the sale of bonds; however, revenues may be utilized to fund this reserve when necessary.

Current Activity

(In Thousands)	Quarter-End	2024
Opening Balance	$ 57,587	$ 57,587
Additions:		
Bond Issue		
Revenue Fund	-	-
Sub-total	$ -	$ -
Withdrawals:		
Revenue Fund	1,508	1,508
Release to Refunding Defeasance		
Sub-total	$ 1,508	$ 1,508
Ending Balance	$ 56,079	$ 56,079

Historical Activity

	2020	2021	2022	2023	2024
Opening Balance	$ 63,441	$ 58,228	$ 55,665	$ 56,606	$ 57,587
Additions:					
Bond Issue	737				
Revenue Fund		435	941	981	-
Sub-total	$ 737	$ 435	$ 941	$ 981	$ -
Withdrawals:					
Revenue Fund	1,689	795		-	1,508
Release to Construction Fund					
Release for Defeasance	2,791	2,203		-	-
Release to Refunding Defeasance	1,470				
Sub-total	$ 5,950	$ 2,998	$ -	$ -	$ 1,508
Ending balance	$ 58,228	$ 55,665	$ 56,606	$ 57,587	$ 56,079



Maximum Balance:	59,324	Average Balance:	57,422
Minimum Balance:	55,665		

Observations

- In 2008, debt service reserve sureties downgraded and JEA began replacing those downgraded sureties with cash/investments as required by the bond resolutions. Sureties of $149.8 million are still outstanding but are not eligible to be utilized as debt service reserve deposits per the Bond Resolutions.
- 2018 Bond Resolution amendment allows the use of $33 million AA+ rated Berkshire Hathaway Assuarance surety policy to be included in Debt Service Reserve Fund funding calculation which allowed the release of $33.8 million to the Construction Fund.
- Projections are based on the debt outstanding as of the quarter referenced above.

Water System Renewal and Replacement (R&R) / Operating Capital Outlay (OCO)

For the First Quarter Ending December 31, 2023

Definitions and Goals

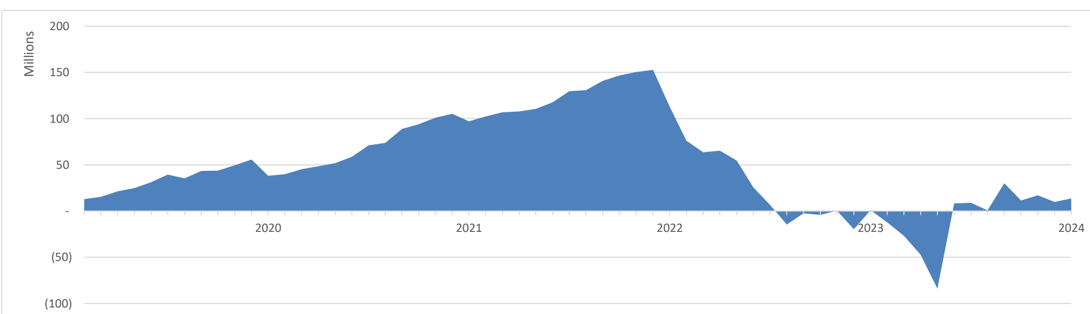
Pursuant to the Water System bond resolutions and Article 21 of the City of Jacksonville Charter, JEA is required to deposit from the revenue fund annually an amount for Renewal and Replacement of system assets. According to the bond resolutions the amount is equal to the greater of 10% of the prior year defined annual net revenues or 5% of the prior year defined gross revenues. The funds shall be used for the purposes of paying the cost of extensions, enlargements or additions to, or the replacement of capital assets of the Electric System. In addition, as a portion of the base rate, JEA will recover from current revenue a formula driven amount for capital expenditures which is referred to as Operating Capital Outlay. This amount is calculated separately from the R&R deposit. In accordance with the Pricing Policy, by 2013, the objective is to fund an amount equal to all non-capacity capital expenditures with current year internally generated funds. Capacity fees are charged to customers as a one- time fee for a new connection to the Water System and a one- time fee for a new connection to the Water Reclamation System. Capacity charges may be used and applied for the purpose of paying costs of expansion of the Water System or paying or providing for the payment of debt that was issued for the same purpose.

Current Activity

(In Thousands)	Quarter-End	2024
Opening Balance	$ 946	$ 946
Additions:		
R&R/OCO Contribution	7,615	49,263
Capacity Fees	18,451	66,354
Debt Issue	50,121	370,121
Other	8,791	-
Sub-total	$ 84,979	$ 485,738
Withdrawals:		
Capital Expenditures	133,198	462,860
Debt Defeasance		
Other	21	21
Sub-total	$ 133,219	$ 462,881
Ending Balance	$ (47,294)	$ 23,803

Historical Activity

	2020	2021	2022	2023	2024
Opening Balance	$ 48,796	$ 38,131	$ 97,066	$ 112,930	$ 946
Additions:					
R&R/OCO Contribution	166,107	193,071	197,357	108,060	49,263
Capacity Fees	32,857	39,930	48,027	64,535	66,354
Debt Issue				127,072	370,121
Other (incl septic tank)	12,654	7,571	18,654	20,497	-
Sub-total	$ 211,618	$ 240,572	$ 264,038	$ 320,164	$ 485,738
Withdrawals:					
Capital Expenditures	191,087	181,637	234,775	426,329	462,860
Loan Repayment	31,196			-	-
Transfer to Constr. Fund					
Other (incl septic tank)			13,399	5,819	21
Sub-total	$ 222,283	$ 181,637	$ 248,174	$ 432,148	$ 462,881
Ending balance	$ 38,131	$ 97,066	$ 112,930	$ 946	$ 23,803



Maximum Balance:	152,710	Average Balance:	50,218
Minimum Balance:	(83,999)		

Observations

● Other includes the Septic Tank Phase-out project, Sale of Property, and the transfer of RSF - Environmental in FY 2016 - 2025.

Water System - Environmental Fund [Capital Projects]

For the First Quarter Ending December 31, 2023

Definitions and Goals

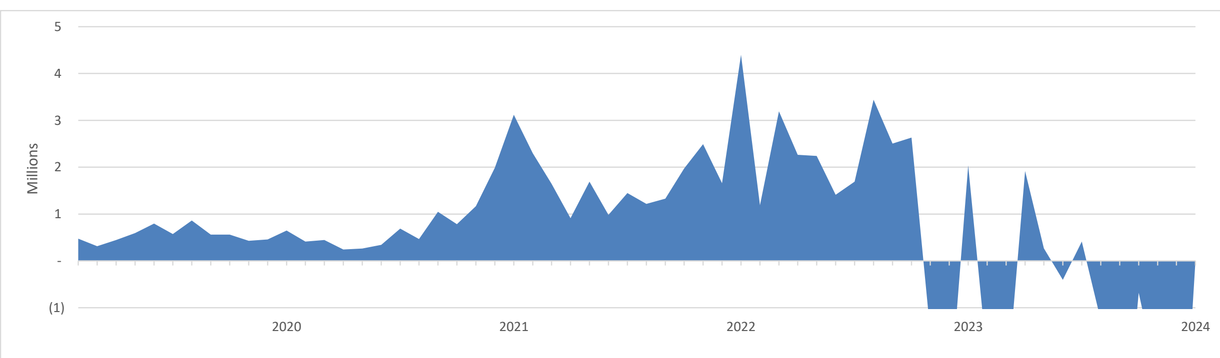
The Environmental Charge will be applied to all water, water reclaimation, irrigation and non bulk user reclaimed consumption. The environmental charge revenue will be collected from customers to partially offset current and future environmental and regulatory needs as specified in the Pricing Policy for specific environmental and regulatory programs.

Current Activity

(In Thousands)	Quarter-End	2024
Opening Balance	$ 2,039	$ 2,039
Additions:		
Environmental Contributions	-	-
OCO Contribution	5,187	29,220
Other		
Sub-total	$ 5,187	$ 29,220
Withdrawals:		
Capital Expenditures	5,309	31,259
Other	-	
Sub-total	$ 5,309	$ 31,259
Ending Balance	$ 1,917	$ -

Historical Activity

	2020	2021	2022	2023	2024
Opening Balance	$ 1,891	$ 648	$ 3,118	$ 4,400	$ 2,039
Additions:					
Environmental Contributions	6,649	9,743	15,918	21,595	-
OCO Contribution					29,220
Other					-
Sub-total	$ 6,649	$ 9,743	$ 15,918	$ 21,595	$ 29,220
Withdrawals:					
Capital Expenditures	7,892	7,273	14,636	23,956	31,259
Septic Tank Phase Out					
Other					
Sub-total	$ 7,892	$ 7,273	$ 14,636	$ 23,956	$ 31,259
Ending balance	$ 648	$ 3,118	$ 4,400	$ 2,039	$ -



Maximum Balance:	4,400	Average Balance:	648
Minimum Balance:	(6,609)		

Observations

Water System - Construction / Bond Fund

For the First Quarter Ending December 31, 2023

Definitions and Goals

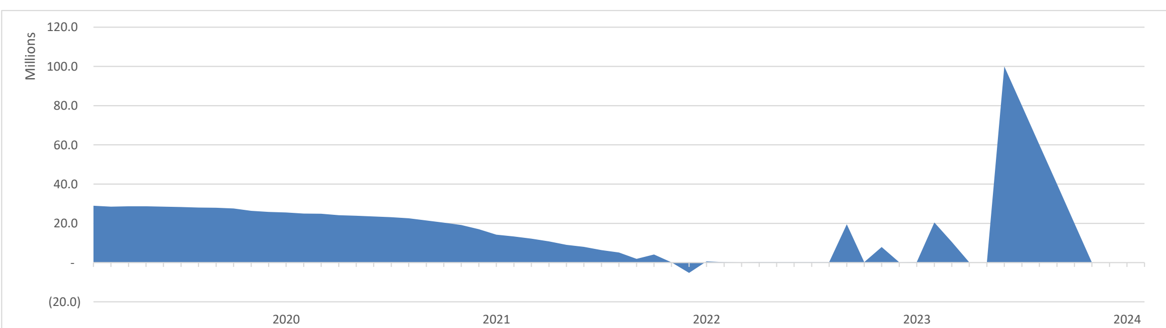
JEA maintains a senior and subordinated construction fund of which bonds proceeds are deposited and used for the payment of the costs of additions, extensions and improvements to the Water System.

Current Activity

(In Thousands)	Quarter-End	2024
Opening Balance	$ 242	$ 242
Additions:		
Bond Proceeds	-	206,000
Revolving credit facility	50,000	174,000
Other	11	11
Sub-total	$ 50,011	$ 380,011
Withdrawals:		
Capital Expenditures/Bond Issue Costs	50,121	380,253
Other		
Sub-total	$ 50,121	$ 380,253
Ending Balance	$ 132	$ -

Historical Activity

	2020	2021	2022	2023	2024
Opening Balance	$ 28,968	$ 25,541	$ 14,266	$ 646	$ 242
Additions:					
Bond Proceeds	506	520	7,304		206,000
Revolving credit facility				127,000	174,000
Loans/transfers b/w Capital Fds					
Other	837	34	-	-	11
Sub-total	$ 1,343	$ 554	$ 7,304	$ 127,000	$ 380,011
Withdrawals:					
Capital Expenditures	4,770	11,829	20,924	127,404	380,253
Bond Proceeds					
Loans/trnsf btw CapFds					
Other	-	-	-	-	
Sub-total	$ 4,770	$ 11,829	$ 20,924	$ 127,404	$ 380,253
Ending balance	$ 25,541	$ 14,266	$ 646	$ 242	$ -



Maximum Balance:	100,000	Average Balance:	16,790
Minimum Balance:	(5,260)		

Observations

● JEA's philosophy has been to borrow bond funds on a "just-in-time" basis. Staff has used revolving credit facility borrowings and loans between capital funds to decrease borrowing costs. Release of Debt Service Reserve Funds in Oct 2018.

Energy Market Risk Management: Physical and Financial Positions

Summary as of 2/1/2024	
FY24 Fuel Expense (Budget $446M)	$426M
EMRM Compliance	Yes
Counterparty Credit Limit Exceptions	No
Any Issues of Concern	No

Table 1: Physical Counterparties (Contracts One Year or Greater) as of 2/1/2024

Generating Unit	Fuel Type	Supplier/Counterparty	Contract Type	Remaining Contract Value	Remaining Contract Term
NS CFB	Limestone	CY23-CY24 Vulcan	Fixed Price	$2,192,600	0.92 years
NG Fleet	Natural Gas	Shell Energy	Index w/Fixed Price Option	$577,375,384	7.33 years
NG Fleet	Natural Gas	Main Street/MGAG	Index w/Discount	$128,046,749	25.16 years
NG Fleet	Natural Gas	Main Street/MGAG	Index w/Discount	$72,177,650	15.16 years
NG Fleet	Natural Gas	Main Street/MGAG	Index w/Discount	$118,185,958	29.75 years
NG Fleet	Natural Gas	Main Street/MGAG	Index w/Discount	$119,053,285	25.41 years
NG Fleet	Natural Gas	Main Street/MGAG	Index W/Discount	$195,544,599	28.75 years
NG Fleet	Natural Gas	Main Street/MGAG	Index W/Discount	$259,780,037	29.24 years
NG Fleet	Natural Gas	Main Street/MGAG	Index W/Discount	$320,278,762	29.33 years
NG Fleet	Natural Gas	Main Street/MGAG	Index W/Discount	$356,212,624	30 years

Table 2: Financial Positions as of 2/1/2024

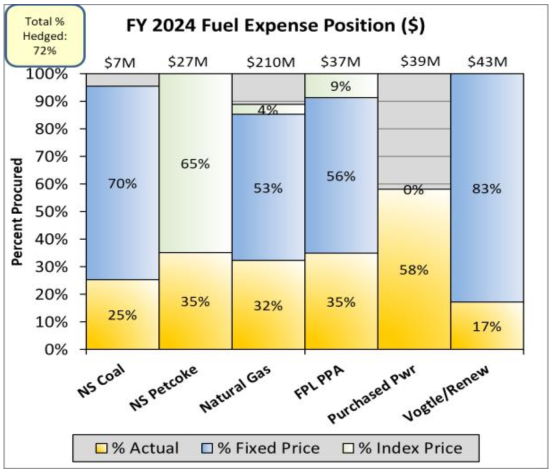
Year	Commodity	Physical Volume (mmBtu)	Hedged Volume (mmBtu)	Percent Hedged	Unhedged Cost	Hedge Type	Hedge Price	Mark-to-Market Credit/(Cost)	Counterparty
FY24	Natural Gas	37,861,920	28,272,773	74.7%	$ 2.31	Swap	$ 3.40	$ (30,000,288)	Wells Fargo & RBC
FY25	Natural Gas	58,586,412	30,850,788	52.7%	$ 3.25	Swap	$ 3.66	$ (13,371,691)	Wells Fargo & RBC
FY26	Natural Gas	53,025,085	20,691,583	39.0%	$ 3.68	Swap	$ 4.01	$ (7,158,944)	Wells Fargo & RBC
FY27	Natural Gas	47,430,619	13,288,376	28.0%	$ 3.76	Swap	$ 4.33	$ (8,265,502)	Wells Fargo & RBC
FY28	Natural Gas	46,813,315	899,000	1.9%	$ 3.75	Swap	$ 4.34	$ (676,048)	RBC
CY23-31	Nat.Gas-PPA	90,945,000	63,661,500	70.0%	$ 3.54	Swap	$ 2.57	$ 61,363,036	Nextera

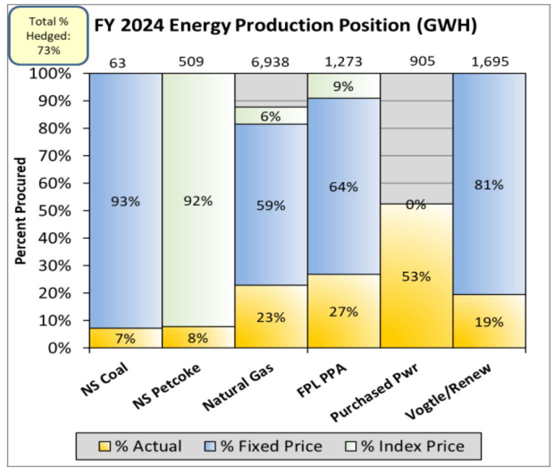
Table 3: Fuel & Purchase Power Procurement as of 2/1/2024

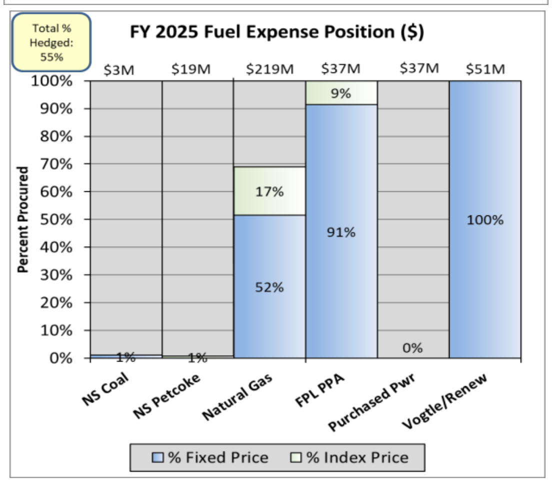
Fuel Type	Natural Gas	Coal	Petcoke	Limestone	FPL PPA	PurchPwr	Oil/Diesel	Renewables	Vogtle
FY24 Remaining / Energy Mix	64%	1%	6%	N/A	11%	5%	0%	4%	9%
Expected Spend ($)	142.4M	5.4M	17.4M	2.2M	24.3M	16.4M	4.3M	21.1M	14.6M
% Procured	84%	94%	100%	100%	100%	0%	100%	100%	100%
% Hedged	78%	94%	0%	100%	87%	0%	100%	91%	100%
FY25 Projection / Energy Mix	60%	1%	5%	N/A	10%	7%	0%	4%	12%
Expected Spend ($)	219M	3.4M	18.5M	2.9M	37.2M	37.1M	8.8M	30.2M	21.1M
% Procured	69%	1%	1%	1%	100%	0%	100%	100%	100%
% Hedged	52%	1%	0%	1%	91%	0%	100%	91%	100%
FY26 Projection / Energy Mix	56%	1%	10%	N/A	9%	7%	0%	4%	13%
Expected Spend ($)	215M	6.6M	34.2M	5.5M	32.5M	41.7M	5M	30.4M	16.8M
% Procured	61%	0%	0%	0%	100%	0%	100%	100%	100%
% Hedged	39%	0%	0%	0%	106%	0%	100%	85%	100%

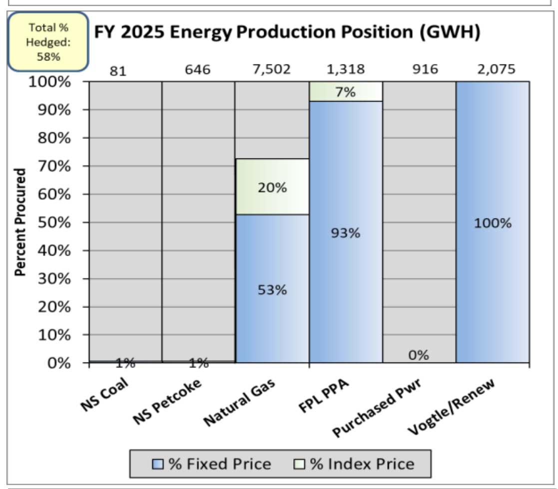
Supporting Notes:

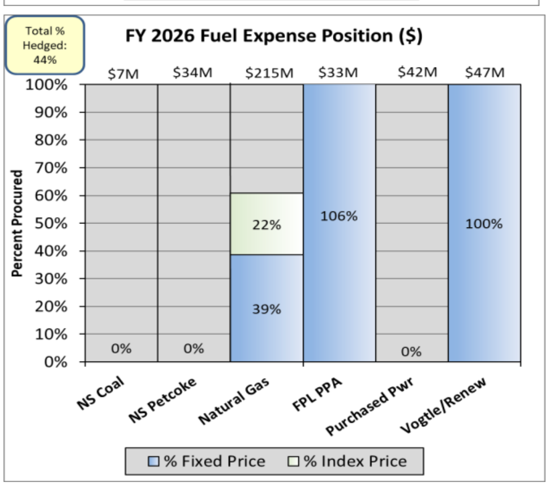
- Renewable purchase power agreements are not included in Table 1
- Table 1: Natural Gas discount - Municipal Gas Authority of Georgia (MGAG) issues municipal bonds to prepay for gas, allowing them to offer discounts to JEA for qualified use
- Table 1: MGAG prepay agreement remaining contract values are based on current discounts, future discounts are subject to change
- Table 1: Limestone contract value is based on current contract pricing; due to supply disruption this price is expected to increase
- Table 3: FY Energy Mix based on MWH; the procured percent relates to inventory on hand or contracted and the percent hedged is inventory on hand or contracted with fixed pricing or financial hedges
- Solar purchase power agreement with FPL reported as renewable in Table 3
- Placeholders for new solar deals included in FY26 projections in Table 3

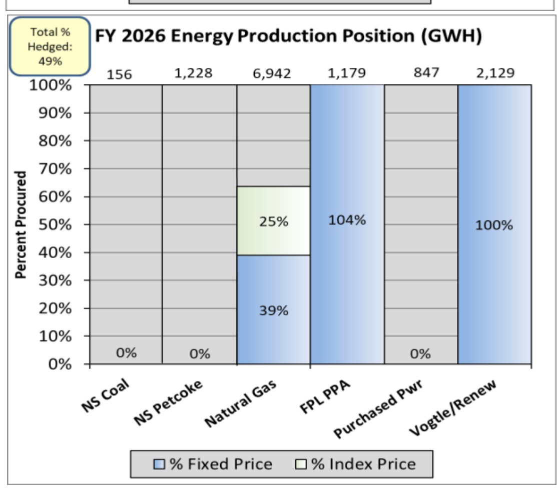

Total % Hedged: 72%
FY 2024 Fuel Expense Position ($)
$7M $27M $210M $37M $39M $43M
Percent Procured
70% 65% 4% 53% 9% 56% 0% 83%
25% 35% 32% 35% 58% 17%
NS Coal NS Petcoke Natural Gas FPL PPA Purchased Pwr Vogtle/Renew
% Actual % Fixed Price % Index Price


Total % Hedged: 73%
FY 2024 Energy Production Position (GWH)
63 509 6,938 1,273 905 1,695
Percent Procured
93% 92% 6% 59% 9% 64% 0% 81%
7% 8% 23% 27% 53% 19%
NS Coal NS Petcoke Natural Gas FPL PPA Purchased Pwr Vogtle/Renew
% Actual % Fixed Price % Index Price


Total % Hedged: 55%
FY 2025 Fuel Expense Position ($)
$3M $19M $219M $37M $37M $51M
Percent Procured
1% 1% 17% 52% 9% 91% 0% 100%
NS Coal NS Petcoke Natural Gas FPL PPA Purchased Pwr Vogtle/Renew
% Fixed Price % Index Price


Total % Hedged: 58%
FY 2025 Energy Production Position (GWH)
81 646 7,502 1,318 916 2,075
Percent Procured
1% 1% 20% 53% 7% 93% 0% 100%
NS Coal NS Petcoke Natural Gas FPL PPA Purchased Pwr Vogtle/Renew
% Fixed Price % Index Price


Total % Hedged: 44%
FY 2026 Fuel Expense Position ($)
$7M $34M $215M $33M $42M $47M
Percent Procured
0% 0% 22% 39% 106% 0% 100%
NS Coal NS Petcoke Natural Gas FPL PPA Purchased Pwr Vogtle/Renew
% Fixed Price % Index Price


Total % Hedged: 49%
FY 2026 Energy Production Position (GWH)
156 1,228 6,942 1,179 847 2,129
Percent Procured
0% 0% 25% 39% 104% 0% 100%
NS Coal NS Petcoke Natural Gas FPL PPA Purchased Pwr Vogtle/Renew
% Fixed Price % Index Price

BOARD RESOLUTION 2024-10
February 27, 2024

RATIFICATION OF FOUR CONTRACTS FOR WATER CAPITAL PROJECTS AT GREENLAND WRF, BUCKMAN WRF, AND SOUTHWEST WRF, WITH APPROVAL OF SELECT ADDITIONAL CONTINGENCY FUNDS

WHEREAS, JEA engaged The Haskell Company to construct the 4 MGD Greenland Water Reclamation Facility (WRF); and

WHEREAS, JEA staff presented the final contract price of $122,101,114.94; and

WHEREAS, JEA engaged Garney Companies, Inc., to construct infrastructure surrounding and supporting the Greenland WRF; and

WHEREAS, JEA staff presented the final contract price of $61,375,355.46; and

WHEREAS, JEA engaged Garney Companies, Inc., to expand the Southwest WRF; and

WHEREAS, JEA staff presented the final contract price of $114,220,667.00 and explained the need for an additional three percent contingency increase; and

WHEREAS, JEA engaged Wharton-Smith for several projects needed to significantly enhance the Buckman WRF biosolids infrastructure; and

WHEREAS, JEA staff presented the current contract price of $104,107,459.27; and

WHEREAS, costs for these projects exceeded the dollar limits on the JEA CEO's delegated authority to sign contracts; and

WHEREAS, JEA's Finance Governance & Audit Committee reviewed the contracts in its February 22, 2024 meeting and voted affirmatively to recommend that the Board ratify the contracts as presented;

BE IT RESOLVED by the JEA Board of Directors that:

1. JEA's contract for $122,101,114.94 with The Haskell Company for construction of the Greenland WRF is hereby ratified.

2. JEA's contract for $61,375,355.46 with Garney Companies, Inc., for infrastructure surrounding and supporting the Greenland WRF is hereby ratified.

3. JEA's contract for $114,220,667.00 with Garney Companies, Inc., for expansion of the Southwest WRF is hereby ratified. Three percent contingency funds are also approved.

4. JEA's contract for $104,107,459.27 with Wharton-Smith for significant enhancements to the Buckman WRF biosolids infrastructure is hereby ratified.

5. To the extent there are typographical, clerical, or administrative errors that do not change the tone, tenor, or context of this resolution, such errors may be revised without subsequent approval by the JEA Board of Directors.

6. This Resolution shall be effective upon approval by the Board.

Dated this 27th day of February, 2024.

JEA Board Chair

JEA Board Secretary

Form Approved by

Office of General Counsel

VOTE	
In Favor	
Opposed	
Abstained	

BOARD RESOLUTION 2024-11
February 27, 2024

APPROVAL OF CAPITAL PROJECT CONTRACT FOR NASSAU WRF EXPANSION

WHEREAS, JEA has engaged The Haskell Company to provide construction management-at-risk (CMAR) services for expansion of the Nassau Water Reclamation Facility (WRF) to support a fast-growing area of Northeast Florida; and

WHEREAS, JEA staff presented the contract price of $111,813,476.00 and advised that a three percent contingency increase may be needed between now and project completion, which is estimated for the second quarter of FY2025; and

WHEREAS, costs for this project exceed the dollar limit on the JEA CEO's delegated authority to sign contracts; and

WHEREAS, JEA's Finance, Governance, & Audit Committee reviewed the contract in its February 22, 2024 meeting and voted affirmatively to recommend that the Board approve the contract at a cost of $111,813,476.00 and provide additional authority for JEA staff to add three percent contingency funds to the contract;

BE IT RESOLVED by the JEA Board of Directors that:

1. JEA's contract with The Haskell Company for CMAR services at the Nassau WRF is hereby approved.

2. Three percent contingency funds over and above $111,813,476.000 are also approved.

3. To the extent there are typographical, clerical, or administrative errors that do not change the tone, tenor, or context of this resolution, such errors may be revised without subsequent approval by the JEA Board of Directors.

4. This Resolution shall be effective upon approval by the Board.

Dated this 27th day of February, 2024.

JEA Board Chair

JEA Board Secretary

Form Approved by

Office of General Counsel

VOTE	
In Favor	
Opposed	

Page 2

Abstained	

Ratification #1

Title	Description	Funding Type	Business Unit	Company	Contract Term	Start Date	Estimated Completion Date	Current Percent Complete
Construction Management-at-Risk (CMAR) Services for the Greenland WRF	**The construction of a greenfield 4 MGD water reclamation facility (WRF)**	**Capital**	**W/WW**	**The Haskell Company**	**Project Completion**	**10/19/2019**	**2/1/2025**	**65%**

Award Date	Award Description	Award Amount	Contract NTE	Negotiated Additional Costs to Complete
10/10/2019	Pre-Construction services including design and constructability reviews and estimating	$517,809.00	$517,809.00	N/A
10/19/2020	Install fencing to prevent gopher tortoises from returning to the site.	$51,780.01	$569,589.01	
12/23/2020	Early work package for access road and site clearing/piping.	$9,479,822.00	$10,049,411.01	
12/16/2021	Construction costs based on 90% design estimate.	$108,505,039.00	$118,554,450.01	
12/15/2022	100% design true-up	$2,373,916.00	$120,928,366.01	
11/9/2023	JEA requested security upgrades, additional generator pad banks, and an additional polymer tank	$1,172,748.93	**$122,101,114.94**	

Ratification #2

Title	Description	Funding Type	Business Unit	Company	Contract Term	Start Date	Estimated Completion Date	Current Percent Complete
Greenland Water Reclamation Facility (WRF) Pipelines: Water, Reclaimed Water and Sanitary Sewer Force Mains	**The design and construction of several capital projects including pump stations, force mains, reclaimed water mains related to sending water to and from the new Greenland WRF.**	**Capital**	**W/WW**	**Garney Companies, Inc.**	**Project Completion**	**6/20/2019**	**8/12/2025**	**95%**

Award Date	Award Description	Award Amount	Contract NTE	Negotiated Additional Costs to Complete
6/20/2019	Design and pre-construction services for up to the 60% design of the project	$3,605,160.00	$3,605,160.00	N/A
1/1/2019	Additional reclaimed water modeling and route evaluations	$45,720.00	$3,650,880.00	
0/02/2020	Added 3 HDD drills across I-9B; expanded the evaluation of Mandarin WRF outfall capacity	$110,579.00	$3,761,459.00	
4/22/2020	Design fiber optic system expansion to support communications at the new Greenland WRF	$40,441.00	$3,801,900.00	
9/28/2020	Design services up to 90% of design, re-design of reclaimed interconnections along US1 due to JEA initiated changes	$112,973.53	$3,914,873.53	
11/16/2020	Additional soil sampling and analysis of contamination found in original assessment	$10,500.00	$3,925,373.53	
4/8/2021	100% design for the water main, traffic control design and additional geotechnical services	$21,039.60	$3,946,413.13	
9/2/2021	Design services for reclaimed water main from Mandarin WRF and services during construction for the engineering firm	$476,782.00	$4,423,195.13	
12/9/2021	Early purchase of portions of ductile iron pipe, HDPE pipe and associated materials	$6,156,627.77	$10,579,822.90	
2/17/2022	GMP for construction of the reclaimed water main, force main, and water main	$43,376,077.17	$53,955,900.07	
11/17/2022	Material purchase and early work package for an additional reclaim water main required due to Greenland WRF permit conditions	$3,635,894.97	$57,591,795.04	
2/9/2023	Construction GMP of the additional reclaimed water main	$2,851,174.42	$60,442,969.46	
8/24/2023	Design and pre-construction services for the Old St. Augustine Rd booster pump station	$932,386.00	**$61,375,355.46**	

Ratification #3

Title	Description	Funding Type	Business Unit	Company	Contract Term	Start Date	Estimated Completion Date	Current Percent Complete
Construction Management-at-Risk (CMAR) Services for the Southwest Water Reclamation Facility (WRF) Expansion	**The expansion of the Southwest WRF from 10 MGD to 16 MGD**	**Capital**	**W/WW**	**Garney Companies, Inc.**	**Project Completion**	**1/31/2020**	**12/15/2025**	**40%**

Award Date	Award Description	Award Amount	Contract NTE	Negotiated Additional Costs to Complete
1/31/2020	Pre-Construction services including design and constructability reviews and estimating	$704,232.00	$704,232.00	N/A
8/26/2020	Purchase of ultra-violet (UV) equipment	$2,789,909.00	$3,494,141.00	
3/17/2021	Installation of UV equipment	$3,206,159.00	$6,700,300.00	
8/8/2021	Early purchase of major process equipment	$4,000,365.00	$10,700,665.00	
10/27/2021	Early purchase of ductile iron materials	$748,489.00	$11,449,154.00	
3/17/2022	Construction of the expansion project	$102,771,513.00	**$114,220,667.00**	

Ratification #4									
Title		Description	Funding Type	Business Unit	Company	Contract Term	Start Date	Estimated Completion Date	Current Percent Complete
Construction Management-at-Risk (CMAR) Services for the Buckman Biosolids Conversion Projects		**The combination of several capital projects to update and rehabilitate the Buckman WRF**	**Capital**	**W/WW**	**Wharton-Smith**	**Project Completion**	**1/16/2020**	**1/31/2028**	**10%**
Award Date	**Award Description**		**Award Amount**		**Contract NTE**		**Negotiated Additional Costs to Complete**		
12/19/2019	Pre-Construction services including design and constructability reviews and estimating		$971,322.00		$971,322.00		TBD		
10/25/2020	Purchase and installation of the blower system improvements and site setup		$13,825,095.00		$14,796,417.00				
4/19/2021	Purchase and installation of the UV disinfection system		$17,800,520.00		$32,596,937.00				
3/24/2022	Site work and improvements, purchase of an Alfa Laval Centrifuge unit, and Andritz Dryer support services		$14,397,053.00		$46,993,990.00				
5/5/2022	Remove existing fine screens, supply new JEA approved screens and		$3,684,712.00		$50,678,702.00				
6/6/2022	Additional pre-construction services requested by JEA for the dryer rehab and sludge holding tank projects		$175,699.27		$50,854,401.27				
3/2/2023	GMP for plant underground mechanical work, purchase of gravity belt thickening equipment, bridge cranes and elevators		$14,514,773.00		$65,369,174.27				
3/30/2023	GMP for the renovation of the electrical & instrumentation workspace. Demolition of northern portion of the administrative building		$2,485,992.00		$67,855,166.27				
6/15/2023	Long lead electrical equipment; and removing and replacing aeration headers, diffusers, dewatering system and sluice gates, and construction of the caking receiving station		$36,252,293.00		**$104,107,459.27**				

Ratification #5									
Title		Description	Funding Type	Business Unit	Company	Contract Term	Start Date	Estimated Completion Date	Current Percent Complete
Construction Management-at-Risk (CMAR) Services for the Nassau Water Reclamation Facility (WRF) Upgrade Projects		**The upgrades and expansion of the Nassau WRF from 2 MGD to 4 MGD**	**Capital**	**W/WW**	**The Haskell Company**	**Project Completion**	**1/5/2021**	**2/5/2025**	**60%**
Award Date	**Award Description**		**Award Amount**		**Contract NTE**		**Negotiated Additional Costs to Complete**		
12/10/2020	Pre-Construction services including design and constructability reviews and estimating		$420,020.00		$420,020.00		$2.3M		
6/23/2022	Long lead equipment and early site work		$19,899,397.00		$20,319,417.00				
10/6/2022	Construction GMP based on 75% design documents		$85,235,958.00		$105,555,375.00				
2/16/2023	100% design true-up		$6,258,101.00		**$111,813,476.00**				

Informational									
Title		Description	Funding Type	Business Unit	Company	Contract Term	Start Date	Estimated Completion Date	Current Percent Complete
GE Long Term Service Agreement (LTSA) – Inspection, Maintenance and Repair Services		**Long term pricing agreement for inspections and outage support for GE combustion turbines**	**O&M, Capital**	**Electric**	**General Electric International**	**28 Years**	**6/26/2000**	**12/31/2028**	**N/A**
Award Date	**Award Description**		**Award Amount**		**Contract NTE**		**Negotiated Additional Costs to Complete**		
6/26/2000	Planned inspections and outage support of combustion turbines at Brandy Branch Generating Station and Kennedy Generating Station		$45,700,000.00		$45,700,000.00		Average annual spend rate is $14.35M		
12/30/2003	Planned inspections and outage support of combustion turbines at Brandy Branch Generating Station and Kennedy Generating Station		$54,200,000.00		$99,900,000.00				
12/28/2009	Planned inspections and outage support of combustion turbines at Brandy Branch Generating Station and Kennedy Generating Station		$60,000,000.00		$159,900,000.00				
12/31/2014	Planned inspections and outage support of combustion turbines at Brandy Branch Generating Station, Kennedy Generating Station and Greenland Energy Center		$30,100,000.00		$190,000,000.00				
12/21/2017	Planned inspections and outage support of combustion turbines at Brandy Branch Generating Station, Kennedy Generating Station and Greenland Energy Center		$74,447,500.00		$264,447,500.00				
3/11/2021	Planned inspections and outage support of combustion turbines at Brandy Branch Generating Station, Kennedy Generating Station and Greenland Energy Center		$22,271,269.00		$286,718,769.00				
1/5/2023	Planned inspections and outage support of combustion turbines at Brandy Branch Generating Station, Kennedy Generating Station and Greenland Energy Center		$43,153,955.12		**$329,872,724.12**				
Contract term may be adjusted, and additional funding may be needed									

MANAGEMENT DIRECTIVE	DELEGATION OF AUTHORITY AND RESPONSIBILITY POLICY
EFFECTIVE DATE:	08/10/2022

POLICY STATEMENT:
Consistent with the JEA Charter and the JEA Board Policy Manual, this Delegation of Authority and Responsibility Policy ("Delegation Policy") as approved by the JEA Board of Directors ("Board") is a policy that provides for the delegation to certain JEA employees the approval and signature authority necessary for the day-to-day management of the organization and specifically reserves certain matters that require Board review and approval. Any amendments to this Delegation Policy require Board action and approval.

ASSIGNMENT OF RESPONSIBILITY:
It shall be the responsibility of the Chief Administrative Officer to implement and maintain this policy.

MATTERS RESERVED FOR THE BOARD:
The following listed matters are reserved upon the Board and require specific action by the JEA Board for approval and signature authority and shall not be delegated:

A. JEA matters that require the Jacksonville City Council's review and approval, including the JEA annual budget;
B. Establishment or alteration of rates, assessments, fees or charges for retail service;
C. Contracts, agreements or financial instruments that exceed one-hundred million dollars ($100,000,000);
D. Approval of and changes to an approved annual budget that exceed five million dollars ($5,000,000);
E. Settlement of litigation matters that exceed one million dollars ($1000,000);
F. Annual financial disclosure documents for the Electric System, Water/Wastewater System, District Energy System, and any other systems as may be established in the City Charter;
G. Managing Director and Chief Executive Officer ("MD/CEO") engagement, performance review and succession planning;
H. Implementation or changes to JEA voluntary giving programs;
I. Any other matters required by the City Charter, including Article 21 (JEA),that cannot be so delegated; and
J. All matters with the potential to have a material impact on the reputation of the organization.

CORPORATE POLICY:	DELEGATION OF AUTHORITY AND RESPONSIBILITY

DELEGATION OF AUTHORITY GRANTED TO MD/CEO:
Unless otherwise reserved, the MD/CEO is delegated with the authority by the Board to approve and execute documents, contracts, agreements, organizational policies and procedures, and take all actions necessary in managing the day-to-day operations of JEA. The MD/CEO may delegate to certain JEA employees the responsibility and authority to approve specific documents within the limits and authority under this Delegation Policy. Further, each member of the JEA Leadership Team ("LT") as designated by the MD/CEO, is designated as authorized signers for documents for which LT member is the process owner when the MD/CEO is absent or in such cases where a delay in signing might adversely affect JEA and its daily operations.

DELEGATED AUTHORITY CATEGORIES:
In addition to the MD/CEO delegation above, the following categories of documents or matters have been duly delegated by the Board. The forms and documents currently in use and associated with this Delegation Policy are listed below. For items A through M, any one of the listed employee positions may approve and sign except as otherwise noted. Item N requires the signature of all the listed positions, except as otherwise noted. Electronic authorization is the equivalent of a signature.

A. Employee Time Records
Time records shall be approved at the managerial level or above, unless delegated by a Manager or Director to a team lead employee. The MD/CEO and any Officer or Vice President may sign any time sheet.

B. Certification of Payrolls (bi-weekly & semi-annually)
Director - Employee Services.

C. Procurement Documents
Signature authorization for initiation of procurement actions shall be in accordance with the JEA Procurement Code. Documents for initiation of procurement actions include, but are not limited to, requests for advertising, purchase requisitions, requests for award, requests for change orders, purchase orders, contracts, and agreements.

D. Payment Authorization for Contracts
Appointed manager responsible for administering the applicable contract.

E. Purchasing Card Statements (cardholder's)
Cardholder's supervisory appointed employee.

F. Check Requests:
1. **Check requests for business promotion expenses** shall be in accordance with the provisions specified in JEA Procedures.
2. **Check requests for dues and memberships and professional license** shall be in accordance with the provisions specified in JEA Procedures.

CORPORATE POLICY:	DELEGATION OF AUTHORITY AND RESPONSIBILITY

3. **Check requests for recruiting expenses and relocation** shall be in accordance with provisions specified in MD 119.
4. **Other Check requests--**Must meet requirements of established JEA Procedures. Any supervisory appointed employee.

G. Funds Authorization for JEA Contracts
Controller.

H. Travel Authorization & Payment of Travel Expenses
Shall be in accordance with provisions specified in MD 120 and Chapter 106, Part 7, City of Jacksonville, Ordinance Code.

I. Initial Application for Educational Assistance
Managers and above.

J. Approval of Reimbursement amount (educational assistance)
Director – Training & Workforce Development.

K. Meal Allowance Summary and Voucher Requests
Any supervisory appointed employee.

L. ESRs (Employee Service Request) and Requests for Personnel Transactions
Any supervisory appointed employee – Note: these are electronic forms and electronic authorization is the equivalent of a signature.

M. Work Orders
Work orders shall be in accordance with Financial Services Work Order Request and Capital Funds Transfer – Contact Budget Services for additional information.

N. Time Critical Items—Delegation to LT
1. LT members are designated as authorized signers for the documents for which he/she is the process owner when the MD/CEO is absent. This particularly concerns items where delay, due to the absence of the MD/CEO might adversely affect JEA and its daily operations.
2. If the document in question involves expenditures of more than $10 million of JEA funds, the MD/CEO must be contacted for approval or disapproval before any action is taken, unless the LT member has obtained previous authorization, in writing to approve/disapprove such documents.
3. The signature requestor will send an e-mail to the MD/CEO advising him of the item and action taken, including the name of the LT member to whom the item was referred for action.
4. The LT member will review the item and, using his/her discretion, has the option to either sign or decline to sign.

CORPORATE POLICY:	DELEGATION OF AUTHORITY AND RESPONSIBILITY

5. The LT member will send an e-mail notice of the action taken to the MD/CEO and the signature requestor.

SIGNED: ____
Managing Director/Chief Executive Officer

Revisions: 8/10/22 – Approved by Resolution of the Board on August 10, 2022
6/22/21
5/3/13
3/12/08
12/13/04
11/3/04
6/6/03
10/1/01

Origination Date: March 7, 1977

EXHIBIT "A"

MANAGEMENT DIRECTIVE	DELEGATION OF AUTHORITY AND RESPONSIBILITY POLICY
EFFECTIVE DATE:	06/22/2021

POLICY STATEMENT:
Consistent with the JEA Charter and the JEA Board Policy Manual, this Delegation of Authority and Responsibility Policy ("Delegation Policy") as approved by the JEA Board of Directors ("Board") is a policy that provides for the delegation to certain JEA employees the approval and signature authority necessary for the day-to-day management of the organization and specifically reserves certain matters that require Board review and approval. Any amendments to this Delegation Policy require Board action and approval.

ASSIGNMENT OF RESPONSIBILITY:
It shall be the responsibility of the Chief Administrative Officer to implement and maintain this policy.

MATTERS RESERVED FOR THE BOARD: The following listed matters are reserved upon the Board and require specific action by the JEA Board for approval and signature authority and shall not be delegated:

A. JEA matters that come before the Jacksonville City Council, including the annual budget.
B. Establishment or alteration of rates, assessments, fees or charges for retail service.
C. Contracts, agreements or financial instruments that exceed fifty million dollars ($50,000,000).
D. Approval of and changes to an approved annual budget that exceed five million dollars ($5,000,000).
E. Settlement of litigation matters that exceed one hundred fifty thousand dollars ($150,000)
F. Annual financial disclosure documents for the Electric System, Water/Wastewater System and District Energy System.
G. Managing Director and Chief Executive Officer ("MD/CEO") engagement, performance review and succession planning.
H. Implementation or changes to JEA voluntary giving programs.
I. Any other matters required by the JEA Charter that cannot be so delegated.
J. All matters with the potential to have a material impact on the reputation of the organization.

CORPORATE POLICY:	DELEGATION OF AUTHORITY AND RESPONSIBILITY

DELEGATION OF AUTHORITY GRANTED TO MD/CEO:
Unless otherwise reserved, the MD/CEO is delegated with the authority by the Board to approve and execute documents, contracts, agreements, organizational policies and procedures in managing the day-to-day operations of JEA. The MD/CEO may delegate to certain JEA employees the responsibility and authority to approve specific documents within the limits and authority under this Delegation Policy. Further, each member of the JEA Leadership Team ("LT") [Chief Operating Officer ("COO"), Chief Financial Officer ("CFO"), Chief Administrative Officer ("CAO"), Chief Customer Officer ("CCO"), Chief Human Resources Officer ("CHRO"), Chief Strategy Officer ("CSO"), Chief External Affairs Officer ("CEAO"), Chief Information Officer ("CIO"), Vice President of Electric Systems, Vice President of Water Wastewater Systems, Vice President of Financial Services, Vice President of Environmental Services, Vice President of Government Relations, Vice President Supply Chain and Operations Support] is designated as authorized signers for documents for which he/she is the process owner when the MD/CEO is absent or in such cases where a delay in signing might adversely affect JEA and its daily operations.

DELEGATED AUTHORITY CATEGORIES:
The following categories of documents or matters have been duly delegated by the Board. The forms and documents currently in use and associated with this Delegation Policy are listed below. For items A through M, any one of the listed employee positions may approve and sign except as otherwise noted. Item N requires the signature of all the listed positions, except as otherwise noted. Electronic authorization is the equivalent of a signature.

A. Employee Time Records
Time records shall be approved at the managerial level or above, unless delegated by a Manager or Director to a team lead employee. The MD/CEO and any Chief or Vice President may sign any time sheet.

B. Certification of Payrolls (bi-weekly & semi-annually)
Director - Employee Services.

C. Procurement Documents
Signature authorization for initiation of procurement actions shall be in accordance with the JEA Procurement Code. Documents for initiation of procurement actions include, but are not limited to, requests for advertising, purchase requisitions, requests for award, requests for change orders, purchase orders, contracts, and agreements.

D. Payment Authorization for Contracts
Appointed manager responsible for administering the applicable contract.

E. Purchasing Card Statements (cardholder's)
Cardholder's supervisory appointed employee.

CORPORATE POLICY:	DELEGATION OF AUTHORITY AND RESPONSIBILITY

F. Check Requests:

1. **Check requests for business promotion expenses** shall be in accordance with the provisions specified in Procedure OS A0000 181.
2. **Check requests for dues and memberships and professional license** shall be in accordance with the provisions specified in Procedure OS A0500 PS 520.
3. **Check requests for recruiting expenses and relocation** shall be in accordance with provisions specified in MD 119.
4. **Other Check requests--**Must meet requirements of OS A0504 PS-AP 512
   Any supervisory appointed employee.

G. Funds Authorization for JEA Contracts

Controller.

H. Travel Authorization & Payment of Travel Expenses

Travel Authorization & Payment of Travel Expenses shall be in accordance with provisions specified in MD 120.

I. Initial Application for Educational Assistance

Managers and above.

J. Approval of Reimbursement amount (educational assistance)

Director – Training & Workforce Development.

K. Meal Allowance Summary and Voucher Requests

Any supervisory appointed employee.

L. ESRs (Employee Service Request) and Requests for Personnel Transactions

Any supervisory appointed employee – Note: these are electronic forms and electronic authorization is the equivalent of a signature.

M. Work Orders

Work orders shall be in accordance with Financial Services Work Order Request and Capital Funds Transfer – Contact Budget Services for additional information.

N. Time Critical Items—Delegation to LT

1. LT members are designated as authorized signers for the documents for which he/she is the process owner when the MD/CEO is absent. This particularly concerns items where delay, due to the absence of the MD/CEO might adversely affect JEA and its daily operations.
2. If the document in question involves expenditures of more than $10 million of JEA funds, the MD/CEO must be contacted for approval or disapproval before any action is taken, unless the LT member has obtained previous authorization, in writing to approve/disapprove such documents.

CORPORATE POLICY:	DELEGATION OF AUTHORITY AND RESPONSIBILITY

3. The signature requestor will send an e-mail to the MD/CEO advising him of the item and action taken, including the name of the LT member to whom the item was referred for action.
4. The LT member will review the item and, using his/her discretion, has the option to either sign or decline to sign.
5. The LT member will send an e-mail notice of the action taken to the MD/CEO and the signature requestor.

SIGNED: ______________________________
John Baker, JEA Board Chair

Revisions: 6/22/21 – Approved by Resolution of the Board on June 22, 2021
5/3/13
3/12/08
12/13/04
11/03/04
6/06/03
10/1/01

SIGNED: ______________________________
Title: Managing Director/Chief Executive Officer
Date: ______________________________

Origination Date: March 7, 1977

BOARD RESOLUTION: 2024-09
February 27, 2024

A RESOLUTION BY THE BOARD APPROVING CHANGES TO THE INTERNAL AUDIT CHARTER

WHEREAS, JEA's Internal Audit provides independent and objective assurance and consulting services designed to add value to JEA's operations by bringing a systematic, disciplined approach to evaluate, and improve the effectiveness of internal control, compliance, and governance processes; and

WHEREAS, JEA's Internal Audit adheres to the Institute of Internal Auditors (IIA) International Standards for the Professional Practice of Internal Auditing, which requires for the review and approval of the Internal Audit Charter; and

WHEREAS, approval of the Internal Audit Charter (i) demonstrates that the Board has reviewed, and is in agreement with, the Internal Audit Charter and (ii) allows Internal Audit to be in compliance with IIA standards; and

WHEREAS, the proposed Internal Audit Charter was reviewed and recommended for Board approval by the Finance, Audit, and Governance Committee (Committee) on February 23, 2024; and

WHEREAS, Staff requests that the Board adopt the Committee's recommendation and approve the proposed Internal Audit Charter.

BE IT RESOLVED by the JEA Board of Directors that:

1. The recitals stated above are hereby incorporated into and made part of this Resolution, and such recitals shall serve as findings of fact.

2. The Board hereby adopts the Committee's recommendation and approves the Internal Audit Charter in substantially the form and format attached hereto.

3. To the extent that there are any typographical, administrative, and/or scrivener's errors contained herein that do not change to tone, tenor or purpose of this Resolution, then such errors may be corrected with no further action required by the Board.

4. This Resolution shall be effective upon approval by the Board.

Dated this 27th day of February, 2024.

JEA Board Chair

JEA Board Secretary

Form Approved by

Office of General Counsel

VOTE	
In Favor	
Opposed	
Abstained	

OPP:	COMP	Corporate Policy Ref:
		Internal Audit Charter

POLICY STATEMENT:
The purpose of JEA's internal audit function is to provide risk-based independent and objective assurance, advice, and insight to enhance and protect JEA's organizational value. Internal Audit helps JEA to accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes.

JEA's internal audit function governs itself by adhering to the mandatory elements of the Institute of Internal Auditors' International Professional Practices Framework, including the Core Principles for the Professional Practice of Internal Auditing, the Code of Ethics, the International Standards for the Professional Practice of Internal Auditing, and the definition of Internal Auditing.

GENERAL DESCRIPTION of PROCEDURE:
This procedure is intended to:
1. Address the authority of the Director, Audit, and the Internal Audit Staff.
2. Describe the key roles and responsibilities of Internal Audit.
3. Outline Internal Audit's Quality Assurance program.

ASSIGNMENT of RESPONSIBILITY:
The Director, Audit or designee shall establish, maintain, and disseminate this Charter and any related supporting documentation.

DEFINITIONS:
Internal Auditing – The Institute of Internal Auditors' (IIA) definition of internal auditing is "An independent, objective assurance and consulting activity designed to add value and improve an organization's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes. It also enhances and protects organizational value by providing risk-based and objective assurance, advice, and insight."

Assurance Services – An objective examination of evidence for the purpose of providing an independent assessment of governance, risk management, and control processes for the organization. Examples may include financial, performance, compliance, system security, and due diligence engagements. A key part of Internal Audit's responsibilities.

Consulting Services – Advisory and related client service activities, the nature and scope of which are agreed with the client, are intended to add value, and improve an organization's governance, risk management, and control processes without the internal auditor assuming management responsibility. Examples include counsel, advice, facilitation, and training. A key part of Internal Audit's responsibilities.

Quality Assurance – A program based on an IIA Standard, which is designed to enable an evaluation of Internal Audit's conformance with the IIA's Definition of Internal Auditing and the Standards and an evaluation of whether internal auditors apply the Code of Ethics. The program also assesses the efficiency and effectiveness of Internal Audit and identifies opportunities for improvement. Adequate supervision and quality assurance will be performed and documented for each auditor and each audit assignment as defined in Internal Audit's Quality Assurance Improvement Program (QAIP) Procedure ASC0500QA, which includes external peer reviews as required by the IIA, at least every five years.

OPP:	COMP	Corporate Policy Ref:
		Internal Audit Charter

PROCEDURE:
A. Roles & Responsibilities

Responsibility	Action
Director, Audit	Oversees the execution of a program of Internal Audit projects as necessary to fulfill the purpose and mission of the department, including an annual risk assessment and development of an annual risk-based audit plan. Is also the organization's Chief Audit Executive (CAE). Additionally, the Director, Audit will confirm to the Finance and Audit Committee, at least annually, the organizational independence of the internal audit function and conformance with the IIA's Code of Ethics and Standards.
VP Compliance	To whom the Director, Audit, and Internal Audit reports administratively.
Managing Director / Chief Executive Officer (CEO)	To whom the Director, Audit reports when Internal Audit conducts audits of Compliance Department functions. Meets regularly with the Director, Audit.
JEA Management	Although the role of Internal Audit is to assess internal controls, systems, procedures, risks, etc., JEA management retains full responsibility for ensuring that JEA maintains an appropriate framework of controls to reduce business risks to an acceptable level. Management also has the responsibility and accountability for addressing weaknesses and inefficiencies identified in both External and Internal Audit Reports and for taking the necessary corrective action. Management should immediately inform the CAE of any significant internal control problems, thefts, frauds, or unauthorized transactions.
Internal Audit Staff	Executes the program of Internal Audit projects, including the annual risk-based audit plan. Internal Audit's authority and key responsibilities are described as follows: **Authority, Independence & Objectivity** • To have access to all JEA records, assets, properties, plants, computers, personnel, etc., with strict and absolute accountability for safekeeping and confidentiality while conducting their internal audit duties. • Internal Audit staff will maintain an unbiased mental attitude that allows them to perform engagements objectively, with no quality compromises, and without subordinating their judgement on audit matters to others. • Internal Audit staff will have no direct operational responsibility or authority over any of the activities audited. Accordingly, internal auditors will not implement controls, develop procedures, install systems, prepare records, or engage in any other activity that may impair their judgement. • Auditors will not be assigned to audits where their degree of independence could be questioned in any other way. **Annual Risk Assessment and Audit Plan Activities** • Perform annual risk assessment activities and develop an annual risk-based audit plan. The Director, Audit will present the annual audit plan to the Finance and Audit Committee for review and approval.

OPP:	COMP	Corporate Policy Ref:
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	Assurance/Audit Activities • Evaluate the effectiveness of controls over the reliability and integrity of management information. Ascertain the level of compliance with policies, procedures, laws, and regulations. • Review operations to evaluate whether established objectives and goals are being achieved. • Assist management in identifying operational, financial, regulatory, and reputational risks, and assess JEA's ability to adequately mitigate these risks. • Conduct objective reviews of company business activities, operations, internal controls and performance management systems, and report results to JEA management. • Proactively consult with internal customers on recommendations and the implementation of action plans and monitor results. • Perform engagement level audit planning and risk control assessment. • Perform action plan follow-up. **Consulting Activities** • Provide consulting services where the level of risk warrants our involvement. However, Internal Audit does not act in an operating capacity, and cannot be part of the approval process. **Reporting** • Written reports will be prepared and issued to management following the completion of each audit. The contents will be discussed with auditee management before the reports are finalized, except in cases of fraud. • Reports will generally be distributed to the Chief/Vice President and Director/Manager of the area being audited, along with the Managing Director/Chief Executive Officer and/or the President/ Chief Operating Officer. Final audit reports are also submitted to the City of Jacksonville's Council Auditor's office and the Office of the Inspector General. Quarterly summaries of audit results are presented to the Finance and Audit Committee of the Board of Directors.
Finance and Audit Committee of JEA's Board of Directors	Meets regularly with the Director, Audit. Annual review and approval of Charter.
JEA's External Auditors	Primary auditor of JEA's financial statements. To minimize duplication of efforts, Internal Audit will not audit JEA's financial statements, although operational audits of Finance areas may be scheduled.

SIGNED: ________________

Title: Managing Director / Chief Executive Officer (CEO)

Effective Date: February 23, 2024

OPP:	COMP	Corporate Policy Ref:
		Internal Audit Charter

Revised Dates: August 14, 2020 (1.13.23) (2.23.24)

Origination Date: October 5, 2004, with fourteen (14) subsequent annual subsequent revisions / presentations / approvals, most recently on February 23, 2024

Keywords: internal audit, assurance, consulting, quality assurance

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OPP:	COMP	Corporate Policy Ref:
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~~Governance, Audit and Compliance Committee~~ Finance	Meets regularly with the Director, Audit ~~Services~~. Annual review and approval of Charter.

OPP:	COMP	Corporate Policy Ref:
		Internal Audit Charter

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Origination Date: October 5, 2004, with ~~twelve~~ fourteen (14~~3~~) subsequent annual subsequent revisions / presentations / approvals, most recently on ~~November 14, 2022~~ February 23, 2024

Keywords: internal audit, assurance, consulting, quality assurance

Rating Agency Presentation

Fiscal Year 2023

March 2024


Introduction
Overview of JEA and Jacksonville
Financials
FY2023 Results
FY2024 – FY2027 Projections
Electric System
Operational Overview
Water System
Operational Overview
Conclusion
Summary
Supplemental Information
Customer Data
Financial Projections
Board Biographies
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JEA

Well-positioned to take on future challenges

Electric System

Maintained excellent financial and operational metrics with rates currently at median in the state

- Electric system Debt to Asset Ratio is now below the pricing policy target
- Continued excellent distribution system reliability

Committed to revisiting the IRP every 3 years and aligning all decisions with a 1,3 and 10 year plan

Capital program includes $1.5 billion of projects over the next four years, 54% cash funded 46% bond funded

Water System

In FY2023 we continued to have strong financial and operational metrics

- $494 million in capital expenditures the largest to date for Water and Sewer.
- Funded primarily with internal cash and then $127 million in proceeds from the Revolving Credit Facility
- Lowest number of customers affected by unplanned water main outages in 7 years

Broke ground on the 1 MGD pilot facility for our Water Purification Program

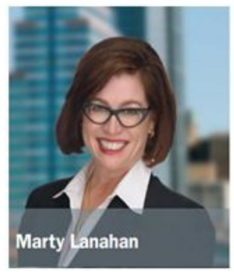
JEA is growing and improving as we strive to be the best utility in the nation

JEA Board of Directors

JEA has been a municipal electric system since 1895, an independent agency of the City of Jacksonville, Florida since 1968, and has operated the water and sewer system since 1997

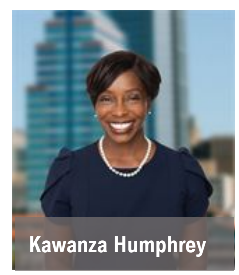
JEA has a seven-member Board that meets at least eight times per year, with four members appointed by the City Council President and three members by the Mayor, all confirmed by City Council

Chair



Vice Chair

Secretary



4

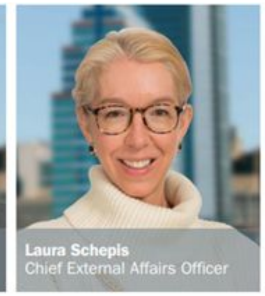
JEA Leadership Team

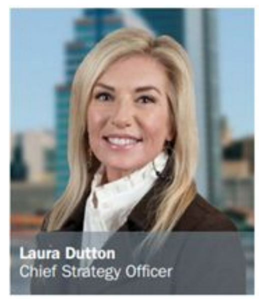
First established by the City of Jacksonville in 1895, JEA has grown from a city department to the eighth largest municipal utility in the country, providing energy, water and wastewater services to more than 485,000 customers. We are proud of our deep-rooted service to the Northeast Florida community and our ability to navigate an everchanging industry over the past century.

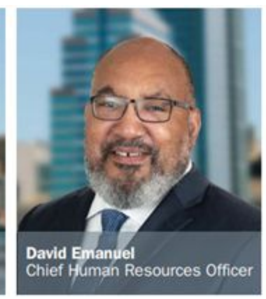
Today, JEA is focused on a number of initiatives as we look for ways to better serve our customers and community. We are continuously working to reduce the number and duration of power and water outages our customers experience. We are improving services to make doing business with JEA easier and more convenient. We are diversifying our energy mix to include more sources of renewable energy and investing in infrastructure improvements.

We are safeguarding our environment by lowering our carbon footprint and helping preserve the St. Johns River. We are helping to grow our local economy and support the businesses we serve. We are also giving back to the community through employee volunteerism, supporting those who are in financial need, and partnering with local agencies that help people maintain the quality of life everyone deserves.

Now, more than ever, JEA is positioned for success, as our first-class workforce is squarely focused on developing an unbeatable team, delivering business excellence and earning customer loyalty. We believe that the best and brightest days for JEA lie ahead, and we welcome you to share in our exciting journey.





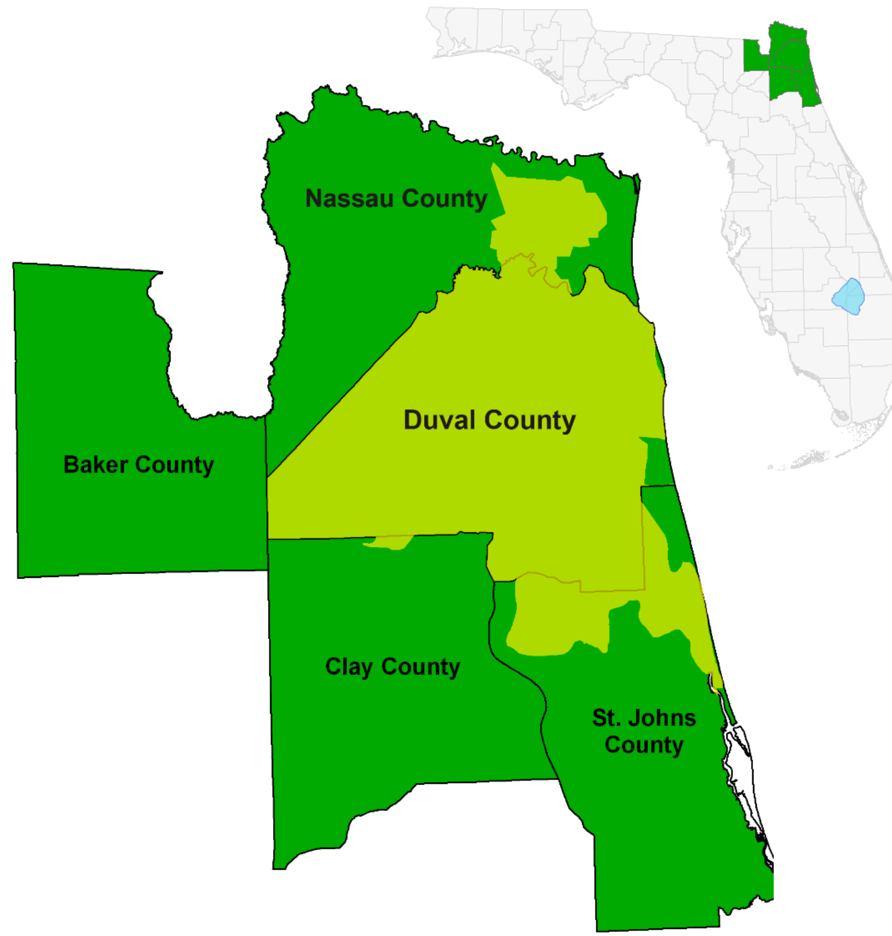


JEA Service Territory

Located in Jacksonville, Florida, our service territory includes the entire Jacksonville Metropolitan Statistical Area (MSA) which has an estimated population of 1.7 million[1]

The Jacksonville MSA saw a 24% increase in population from 2012 to 2022.

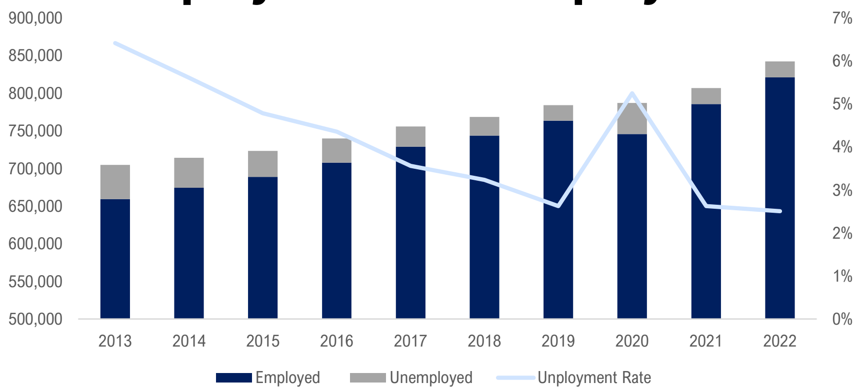
JEA's service territory also includes 182,804 electric, water and reclaimed meters in neighboring St. Johns, Nassau and Clay Counties



Source: U.S. Census Bureau, "2022 American Community Survey 5-Year Estimates"

The local economy is made up of a diverse mix of industries

Employment & Unemployment



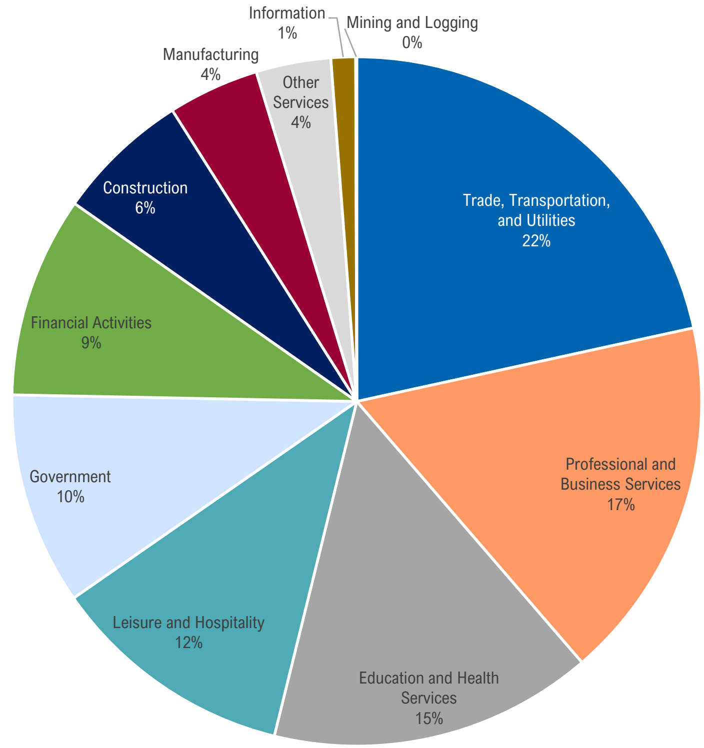
Source: US Bureau of Labor Statistics "Jacksonville, FL Economy at a Glance:"

Median Household Income

Florida's median household income increased 9.9% year over year.

Duval County median household income increased 17.6% year over year.

Source: U.S. Census Bureau, "2022 American Community Survey 1-Year Estimates"
Median household income in the past 12 months (in 2022 inflation-adjusted dollars)



Source: US Bureau of Labor Statistics "Jacksonville, FL Economy at a Glance:", Dec 2022

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JEA Committed to environmental stewardship

Reducing Greenhouse Gas Emissions

JEA's and UNF partnered to open a Sustainable Solutions Lab that will provide undergraduate and graduate students with the ability to research renewable energy.

JEA launched a Vehicle Electrification Program that provides total cost of ownership calculator and direct access to experts and engineers. JEA's own fleet is leading by example and will be the first to finalize a fleet conversion plan through the new program.

Since October 2022, JEA has provided more than $1.3 million in rebates to local companies to make water and energy-efficient upgrades. Those rebates helped over 200 Jacksonville businesses

In FY 2023 JEA entered into solar purchase agreements with TEA and FMPA. In November JEA awarded a contract to build out 4 solar sites to Florida Renewable Partners. These put us closer to our goal of 35% clean energy by 2030

Protecting our Local Environment

TREE CITY USA
An Arbor Day Foundation Program

The Arbor Day Foundation has named JEA a 2023 Tree Line USA utility for the twelfth consecutive year

JEA opened its new HQ that is LEED gold certified and WELL building standards in energy efficiency. As well as using 500,000 gallons of water less than a conventional office. All three of JEA's generation stations also received 100% compliance with Industrial Pretreatment standards

JEA is offering free water conservation kits that could help customers save up $75 a year on their water bill. We offer free efficiency and irrigation assessments to customers to help them lower usage and reduce bills

In FY2023 JEA sold 5.3 billion gallons in reclaimed water for irrigation. JEA's reclaimed system has seen about 36% sales growth over the last 5 years

Placing the wellbeing of our community & employees at the forefront of all that we do

Customer and Community Impact

JEA opened it new HQ to customers on April 10th. The new location features self service kiosks and the ability to make appointments to speak to representatives. The new location is also conveniently located near public transportation and public garage parking

In June 2023, JEA announced a multi-year project to upgrade all of its 420,000 water meters. The upgrade will allow customers to more easily monitor their usage and help JEA identify potential water leaks more quickly

JEA ranked highest in business customer satisfaction among midsize utilities in the south in the 2023 J.D. Power Electric Utility Business Customer Satisfaction Study, J.D. Power. Nationally JEA ranked 3rd amongst midsized utilities

FMEA has recognized JEA with its "Building Strong Communities" award for making valuable investments that enhance the quality of life in Northeast Florida.

Building an Unbeatable Team

In November 2023, JEA centralized its enterprise strategy, analytics and planning teams to better coordinate long-range operational and financial goals

JEA was recognized for the third year in a row by FMEA for our commitment to safety and injury prevention

First Coast Worksite Wellness Council recognized JEA as one of their healthiest companies of 2023 with the Gold Award

JEA is focused on improving our corporate culture and engagement. Responding to feedback from surveys JEA has expanded leadership and soft skills training and is encouraging cultural discussions in employee committees

Ensuring sound governance & stability for generations to come

Board and Leadership Team

Most board members have been in place for about 4 years. They provide direction on goals and hold leadership accountable.

Our leadership team is made up of Jay Stowe, Managing Director CEO, and 6 additional Chiefs. The extended leadership includes 14 Vice Presidents

In January 2023, the board voted unanimously to extend CEO Jay Stowe's contract for an additional 5 years.

Managing Risk Exposure

JEA employs a defense-in-depth approach to the physical protection of our personnel and assets. This approach incorporates a variety of security resources and technologies to protect our systems from an act of sabotage. JEA works continuously with our law enforcement partners at the local, state, and federal levels to ensure we are properly addressing the ever-changing threat landscape.

JEA continues to strengthen its cybersecurity program via its strategy of defense in depth (or layered defense). The JEA team also engaged several external parties in 2023 to provide their assessment results. These external assessments included CISA (Penetration, Phishing & Web App), Trend Micro (Purple Team Exercise), Sentinel (Penetration Test & Vulnerability), Securely Yours CIS assessment and C2M2 maturity modeling. The results from JEA's Information Security Team internal assessments and the feedback from external assessments identified both the strengths in JEA's cyber program and identified the areas where JEA needs to continue to focus.

JEA. Improving Lives. Building Community.

to be the best utility in the nation

Our Values

Safety

We put the physical and emotional wellbeing of people first, both at and away from work

Respect

We treat others with courtesy and respect, seeking diverse perspectives and helping to bring out the best in everyone

Integrity

We place the highest standard on ethics and personal responsibility, worthy of the trust our customers and colleagues place in us

Our Strategic Focus Areas

Developing an Unbeatable Team

because we know employees that are treated well will treat our customers well

Delivering Business Excellence

because we are serious about serving as good stewards of the resources our customers rely on

Earning Customer Loyalty

because our customers count on us for delivering affordable, reliable services

Our Strategic Objectives

Foster an Exceptional Work Culture

Employee Engagement

Diversity, Equity, & Inclusion

Employee Development

Deepen Customer & Community Engagement

Reasonable Rates

Sound Business Decisions

Economic Development

Customer Solutions

Stakeholder Relationships

Environmental Stewardship

Plan for the Future

Long-term Workforce Plan

New Business Opportunities

Enterprise Planning

Resilient & Reliable Infrastructure

Grid Modernization

Make Doing Business with JEA Easy

Technology, Tools, & Data

Governance & Policy

Strategy | Enterprise Planning

JEA is improving its Enterprise Planning Process

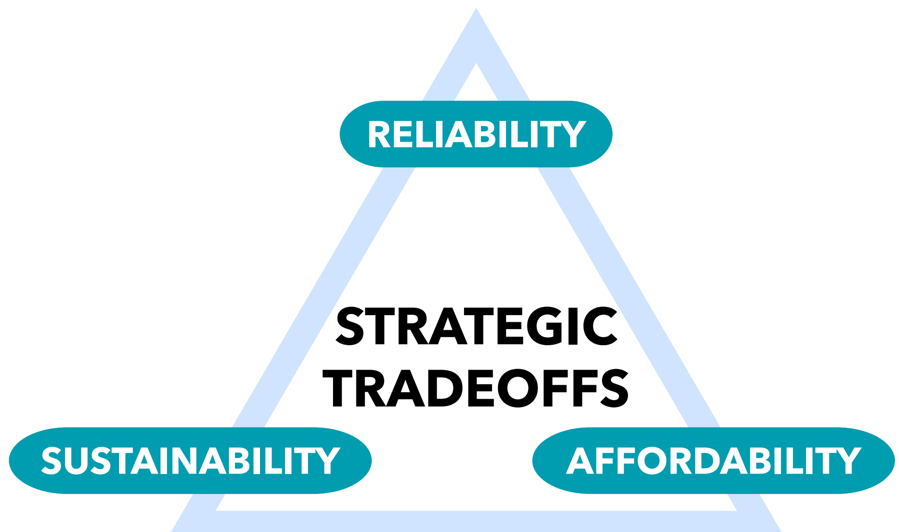
Starting with C-Suite Direction JEA will annually create new assumptions and forecasts that will flow through a variety of processes to create project lists, workforce and business plans.

- All decisions will be aligned with strategic direction and core values
- Forecasting resources needed for future projects and goals years out including materials and people
- Projects will be prioritized based on needs and strategic objectives
- We will balance reliability, sustainability and affordability

Enterprise Planning will engage and utilize the whole company to set direction, create plans and execute those plans

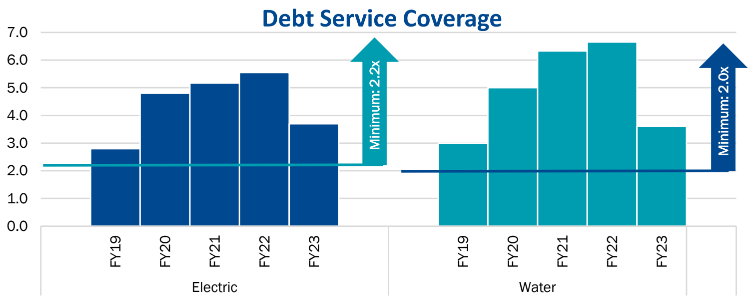
Looking out the next 10 years

- We will see relatively flat sales growth across electric and water
- Hold O&M escalation to 3% annually
- Minimize fuel and purchase power volatility
- Align goals to comply with SWDE and the Electric IRP goals
- Allow for continual R&R and growth projects
- Meet financial metrics while issuing new debt
- Will require additional revenues from both growth and rates

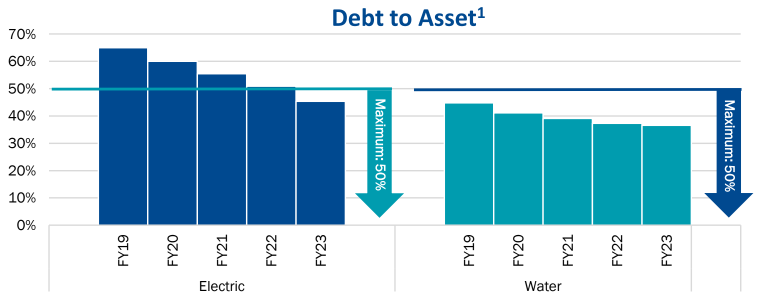



Financials
FY2023 Results
FY2024 – FY2027 Projections
JEA®

Consolidated | Historical Financial Metrics

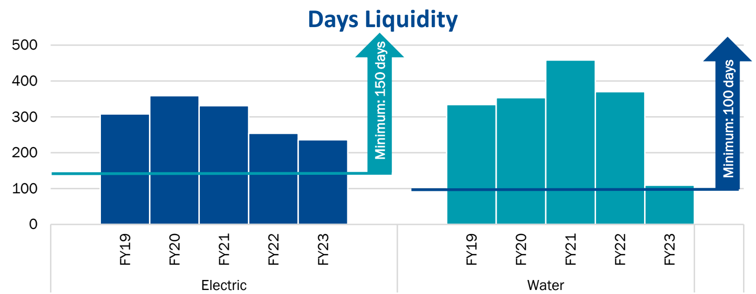


Electric System was lower due to higher contributions to rate stabilization funds in FY23. Water System returned to normal debt service range in FY23 after previous years were impacted by early debt paydown.



Debt to Asset Ratio continued to improve in FY23 and now exceeds long-term pricing policy targets.

1 Includes Electric System, Scherer and SJRPP

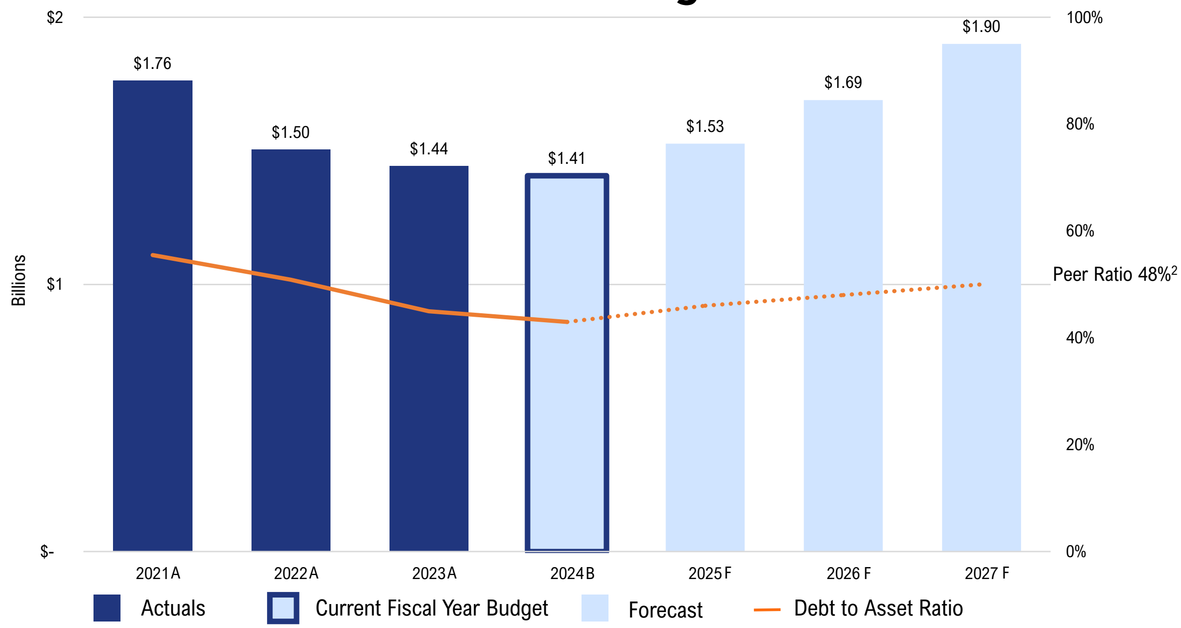


Days Liquidity remained strong and above the long-term pricing policy targets. Water System decrease in FY23 reflects increased capital investments and focus on efficient use of liquidity

FY2023 results demonstrate strong performance and a commitment to optimizing revenues

JEA Electric System | Debt Management

Debt Outstanding

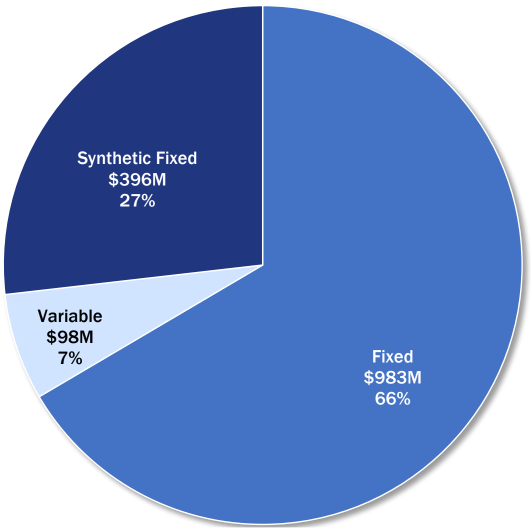


[1] Includes Electric System, Scherer, and SJRPP

[2] Fiscal 2021 medians – Top 30 City Owned Generators By Debt Outstanding – Aa-rated Moody's Sector Profile – Public Power – US, 2023-01-30

* Increase in Debt to Asset Ratio in FY18 due to SJRPP retirement

Debt Composition as of September 30, 2023



$2.8 billion reduction in debt since peak

Variable rate exposure reduced from 20% in 2008 to 6% in 2023

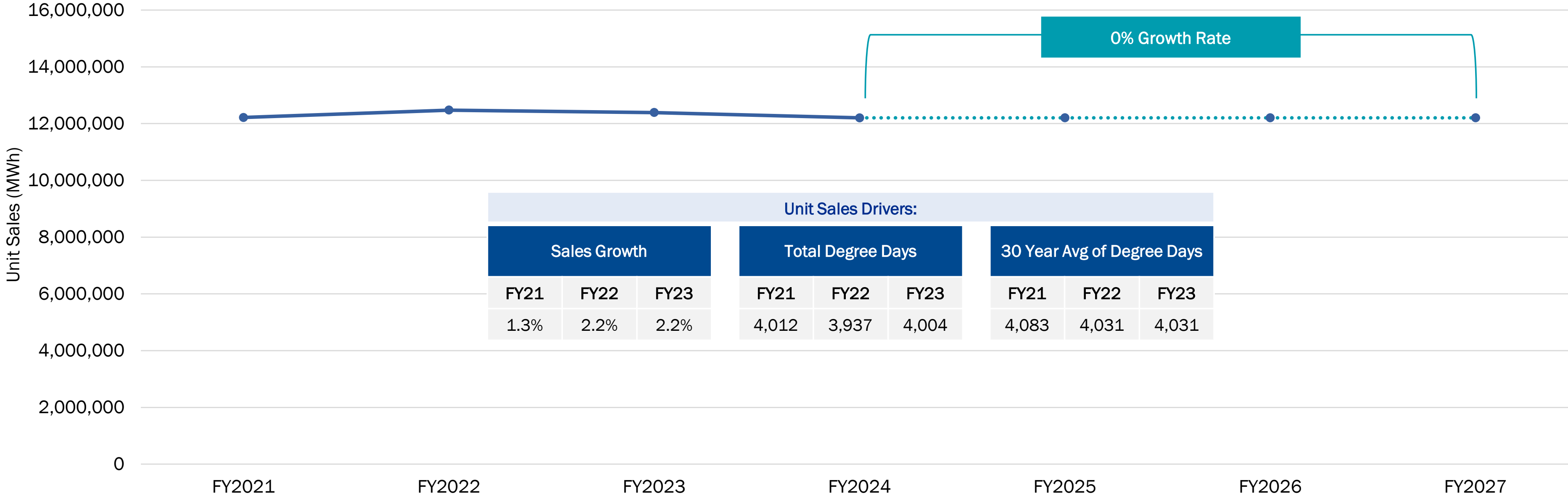
Electric System | Financial Results

Our Forecasts For FY2023	Our Outcomes for FY2023
• **5.1x** Combined debt service coverage • **173** Days of cash on hand • **324** Days of liquidity • **$62M** Total debt reduction[1,2] • **45%** Debt to asset ratio[1] • **46%** Debt to capitalization ratio[1] • **$235M** Capital expenditures • **0%** System MWh Sales growth	• **3.7x** Combined debt service coverage • **148** Days of cash on hand • **236** Days of liquidity • **$62M** Total debt reduction[1,2] • **45%** Debt to asset ratio[1] • **48%** Debt to capitalization ratio[1] • **$242M** Capital expenditures • **2.2%** System MWh Sales growth

[1] Includes Electric System, Scherer, and SJRPP
[2] Includes early retirement of $129 million of SJRPP debt and $48 million of Scherer debt

Electric System | Unit Sales

Weather Normalized Unit Sales in MWh



Unit Sales Drivers:

Sales Growth			Total Degree Days			30 Year Avg of Degree Days		
FY21	FY22	FY23	FY21	FY22	FY23	FY21	FY22	FY23
1.3%	2.2%	2.2%	4,012	3,937	4,004	4,083	4,031	4,031

- Historically the electric system experienced -0.1% annualized unit sales growth from 2011 –2023[1] on weather normalized basis
- For financial planning purposes, JEA forecasts system unit sales growth of 0% from FY2024 to FY2027

[1] Includes impact of expiration of sales for resale- territorial contract with FPU

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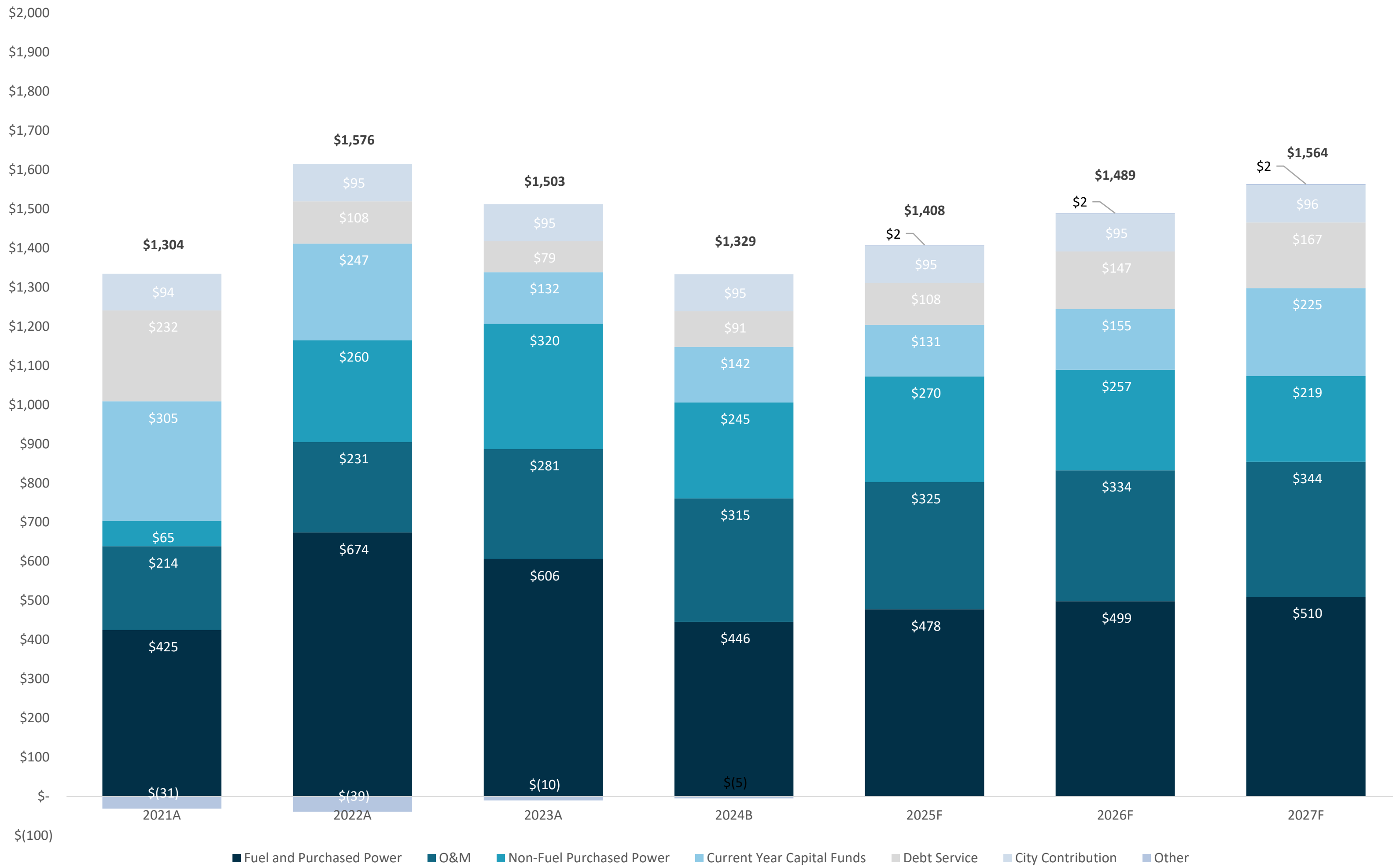
Electric System | Revenue Requirements



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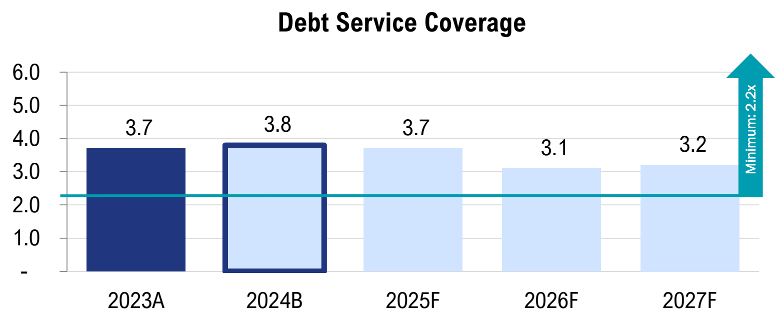
JEA Electric System | Capital Funding Sources & Uses

	Actuals	Budget	Forecast		
	2023	2024	2025	2026	2027
Beginning Electric System Capital Fund Balance	**$233**	**$135**	**$29**	**$0**	**$0**
Beginning Environmental Fund Balance	**$21**	**$15**	**$0**	**$0**	**$0**
Funds from Current Year Revenue[1]	$132	$128	$131	$155	$225
Funds from Debt Issuance	$0	$0	$169	$220	$305
Funds from Operating Fund Transfers	$0	$0	$0	$0	$1
Total Sources of Funds	**$132**	**$128**	**$300**	**$375**	**$530**
Capital Spending[2]	***($242)***	***($271)***	***($313)***	***($377)***	***($534)***
Early Debt Retirements	$0	$0	$0	$0	$1
Other[3]	$6	$22	($16)	$2	$4
Total Uses of Funds	**($236)**	**($249)**	**($329)**	**($375)**	**($529)**
Ending Electric System Capital Fund Balance	**$135**	**$29**	**$0**	**$0**	**$0**
Ending Environmental Fund Balance	**$15**	**$0**	**$0**	**$0**	**$0**

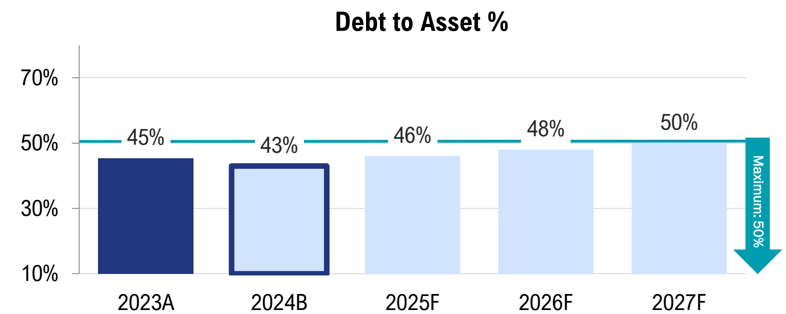
The Electric System capital plan is centered on renewal and replacement, while preparing for additional capital needs including future generation beginning in FY2025-FY2027

[1]Electric system. Includes Non-environmental & Environmental revenues in FY23. Environmental rate folded into base rates April 1 of FY23.
[2] Includes Non-environmental & Environmental spend in FY23.
[3] Include items such as sale of property, changes in working capital, adjustments for CWIP, Environmental O&M, and Amortization of Environmental Regulatory Asset

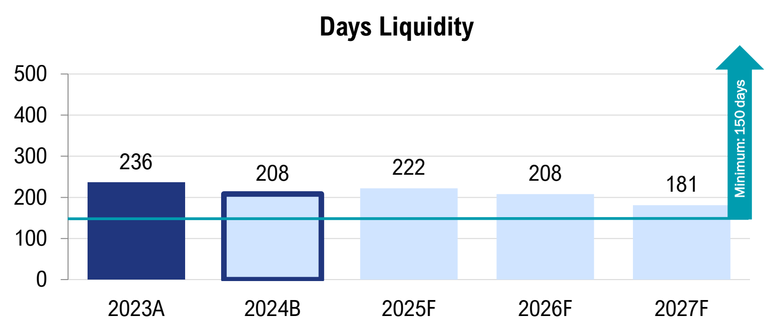
Electric System | Financial Metrics



Strong Debt Service Coverage metrics continue to remain above pricing policy target



Debt to Asset % remains under internal policy targets, but ratio increases due to higher capital investment



Liquidity metrics impacted by revolver available balance allocation. days liquidity above pricing policy target

Actuals Current Fiscal Year Budget Forecast Pricing Policy Target

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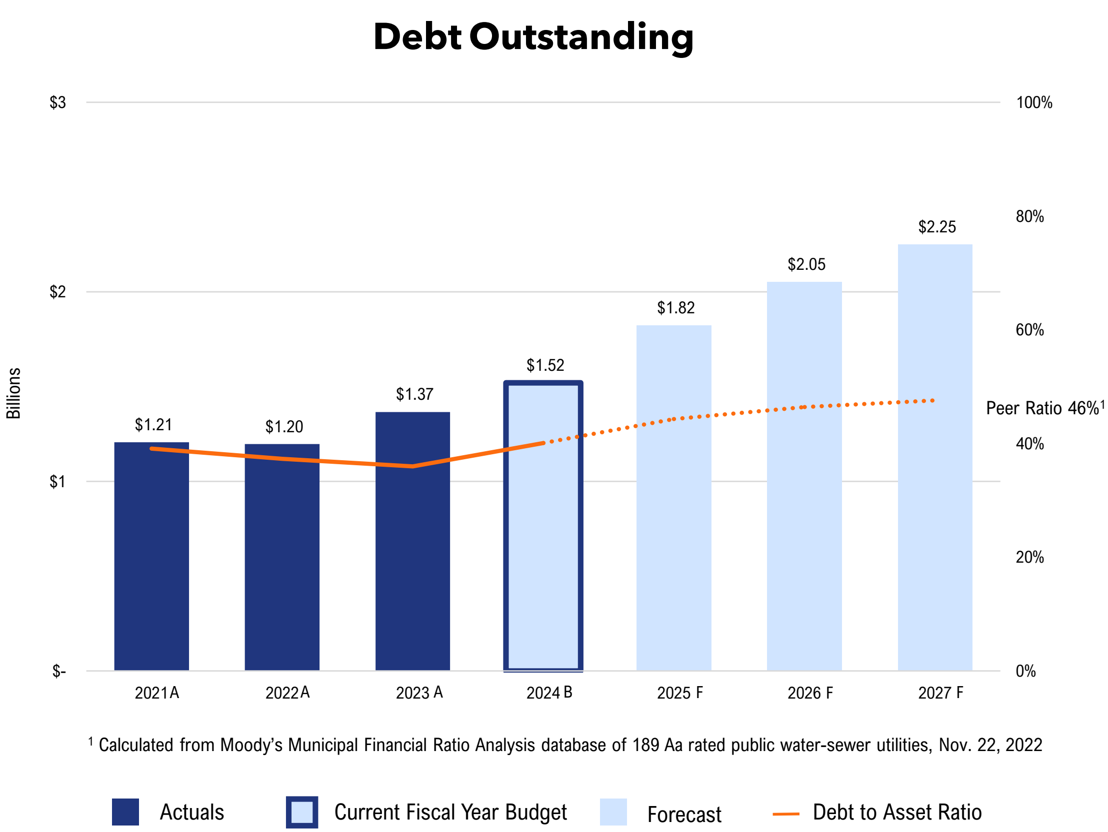
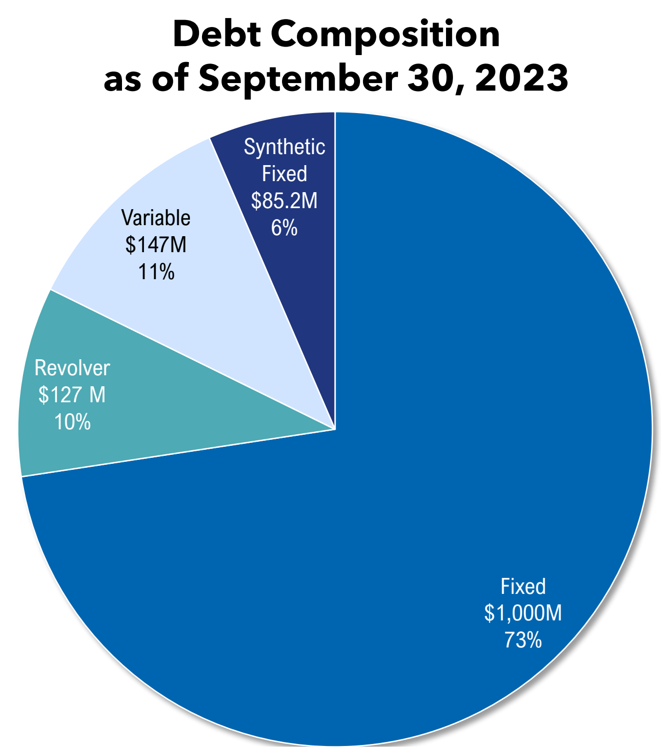
Water System | Debt Management



¹ Calculated from Moody's Municipal Financial Ratio Analysis database of 189 Aa rated public water-sewer utilities, Nov. 22, 2022



$750 million reduction in debt since peak

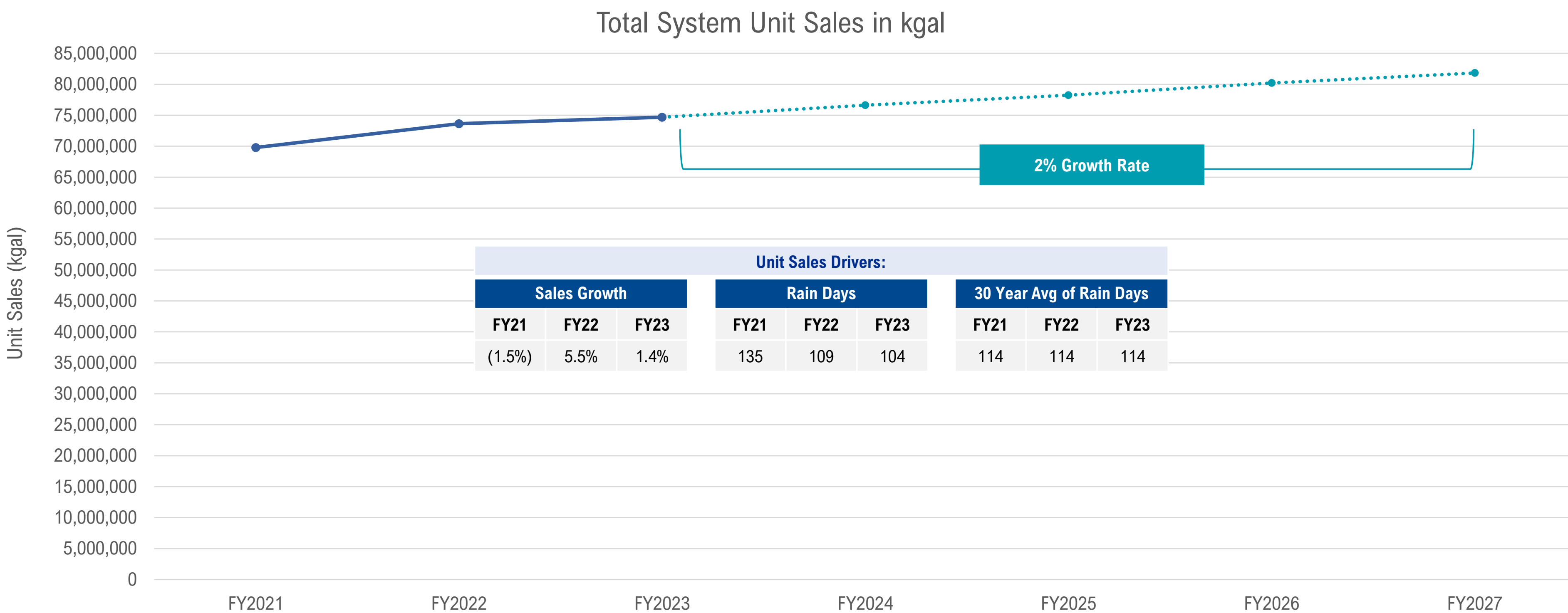
Variable rate exposure reduced from 18% in 2009 to 11% in 2023 excluding the revolver

Water System | Financial Results

Our Forecasts For FY2023	Our Outcomes for FY2023
• **4.1x** Combined debt service coverage[1] • **91** Days of cash on hand • **210** Days of liquidity • **$9.9M** Total debt reduction • **34%** Debt to asset ratio • **33%** Debt to capitalization ratio • **$395M** Capital expenditures • **2%** increase in Water kgal sales	• **3.6x** Combined debt service coverage[1] • **23** Days of cash on hand • **109** Days of liquidity • **$117M** Total debt increase[2] • **36%** Debt to asset ratio • **36%** Debt to capitalization ratio • **$494M** Capital expenditures • **1.4%** increase in Water kgal sales

[1] Includes capacity fees
[2] Net of $9.9M principal repayment and and $127M RCF draws

Water System | Unit Sales

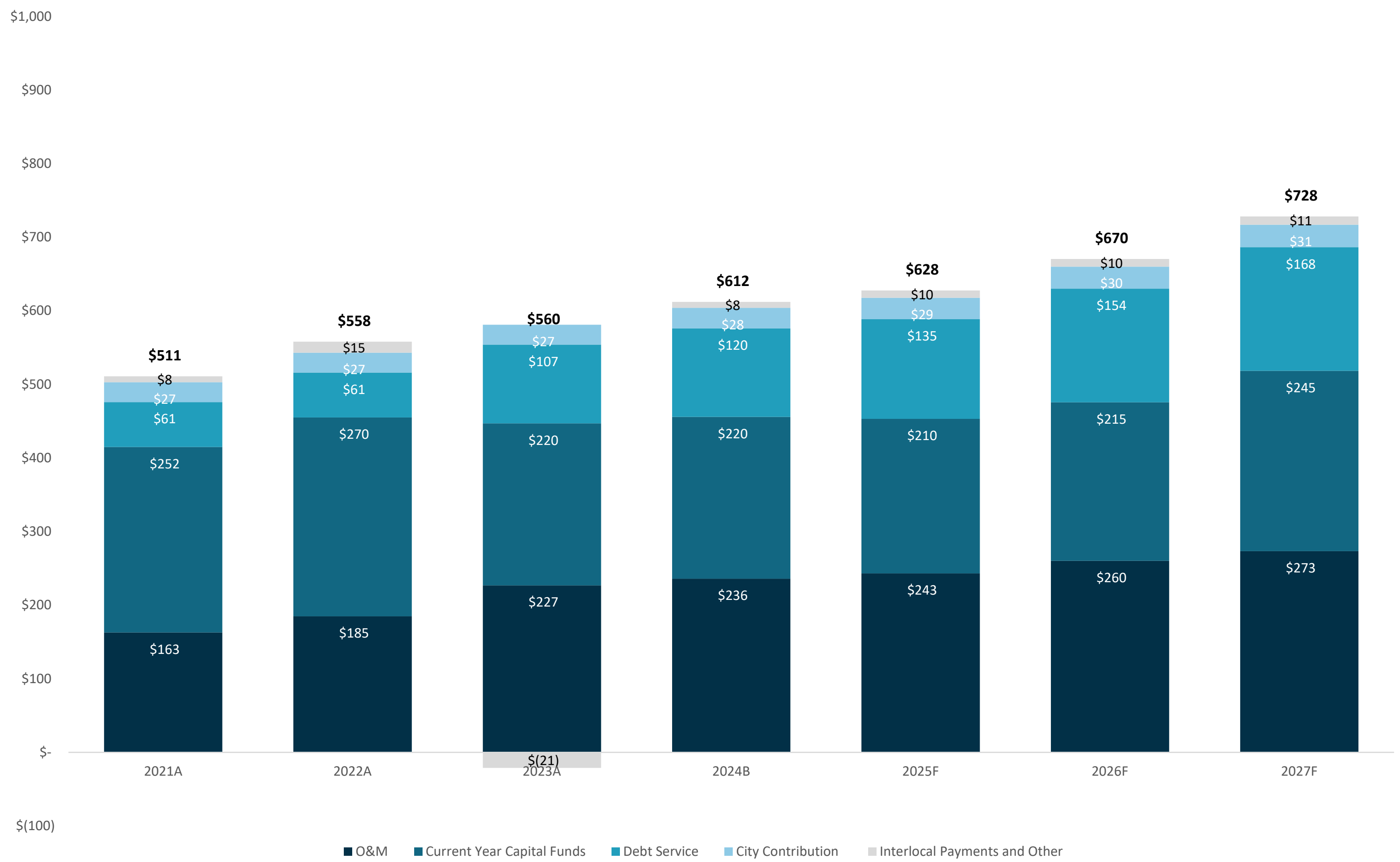


Unit Sales Drivers:

Sales Growth			Rain Days			30 Year Avg of Rain Days		
FY21	FY22	FY23	FY21	FY22	FY23	FY21	FY22	FY23
(1.5%)	5.5%	1.4%	135	109	104	114	114	114

- FY2024-2027 projected growth rate by commodity is 1.3% for Water, 1.4% for Sewer, 2.1% for Retail Reclaim, and 0% for Bulk Reclaim. Overall system projected unit sales growth is 2% from FY2024-2027.
- Sales growth assumptions based on production versus sales reconciliation utilizing historic average production ratios for each commodity

Water System | Revenue Requirements



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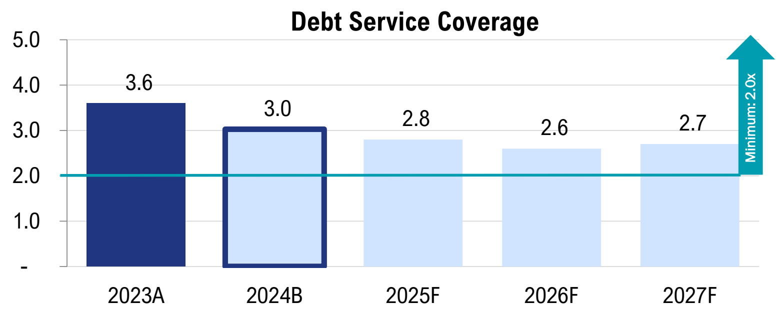
JEA Water System | Capital Funding Sources & Uses

	Actuals	Budget	Forecast		
	2023	2024	2025	2026	2027
Beginning Capital Fund Balance	**$113**	**$1**	**$1**	**$1**	**$1**
Beginning Environmental Fund Balance	**$26**	**$0**	**$0**	**$0**	**$0**
Funds from Current Year Revenue[1]	$189	$210	$215	$245	$283
Funds from Debt Issuance	$127	$353	$458	$299	$270
Funds from Operating Fund Transfers[2]	$0	$0	$0	$0	$0
Total Sources of Funds	**$316**	**$563**	**$673**	**$544**	**$553**
***Capital Spending*[3]**	***($494)***	***($514)***	***($520)***	***($520)***	***($520)***
Early Debt Retirements	$0	$0	$0	$0	$0
Other[4]	$40	($48)	($153)	($24)	($33)
Total Uses of Funds	**($454)**	**($563)**	**($673)**	**($544)**	**($553)**
Ending Capital Fund Balance	**$1**	**$1**	**$1**	**$1**	**$1**
Ending Environmental Fund Balance	**$0**	**$0**	**$0**	**$0**	**$0**

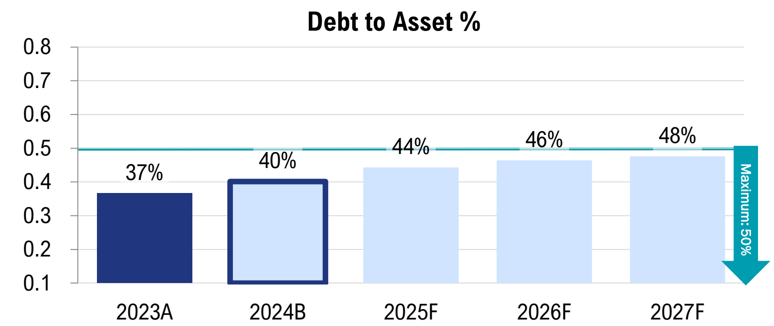
The Water System capital plan is driven by growth, programs to rehabilitate and harden infrastructure critical to system operation and reliability, and a Surface Water Discharge Elimination program.

[1]Includes Non-environmental & Environmental revenues in FY23. Environmental rate folded into base rates April 1 of FY23.
[2] Operating funds transfers to support environmental fund wind down plan. Close the Environmental Rate Stabilization Fund; no environmental wind-down plan after FY23.
[3] Includes Non-environmental & Environmental spend in FY23. No Environmental spend after FY23.
[4] Include items such as sale of property, changes in working capital, adjustments for CWIP, Environmental O&M, Amortization of Environmental Regulatory Asset, etc.

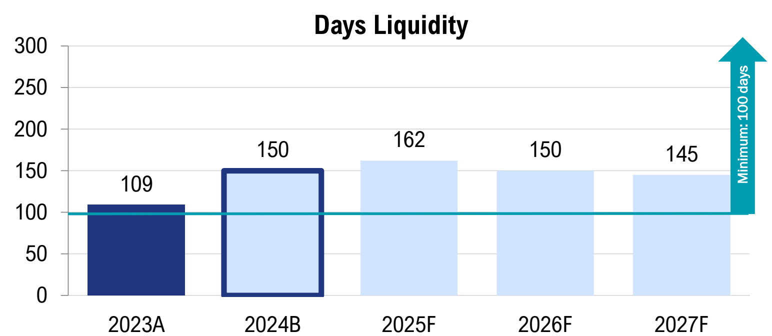
Water System | Financial Metrics



Strong Debt Service Coverage metrics, result of prior accelerated debt repayments, above pricing policy target



Debt to Asset % under or reaching internal policy targets



Days Liquidity remains above target

Actuals Current Fiscal Year Forecast Pricing Policy Target

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Electric System
JEA

JEA Electric System

Highlights

Excellent reliability performance

- CEMI5 continues to be at historic low

Continued strong electric customer growth

An eye toward the future

- JEA is collaborating with Miller Electric on their Electric Vehicle Innovation Design Center. This is a first of its kind hub for commercial and residential EVs in the nation
- JEA finalized negotiations and award solar contracts for 4 plots of land owned by JEA for the building and operation of solar farms

Lowest Electric Enterprise debt in 39 years

Infrastructure

Power Production Assets

- 4 Plants, 15 Units
- Net Capacity: 2,799 MW (2,952 MW winter)
- Fuel Sources: Natural Gas, Petroleum Coke, Coal, Oil
- Small amount of Landfill Gas

Transmission System

- Voltage Levels (kV): 500, 230, 138 & 69
- 744 Miles of Transmission
- 84 Substations

Distribution System

- Voltage Levels (kV): 26.4, 13.2 & 4.16
- 344 feeders (233 – 26.4kV; 82 – 13kV; 29 – 4kV)
- 7,408 circuit miles (41% Overhead, 59% Underground)
- 109,255 transformers, 210,756 poles

Electric System Overview

Existing Generation Capacity = 2,654[1] MW

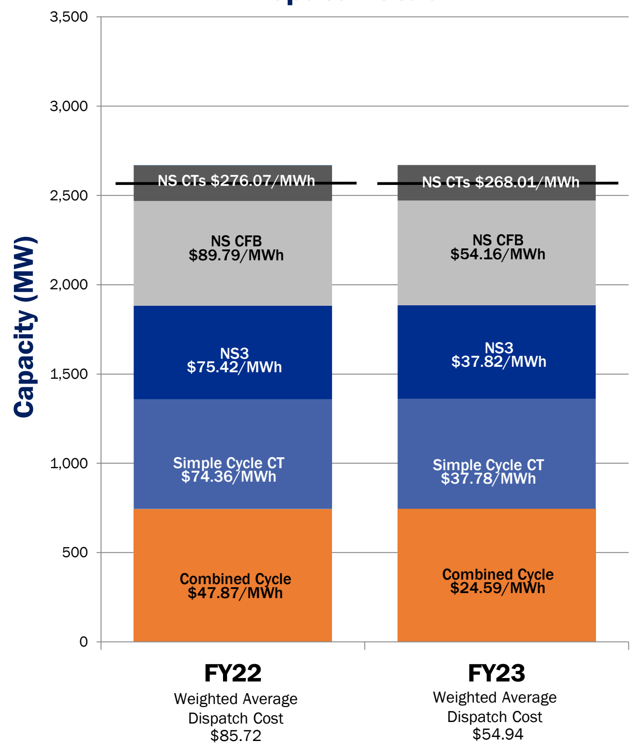
Facility	Primary Fuel Type	Generating Capacity (in MW)	Year in Service
Gas Fuel: 1,868 MW (70%)			
Brandy Branch	Natural Gas	729	2001 – 2019[2]
Northside Gen Unit 3	Natural Gas/Oil	524	1977
Kennedy	Natural Gas/Diesel	300	2000 – 2009[2]
Greenland Energy Center	Natural Gas/Diesel	300	2011
Landfill Energy Systems	Landfill Gas	15	1997 – 2015[2]
Solid Fuel: 586 MW (22%)			
Northside Gen Units 1 & 2	Pet Coke	586	2003
Total: 2,454 MW			
Peaking Reserve: 200 MW (8%)			
Northside CTs	Diesel	200	1975
Grand Total: 2,654 MW			

[1] Based on summer net ratings and Brandy Branch, Greenland, and Kennedy on natural gas capacity. Summer net ratings with Brandy Branch, Greenland, and Kennedy on diesel is 2,782 MW. Winter net ratings and entitled capacity is 2,952 MW.

[2] Multiple units, multiple in-service dates

—— Actual Peak

Dispatch Stack[1]



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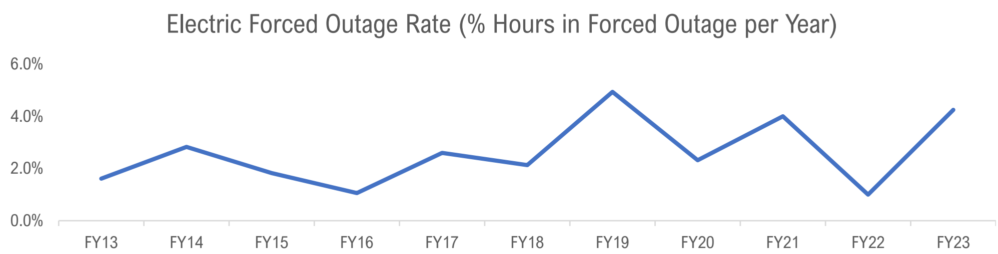
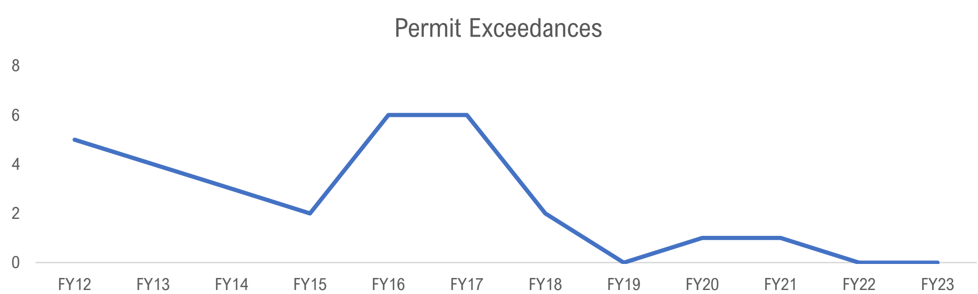
Electric System Performance Monitoring | Generation





Generating Plant Performance	FY2023	FY2022	FY2021
Generation Fleet Reliability	**4.2%**	0.99%	3.99%
Environmental Compliance	**0**	0	1

Generating Fleet Reliability

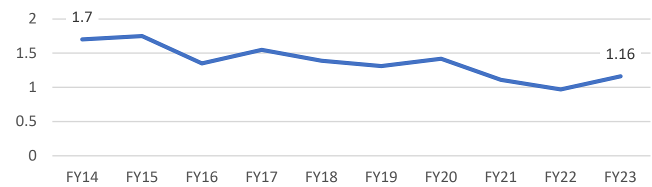
- The JEA fleet Electric Forced Outage Rate finished FY23 at 4.2% which was above the target of 2.85.
- Numerous improvements and projects continue to be implemented in generation to make the units more reliable, have greater capacity and lower costs

Environmental Compliance

- JEA did not experience a recordable event during FY23
- JEA remains actively engaged in preparing for all new and emerging environmental regulations

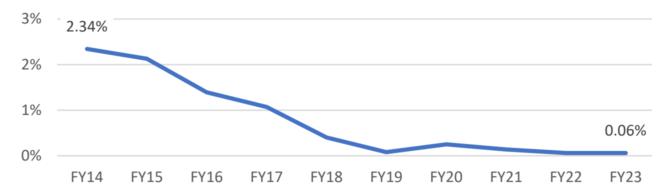
JEA Electric System Performance Monitoring | Transmission & Distribution

Customer Outage Frequency Per Year



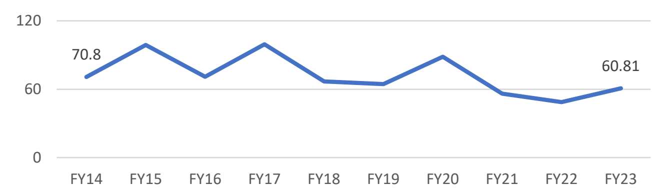
Outage Frequency has trended down over the past 10 years with a small uptick in 2023. The typical JEA customer experiencing 1.16 outages a year

Percentage of Customers with > than 5 Outages a Year



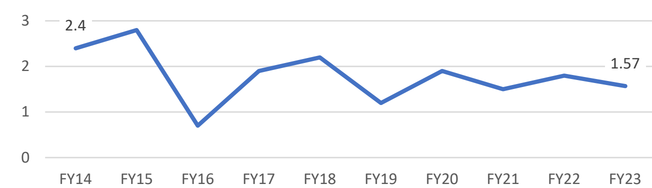
Customers with more than 5 outages continues to be at its lowest in 10 years

Electric Outage Duration (in minutes)



For FY2023 the typical JEA customer would have experienced about 60 minutes long outage about 1 a year

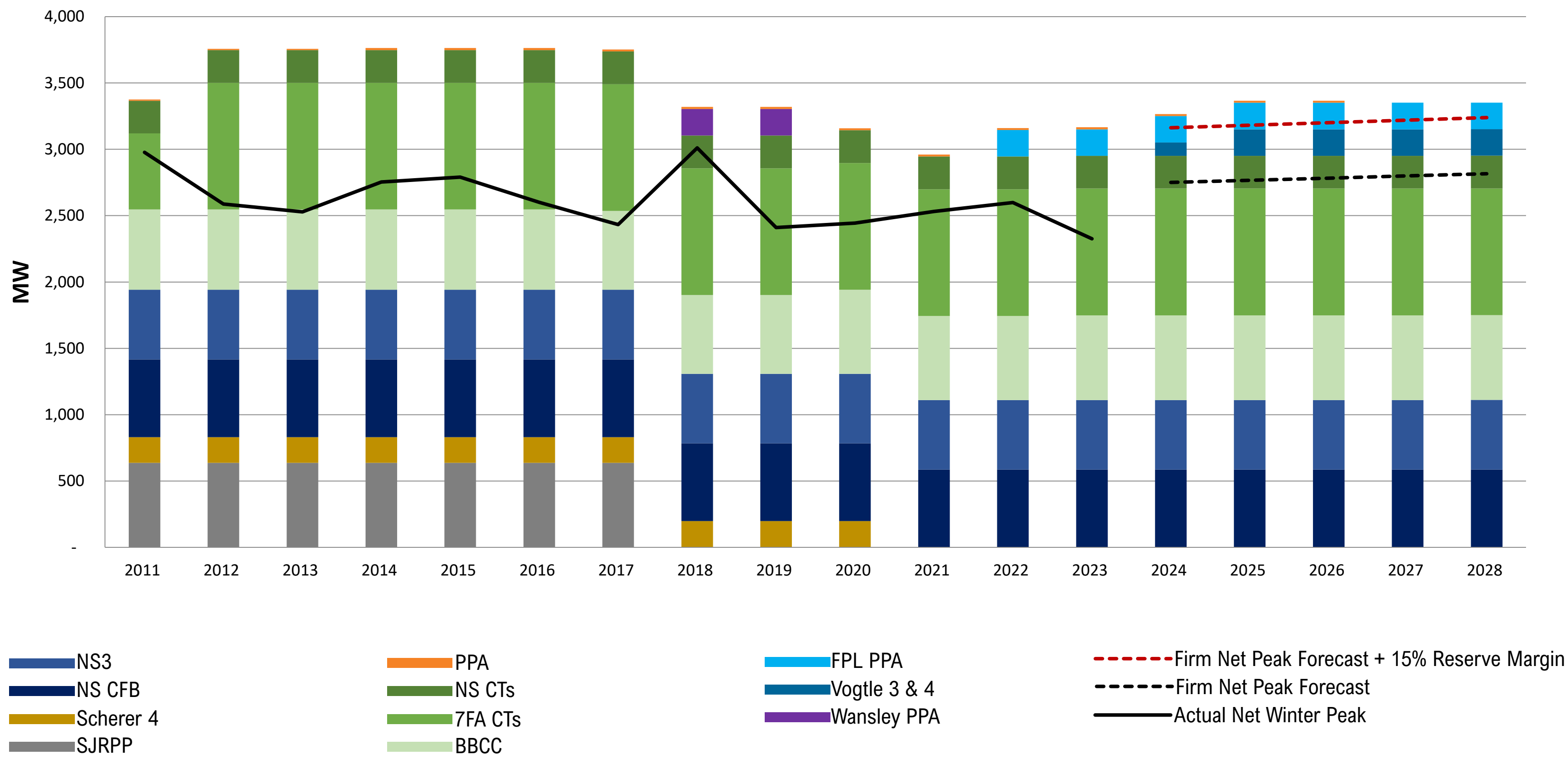
Transmission Line Fault Frequency (# faults per 100 miles)



Overall, this has trended down over the last 10 years

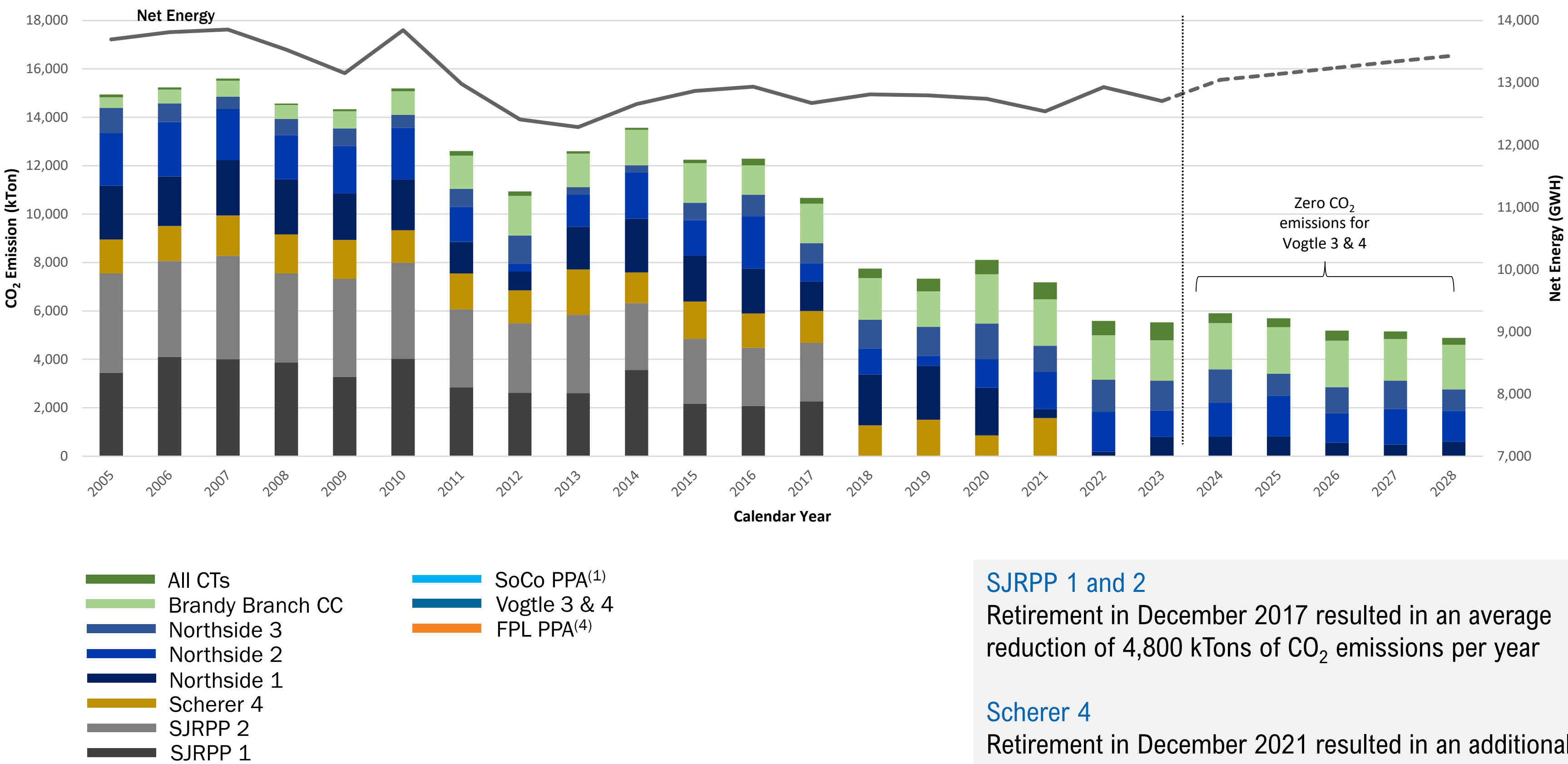
Overall, JEA maintains strong T&D Metrics as part of our goal of being the best utility in the nation

Electric System | Fleet Optimization & Asset Utilization



JEA must meet customers' electricity demand, as well as the required 15% reserve margin

Electric System | CO_2 Emissions



SJRPP 1 and 2

Retirement in December 2017 resulted in an average reduction of 4,800 kTons of CO_2 emissions per year

Scherer 4

Retirement in December 2021 resulted in an additional reduction of 1,300 kTons of CO_2 emissions per year - approximately 17% of total CO_2 emissions attributed to JEA[3].

(1) CO2 emissions from 200 MW Power Purchase Agreement (PPA) in 2005 - 2010 are not included as emissions are attributed to the owner of the power supply
(2) SJRPP 1 and 2 CO2 emissions based on JEA's 80% Ownership, where the joint ownership agreement shared the output MWh at a 50%/50% arrangement.
(3) Scherer 4 CO2 emissions based on JEA's 23.6% Ownership.
(4) Approximately 600 kTon of CO2 emissions per year from 200 MW of PPA starting 2022 are attributed to the owner of the Power Supply entity of the PPA.

Electric System | Plant Vogtle 3 & 4 Overview

Unit 3

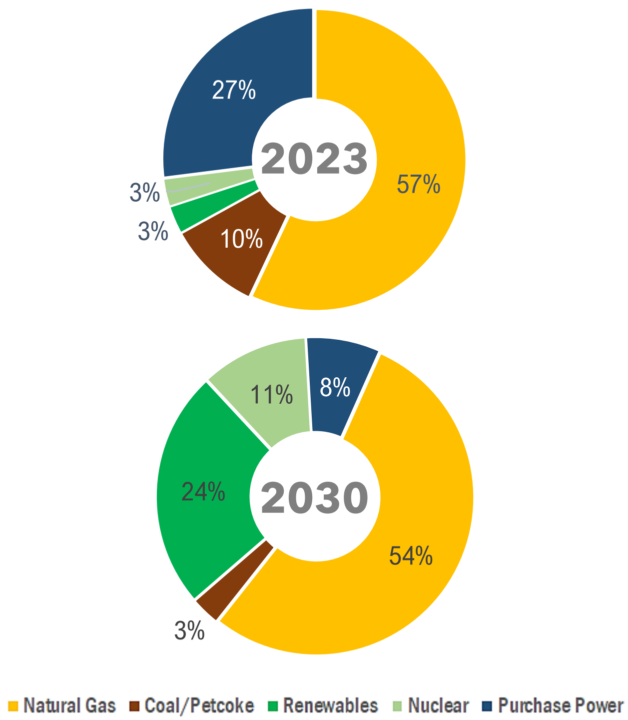
- Recent output is above the 1,102 MW nameplate capacity
  - JEA receives103MW

Unit 4

- Encountered start up issues that will slightly delay its in-service date
  - Reactor cooling pump was replaced in December
  - Vibration on the automatic depressurization system has been rectified
- In-service date has moved to late March/ early April
  - Additional funding may be required if commercial operation moves beyond the second quarter of 2024

Electric System | Integrated Resource Plan (IRP)

Net Energy Mix



In the next decade:

JEA's CO_2 emissions reduction to approximately 3,700,000 Tons by 2030 by transitioning to 35% non-carbon emitting energy resources by 2030

- 1275 MW Solar
- 206 MW Nuclear
- Reduction of approximately 32% from 2023 CO_2 emissions and 80% from 2005 CO2 emissions

We will retire less efficient generating assets

- We will bring online 571 MW of higher efficiency gas resource

We will lead the way by using 100 percent clean energy to serve JEA facilities.

We will increase and enhance energy efficiency programs to offset growing demands from the ongoing electrification of homes, businesses, and vehicles.

JEA Electric System | Looking Toward the Future

Responding to New Development

Jacksonville continues to grow rapidly and in response to this new neighborhoods and other developments are going in.

JEA is putting in the overhead and underground infrastructure to support these new developments.

Renewal & Replacement

JEA actively maintains it Electric system from generation to the meter.

We budget annually to maintain our meters, poles, and vehicle fleet. We capitalize outages at or generation stations.

We also are actively inspecting and making repairs and upgrades to Greenland, Kennedy and Northside generating station.

New Combined Cycle Plant

JEA is in the early stages of adding additional generation capacity to our fleet with an Advance Class 1x1 Combined Cycle.

This will allow us to maintain our required reserve margin and the reliability our customers are accustomed to.

Estimated In Service Date: December 2029


Water System
JEA

JEA Water System

Highlights

Continued to create increasingly reliable and resilient system

- Lowest number of customers affected by unplanned outages in 7 years

Focused on minimizing the impacts to the environment while continuing superior performance and producing high water quality

$494M in capital projects delivered the highest ever

- Responding to growth and the demands of the future with projects that expand and improve the system
- Building the first new water reclamation plant in Duval county in over 45 years

Infrastructure

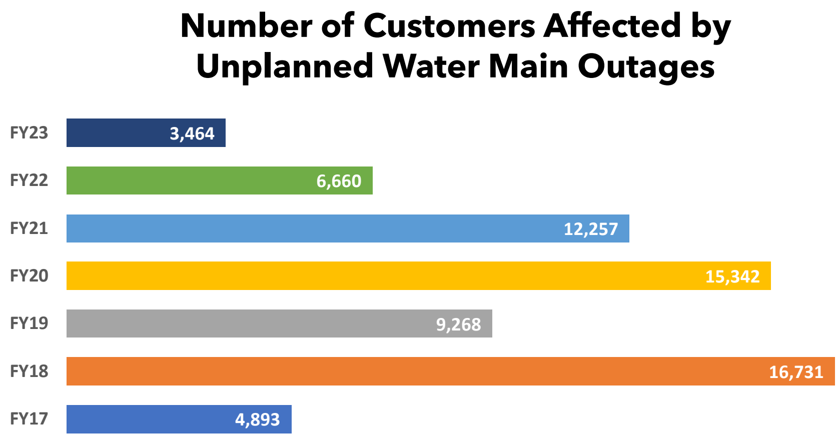
Water System

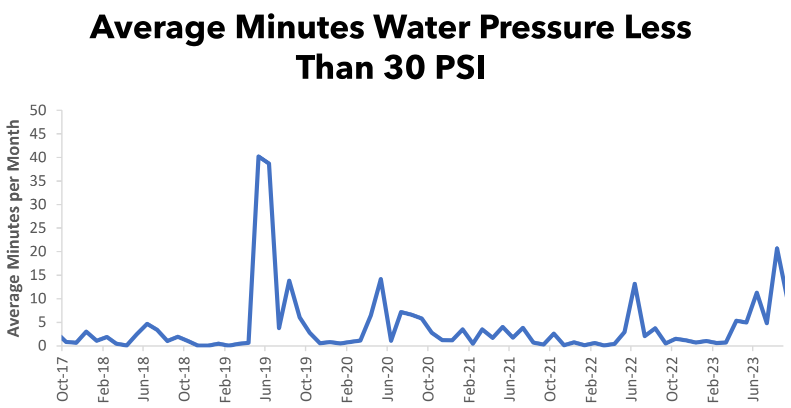
- 28 major and 11 small water treatment plants and 2 re-pump facilities
- 139 permitted water supply wells, 5,112 miles of water distribution mains and total finished water storage capacity of over 84 million gallons
- Two major and four small distribution grids

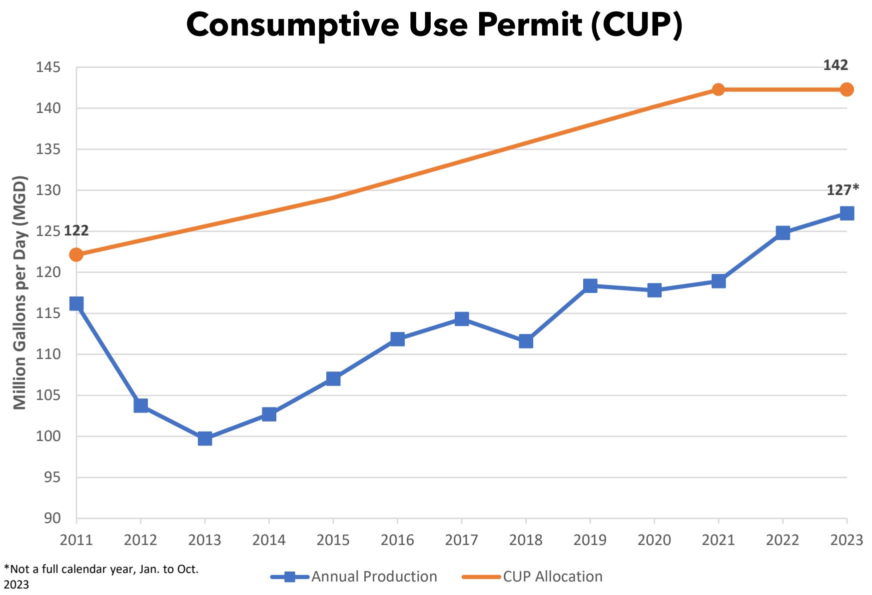
Water Reclamation System

- 11 treatment plants currently ranging in rated average daily treatment capacity from approximately 0.2 to 105 MGD
- Approximately 4,402 miles of gravity sewers and force mains
- 1,616 pumping stations and 765 low pressure sewer units

Water System Metrics







CUP extends through April 2031

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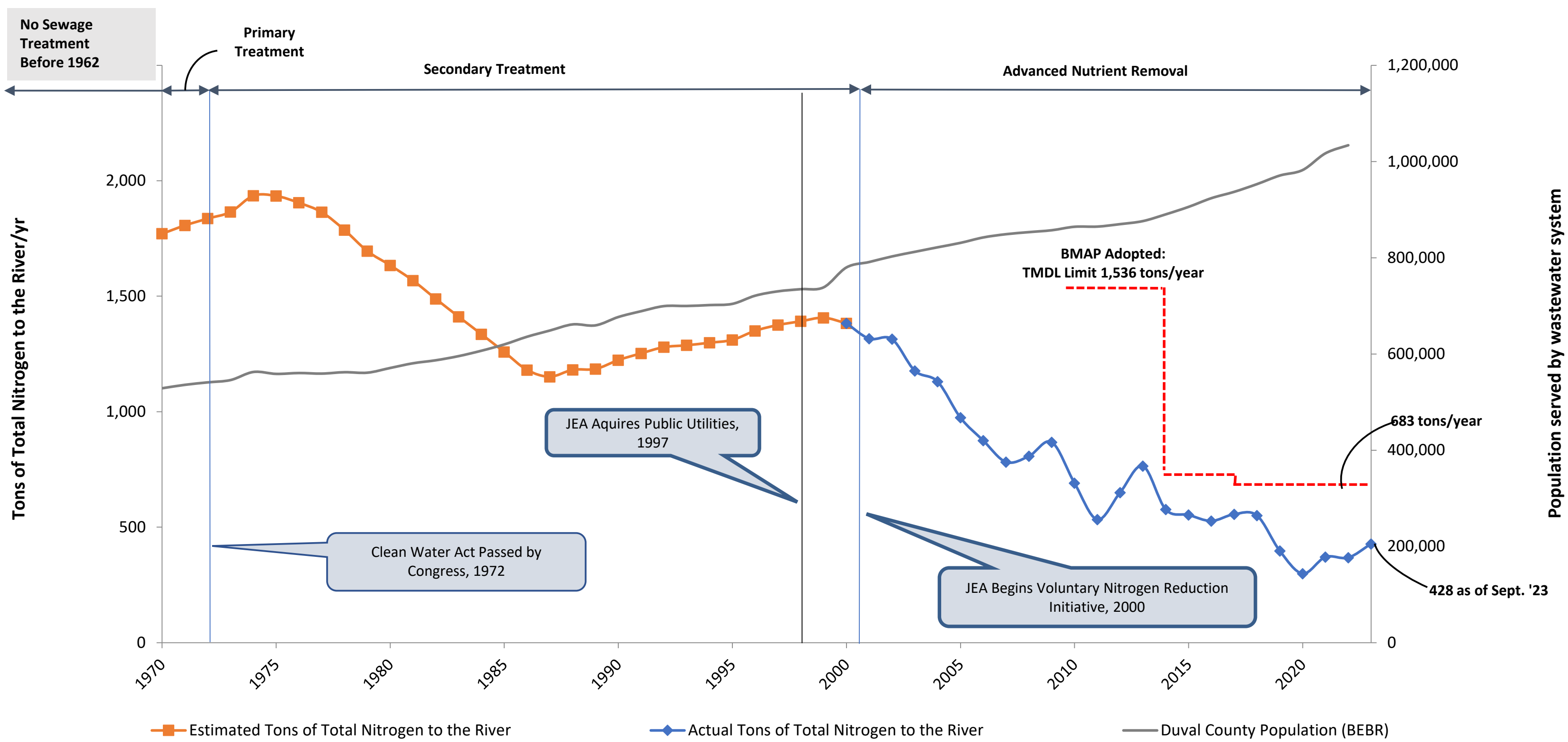
JEA Water System | Continued Reduction of Nitrogen to the St. Johns River



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JEA The Future of the Water and Sewer System

H2.0 Water Purification

The one million-gallon-per-day purification center will be used to showcase purification technology.

The purification process is like what nature does through rainfall replenishing the aquifer — only with a smaller footprint, in a shorter amount of time. This process is based on membrane and advanced oxidation technology which will provide JEA long-term aquifer sustainability.

Estimated In Service Date: November 2025

Surface Water Discharge Elimination

JEAs plan for eliminating non beneficial surface water discharge includes several solutions:

- Expanding reclaimed water for irrigation
- Purification of reclaimed water
- Aquafer recharge with purified water via deep well injections

Deadline for Completion: January 2032

Greenland Reclamation Facility

This will be the first newly constructed water reclamation facility in Duval County in over 45 years

This facility will treat an average of over 4 million gallons of wastewater daily for the purpose of reclaiming treated wastewater for irrigation purposes. This facility is a zero-discharge plant; it will not be discharging to surface water.

Estimated In Service Date: November 2024

Responding to Growth

Jacksonville is the 5th fasted growing city in the United States with population growth of 1.5% from July 2021 to July 2022. JEA experienced 3% water and sewer customer growth in the same time.

In response to this growth JEA is expanding existing water reclamation facilities to meet customer needs.

	Existing Size	Expanded Size	Estimated Completion Date
Southwest WRF	14 MGD	16 MGD	August 2025
Blacks Ford WRF	6 MGD	12 MGD	November 2027
Nassau Regional WRF	2 MGD	3 MGD	August 2025

JEA Water System | Water Supply Sustainability Plan

Traditional groundwater sources are becoming limited in Florida. JEA focused on multiple solutions for ensuring a sustainable supply for generations to come

Phased Alternative Water Supply Expansion

- Completed Potable Reuse Pilot Purification Testing
- Permitting and design has commenced for a 1 MGD demonstration facility

Surface Water Discharge Reduction

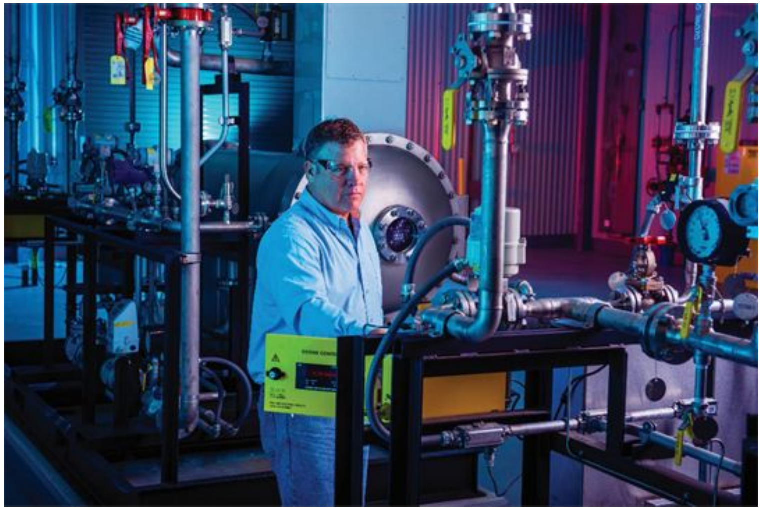
- Conversion of surface water discharge to more beneficial reuse included in JEAs Integrated Water Resource Plan

Enhanced Conservation Program

- JEA's conservation programs and incentives helped customers reduce consumption of water, resulting in valued water savings

Customer and Community Engagement

- JEA encourages and supports sustainability through various year-round education and special events



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Conclusion

Consistently demonstrates superior financial & operational performance

Electric

JEA merits a AA credit rating

- ✓ Maintained excellent financial and operational metrics
- ✓ Financial plan reflects the additional cost of Plant Vogtle
- ✓ Capital program to be funded mostly with internal capital
- ✓ Base rate increases projected consistent with historical inflation rates over the forecast period
- ✓ Switched to a monthly fuel rate to increase transparency and directly pass on costs

Water

JEA merits a AAA credit rating

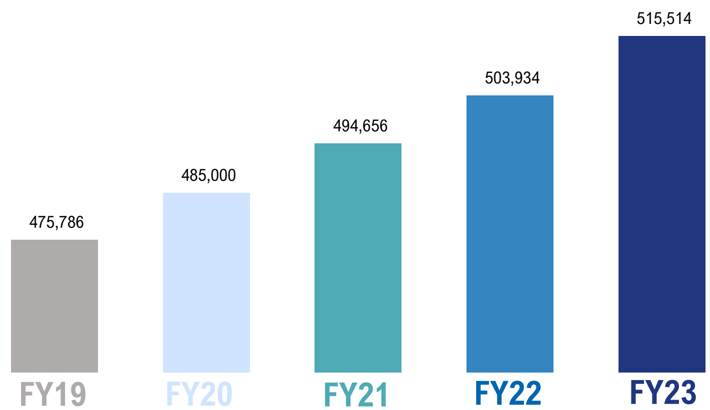
- ✓ Superior operational and financial metrics
- ✓ Robust growth in sales and customers
- ✓ Capital program funded predominantly with internal capital
- ✓ Continued commitment to investing in infrastructure to ensure reliability in operations now and into the future

JEA®
Building Community


Supplemental
Information

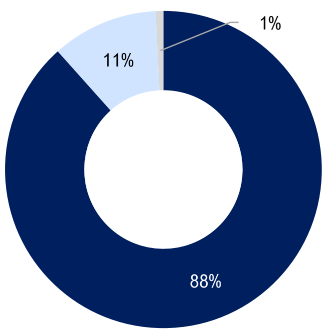
JEA Electric System | Customer Overview

Average Number of Customer Accounts

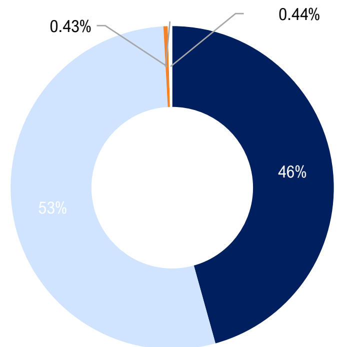


Top Ten Customer Accounts

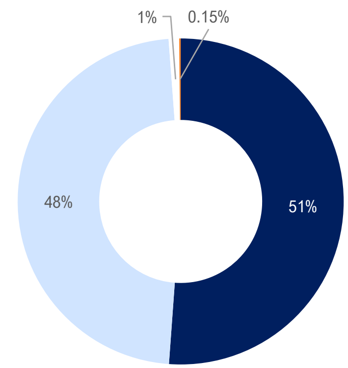
Rank	Customer	Annual Billed $	Percentage of $
1	U S NAVY PUBLIC WORKS CTR	$ 30,541,662	2.0%
2	CITY OF JACKSONVILLE	$ 26,634,449	1.8%
3	CMC STEEL US LLC	$ 25,222,943	1.7%
4	WESTROCK CP LLC	$ 17,943,000	1.2%
5	DUVAL CO SCHOOL DISTRICT	$ 16,286,069	1.1%
6	SOUTHERN BAPTIST HOSPITAL OF FLORIDA INC	$ 11,518,310	0.8%
7	MAYO CLINIC JACKSONVILLE	$ 10,645,084	0.7%
8	PUBLIX SUPER MARKETS INC	$ 10,227,301	0.7%
9	ANHEUSER BUSCH CO INC	$ 9,456,990	0.6%
10	JOHNSON AND JOHNSON VISION CARE INC	$ 8,547,986	0.6%
	Total Billed $	$1,505,017,506	



Average Number of Accounts
515,514



System Sales (MWh)
12,366,462



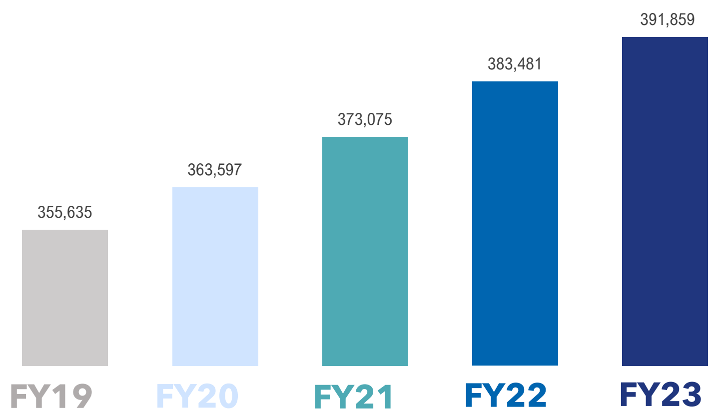
Revenues (in millions)
$1,487

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

47

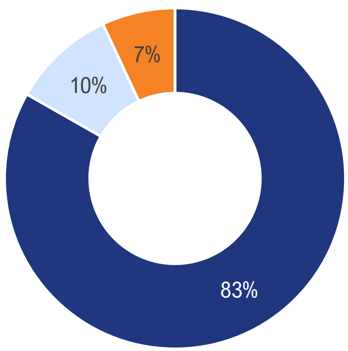
JEA Water System | Customer Overview

Average Number of Customer Accounts

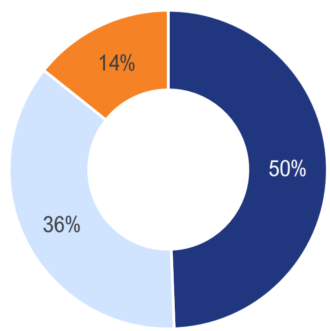


Top Ten Customer Accounts

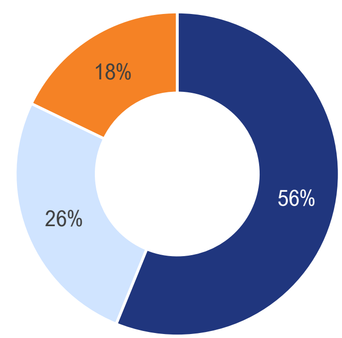
Rank	Customer	Annual Billed $	Percentage of $
1	CITY OF JACKSONVILLE	$ 2,186,352	1.0%
2	ST JOHNS COUNTY UTILITY	$ 1,270,518	0.6%
3	DUVAL CO SCHOOL DISTRICT	$ 1,213,757	0.6%
4	AMERICAN HOMES 4 RENT	$ 855,290	0.4%
5	SOUTHERN BAPTIST HOSPITAL OF FLORIDA INC	$ 751,553	0.3%
6	GATE PETROLEUM COMPANY	$ 481,805	0.2%
7	MAYO CLINIC JACKSONVILLE	$ 420,715	0.2%
8	ST VINCENTS HEALTH SYSTEM INC	$ 378,476	0.2%
9	MID-AMERICA APARTMENTS L P	$ 375,812	0.2%
10	UPWARD AMERICA SOUTHEAST PROPERTY OWNER LP	$ 358,262	0.2%
	Total Billed $	217,882,924	



Average Number of Accounts
391,859



System Sales (kgal)
39,733,861



Revenues (in millions)
$192,181

Residential | Commercial & Industrial | Irrigation

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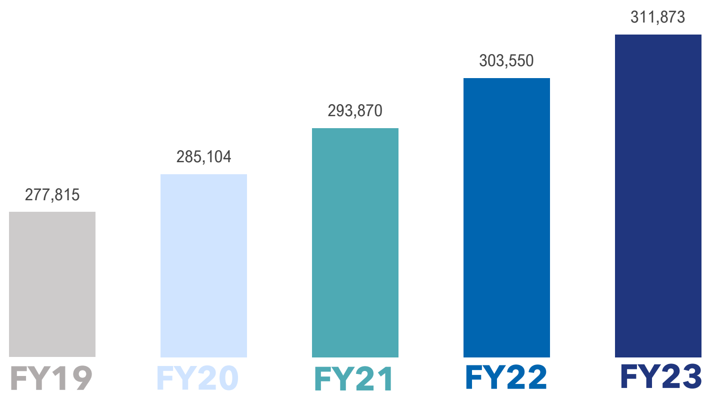
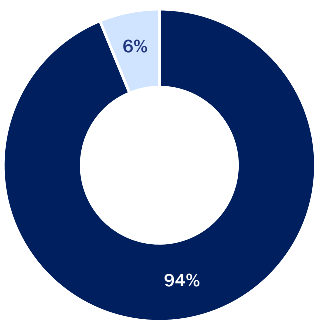
Wastewater System | Customer Overview

Average Number of Customer Accounts

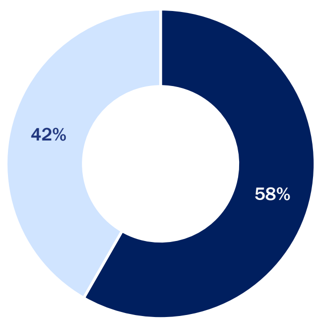


Top Ten Customer Accounts

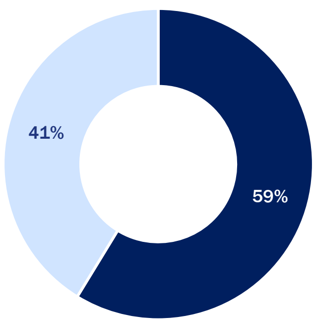
Rank	Customer	Annual Billed $	Percentage of $
1	CITY OF JACKSONVILLE	$ 3,057,197	1.1%
2	DUVAL CO SCHOOL DISTRICT	$ 2,143,289	0.8%
3	ST JOHNS COUNTY UTILITY	$ 1,820,801	0.7%
4	JOHNSON AND JOHNSON VISION CARE INC	$ 1,317,553	0.5%
5	SOUTHERN BAPTIST HOSPITAL OF FLORIDA INC	$ 1,177,442	0.4%
6	AMERICAN HOMES 4 RENT LP	$ 1,141,980	0.4%
7	MID-AMERICA APARTMENTS L P	$ 1,061,867	0.4%
8	MAYO CLINIC JACKSONVILLE	$ 1,025,692	0.4%
9	SYMRISE INC	$ 943,571	0.3%
10	GATE PETROLEUM COMPANY	$ 939,765	0.3%
	Total Billed $	276,486,182	



Average Number of Accounts
311,873



System Sales (kgal)
29,666,832



Revenues (in millions)
$276,605

Residential   Commercial & Industrial

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JEA Electric System | Coverage Projections

JEA Electric System Debt Service Coverage	Actual 2023	Projection ---> 2024	2025	2026	2027
Operating Revenues					
Base Rate System Revenues	806,570,607	820,345,152	878,971,844	940,430,320	1,006,285,402
Fuel Rate System Revenues	607,319,968	445,635,685	478,192,921	498,371,838	510,021,953
Off System Sales Revenues	436,235	-	-	-	-
Uncollectibles	(5,234,172)	(1,561,405)	(1,644,537)	(2,020,350)	(2,157,101)
Franchise and Gross Receipts Taxes	72,490,000	62,312,171	67,477,332	71,797,898	75,664,528
Investment Income	17,983,745	14,780,905	19,551,199	18,864,032	15,670,434
Other Revenues	59,759,951	43,674,007	30,224,578	30,479,898	30,429,650
Net Amt (Paid Into)/Rec'd From Rate Stabilization Fund	(182,036,456)	25,587,825	19,979,859	31,479,859	76,979,859
Net Amt (Paid Into) Rec'd From Fuel Reserve	-	-	-	-	-
Total Operating Revenues	**$ 1,377,289,879**	**$ 1,410,774,340**	**$ 1,492,753,195**	**$ 1,589,403,495**	**$ 1,712,894,726**
Operating Expenses					
O&M incl PSC Fee	317,008,487	299,971,753	323,184,906	332,880,454	342,866,867
Fuel and Purchased Energy	438,126,236	329,896,957	370,060,286	387,376,622	380,978,899
Non-Fuel Purchased Power	293,963,000	376,292,578	389,413,636	390,483,951	415,401,295
Franchise and Gross Receipts Taxes	72,490,000	62,556,610	67,730,326	72,059,746	75,935,541
Total Operating Expenses	**$ 1,121,587,723**	**$ 1,068,717,899**	**$ 1,150,389,153**	**$ 1,182,800,772**	**$ 1,215,182,602**
Net Revenues	**$ 255,702,156**	**$ 342,056,441**	**$ 342,364,042**	**$ 406,602,723**	**$ 497,712,124**
Total Aggregate Debt Service	**$ 68,650,406**	**$ 90,986,343**	**$ 93,747,296**	**$ 133,225,880**	**$ 154,397,131**
Other Fixed Charges					
Contribution To City	95,491,107	95,209,531	94,633,258	95,268,986	95,930,713
Total Fixed Charges	**$ 95,491,107**	**$ 95,209,531**	**$ 94,633,258**	**$ 95,268,986**	**$ 95,930,713**
Total PP&A Contract Payments	**$ 101,633,776**	**$ 205,361,083**	**$ 214,655,890**	**$ 212,996,340**	**$ 213,213,623**
Senior and Subordinated Debt Service Coverage	**3.72 x**	**3.76 x**	**3.65 x**	**3.05 x**	**3.22 x**
Adjusted Debt Service Coverage	**1.85 x**	**2.71 x**	**2.64 x**	**2.34 x**	**2.60 x**
Fixed Charge Coverage (with PPA Contract Payments)	**1.39 x**	**1.53 x**	**1.50 x**	**1.51 x**	**1.67 x**
System Sales excl FPU					
Territorial System MWH Sales	12,313,560	12,200,000	12,200,000	12,200,000	12,200,000
Off System MWH Sales	52,902	30,000	30,000	30,000	30,000
TOTAL MWH SALES	12,366,462	12,230,000	12,230,000	12,230,000	12,230,000

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JEA Water System | Coverage Projections

JEA
Water and Sewer System
Debt Service Coverage

	Actual 2023	Projections 2024	2025	2026	2027
Operating Revenues					
Water Revenues	181,169,634	186,687,486	201,348,007	213,880,181	232,112,814
Sewer Revenues	265,100,128	274,942,973	294,714,989	316,170,976	344,529,819
Reclaim Revenues	25,471,105	30,352,259	33,546,650	39,843,847	48,121,518
Environmental Revenues	11,876,502	-	-	-	-
Franchise Fee Revenues	11,318,946	11,514,735	12,395,384	13,338,253	14,622,452
Uncollectibles & Fees	(1,874,365)	(983,965)	(1,059,219)	(1,139,790)	(1,249,528)
Capacity & Extension Fees	64,535,543	66,353,658	68,794,896	71,344,213	74,008,125
Investment Income	6,338,083	4,747,998	10,345,952	10,071,609	10,096,616
Environmental Rate Stabilization Withdrawals	48,936,578	-	-	-	-
Environmental Rate Stabilization Contributions (from Environmental Revenue)	(22,842,094)	-	-	-	-
Environmental Rate Stabilization Contributions (from Operating Fund Transfers)	-	-	-	-	-
Other Revenues net of Uncollectibles	18,999,052	15,933,661	16,252,334	16,577,381	16,908,928
Total Operating Revenues	**$ 609,029,113**	**$ 589,548,805**	**$ 636,338,993**	**$ 680,086,669**	**$ 739,150,744**
Operating Expenses					
Maintenance and other operating expenses1	231,632,032	243,346,526	251,869,842	269,585,017	283,236,961
Franchise Fee Taxes	11,318,946	11,514,735	12,395,384	13,338,253	14,622,452
Total Operating Expenses	**$ 242,950,978**	**$ 254,861,261**	**$ 264,265,226**	**$ 282,923,270**	**$ 297,859,413**
Net Revenues	**$ 366,078,134**	**$ 334,687,544**	**$ 372,073,767**	**$ 397,163,399**	**$ 441,291,331**
Total aggregate senior debt service	**$ 84,240,619**	**$ 92,143,482**	**$ 109,450,186**	**$ 125,576,043**	**$ 137,079,803**
Senior and Subordinated Debt Service					
Total aggregate senior debt service	84,240,619	92,143,482	109,450,186	125,576,043	137,079,803
Plus: aggregate subordinate debt service on outstanding subordinated debt	16,899,177	18,467,917	21,840,580	24,979,893	27,199,384
Total aggregate senior debt service and aggregate subordinate debt service	**$ 101,139,796**	**$ 110,611,399**	**$ 131,290,766**	**$ 150,555,936**	**$ 164,279,187**
Other Fixed Charges					
City Contribution Expense	26,933,389	28,439,210	29,381,378	29,988,595	30,582,042
Total Fixed Charges	**$ 26,933,389**	**$ 28,439,210**	**$ 29,381,378**	**$ 29,988,595**	**$ 30,582,042**
Senior Debt Service Coverage	**4.35 x**	**3.63 x**	**3.40 x**	**3.16 x**	**3.22 x**
Senior and Subordinated Debt Service Coverage (including capacity fees)2	**3.62 x**	**3.03 x**	**2.83 x**	**2.64 x**	**2.69 x**
Senior and Subordinated Debt Service Coverage (excluding capacity fees)	**2.98 x**	**2.43 x**	**2.31 x**	**2.16 x**	**2.24 x**
Fixed Charge Coverage2	**3.35 x**	**2.77 x**	**2.61 x**	**2.44 x**	**2.50 x**
KGALS					
Water Sales	39,733,861	40,639,956	41,127,635	41,538,912	42,014,911
Sewer Sales	29,666,832	30,377,886	30,742,421	31,423,991	31,962,073
Reclaimed Water Sales	5,277,237	5,616,604	6,382,778	7,263,879	8,277,145
Total KGALS	**74,677,930**	**76,634,446**	**78,252,834**	**80,226,782**	**82,254,129**

Robert L. Stein | JEA Board Chair

President of the Regency Group

TERM

04/16/2020 – 02/28/2025

Bobby Stein is President of The Regency Group, a family holding company. He has founded the successful investment and growth of many businesses in a wide variety of industry sectors including water, sewer and waste management, real estate, oil and gas, mortgage services, highway safety, technology, food services and healthcare. Bobby is a board member of Kerrco Inc. (Houston based oil and gas company), SDS (Pizza Hut franchisee), Acme (highway safety business), TL Canon (Applebee's franchisee), and Welltality (healthcare solutions provider). He currently serves as Board Chairman of The Better Angels Society (Ken Burns foundation).

Bobby has served the community in a variety of capacities, including as Board Member for the following organizations: Jacksonville Port Authority, King Distribution, St. Johns Utilities, former Chairman of Jacksonville Electric Authority (predecessor of JEA), and Jacksonville Civic Council JEA Task Force Co-Chair.

Past gubernatorial appointments include member of the President's Intelligence Advisory Board; former Chairman of the Defense Business Board, and ex official member of the Defense Policy Board and the Defense Science Board. Bobby served as a member of the United States Naval Academy Board of Visitors.

Marty Lanahan | JEA Board Vice Chair & Chair, Governance, Audit, Compliance Committee

EVP & Regional President – North Central Southwest Florida - First Horizon Bank

TERM
04/16/2020 – 02/28/2027

Marty Lanahan currently serves as the North Central Southwest Florida Regional President - Executive Vice President for First Horizon Financial. Her extensive career in the banking industry spans 37 years. She spent 19 years at Regions Bank, leading teams in North Florida, the Panhandle, and the West Coast of Florida. Prior to that, she was the Area President over North Florida and the City President for Jacksonville.

Before joining Regions, Lanahan's banking career began with The Atlantic Bank/First Union Bank after graduating from The University of South Carolina with a Finance Degree. She has a diverse background within the financial services sector spanning Commercial/Corporate Banking, Small Business, Retail, Treasury, and Wealth Management.

Lanahan is an active citizen of the state of Florida and is currently on the board of The Moffitt Cancer Center's Medical Practice Group and The Tampa Museum of Art. Ms. Lanahan is also a trustee of the Jessie Ball duPont Fund since 2013. While residing in Jacksonville, Lanahan served on many boards including JEA (Chair), United Way of North Florida, The Cultural Council of Jacksonville (Chair), and The Super Bowl Host Committee where she was responsible for 10,000 volunteers. She also served the citizens of the State of Florida as a Commissioner on The Florida Transportation Commission (Chair).

She has been recognized with numerous awards including One Jax Humanitarian of the Year, City of Jacksonville Spirit of Rosie Award and an Eve Award Winner for employment. She has also been inducted into the First Coast Business Hall of Fame.

Joe DiSalvo | JEA Board Secretary & Chair, Finance and Operations Committee

Lieutenant General U.S. Army, Retired

TERM

04/16/2020 – 02/28/2026

Joe DiSalvo has over 30 years as a strategic leader who built trust, initiative, innovation, integrity, core values, and accountability in organizations ranging from 850 to 65,000 personnel. Exceptionally experienced interacting with U.S. federal government agencies, congress, and international governments (14 years working abroad). Successfully managed $1B budgets and led 4 strategic planning projects at the national level. His passion is leading and inspiring individuals and organizations to excel and impact positively on society. Joe currently provides consulting services focused on leader development, strategic planning, team building, business development and crisis management. Joe is also on the Board of Advisors for two private companies and on the Board of Directors for a public power utility company.

Joe graduated from the United States Military Academy in 1981 with a Bachelor of Science degree and was commissioned in the Armor Corps. He has a Masters in Operations Research from the Air Force Institute of Technology and a Masters of Strategic Studies from the U.S. Army War College.

Joe's military career culminated as the U.S. Southern Command's Deputy Commanding General, as a Lieutenant General, from 2015-2018, where he was responsible for security cooperation and capacity building with militaries from Central America, Caribbean, and South America. From 2013 to 2015 as a Major General, he commanded the U.S. 6th Army where he was responsible for partnering, advising, and mentoring senior army leaders from Central America, Caribbean, and South America. From 2012 to 2013 Joe was Chief of Staff, U.S. Southern Command where he led 9 directorates and oversaw a $1,062M budget.

Joe was Deputy Commanding General of III U.S. Army Corps from 2010 to 2012 where he oversaw the tactical training, operations, and quality of life for 35,000 Soldiers and their families in Fort Hood, Texas. Additionally, as a Brigadier General, he was also the Corps Chief of Staff from 2009 to 2010 where he supervised 8 directorates and managed a $500M budget.

While assigned to the Pentagon, from 2008-2009 he was the senior advisor to the Chairman of the Joint Chiefs of Staff for Western Hemisphere security and Homeland Defense. As a Colonel, in 2006-2007 Joe was the lead Iraq campaign policy analyst for the Joint Staff. From 2003-2006 he commanded 2nd Brigade Combat Team, 3rd Infantry Division, which included two combat tours.

Joe is married with three grown children. He is a military history enthusiast and enjoys all sports, especially road racing (running).

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John Baker | JEA Board Member

Executive Chairman & CEO of FRP Holdings, Inc.

TERM

04/16/2020 – 02/28/2024

Mr. Baker is currently Executive Chairman and Chief Executive Officer of FRP Holdings, Inc. a real estate company located in Jacksonville, Florida. From February 2008 until October 2010, he served as the President and Chief Executive Officer of Patriot Transportation Holding, Inc. Before joining Patriot, Mr. Baker was President and Chief Executive Officer of Florida Rock Industries, Inc.

Mr. Baker received a B.A. from Princeton University and graduated with honors from the University of Florida School of Law. Mr. Baker is a director of Blue Water Industries Holdings, LLC and a senior advisor for Brinkmere Capital Partners, LLC, a private equity firm.

Mr. Baker is a former member of the of the Board of Directors of Wachovia Corp, Jacksonville Port Authority, Progress Energy, Vulcan Materials, Hughes Supply and Texas Industries, Inc. Mr. Baker maintains leadership roles in several community educational organizations including Tiger Academy, KIPP School Jacksonville, and the YMCA of Florida's First Coast.

Dr. A. Zachary Faison, Jr. | JEA Board Member

30th President & CEO of Edward Waters University

TERM

04/16/2020 – 02/28/2026

Dr. A. Zachary Faison, Jr. assumed responsibility as the 30th President and CEO of Edward Waters College (EWC) in July 2018 post a unanimous vote by the College's Board of Trustees. Faison's selection made him the youngest serving President & CEO of a Historically Black College or University (HBCU) in America.

A native of Atlanta, Georgia, Faison's career includes distinguished professional experiences as a higher education executive administrator, educator, and attorney. Before his Presidential appointment at EWC, Faison served as General Counsel & Vice President of External Affairs at Tuskegee University (TU) in Tuskegee, AL. Prior to his appointment at TU, he served as Vice President for Enrollment Management & Student Affairs at Virginia Union University (VUU) in Richmond, VA, where he founded the VUU College for African-American Men (VCAAM). Dr. Faison also previously served as Special Assistant to the President for Legal & Legislative Affairs, Community Affairs, and Economic Development at Mississippi Valley State University in Itta Bena, MS, where he later became University Chief of Staff before being named Vice President of Institutional Advancement & Executive Director of the MVSU Foundation. As a scholar-educator, Faison has held professorial appointments at both the undergraduate and graduate levels in Political Science, Criminal Justice, and Business Administration. Faison is also a former state prosecutor having prosecuted criminal felony drug cases in Georgia.

Faison graduated Magna Cum Laude from Albany State University (ASU) with a Bachelor of Arts (B.A.) in English where he was an ASU Presidential & Foundation Scholar, Dwight D. Eisenhower National Fellow (US-DOT), and an ASU Velma Fudge Grant University Honors Program & ASU Merit Scholar Graduate. He earned his Juris Doctorate (J.D.) from the University of Georgia School of Law (UGA) where he was a member of the Executive Moot Court Board & Moot Court team. Faison completed post-doctoral study at the Harvard University Graduate School of Education's Institute for Educational Management (IEM) and was a Millennium Leadership Initiative Institute (MLI) Fellow of the American Association of State Colleges & Universities (AASCU). He also holds the Certification in Fundraising Management (CFRM) from The Philanthropy School at Indiana University (IU).

He is the son of Alderman Faison, Sr. and Dr. Jewel J. Faison, and brother to Dr. Morgan Zacheya-Jewel Faison. Faison has been blissfully married for twelve years to Mrs. Tyciee L. Faison, who is also a seasoned higher education administrator, educator, and ordained minister.

Kawanza Humphrey | JEA Board Member

Chief Human Resources Officer, VyStar Credit Union

TERM
04/24/2023 – 02/28/2027

Kawanza Humphrey serves as chief human resources officer for VyStar Credit Union. In her role she is responsible for leading the credit union's human resources efforts, including diversity, equity and inclusion, talent acquisition, employee relations, benefits, compensation, organizational performance, and development.

Humphrey has more than 20 years of experience in the banking industry. Most recently, she served as the senior vice president of corporate responsibility for the Eastern Region of KeyBank. Prior to joining KeyBank, upon completion of HSBC's Executive Development Program, she held several positions, including retail management.

She is passionate about community and economic development. In addition to her professional experience, Humphrey has volunteered with several nonprofit organizations, including serving on the board of directors for the Sisters Hospital Foundation and the Ralph C. Wilson Foundation's Program Committee. She is a member of Delta Sigma Theta Sorority Inc. and The Links Inc. She has been named to Buffalo Business First's Power 200 Women and has been recognized as a Woman of Influence, a 40-under-40 recipient and a Black Achiever in Industry.

Humphrey earned a bachelor's degree in English/African American Studies from the University at Buffalo and a master's degree in Executive Leadership and Change from Daemen University. She is a Phi Beta Kappa.

Ricardo Morales III | JEA Board Member

President & CEO,
Morales Construction Co. Inc.

TERM
9/28/2021 – 2/28/2024

Ricardo "Rick" Morales III leads operations at Morales Construction, a design/build general contracting company specializing in estate custom homes in Northeast Florida. He has more than 35 years of experience in all phases of construction, including financial management, field supervision, project management, estimating, project development and executive management.

Morales started his career as an estimator for Atlantic Constructors, a division of Patterson Enterprises, in 1985. In 1987, he joined Morales Construction Co., becoming president of the company in 1995.

Morales is active in numerous business and charitable organizations. He was appointed to the Florida Judicial Qualifications Commission by Gov. Jeb Bush in 2001 and 2007, then reappointed by Gov. Rick Scott in 2013 and served as its chairman from 2013 to 2015. Morales is a board member, PAC chairman and previous board president of the Northeast Florida Builders Association and is a director and past chairman of the Presidents Council for the Florida Home Builders Association.

Morales is a graduate of The Bolles School in Jacksonville and Wofford College in Spartanburg, South Carolina, where he received a bachelor's degree in finance.

JEA Legal Disclosure

This Presentation is provided for general informational purposes only and it does not include every item which may be of interest, nor does it purport to present full and fair disclosure, within the meaning of applicable securities laws, with respect to JEA or its operational and financial information, including, but not limited to, any of JEA's bond programs. This Presentation is not, and nothing in it should be construed as, an offer, invitation or recommendation in respect of JEA's debt, or an offer, invitation or recommendation to sell, or a solicitation of an offer to buy any security or other financial instrument in any jurisdiction or to adopt any investment strategy. Any investment decisions regarding JEA's securities should be made only after a careful review of the complete offering and disclosure materials with respect to such securities and in consultation with independent professional advisors as to the suitability of such securities for an investor's particular circumstances.

The information presented herein has been gathered from sources JEA believed to be reliable, certain of which have not been independently verified. No representation or warranty, express or implied, is provided in relation to the fairness, accuracy, correctness, completeness or reliability of the information, opinions or conclusions expressed in this Presentation.

This Presentation contains statements which, to the extent they are not recitations of historical fact, constitute "forward looking statements." Such statements generally are identifiable by the use of words, such as "plan," "expect," "intend," "believe," "anticipate", "project," "forecast," "estimate," "budget" or other similar words. The forward looking statements in this Presentation are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of JEA. All forward looking statements included or incorporated by reference in this Presentation are based on information available on the date hereof and any assumptions could be inaccurate and, therefore, the actual results could differ materially from those in such forward looking statements.

The information in this Presentation is current as of the date hereof and there may events that occur subsequent to such date that may have a material adverse effect on the operational and financial information included in this Presentation. JEA has not undertaken any obligation to update any of the information in this Presentation.

ANNUAL DISCLOSURE REPORT
FOR
ELECTRIC UTILITY SYSTEM
FOR
FISCAL YEAR
ENDED
SEPTEMBER 30, 2023

(Prepared pursuant to certain continuing disclosure undertakings relating to the Bonds listed in APPENDIX H hereto)

Filed on EMMA

Dated as of
[____________], 2024

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JEA
225 NORTH PEARL STREET
JACKSONVILLE, FLORIDA 32202
(904) 665-7410
(http://www.jea.com)

JEA OFFICIALS

BOARD OF DIRECTORS

Chair	Robert L. Stein
Vice Chair	Martha T. Lanahan
Secretary	Gen. Joseph P. DiSalvo
	John D. Baker II
	Dr. A. Zachary Faison, Jr.
	Kawanza A. Humphrey
	Ricardo Morales III

LEADERSHIP TEAM

Managing Director and Chief Executive Officer	Joseph C. Stowe III
Chief Operating Officer	Raynetta Curry Marshall
Chief Customer Officer	Sheila E. Pressley
Chief Human Resources Officer	L. David Emanuel
Chief Financial Officer	Theodore B. Phillips
Chief Legal Officer	Regina D. Ross
Chief External Affairs Officer	Laura Marshall Schepis
Chief Strategy Officer	Laura M. Dutton
Vice President, Financial Services	Joseph E. Orfano

GENERAL COUNSEL

Michael T. Fackler, Esq.
General Counsel of the City of Jacksonville
Jacksonville, Florida

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ANNUAL DISCLOSURE REPORT FOR ELECTRIC UTILITY SYSTEM FOR FISCAL YEAR ENDED SEPTEMBER 30, 2023

INTRODUCTION

General

This Annual Disclosure Report for Electric Utility System for Fiscal Year Ended September 30, 2023 (together with the Schedule and the Appendices hereto, this "Annual Disclosure Report") has been prepared and is being filed by JEA in connection with its annual continuing disclosure obligations as an "obligated person" (as defined in Rule 15c2-12 ("Rule 15c2-12") of the United States Securities and Exchange Commission (the "SEC") promulgated under the Securities Exchange Act of 1934, as amended), as set forth in the continuing disclosure undertakings of JEA entered into pursuant to Rule 15c2-12 relating to those certain series of bonds more particularly identified in APPENDIX H attached hereto. Information in this Annual Disclosure Report is reported as of September 30, 2023, except where expressly indicated otherwise.

This Annual Disclosure Report is being filed with the Municipal Securities Rulemaking Board (the "MSRB"), through the MSRB's Electronic Municipal Market Access ("EMMA") website currently located at https://emma.msrb.org/

Each of the hereinafter defined Electric System, Water and Sewer System, and District Energy System is owned and operated by JEA separately. For information relating to JEA's Water and Sewer System and District Energy System, see the Annual Disclosure Report for Water and Sewer System and District Energy System for Fiscal Year Ended September 30, 2023 (the "Water and Sewer/DES Annual Disclosure Report"), which is available on EMMA. **The revenues of each system do not constitute revenues of the other systems, and revenues of the Electric System are not pledged to the payment of any debt issued or to be issued by JEA to finance and refinance the other systems.** JEA may, however, satisfy its annual obligation to transfer funds to the City of Jacksonville, Florida (the "City") with funds derived from any of its utilities systems. See "OTHER FINANCIAL INFORMATION - Transfers to the City" herein.

For purposes of this Annual Disclosure Report, the Electric System, JEA's interest in the St. Johns River Power Park Units 1 and 2 (such generating station, the "Power Park" or "SJRPP") and the Scherer 4 Project (hereinafter defined) are referred to collectively as JEA's "Electric Utility Functions." SJRPP ceased commercial operation on January 5, 2018. See "ELECTRIC UTILITY SYSTEM - *ELECTRIC UTILITY FUNCTIONS* - St. Johns River Power Park - *Early Termination of Power Park Joint Ownership Agreement*" herein. Scherer Unit 4 (as defined herein) was retired on January 1, 2022. See "ELECTRIC UTILITY SYSTEM - *ELECTRIC UTILITY FUNCTIONS* - Scherer 4 - *Retirement of Scherer Unit 4*" herein. This Annual Disclosure Report contains information regarding JEA's Electric Utility Functions. For financing purposes, the debt of JEA relating to its Electric Utility Functions is payable from and secured by the revenues derived by JEA from the sale of electricity and related services. **Accordingly, the information contained herein relating to JEA's Electric Utility Functions is not relevant to the Water and Sewer System Bonds, the Subordinated Water and Sewer System Bonds or the District Energy System Bonds and should not be taken into account in evaluating such debt.**

The summaries of or references to the Electric System Resolution, the Subordinated Electric System Resolution, the Second Power Park Resolution, and the Restated and Amended Bulk Power Supply System Resolution, and certain proposed amendments thereto, where applicable, (as such terms are hereinafter defined) and certain statutes and other ordinances and documents included in this Annual Disclosure Report do not purport to be comprehensive or definitive; and such summaries and references are qualified in their entirety by references to each such resolution, statute, ordinance, and document. Copies of such resolutions are available on the JEA website at https://www.jea.com/About/Investor_Relations/Bonds.aspx and the other documents referred to in this Annual Disclosure Report may be obtained from JEA; *provided*, *however*, that a reasonable charge may be imposed by JEA for the cost of reproduction.

Miscellaneous; Forward-Looking Statements

This Annual Disclosure Report is not, and nothing in it should be construed as, an offer, invitation or recommendation in respect of any of JEA's debt or securities, or an offer, invitation or recommendation to sell, or a solicitation of an offer to buy JEA's debt in any jurisdiction. The matters discussed in this Annual Disclosure Report and all other documents issued by JEA are for informational purposes only, and holders of JEA's debt, potential investors and/or other interested parties should not rely on such information as their sole source of information about matters related to JEA's debt or in making an investment decision with respect to JEA's existing debt or securities or any other debt or securities which may be offered by JEA. Neither this Annual Disclosure Report nor anything in it shall form the basis of any contract or commitment. By the filing of this Annual Disclosure Report, JEA makes no recommendations and is not giving any investment advice as to any of JEA's debt or securities. In no event shall JEA be liable for any use by any party of, for any decision made or action taken by any party in reliance upon, or for any inaccuracies or errors in, or omissions from, the information contained in this Annual Disclosure Report and such information may not be relied upon in evaluating the merits of holding, purchasing or selling any of JEA's debt or securities. The information contained in this Annual Disclosure Report, including any forecast financial information, if any, should not be considered as advice or a recommendation to holders and potential investors in relation to holding, purchasing or selling any such securities. Before acting on any information contained in Annual Disclosure Report, holders and potential investors should consider the appropriateness of the information having regard to these matters, any relevant offering document and in particular, holders and potential purchasers should seek independent financial and/or legal advice. Certain of the information in this Annual Disclosure Report has been compiled from sources believed to be reliable, certain of which has not been independently verified. No representation or warranty, express or implied, is provided in relation to the fairness, accuracy, correctness, completeness or reliability of the information, opinions or conclusions contained or expressed in this Annual Disclosure Report.

This Annual Disclosure Report may contain "forward-looking" statements that involve risks, uncertainties and assumptions. If the risks or uncertainties ever materialize or the assumptions prove incorrect, the results may differ materially from those expressed or implied by such forward-looking statements. Accordingly, JEA cautions holders and potential purchasers not to place undue reliance on these statements. All statements other than the statements of historical fact could be deemed forward-looking and should not be considered a comprehensive representation of JEA's expected operational or financial performance. All opinions, estimates, projections, forecasts and valuations are preliminary, indicative and are subject to change without notice. The information in this Annual Disclosure Report is current as of the dates set forth in this Annual Disclosure Report and there may be events that have occurred or will occur subsequent to such dates that would have a material adverse effect on the operational or financial information that is presented in this Annual Disclosure Report. JEA has not undertaken any obligation to update any information in this Annual Disclosure Report.

JEA's independent certified public accountants have not examined, compiled or otherwise applied procedures to this Annual Disclosure Report, including any forward-looking statements or financial forecasts presented in this Annual Disclosure, and, accordingly, do not express an opinion or any other form of assurance on the information in this Annual Disclosure Report, except where expressly indicated otherwise.

JEA Establishment and Organization

JEA is a body politic and corporate organized and existing under the laws of the State of Florida (the "State") and is an independent agency of the City. The City is a consolidated city-county local government for Duval County, located in Northeast Florida. For information regarding the governing body of JEA (the "JEA Board"), see "INTRODUCTION - JEA Establishment and Organization" below. JEA (then known as Jacksonville Electric Authority) was established in 1968 to own and manage the electric utility which had been owned by the City since 1895 (the "Electric System"). In 1997, the Council of the City (the "Council") amended the Charter of the City (the "Charter") in order to authorize JEA to own and operate additional utility functions and, effective on June 1, 1997, the City transferred to JEA the City's combined water and sewer utilities system (the "Water and Sewer System"). Effective as of October 1, 2004, JEA established a separate utility system (the "District Energy System") for its local district energy facilities, including its chilled water activities and any local district heating facilities JEA may develop in the future. JEA operates and maintains its records on the basis of a fiscal year ending on each September 30th (a "Fiscal Year").

The Charter assigns responsibility for the management of JEA's utility systems, including the Electric System, to the JEA Board. The JEA Board consists of seven members. The Council previously enacted an ordinance placing a referendum question on the November 3, 2020 general election ballot that asked the voters of the City to approve a change to the Charter that would require four members of the JEA Board be appointed by the Council president and three members be appointed by the Mayor of the City. In all cases the appointments would have to be confirmed by the Council. One of the Council president's appointments must be a former JEA employee or a person recommended by an employee, union or group of current or former JEA employees. The referendum item was supported by the majority of voters on November 3, 2020, and on December 8, 2020, the Council enacted an ordinance that codified these changes, among others, into the Charter. The members serve without pay for staggered terms of four years each, with a maximum of two consecutive full terms each.

Current members of the JEA Board, their occupations and the commencement and expiration of their terms are as follows:

Member	Occupation	Term[(1)]
Robert L. Stein, *Chair*	President, The Regency Group, Inc.	April 16, 2020 – February 28, 2025[(2)]
Martha T. Lanahan, *Vice-Chair*	Executive Vice President & Regional President, North Central Southwest Florida Region, First Horizon Bank	April 16, 2020 – February 28, 2027[(3)]
Gen. Joseph P. DiSalvo, *Secretary*	Lieutenant General, U.S. Army (Retired)	April 16, 2020 – February 28, 2026[(4)]
John D. Baker II	Executive Chairman & CEO, FRP Holdings, Inc.	April 16, 2020 – February 28, 2024
Dr. A. Zachary Faison, Jr.	President & CEO, Edward Waters College	April 16, 2020 – February 28, 2026[(4)]
Kawanza A. Humphrey	Chief Human Resources Officer, VyStar Credit Union	August 24, 2023 – February 28, 2027[(5)]
Ricardo 'Rick' Morales III	President & CEO, Morales Construction Co. Inc.	October 1, 2021 – February 28, 2024[(6)]

(1) At the January 28, 2020 JEA Board meeting, the previous Chair of the JEA Board announced her resignation and following such meeting, Mayor Lenny Curry announced that all of the members of the JEA Board would be leaving their positions effective February 29, 2020. Accordingly, all seven of the then members of the JEA Board were subsequently appointed and all of their terms commenced on April 16, 2020.

(2) Mr. Stein was reappointed for a first full-term commencing February 28, 2021.

(3) Ms. Lanahan was reappointed to a second full-term commencing February 28, 2023.

(4) General DiSalvo and Dr. Faison were each reappointed for a first full-term commencing February 28, 2022.

(5) Ms. Humphrey was appointed for a first full term commencing August 24, 2023, replacing Thomas Van Osdol, who resigned from the JEA Board effective May 19, 2023.

(6) Mr. Morales was appointed for a first full-term commencing October 1, 2021, replacing Dr. Leon L. Haley, Jr.

In addition, in accordance with the provisions of the interlocal agreement entered into between JEA and Nassau County, Florida ("Nassau County") in connection with JEA's acquisition of certain assets and franchises of a private water and sewer utility in Nassau County, Nassau County is entitled to appoint a non-voting representative to the JEA Board. The Nassau County representative is entitled to attend all JEA Board meetings and to participate in discussions concerning matters that affect the provision of water and sewer services within Nassau County. As of the date of this Annual Disclosure Report, Nassau County has not appointed its non-voting representative to the JEA Board.

The Charter authorizes JEA to construct, acquire (including acquisition by condemnation), establish, improve, extend, enlarge, maintain, repair, finance, manage, operate and promote its utilities systems (which consist of (a) the Electric System, (b) the Water and Sewer System, (c) the District Energy System and (d) any additional utilities systems which JEA may undertake in the future upon satisfaction of the conditions set forth in the Charter), and to furnish electricity, water, sanitary sewer service, natural gas and other utility services as authorized therein within and outside of the City and for said purposes to construct and maintain electric lines, pipelines, water and sewer mains, natural gas lines and related facilities along all public highways and streets within and outside of the City. The Charter also confers upon JEA the power to sue, to enter into contracts, agreements and leases, and to sell revenue bonds to finance capital improvements and to refund previously issued evidences of indebtedness of JEA.

In addition to the powers conferred upon JEA by the Charter, the Bulk Power Act authorizes JEA to acquire, own and operate as separate bulk power supply utilities or systems, electric generating plants and transmission lines within the City and within and outside of the State. JEA's interests in the Power Park and the Scherer 4 Project are separate bulk power supply systems pursuant to the Bulk Power Act. JEA may develop other separate bulk power supply systems in connection with future generation and/or transmission projects. JEA has launched several initiatives to provide revenue diversity. Included in these initiatives are natural gas sales to commercial and industrial customers (see "ELECTRIC UTILITY SYSTEM - *ELECTRIC UTILITY FUNCTIONS* - Electric System - *Natural Gas Commercial Services*" herein), forestry management of JEA owned conservation lands, leasing of dark fiber and space on communication towers, transmission and distribution poles and partnering with the North Florida Transportation Planning Organization to encourage electrification.

Management and Employees

The Charter assigns responsibility for the management of JEA's utilities systems to the JEA Board. JEA employs a Managing Director and Chief Executive Officer as its chief executive officer. The Managing Director, executive officers, vice presidents, directors, managers, executive assistants and other appointed staff, numbering approximately 501 persons, form the management team (the "Management Team") and are not subject to the City's civil service system.

Management

Mr. Stowe assumed his responsibilities at JEA as Managing Director and Chief Executive Officer on November 30, 2020.

The following is information regarding the Managing Director and Chief Executive Officer of JEA and the leadership team.

Joseph "Jay" C. Stowe III, Managing Director and Chief Executive Officer. Mr. Stowe was named JEA's Managing Director and Chief Executive Officer in November 2020 and has served in the not-for-profit utility sector.

For more than 30 years he has been focused on supporting a team of leaders to deliver on the mission of improving lives and building community – which he believes is critical to JEA's ability to best serve its customers in the Northeast Florida region.

Mr. Stowe served municipal utilities in direct roles and as a consultant. He served in a senior vice president role for the Tennessee Valley Authority ("TVA"). Prior to TVA, he spent more than a decade at Huntsville (Alabama) Utilities, where he served as VP of Operations and COO before becoming President and CEO. He also served two municipal utilities in North Carolina and started his career as a consultant for Black & Veatch.

Mr. Stowe serves as an American Public Power Association (APPA) representative on the national Electricity Subsector Coordinating Council (ESCC) and is currently the Co-chair of the group. He also serves as a board member and chair of The Energy Authority, and as a board member and chair of TEA Solutions. Mr. Stowe earned a bachelor's degree in civil engineering from North Carolina State University.

Raynetta Curry Marshall, Chief Operating Officer. Ms. Marshall leads all utility operations as well as the electric and water teams that provide reliable, affordable, safe utility services to more than one million Northeast Florida residents.

With more than 35 years of experience in water resources and utility management, Ms. Marshall returned to JEA as chief operating officer (COO) in August 2021. She served as general manager of the Underground Utilities & Public Infrastructure Department (UU&PI) in Tallahassee, Florida, for two years. Prior to that, Ms. Marshall held several leadership roles at JEA's water/wastewater department from 2011 to 2019.

Ms. Marshall holds a master's degree in environmental engineering and a bachelor's degree in civil engineering from Howard University. She served on the boards of the Florida Municipal Power Association and the Association of Edison Illuminating Companies and previously served as president of the Florida Water Environment Association and as Chair of the Water Environment Federation Utility Management Committee.

Sheila E. Pressley, Chief Customer Officer. Ms. Pressley was named JEA's Chief Customer Officer in February 2021. She is principally responsible for developing and implementing strategies to enhance the customer experience for JEA's 500,000 + customers. During her 20-year tenure at JEA, she has served as a member of senior leadership as the interim CCO, an executive with responsibility for AMI and AMR implementations, revenue cycle, and customer service operations.

Ms. Pressley is heavily engaged in community and civic endeavors. She serves as a JAX Chamber Trustee and on the board of directors for several nonprofit agencies including the American Red Cross, CX Innovation, and Leadership Jacksonville. She is a 2019 Leadership Jacksonville graduate and volunteers her time to support this longstanding leadership program. She also serves on the National Energy & Utility Affordability Coalition (NEUAC) board of directors, a nationwide organization that advocates for the energy needs of low-income households. Ms. Pressley studied Fine Arts at Florida State University and earned a Bachelor of Business Administration from the University of Phoenix.

L. David Emanuel, Chief Human Resources Officer. Mr. Emanuel was named JEA's Chief Human Resources Officer in February 2021. He is responsible for the development and implementation of organizational re-design efforts, talent acquisition, succession planning, compensation plans, and team member engagement efforts critical to JEA's efficiency and productivity.

As a human resources executive with over 30 years of experience in a variety of sectors, Mr. Emanuel strives to help others navigate personnel and organizational matters in a thoughtful, progressive and meaningful manner. He has worked globally, while learning the value of diversity of cultures. He firmly believes that while rules, policies, standards, and expectations can differ, respect for the individual cannot.

Prior to joining JEA, Mr. Emanuel served in a number of senior leadership roles, most recently as Chief Human Resources Officer for APR Energy, a global organization responsible for designing, manufacturing, and operating emergency power sources to customers in 35 countries internationally. He also worked as Senior Vice President of Global Human Resources for CIT, where he was responsible for business process redesign of all human resources in the corporate functional, operations and administration areas across its global footprint. Additionally, Mr. Emanuel was Vice President of Global Human Resources for Anschutz Entertainment Group (AEG) Worldwide, where he was head of the global human resources sports and entertainment business, encompassing sports teams, entertainment, content management, product development, and facility management for over 35 major venues around the world.

Mr. Emanuel is the Chair of the Dean's Council at the University of North Florida, Co-Chair of the Talent Advancement Network for the Jacksonville Chamber of Commerce, President of the Board of Directors at Angelwood, Board member at Level the Playing Field, and has been a speaker for the Minority Business Roundtable for over a decade. He earned a bachelor's degree in history from Wittenberg University.

Theodore "Ted" B. Phillips, Chief Financial Officer. Mr. Phillips joined JEA as its Chief Financial Officer in August 2021. In this role, his responsibilities include oversight of Financial Services, Treasury Services, Risk Management Services, Supply Chain, Corporate Security, Procurement, Emergency Preparedness and Business Continuity, Facilities and Fleet Services and Technical Services. He brings with him a wealth of experience leading finance teams for public utilities.

Prior to joining JEA, Mr. Phillips worked for 10 years with Huntsville (Ala.) Utilities, leading teams in Finance/Accounting, MIS, Technical Services, Purchasing, Stores & Warehouses, Fleet and Facilities. Previously, he spent 20 years in the public sector working for the cities of Shelby and Monroe, North Carolina, Mecklenburg County, North Carolina, and the State Auditor's office in Missouri.

Mr. Phillips received a Bachelor of Science in Business Administration from Southeast Missouri State University. He has been an active member in the communities he has called home, having served on the boards of the United Way and The Schools Foundation in Huntsville, and in various United Way campaign leadership positions. He currently serves as Treasurer of the Salvation Army of Northeast Florida Advisory Board. He has also been a longtime pack leader for the Boy Scouts of America.

Laura M. Dutton, Chief Strategy Officer. Ms. Dutton has served as JEA's Chief Strategy Officer since March 2021. She leads a diverse team focused on ensuring JEA is well-positioned for the future across the enterprise. Economic Development & Real Estate focuses on growing capital investment and jobs in northeast Florida and the acquisition, disposition, lease, or licensing of real property in the region to support economic development and utility operations. Enterprise Strategy & Planning focuses on facilitating and leading the company through an integrated planning process that begins with setting the strategic direction, building out strategic plans and key supporting plans, and the planning and analysis to develop a business plan and monitor its progress. Grid Modernization & Business Development focuses on developing a comprehensive plan to modernize our systems, exploring new business lines and growing existing business lines, and providing electrification and distributed resources offerings to our customers. Organizational Effectiveness focuses on talent planning, employee engagement, and organizational design so the structure and culture match the strategic direction.

Ms. Dutton has served the public power industry for more than 20 years with experience in strategy development, planning and analysis across several functions at TVA. She earned an accounting degree and a master's degree in business administration from the University of North Alabama. She also served in a variety of community leadership roles including Leadership Chattanooga, the Combined Federal Campaign, the Junior League of Chattanooga Board of Directors, and the Supervisory Committee for the Tennessee Valley Federal Credit Union Board of Directors. Currently, she serves as a Trustee for Jacksonville's Museum of Science and History, chairing its Long-Range Planning Committee.

Laura Marshall Schepis, Chief External Affairs Officer. Ms. Schepis was named JEA's Chief External Affairs Officer in September 2021. She leads teams responsible for government relations, media relations, communications and environmental services. In her appointed role, she also serves as the designated chief compliance officer for JEA.

For over two decades, Ms. Schepis has focused on improving outcomes for energy utilities and the customers and communities they serve. In leadership positions at the American Public Power Association, the Edison Electric Institute, and the National Rural Electric Cooperative Association, she directed advocacy, political, and communications campaigns on issues including energy efficiency, renewable resources, national security, telecommunications and climate change.

Ms. Schepis received her Juris Doctor degree from the University of Georgia School of Law and practiced civil and criminal law in Georgia before relocating to Washington, D.C. in 2000. She formerly chaired and now serves on the board of the National Energy Resources Organization. She also serves on the board of Downtown Vision, Inc. and the Greater Jacksonville Cultural Council.

Employees

The employees of JEA are governmental (public) employees and, as such, have the right to organize, be represented and bargain collectively for wages, hours and terms and conditions of employment, as provided in Chapter 447, Part II, Florida Statutes. Florida state law prohibits strikes and concerted work slowdowns by governmental (public) employees. Pursuant to the Charter, JEA has full and independent authority to hire, transfer, promote, discipline, terminate and evaluate employees and, consistent with the provisions of the Charter relating to civil service, to establish employment policies relating to hiring, promotion, discipline, termination and other terms and conditions of employment, to enter into negotiations with employee organizations with respect to wages, hours and terms and conditions of employment and to take such other employment related action as needed to assure effective and efficient administration and operation of its utilities systems. The Council is the legislative body with authority to approve or not approve collective bargaining agreements and to resolve any statutory impasses that may arise from collective bargaining.

As of October 1, 2023, JEA had 2,402 budgeted employee positions, of which 1,646 were budgeted to the Electric System, 750 were budgeted to the Water and Sewer System and six were budgeted to the District Energy System. Except for the Management Team and a minor number of contract employees, such employees have civil service status.

Approximately 1,650 employees are covered by five collective bargaining agreements. These employees are represented by the American Federation of State, County, and Municipal Employees ("AFSCME"), the International Brotherhood of Electrical Workers ("IBEW"), Local 2358 and the Northeast Florida Public Employees, Local 630, Laborers' International Union of North America ("LIUNA"), all of which are affiliated with the AFL-CIO, and by a professional employees' association (the "PEA," Professional Employees Association) and a supervisors' association (the "JSA," Jacksonville Supervisors Association) that have no AFL-CIO affiliation. JEA has collective bargaining agreements with all the collective bargaining agents, and all of the collective bargaining agreements have been ratified and approved by the legislative body, the Council, and are effective through September 30, 2025.

Pension

Despite pension reform, which shifted new employees to a defined contribution retirement plan beginning in October 2017, a substantial portion of JEA's employees participate in the City's General Employees Retirement Plan ("GERP"). Employees of the Power Park participate in a separate pension plan. See Note 12 to JEA's 2023 Financial Statements (as defined herein) attached hereto as APPENDIX A for a discussion of certain information on the City's plan. The Actuarial Valuation and Review as of October 1, 2021 for the City's GERP (the "2021 Actuarial Valuation Report") and the Actuarial Valuation and Review as of October 1, 2022 for the City's GERP (the "2022 Actuarial Valuation Report") are available for viewing and downloading from the City's website link: (https://www.jacksonville.gov/departments/finance/retirement-system/gasb-and-plan-valuation-statements) and selecting the October 1, 2021 Valuation or the October 1, 2022 Valuation, respectively, under "General Employees Retirement Plan."

For the five Fiscal Years ended September 30, 2018, 2019, 2020, 2021 and 2022, JEA contributed approximately $35,459,523, $34,352,000, $38,050,000, $40,401,000 and $43,893,000 to the GERP, respectively. JEA's minimum required contribution to the GERP for the Fiscal Year ended September 30, 2023 was $43,985,801 and is $50,036,224 for the Fiscal Year ending September 30, 2024.

Preparation of the Actuarial Valuation as of October 1, 2023 for the City's GERP has not been completed as of the date of this Annual Disclosure Report. The following discussion is based on the 2022 Actuarial Valuation Report and the 2021 Actuarial Valuation Report, the latest two reports available.

JEA expects its annual contributions to the GERP will continue to grow in line with projections made when pension reform was enacted and the GERP was closed to new participants beginning October 1, 2017. JEA expects that its annual contributions to GERP will continue to be at lower levels in the near term than they would have been absent the pension reform primarily due to the recognition of a pension liability surtax beginning with Fiscal Year ended September 30, 2017 and then it expects its annual contributions to GERP to increase over the longer-term as a result of the expected increase in the GERP's unfunded actuarial accrued liability. JEA expects that the GERP's unfunded actuarial accrued liability and JEA's portion of that unfunded liability will continue to increase over the near term primarily due to a delay in receipt of the revenues from the pension liability surtax.

For the Fiscal Year ended September 30, 2022, the aggregate unfunded actuarial accrued liability for the GERP was $1,573,517,914, which represented an increase of $163,272,732 from an aggregate unfunded actuarial accrued liability for the GERP for the Fiscal Year ended September 30, 2021 of $1,410,245,182. For the Fiscal Year ended September 30, 2021, the aggregate unfunded actuarial accrued liability for the GERP was $1,410,245,182, which represented an increase of $63,320,978 from an aggregate unfunded actuarial accrued liability for the GERP for the Fiscal Year ended September 30, 2020 of $1,346,924,204. JEA was informed by the City that the actuary for the GERP calculated (a) JEA's allocated share of the unfunded actuarial accrued liability for the GERP reported for the Fiscal Year ended September 30, 2022 of $743,411,868 (an increase of $68,179,713 from JEA's allocated share for the Fiscal Year ended September 30, 2021) of the aggregate amount of $1,573,517,914 and (b) JEA's allocated share of the unfunded actuarial accrued liability for the GERP reported for the Fiscal Year ended September 30, 2021 of $675,232,155 (an increase of $27,112,006 from JEA's allocated share for the Fiscal Year ended September 30, 2020) of the aggregate amount of $1,410,245,182. The actuarial accrued liability is an estimate by the actuary for GERP of the present value of the amount of earned benefit payments that GERP will pay to retirees during retirement. The unfunded actuarial accrued liability represents the amount that the actuarial accrued liability exceeds assets in GERP available to pay those benefit payments. These figures are based on numerous assumptions, such as retirement age, mortality rates, and inflation rates, and use numerous methodologies all of which can cause the actual performance of the GERP to differ materially from the estimates of the actuary in any actuarial valuation. However, based on the current unfunded actuarial accrued liability of the GERP, JEA expects that its annual contributions to GERP will be increasing over the near future to fund its portion of the unfunded amount. JEA does not expect that increases in its annual contributions to GERP over time will be material.

JEA also maintains a medical benefits plan that it makes available to its retirees. The medical plan is a single-employer, experience-rated insurance contract plan that provides medical benefits to employees and eligible retirees and their beneficiaries. JEA currently determines the eligibility, benefit provisions, and changes to those provisions applicable to eligible retirees.

The SJRPP Plan is a single-employer contributory defined benefit plan covering former employees of the Power Park. As of October 1, 2023 and following cessation of commercial operations of the Power Park on January 5, 2018, no employees of the Power Park were engaged in performing tasks associated with operations of the Power Park. Upon the cessation of commercial operations of the Power Park in January 2018 pursuant to the agreement entered into between JEA and Florida Power & Light Company ("FPL"), JEA assumed all payment obligations and other liabilities related to any amounts due to be deposited into the SJRPP Plan. Former Power Park non-managerial employees were represented by IBEW Local 1618. In a prior collective bargaining agreement and under statutory authority, certain terms and conditions of employment were imposed, including separating the existing JEA St. Johns River Power Park System Employees' Retirement Plan ("SJRPP Plan") into two tiers of employees. Tier One employees remained in the traditional defined benefit plan, and Tier Two employees (defined as employees with fewer than 20 years' experience) participated in a modified defined benefit plan, or "cash balance" plan, with an employer match provided for any Tier Two employee who contributes to the 457 Plan. Tier One was closed to all new employees hired on or after February 25, 2013.

Closure of the Power Park plant triggered SJRPP Plan provisions resulting in accelerated eligibility for retirement at age 55 regardless of years of service. Members with at least 10 years of service on the plant closure date are eligible for a benefit starting at age 55, while all other members not meeting conditions for the immediate unreduced retirement may be eligible for a reduced benefit starting at age 55. With the exception of a small number of actively employed members who were eligible to continue membership in the plan based on employment with JEA, benefit accruals were scheduled to cease on January 5, 2018. However, interest credits for Tier 2 participants are assumed to continue after the plant shutdown until the benefit distribution at age 55.

The number of active members declined rapidly during the decommissioning process with only a very few active members remaining employed by SJRPP. One consequence to JEA of the closure of the Power Park plant is that the annual required contribution to the SJRPP Plan is expected to increase as a percentage of covered payroll as such payroll decreases year to year. Another is that contributions will be required after the retirement of the last active member. Subsequent to the closure of the plant and the elimination of nearly all active employees in the SJRPP Plan, the assumed rate of return on the plan was lowered to 6.0 percent for use in the Actuarial Valuation performed as of October 1, 2018. The SJRPP Plan's assumed rate of return was 7.0 percent for use in the Annual Actuarial Valuation performed as of October 1, 2012 through October 1, 2017. Preparation of the SJRPP Plan Actuarial Valuation as of October 1, 2023 has not been completed as of the date of the Annual Disclosure Report. The actuarial information in the following discussion is based on the Actuarial Valuations as of October 1, 2022, 2021, and 2020, respectively.

As of October 1, 2022, the SJRPP Plan's actuarial value of assets was $164,923,091, the actuarial accrued liability entry-age normal was $160,439,795, the unfunded actuarial accrued liability was ($4,483,296), the funded ratio was 102.8 percent, the covered payroll was $318,498 and the unfunded actuarial accrued liability as a percentage of covered payroll was (1407.6) percent. As of October 1, 2021, the SJRPP Plan's actuarial value of assets was $184,604,014, the actuarial accrued liability entry-age normal was $163,682,311, the unfunded actuarial accrued liability was ($20,921,703), the funded ratio was 112.8 percent, the covered payroll was $284,024 and the unfunded actuarial accrued liability as a percentage of covered payroll was (7366.2) percent. As of October 1, 2020, the SJRPP Plan's actuarial value of assets was $161,017,264, the actuarial accrued liability entry-age normal was $167,694,945, the unfunded actuarial accrued liability was $6,677,681, the funded ratio was 96.0 percent, the covered payroll was $467,042 and the unfunded actuarial accrued liability as a percentage of covered payroll was 1429.8 percent.

In the current Fiscal Year, JEA intends to manage the SJRPP Plan to maintain a funded ratio consistent with the goal of having the SJRPP Plan assets (including all employer contributions scheduled to be made) equal to the expected Actuarial Accrued Liability derived in an open group projection for each annual actuarial valuation. JEA made $6,900,000 in contributions during the Fiscal

Year ended September 30, 2022, and no contributions during the Fiscal Year ended September 30, 2021. JEA made $13,307,093 in contributions during the Fiscal Year ended September 30, 2020, satisfying its required employer contributions of $3,901,061 and $3,374,430 for the Fiscal Years ended September 30, 2021 and 2022, respectively. Beginning with the Fiscal Year ended September 30, 2018, excess contributions were set aside to create a reserve credit balance that can be used to pay future contributions. As of September 30, 2022, $9,250,989 of excess contributions remained. That amount, adjusted for projected interest earnings, offset the required employer contribution of $3,374,430 for the Fiscal Year ending September 30, 2022. JEA's required employer contribution for the Fiscal Year ending September 30, 2024 is $113,981 and will be made in full from JEA's reserve credit balance. The increase in the required total employer contribution to $113,981 for the Fiscal Year ending September 30, 2024 results from a combination of the SJRPP Plan's prior funding policy, which included the objective of achieving a 100% funded ratio by October 1, 2019 and a statutorily required change in the SJRPP Plan's mortality assumption to be the same as that used by the Florida Retirement System as updated in its July 1, 2019 valuation. See "ELECTRIC UTILITY SYSTEM - *ELECTRIC UTILITY FUNCTIONS* - St. John's River Power Park - *Early Termination of Power Park Joint Ownership Agreement*" herein for additional information.

Upon the cessation of commercial operations of the Power Park in January 2018 pursuant to the agreement entered into between JEA and FPL, JEA assumed all payment obligations and other liabilities related to any amounts due to be deposited into the SJRPP Plan. See "ELECTRIC UTILITY SYSTEM - *ELECTRIC UTILITY FUNCTIONS* - St. John's River Power Park - *Early Termination of Power Park Joint Ownership Agreement*" for additional information.

See Note 12, Note 13 and pages 113-119 of JEA's 2023 Financial Statements attached hereto as APPENDIX A for a discussion of the pension plans, "other post-employment benefit" plan and actuarial accrued liability.

Certain Demographic Information

The information provided in this section relates to the City and the Jacksonville Metropolitan Statistical Area (the "Jacksonville MSA"). The service areas for the Electric System do <u>*not*</u> *encompass all of the City or the Jacksonville MSA. For additional information regarding the service areas for the Electric System, see "ELECTRIC UTILITY SYSTEM - ELECTRIC UTILITY FUNCTIONS - Electric System - Area Served" herein.*

Under Florida law, the City and Duval County are organized as a single, consolidated government. Based upon the 2020 United States Census, the consolidated City is the most populous city in the State. The City covers 840 square miles and is one of the largest cities in area in the United States.

The Jacksonville MSA is composed of Duval, Clay, Nassau, St. Johns and Baker Counties, an area covering 3,202 square miles. The U.S. Census Bureau estimates that the Jacksonville MSA had a population of 1,675,668 as of July 1, 2022. The Jacksonville MSA is currently the fourth most populous MSA in the State. The table below shows the population for the Jacksonville MSA.

Year	Population Jacksonville MSA
1990	906,727
2000[(1)]	1,126,224
2010	1,348,967
2020	1,587,892
2021	1,637,666
2022	1,675,668

Source: United States Census Bureau.
(1) Baker County was included in the Jacksonville MSA starting with the 2000 United States census.

The economy of the Jacksonville MSA contains significant elements of trade and services, transportation services, manufacturing, insurance and banking and tourism. The Port of Jacksonville is one of the largest ports on the South Atlantic seaboard and in terms of tonnage ranks third in the State. A number of insurance and banking companies maintain regional offices in the City. The tourism and recreational facilities in the City include an arena, a performing arts center, a convention center, EverBank Stadium (the home field of the National Football League's Jacksonville Jaguars), a baseball park, numerous golf courses and resorts and various recreational facilities at the beaches. Two large United States Navy bases are located in the City.

The table below sets forth the annual, not seasonally adjusted, labor force, employment and unemployment figures for the Jacksonville MSA and comparative unemployment figures for the State and the United States for calendar years 2013 through 2022.

	Jacksonville MSA Labor Force			Unemployment Rate (%)	
Year	Civilian	Employment	Unemployment Rate (%)	Florida	U.S.
2013	707,489	655,861	7.3	7.5	7.4
2014	714,795	668,958	6.4	6.4	6.2
2015	722,937	683,745	5.4	5.5	5.3
2016	738,827	704,144	4.7	4.9	4.9
2017	757,108	721,215	4.1	4.3	4.4
2018	766,719	739,813	3.5	3.6	3.9
2019	779,889	754,917	3.2	3.2	3.7
2020	777,024	725,930	6.6	8.1	8.1
2021	800,061	767,454	4.1	4.6	5.3
2022	832,239	808,776	2.8	2.9	3.6

Source: U.S. Bureau of Labor Statistics Local Area Unemployment Statistics database https://www.bls.gov/lau/data.htm (for Jacksonville MSA and Florida annual data) and Current Population Survey database https://www.bls.gov/cps/cpsaat01.htm (for U.S. annual data). Annual data are not seasonally adjusted.

The table below shows the preliminary estimated average non-agricultural wage and salary employment by sector for the Jacksonville MSA for the 12 months ended September 2023.

	Number of Employees	Percent of Distribution
Trade, Transportation and Utilities	171,700	21.5%
Professional and Business Services	130,400	16.3
Education and Health Services	121,600	15.2
Leisure and Hospitality	91,400	11.5
Government	78,600	9.9
Finance	76,000	9.5
Construction	51,500	6.5
Other Services[(1)]	41,000	5.2
Manufacturing	36,100	4.5
Total Non-Agricultural Employment (Except Domestics, Self-Employed and Unpaid Family Workers)	798,300	100.0%

Source: Bureau of Labor Statistics Current Employment Statistics database, extracted https://www.bls.gov/data/#employment at https://www.floridajobs.org/workforce-statistics/data-center/statistical-programs/current-employment-statistics.

(1) Consists of other services, information and natural resources and mining.

The following table lists the 10 largest non-governmental employers in the Jacksonville MSA and the approximate size of their respective work forces.

Name of Employer	Product or Service	Approximate No. of Employees
Amazon	E-commerce Fulfillment	16,000
Baptist Health System	Healthcare	12,000
Mayo Clinic	Healthcare	8,450
Bank of America / Merrill Lynch	Banking	8,000
UF Health Jacksonville	Healthcare	6,600
Florida Blue	Health Insurance	5,700
Southeastern Grocers	Supermarkets	5,700
Ascension St. Vincent's Healthcare	Healthcare	5,050
UPS	Worldwide Parcel Delivery	4,500
Citibank	Banking	4,000

Source: Jacksonville Regional Chamber of Commerce Research Department.

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The following table lists the eight largest governmental employers in the Jacksonville MSA and the approximate size of their respective work forces.

Name of Employer	Type of Entity/Activity	Approximate No. of Employees
Naval Air Station, Jacksonville	United States Navy	20,000
Duval County Public Schools	Public Education	11,172(1)
Naval Air Station, Mayport	United States Navy	10,030
City of Jacksonville	Municipal Government	7,868(2)
St. Johns County School District	Public Education	6,299(3)
Fleet Readiness Center	Maintenance / Repair Overhaul	5,350
Clay County School Board	Public Education	4,960
United States Postal Service	United States Government	3,800

Source: Jacksonville Regional Chamber of Commerce Research Department.
(1) Duval County Public Schools website, full-time staff (http://www.duvalschools.org/domain/5268).
(2) City of Jacksonville Annual Budget 2023-24 (https://www.coj.net/departments/finance/docs/budget/fy-2023-2024-budget-summary.aspx).
(3) St. Johns County School District website, full- and part-time staff (http://www.stjohns.k12.fl.us/about/).

Indebtedness of JEA

The indebtedness of JEA relating to its Electric Utility Functions as of the date of this Annual Disclosure Report consists of Electric System Bonds, Subordinated Electric System Bonds, Power Park Issue Three Bonds, Bulk Power Supply System Bonds and borrowings outstanding under the Revolving Credit Facility (as defined herein) for the account of the Electric System. All bonds issued pursuant to the First Power Park Resolution[1] (as defined herein) were defeased on January 5, 2018 in connection with the shutdown of SJRPP and are no longer outstanding (the "Power Park Issue Two Bonds"). See "ELECTRIC UTILITY SYSTEM - *ELECTRIC UTILITY FUNCTIONS* - St. Johns River Power Park - *Early Termination of Power Park Joint Ownership Agreement*". See "ELECTRIC UTILITY SYSTEM - *FINANCIAL INFORMATION RELATING TO ELECTRIC UTILITY FUNCTIONS* - Debt Relating to Electric Utility Functions" herein. For information regarding the Revolving Credit Facility, see "OTHER FINANCIAL INFORMATION - Revolving Credit Facility" herein. As described under "INTRODUCTION - General" herein, the debt of JEA relating to its Electric Utility Functions, the debt of JEA relating to the Water and Sewer System and the debt of JEA relating to the District Energy System are payable from and secured by separate revenue sources. Accordingly, the information contained in this Annual Disclosure Report relating to JEA's Electric Utility Functions is not relevant to the Water and Sewer System Bonds (as described in the Water and Sewer System/DES Annual Disclosure Report), the Subordinated Water and Sewer System Bonds (as described in the Water and Sewer/DES Annual Disclosure Report) or the District Energy System Bonds (as described in the Water and Sewer/DES Annual Disclosure Report) and should not be taken into account in evaluating such debt.

The description of the debt of JEA contained herein and of the documents authorizing, securing and relating to such debt do not purport to be comprehensive or definitive. All references herein to such b documents are qualified in their entirety by reference to such documents.

[1] The First Power Park Resolution was discharged and satisfied in accordance with its terms on March 21, 2018.

For a detailed description of the outstanding debt of JEA as of September 30, 2023, see Note 8 to JEA's 2023 Financial Statements attached hereto as APPENDIX A.

Strategic Planning

JEA's strategic planning efforts are guided by its values:

1. Safety – Putting the physical and emotional wellbeing of people first, both at and away from work,

2. Respect – Treating others with courtesy and respect, seeking diverse perspectives and helping to bring out the best in everyone, and

3. Integrity – Placing the highest standard on ethics and personal responsibility, worthy of the trust its customers and colleagues place in it.

With these values in mind, JEA's strategic efforts are centered around three strategic focus areas:

1. Developing an Unbeatable Team – because knowing employees that are treated well will treat JEA customers well,

2. Delivering Business Excellence – because JEA and its employees are serious about serving as good stewards of the resources its customers rely on, and

3. Earning Customer Loyalty – because JEA's customers count on it to deliver affordable, reliable services.

To execute on the strategic focus areas, JEA has laid out its strategic objectives:

1. Fostering an Exceptional Work Culture
    - Employee engagement
    - Diversity, equity and inclusion
    - Employee development

2. Deepening Customer and Community Engagement
    - Reasonable rates
    - Sound business decisions
    - Economic development
    - Customer solutions
    - Stakeholder relationships
    - Environmental stewardship

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3. Planning for the Future
    - Long-term workforce plan
    - New business opportunities
    - Enterprise planning
    - Resilient & reliable infrastructure
    - Grid modernization

4. Making Doing Business with JEA Easy
    - Technology, Tools & Data
    - Governance & Policy

While JEA's mission, vision, and values generally do not change, the strategic objectives, particularly the objectives within each focus area, will continue to evolve as JEA works to serve northeast Florida. These strategic focus areas and objectives will guide the development and/or refinement of JEA's plans, programs, and targets to meet its mission of improving lives and building community to be the best utility in the nation.

ELECTRIC UTILITY SYSTEM

ELECTRIC UTILITY FUNCTIONS

General

In 2022, the latest year for which such information is available, JEA was the eighth largest municipally owned electric utility in the United States in terms of number of customers. During the Fiscal Year ended September 30, 2023, the Electric System served an average of 515,514 customer accounts in a service area which covers virtually the entire City. JEA also sells electricity to retail customers and an electric system in neighboring counties. In addition, as described under "ELECTRIC UTILITY SYSTEM - *ELECTRIC UTILITY FUNCTIONS* - St. Johns River Power Park - *Ownership*" herein, prior to the cessation of operations of the Power Park on January 5, 2018, JEA had sold to FPL a portion of the capacity (and associated energy) of JEA's interest in the Power Park pursuant to the long-term power sales provisions of the Power Park Joint Ownership Agreement (hereinafter defined) (such sale being referred to herein as the "FPL-Power Park Sale").

JEA's total energy sales in the Fiscal Year ended September 30, 2023 were approximately 12.4 billion kilowatt-hours ("kWh"). Total revenues, including investment income, for the Electric System for the Fiscal Year ended September 30, 2023 (calculated for purposes of the Electric System Schedule of Debt Service Coverage (see "ELECTRIC UTILITY SYSTEM - *FINANCIAL INFORMATION RELATING TO ELECTRIC UTILITY FUNCTIONS* - Schedules of Debt Service Coverage" herein)), were approximately $1,376,777,000.

The electric utility facilities of JEA are divided for financing purposes into the Electric System, the Power Park and the Scherer 4 Project.

The Electric System includes generation, transmission, interconnection and distribution facilities. The generating facilities, located on four plant sites in the City, currently consist of a dual residual fuel oil/gas fired steam turbine-generator unit, four diesel-fired combustion turbine ("CT") generator units, five dual fueled (gas/diesel) CT generator units, one steam turbine generator unit with the steam provided by heat recovery steam generators served from two gas fired CTs (a 2-on-1 combined cycle unit), and two petroleum coke ("petcoke")- and coal-fired circulating fluidized bed ("CFB") steam turbine-generator units. As of the date of this Annual Disclosure Report, the total combined installed net capacity of the Electric System's generating units is 2,782 megawatts ("MW"), net, summer and 2,952 MW, net, winter. See "ELECTRIC UTILITY SYSTEM - *ELECTRIC UTILITY FUNCTIONS* - Electric System - *Electric System Generating Facilities*" herein.

Pursuant to Chapter 80-513, Laws of Florida, Special Acts of 1980 (as amended and supplemented, the "Bulk Power Act"), JEA is authorized to acquire, own and operate as a separate bulk power supply utility or system, electric generating plants and transmission lines within the City and within and outside of the State. The Power Park and the Scherer 4 Project each have been developed as a separate bulk power supply system under the Bulk Power Act and, as such, are not included in the Electric System.

The Power Park was a coal- and petcoke-fired steam electric generating station formerly rated at 1,276 MW, net, located in the northeast section of the City. The Power Park assets were jointly owned by JEA and FPL; JEA's ownership interest in the Power Park assets was 80 percent. In May 2017, JEA entered into an agreement with FPL for an early termination of the Power Park Joint Ownership Agreement and cessation of commercial operations in January 2018 with decommissioning of the plant to occur thereafter. The termination agreement ended the obligation of the 37.5 percent sales of JEA's 80 percent to FPL. The costs of decommissioning were split between JEA 80 percent and FPL 20 percent. See "ELECTRIC UTILITY SYSTEM - *ELECTRIC UTILITY FUNCTIONS* - St. John's River Power Park - *Early Termination of Power Park Joint Ownership Agreement*" herein for additional information.

JEA owns a 23.64 percent interest in Unit 4 of the Robert W. Scherer Electric Generating Plant ("Scherer Unit 4"), a coal-fired steam electric generating unit currently rated at 846 MW, net, located near Forsyth, Georgia and a proportionate ownership interest in associated common facilities and an associated coal stockpile (such ownership interests are referred to herein as the "Scherer 4 Project"). The Scherer 4 Project entitles JEA to 200 MW, net, of the capacity of Scherer Unit 4. The Electric System is entitled to the capacity of the Scherer 4 Project and is required to pay for such capacity on a "take-or-pay" basis by making deposits into certain funds and accounts established pursuant to the Restated and Amended Bulk Power Supply System Resolution. In 2020, JEA and FPL entered into cooperation and retirement agreements for the closure of Scherer Unit 4 on or before January 1, 2022, and Scherer Unit 4 was closed on that date. For additional information, see "ELECTRIC UTILITY SYSTEM - *ELECTRIC UTILITY FUNCTIONS* - Scherer 4 - *Retirement of Scherer Unit 4*" herein.

JEA is permitted under the resolution of JEA adopted on March 30, 1982, authorizing JEA's Electric System Revenue Bonds (as heretofore amended, restated and supplemented, the "Electric System Resolution") to construct or acquire and own and/or operate other electric generating utilities or systems for the purpose of furnishing and supplying electric energy and to issue debt obligations to finance the cost of separate electric generating utilities as separate systems. The Power Park and the Scherer 4 Project constitute the only two such separate systems undertaken by JEA as of the date of this Annual Disclosure Report.

Pursuant to the Electric System Resolution, JEA's obligation to make payments from the Electric System with respect to the Power Park is a Contract Debt payable as a Cost of Operation and Maintenance of the Electric System. Additionally, all costs of operating and maintaining the Scherer 4 Project are Contract Debts of the Electric System, payable as part of the Electric System's Cost of Operation and Maintenance. See "ELECTRIC UTILITY SYSTEM - *FINANCIAL INFORMATION RELATING TO ELECTRIC UTILITY FUNCTIONS* - Debt Relating to Electric Utility Functions - *Electric System Contract Debts*" herein.

JEA currently has no ownership interest in any nuclear power plant; however, it does have a purchase power agreement with Municipal Electric Authority of Georgia ("MEAG Power") for electric energy to be produced from two nuclear generating units. See "ELECTRIC UTILITY SYSTEM - *ELECTRIC UTILITY FUNCTIONS* - Electric System - *Power Purchase Contracts*" herein. JEA also has an option to purchase an ownership interest in a to-be-constructed nuclear power plant (see "ELECTRIC UTILITY SYSTEM - *ELECTRIC UTILITY FUNCTIONS* - Resource Requirements - *Option to Purchase Interest in Lee Nuclear Station*" herein) although plans to build such plant have been suspended.

Electric System

Power and Energy Resources

Electric power and energy sold by JEA to its customers is provided from the following sources (a) JEA's interest in Scherer Unit 4, (b) the generating facilities owned by JEA as part of the Electric System, and (c) and various power purchase arrangements ("PPAs" and each a "PPA"). See "ELECTRIC UTILITY SYSTEM - *ELECTRIC UTILITY FUNCTIONS* - Electric System - *Electric System Generating Facilities*," "ELECTRIC UTILITY SYSTEM - *ELECTRIC UTILITY FUNCTIONS* - Electric System - *Power Purchase Contracts*," and "ELECTRIC UTILITY SYSTEM - *ELECTRIC UTILITY FUNCTIONS* - Scherer 4" herein. JEA and FPL entered into a cooperation agreement for the closure of Scherer Unit 4. On January 1, 2022, Scherer Unit 4 was retired and replaced by the FPL PPA. See "ELECTRIC UTILITY SYSTEM - *ELECTRIC UTILITY FUNCTIONS* - Scherer 4 - *Retirement of Scherer Unit 4*" herein. JEA's interests in the Scherer Unit 4, the generating facilities of the Electric System and JEA's various firm purchase power arrangements are committed and dispatched on an economic basis as necessary to serve JEA's load. In addition, economy energy is purchased for JEA, by the joint power marketing alliance described below, from time to time when such energy is available at a lower cost than energy produced from JEA's generating facilities. See subsection "*Participation in The Energy Authority*" below in this section.

Electric System Generating Facilities

The generating facilities of the Electric System are located at four plant sites, (a) the J. Dillon Kennedy Generating Station ("Kennedy"), (b) the Northside Generating Station ("Northside"), (c) the Brandy Branch Generating Station ("Brandy Branch"), and (d) the Greenland Energy Center ("GEC"). See "ELECTRIC UTILITY SYSTEM - *ELECTRIC UTILITY FUNCTIONS* - Resource Requirements - *Capacity*" herein.

JEA's Northside Unit 3, a steam unit, presently burns residual fuel oil and natural gas, while four CTs at Northside burn diesel. The Kennedy CTs 7 and 8, Brandy Branch CTs 1, 2 and 3 and

GEC CTs 1 and 2 burn natural gas as the primary fuel. The Kennedy CTs 7 and 8, Brandy Branch CT 1 and GEC CTs 1 and 2 are dual fueled with diesel as backup and the GEC CT units are also capable of having diesel as backup. Brandy Branch STM 4 is a steam turbine generator that is part of a combined cycle unit that uses waste heat from Brandy Branch CTs 2 and 3. In addition, natural gas is used at times to supplement the solid fuel in Northside Units 1 and 2. Northside Units 1 and 2 burn petcoke, coal, biomass and natural gas. Northside Unit 3 was originally scheduled to be placed into reserve storage on April 1, 2016, approximately three years ahead of the unit's scheduled retirement. Due to the early retirement of the Power Park, Northside Unit 3 is expected to continue in operation until 2030.

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The following table presents the pertinent statistics regarding the generating facilities of the Electric System as of the date of this Annual Disclosure Report.

Station	Unit	Type[(1)]	First Placed in Service	Fuel[(2)]	Installed Net Capacity (MW)[(5)] Summer	Winter
Kennedy	7[(3)]	CT	6/00	G/LO	179	191
	8[(3)]	CT	6/09	G/LO	179	191
					357	382
Northside	1	ST	5/03[(4)]	Petcoke/Coal/Biomass/G	293	293
	2	ST	4/03[(4)]	Petcoke/Coal/Biomass/G	293	293
	3	ST	7/77	G/HO	524	524
	3	CT	2/75	LO	50	62
	4	CT	1/75	LO	50	62
	5	CT	12/74	LO	50	62
	6	CT	12/74	LO	50	62
					1,310	1,356
Brandy Branch	1[(3)]	CT	5/01	G/LO	179	191
	2	CT	5/01	G	190	212
	3	CT	10/01	G	190	212
	STM 4	ST	1/05	WH	200	216
					758	831
GEC	1[(3)]	CT	6/11	G/LO	179	191
	2[(3)]	CT	6/11	G/LO	179	191
					357	382
System Total					2,782	2,952

(1) CT - Combustion Turbine
ST - Steam Turbine
IC - Internal Combustion Engine

(2) G - Natural Gas
LO - Light Oil (diesel)
HO - Heavy Oil (residual fuel oil)
WH - Waste Heat

(3) Net capacity is based on diesel.

(4) Northside Unit 1 was originally placed in service in November 1966, and Northside Unit 2 was originally placed in service in March 1972. Both units have been re-powered with CFB boilers, and their turbine generators and other ancillary equipment have been refurbished. The dates indicated in the table are the respective dates on which each was released for normal dispatch operation. Northside Units 1 and 2 each have gross capacities of 310 MW.

(5) Numbers may not add due to rounding.

Fuel Mix

JEA believes in a fuel diversification strategy with a growing emphasis on renewable energy that improves its competitive position in the electric services industry. JEA has the ability to use natural gas as the primary fuel source with diesel as backup for generation in GEC CT1 and CT2, Kennedy CT7 and CT8, and Brandy Branch Unit 1. The exhaust heat from Brandy Branch Units 2 and 3 is utilized in Brandy Branch STM 4. This combined cycle configuration provides additional energy without additional fuel consumption. Northside Unit 3 uses natural gas as a fuel source for generation with residual fuel oil as backup. JEA's 1970's vintage CTs provide less than one percent of JEA's total energy requirements and are powered by diesel.

JEA uses circulating fluidized bed technology in Northside Units 1 and 2. This technology allows JEA to use a blend of bituminous coal, petroleum coke, natural gas and biomass in these units. Until retirement at the end of calendar year 2021, solid fuel-based capacity and energy was provided by Scherer Unit 4 of which JEA owned 23.64 percent or 200 MW net. Scherer Unit 4 burned sub-bituminous coal from the Powder River Basin. Scherer Unit 4 was replaced by a Purchase Power Agreement with FPL that provides 200 MW of natural gas combined cycle power. Prior to its retirement on January 5, 2018, JEA also utilized the Power Park to produce electricity from solid fuel. JEA adjusts its use of solid fuel-based generation depending on its cost relative to competing resources, such as natural gas.

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The following table sets forth JEA's fuel mix for the Fiscal Years ended September 30, 2019 through 2023 and JEA's projected fuel mix for the Fiscal Years ending September 30, 2024 through 2028. The information in the following table does not take into account the energy sold to FPL pursuant to the FPL-Power Park Sale. See "ELECTRIC UTILITY SYSTEM - *ELECTRIC UTILITY FUNCTIONS* - St. Johns River Power Park - *Ownership*" herein.

PERCENT FUEL MIX[(1)]

Fiscal Year Ending September 30,	Oil	Gas	Power Park (Coal)[(2)]	Northside (Coal/ Petcoke)[(3)]	Scherer Unit 4 (Coal)[(4)]	MEAG Vogtle 3 & 4 Nuclear Purchase[(5)]	Economy Purchases From Other Sources	FPL Purchase Power Agreement[(4)]	Total MWh Sales[(6)]
Actual									
2019	0.0	48.7	0.0	14.9	10.7	0.0	25.7	0.0	12,465,958
2020	0.0	62.8	0.0	18.4	5.3	0.0	13.4	0.0	12,202,973
2021	0.1	61.7	0.0	12.7	10.1	0.0	15.4	0.0	12,242,149
2022	0.2	58.2	0.0	10.6	2.2	0.0	18.9	9.9	12,488,252
2023	0.2	58.0	0.0	11.4	0.0	1.2	17.3	11.9	12,366,462
Projected[(7)]									
2024	0.3	60.6	0.0	6.0	0.0	10.8	11.2	11.1	12,244,380
2025	0.3	59.2	0.0	6.6	0.0	12.1	11.3	10.4	12,254,045
2026	0.2	54.7	0.0	12.1	0.0	12.5	10.9	9.6	12,281,528
2027	0.2	48.9	0.0	14.1	0.0	12.9	15.4	8.5	12,281,520
2028	0.1	49.8	0.0	13.0	0.0	12.5	16.7	7.8	12,315,972

(1) Percentages may not add to 100 percent due to rounding.

(2) Commercial operations at the Power Park ceased in January 2018. See "ELECTRIC UTILITY SYSTEM - *ELECTRIC UTILITY FUNCTIONS* - St. Johns River Power Park - *Early Termination of Power Park Joint Ownership Agreement*" herein.

(3) The projected fuel mix for Northside Units 1 and 2 is a range of 50 to 90 percent petroleum coke, 10 to 40 percent coal, 10 to 28 percent biomass and 10 percent natural gas.

(4) The Florida Power and Light Purchase Power Agreement replaced Scherer Unit 4 with 200 MW of natural gas combined cycle power on January 1, 2022.

(5) The in-service dates for the Vogtle units in the Fuel Mix table are being used for planning purposes and differ from Southern Company's assumed in-service dates.

(6) Actual megawatt-hour ("MWh") sales include non-firm off-system sales, which totaled 99,563 MWh in the Fiscal Year ended September 30, 2019, 18,412 MWh in the Fiscal Year ended September 30, 2020, 22,815 MWh in the Fiscal Year ended September 30, 2021, 17,758 MWh in the Fiscal Year ended September 30, 2022, and 52,902 MWh in the Fiscal Year ended September 30, 2023. Projections include aggregate non-firm off-system sales of 413,739 MWh during the Fiscal Years ending September 30, 2024 through 2028.

(7) The projected figures contained herein are forward-looking statements and are subject to change without notice. These figures are based on current conditions and assumptions, including JEA's growth assumptions, environmental regulations, fuel prices, fuel availability and other factors in effect as of the date hereof and are subject to significant regulatory, business, economic and environmental uncertainties and contingencies. Events may occur and circumstances may change subsequent to the date hereof that would have a material impact on the projections presented herein. The achievement of certain results contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those stated in the forward-looking statements. JEA does not commit to issue any updates or revisions to those forward-looking statements if or when its expectations change, or events, conditions or circumstances on which such statements are based occur or fail to occur.

Fuel Contracts

JEA has solid fuel storage at Northside for a maximum of approximately 25 days of operating inventory. JEA purchases a mix of contract and spot volumes to supply the fuel needs of Northside Units 1 and 2, which operate on a blend of petroleum coke, coal, and natural gas. For Northside Units 1 and 2 during the Fiscal Year ended September 30, 2023, JEA purchased approximately 100 percent of its petroleum coke requirements from KOMSA Sarl (Koch Minerals SA). JEA also purchased approximately 55 percent of its coal requirements from Lissan Coal Company (Ireland) and approximately 45 percent from Interocean Coal Sales. Contract terms for solid fuel specify minimum purchase commitments at certain prices subject to adjustments for price level changes according to the contract.

JEA maintains diesel inventory at Brandy Branch, Kennedy, Greenland, and Northside. Additional diesel supply is purchased from time to time in the open market as needed.

JEA has a contract for natural gas with Shell Energy North America L.P. ("Shell Energy") that is scheduled to expire in 2031. The agreement with Shell Energy (the "Shell Energy Agreement") supplied 33 percent of JEA's natural gas needs for the Fiscal Year ended September 30, 2023 at prices that were, at the time the agreement was entered into, and are, as of the date of publication of this Annual Disclosure Report, below delivered competing gas supply options (including both commodity and transportation components). Under the Shell Energy Agreement, contract terms for the natural gas specify minimum annual purchase commitments. JEA has the option to remarket any excess natural gas purchases. The balance of JEA's gas requirements is purchased on the spot market. JEA has long-term contracts with Florida Gas Transmission Company ("FGT") and Southern Natural Gas Company ("SNG") for firm gas transportation capacity to allow delivery of additional gas volumes. JEA also has contracted with TECO Peoples Gas System ("Peoples") for a release of firm gas transportation capacity on FGT's and SNG's systems.

TEA has managed a portion of JEA's natural gas supply since 2001. See "*Participation in The Energy Authority*" below.

JEA and Peoples jointly own pipelines that serve Northside and Brandy Branch. Peoples owns the pipeline that serves Kennedy and JEA's Buckman Street wastewater treatment plant. Peoples may interrupt delivery of a portion of gas to JEA under certain emergency circumstances.

JEA owns the GEC lateral pipeline (the "Greenland Lateral") which is used to deliver gas to GEC. In 2008, JEA signed an agreement with SeaCoast Gas Transmission, LLC for firm intrastate gas transportation service to the Greenland Lateral.

JEA has developed and implemented a program intended to hedge its exposure to changes in fuel prices. Pursuant to this program, futures, options and swaps contracts may be entered into from time to time to help manage market price fluctuations. Realized gains and losses resulting from this program are reflected in JEA's fuel expense. See subsection "Fuel Mix" above in this section. For a discussion of JEA's fuel management program, see Note 10 and Note 11 to JEA's 2023 Financial Statements attached hereto as APPENDIX A.

On November 25, 2020, JEA entered into ten years of commodity swap transactions with an aggregate notional quantity of 85,822,000 MMBtu with NextEra to hedge natural gas prices as part of the FPL PPA that replaced Scherer Unit 4. Based on information provided by NextEra, those swaps that have not yet settled had a total mark-to-market credit of approximately $73.3 million on September 30, 2023.

As of September 30, 2023, JEA had 30 commodity swap transactions with an aggregate notional quantity of 78,387,700 MMBtu in place with two counterparties to hedge JEA's exposure to natural gas prices. Based on information provided by the counterparties, those swaps had a total mark-to-market cost of approximately $1.7 million at that date.

JEA has eight contracts to purchase prepaid natural gas supplies at specified volumes per day. Currently these volumes ranging from 35,000 MMBtu/day to 43,000 MMBtu/day, depending on the month, and then increasing to 45,000 - 53,000 MMBtu on April 1, 2024. The prepaid gas will be supplied from locations using JEA's firm natural gas transportation or natural gas supply agreements and will expire at various dates in 2039, 2049, 2052, 2053 and 2054. JEA's financial obligations under the gas supply agreements are based on index prices for monthly deliveries at the delivery point and are on a "take and pay" basis whereby JEA is only obligated to pay for gas that is delivered.

For a discussion of JEA's fuel procurement arrangement for the Scherer 4 Project, see "ELECTRIC UTILITY SYSTEM - *ELECTRIC UTILITY FUNCTIONS* - Scherer 4 - *Fuel Supply*" herein.

Natural Gas Commercial Services

In March 2015, JEA made the decision to market natural gas to commercial and industrial customers within its service area as allowed under Article 21 of the Charter and JEA's Fuel Management Services Procurement Directive. JEA supplies natural gas under TECO Peoples Gas Natural Choice Program, which gives commercial and industrial customers the option to choose their gas supplier. JEA receives a number of benefits from its participation in the Natural Choice program. Natural gas sales generate marginal net revenues, reported as "other revenues" under the Electric Enterprise Fund. JEA will become a complete energy provider within its service territory for businesses that select JEA to be their natural gas supplier. Through Fiscal Year ended September 30, 2023, this program has signed approximately 166 customers, including the University of North Florida, St. Johns County School District, Boeing, The Hyatt, Jacksonville Zoo, Brooks Rehabilitation, YMCA, Jacksonville Housing Authority, Dresser Equipment, and Unison, divisions of GE, several restaurants, and manufacturers.

Power Purchase Contracts

Overview

As a result of an earlier 2008 JEA Board policy establishing a 10 percent of total energy from nuclear energy goal, JEA entered into a power purchase agreement (as amended, the "Additional Vogtle Units PPA") with the Municipal Electric Authority of Georgia ("MEAG") for 206 MW of capacity and related energy from MEAG's interest in two additional nuclear generating units (the "Additional Vogtle Units" or "Plant Vogtle Units 3 and 4") under construction at the Alvin W. Vogtle Nuclear Plant in Burke County, Georgia. The owners of the Additional Vogtle Units include Georgia Power Company ("Georgia Power" or "GPC"), Oglethorpe Power Corporation ("Oglethorpe"), MEAG and the City of Dalton, Georgia (collectively, the "Vogtle Co-Owners"). The energy received under the Additional Vogtle Units PPA is projected to represent approximately 12 percent of JEA's total energy requirements in the year 2026.

The Additional Vogtle Units PPA requires JEA to pay MEAG for the capacity and energy at the full cost of production (including debt service on the bonds issued and to be issued by MEAG and on the loans made and to be made by the Project J Entity referred to below, in each case, to finance the portion of the capacity to be sold to JEA from the Additional Vogtle Units) plus a margin over the term of the Additional Vogtle Units PPA. Under the Additional Vogtle Units PPA, JEA is entitled to

103 MW of capacity and related energy from each of the Additional Vogtle Units for a 20-year term commencing on each Additional Vogtle Unit's commercial operation date and is required to pay for such capacity and energy on a "take-or-pay" basis (that is, whether or not either Additional Vogtle Unit is completed or is operating or operable, whether or not its output is suspended, reduced or the like or terminated in whole or in part), except that JEA is not obligated to pay the margin referred to above during such periods in which the output of either Additional Vogtle Unit is suspended or terminated.

Financing and In-Service Costs

MEAG created three separate projects (collectively, the "Vogtle Units 3 and 4 Project Entities") for the purpose of owning and financing its 22.7 percent undivided ownership interest in the Additional Vogtle Units (representing approximately 500.308 MW of capacity and related energy based upon the nominal rating of the Units). The project corresponding to the portion of MEAG's ownership interest, which will provide the capacity and energy to be purchased by JEA under the Additional Vogtle Units PPA, is referred to herein as "Project J." MEAG currently estimates that the total in-service cost for its entire undivided ownership interest in the Additional Vogtle Units will be approximately $7.465 billion, including construction and financing costs through the estimated in-service dates, initial fuel load costs, switchyard and transmission costs, and contingencies established by Georgia Power at the project level for all Vogtle Co-Owners. MEAG has additionally provided that its total capital costs for its share of the Additional Vogtle Units, including reserve funds and other fund deposits required under the financing documents, are approximately $8.006 billion. A certain portion of these costs is subject to reduction in accordance with the 2019 Global Amendments to the Plant Vogtle Joint Operating Agreements. The total in-service cost for the Additional Vogtle Units allocable to Project J and the portion of additional in-service costs relating to reserve funds and other fund deposits is approximately $3.453 billion.

On September 29, 2022, MEAG announced that MEAG and the Vogtle Units 3 and 4 Project Entities have entered into a Definitive Settlement Agreement with Georgia Power (the "Settlement Agreement") to resolve claims relating to the 2019 Global Amendments currently pending in litigation filed by MEAG and the Vogtle Units 3 and 4 Project Entities on June 18, 2022, in the Superior Court of Fulton County, Georgia. Under the Settlement Agreement:

(a) Georgia Power will reimburse the Vogtle Units 3 and 4 Project Entities for (1) 15 percent of their share of the actual cost of construction of the Additional Vogtle Units in excess of $18.7 billion, up to and including $19.6 billion, and (2) 20 percent of their share of the actual cost of construction of the Additional Vogtle Units in excess of $19.6 billion. MEAG and the Vogtle Units 3 and 4 Project Entities will release Georgia Power from claims for reimbursement of costs of construction of the Additional Vogtle Units other than pursuant to the Settlement Agreement;

(b) The Vogtle Units 3 and 4 Project Entities will not tender any of their ownership interests in the Additional Vogtle Units to Georgia Power, which will remain 22.7 percent in the aggregate;

(c) The parties will dismiss with prejudice the existing litigation among them and deliver customary releases relating to the litigation; and

(d) MEAG Power waives its rights under the Agreement Regarding Additional Participating Party Rights, dated November 2, 2017, by and among MEAG, Georgia Power, and the other Vogtle Co-Owners ("Additional Rights Agreement"), and agrees to vote to continue the construction of the Additional Vogtle Units upon occurrence of specified project adverse events unless the commercial operation date of either of the Additional Vogtle Units is not projected to occur by December 31, 2025.

Financing for Project J – In order to finance a portion of its acquisition and construction of Project J and to refund bond anticipation notes previously issued by MEAG, MEAG issued approximately $1.248 billion of its Plant Vogtle Units 3 and 4 Project J Bonds (the "2010 Project J Bonds") on March 11, 2010. Of the total 2010 Project J Bonds, approximately $1.224 billion were issued as Federally Taxable - Issuer Subsidy - Build America Bonds where MEAG expects to receive a cash subsidy payment from the United States Treasury for 35 percent of the related interest, subject to reduction due to sequestration. At this time, a portion of the interest subsidy payments with respect to the Build America Bonds is not being paid as a result of the federal government sequestration process and the Bipartisan Budget Act of 2019 for the current fiscal year through fiscal year 2030. The current sequestration rate of 5.7 percent will be applied unless and until a law is enacted that cancels or otherwise affects the sequester. MEAG issued approximately $185.2 million of additional Project J tax-exempt bonds on September 9, 2015. In addition, MEAG issued approximately $570.9 million of additional Project J tax-exempt bonds on July 19, 2019. JEA was not asked to, and did not, provide updated disclosure regarding JEA in connection with the preparation of MEAG's July 18, 2019 Project J Bonds, Series 2019A Official Statement relating to the issuance, and JEA did not make any representations or warranties, or deliver any opinions of legal counsel, in connection with the offering, issuance, and sale of the Project J Bonds, Series 2019A. Further, on July 20, 2021, July 12, 2022, and January 19, 2023, MEAG issued approximately $150.4 million, approximately $212.0 million, and approximately $192.4 million of additional Project J tax-exempt bonds, Series 2021A, Series 2022A and Series 2023A, respectively. JEA provided updated disclosure regarding JEA in connection with MEAG's July 8, 2021 Project J Bonds, Series 2021A Official Statement, June 29, 2022 Project J Bonds, Series 2022A Official Statement and January 12, 2023 Project J Bonds, Series 2023A Official Statement, respectively, relating to the issuances and JEA made certain representations and warranties and delivered opinions of legal counsel in connection with the offering, issuance, and sale of the Project J Bonds, Series 2021A, 2022A and 2023A.

On June 24, 2015, in order to obtain certain loan guarantees from the United States Department of Energy ("DOE") for further funding of Plant Vogtle Units 3 and 4, MEAG divided its undivided ownership interest in Plant Vogtle Units 3 and 4 into three separate undivided interests and transferred such interests to the Vogtle Units 3 and 4 Project Entities. MEAG transferred approximately 41.175 percent of its ownership interest, representing 206 MW of nominally rated generating capacity (which is the portion of MEAG's ownership interest attributable to Project J), to MEAG Power SPVJ, LLC (the "Project J Entity").

The Project J Entity entered into a loan guarantee agreement with the DOE in 2015, subsequently amended in 2016 and 2017, under which the Project J Entity is permitted to borrow from the Federal Financing Bank ("FFB") an aggregate amount of approximately $687.3 million, all of which has been advanced to date.

On September 28, 2017, DOE, MEAG, and the Vogtle Units 3 and 4 Project Entities entered into a conditional commitment for additional DOE loan guarantees in the aggregate amount of $414.7 million. On March 22, 2019, MEAG announced that it had closed on the additional DOE loan guarantees in the aggregate amount of $414.7 million. The Project J Entity's portion of the $414.7 million in additional loan guarantees is approximately $111.5 million and this amount was fully drawn on October 2, 2021. MEAG expects that the total financing needs for Project J will exceed the aggregate of the Project J Entity's FFB lending commitments and the balance will be financed in the capital markets, or bank borrowings.

The following is a summary of financing associated with Project J:

Project J Capital Requirements
(000s omitted)[(1)]

Long-term Bonds Issued	
Series 2010A – Build America Bonds	$1,224,265
Series 2010B – Tax Exempt Bonds	24,170
Series 2015A – Tax Exempt Bonds	185,180
Series 2019A – Tax Exempt Bonds	570,925
Series 2021A – Tax Exempt Bonds	150,350
Series 2022A - Tax Exempt Bonds	212,005
Series 2023A - Tax Exempt Bonds	192,370
Remaining Financing Requirement	16,740
Total Long-term Bonds Issued	**$2,576,005**
DOE Advances[(2)]	
2015 DOE Advances	$ 345,990
2019 DOE Advances	229,748
2020 DOE Advances	111,541
Total DOE Advances	**$ 687,279**
Estimated Interest Earnings and Bond Premiums	$ 189,379
Total Capital Requirements[(3)]	**$3,452,663**

(1) Totals may not add due to rounding.
(2) Includes Advances and related capitalized interest accretion.
(3) Represents estimated total construction costs and required reserve deposits, net of payments received.

Based on information provided by MEAG, JEA's portion of the debt service on the outstanding Project J debt as of September 30, 2023 is summarized as follows (000s omitted)[(1)]:

Fiscal Year Ending September 30,	Principal	Interest	Annual Debt Service	Build America Bonds Subsidy	Capitalized Interest	Net Debt Service
2024	$ 34,951	$ 162,117	$ 197,068	($ 26,100)	($14,119)	$ 156,849
2025	37,296	159,306	196,602	(25,746)	–	170,856
2026	38,710	155,221	193,931	(25,378)	–	168,553
2027	40,198	152,844	193,042	(24,993)	–	168,049
2028	41,776	150,685	192,461	(24,592)	–	167,869
2029	43,399	148,566	191,965	(24,173)	–	167,792
2030	45,082	146,324	191,406	(23,737)	–	167,669
2031	46,838	143,991	190,829	(23,281)	–	167,548
2032	48,622	141,692	190,314	(22,806)	–	167,508
2033	50,586	139,007	189,593	(22,311)	–	167,282
2034	52,603	136,362	188,965	(21,794)	–	167,171
2035	54,653	133,682	188,335	(21,255)	–	167,080
2036	48,287	130,892	179,179	(20,692)	–	158,487
2037	35,932	127,928	163,860	(20,106)	–	143,754
2038	30,988	124,870	155,858	(19,494)	–	136,364
2039	28,020	121,601	149,621	(18,855)	–	130,766
2040	18,891	118,315	137,206	(18,189)	–	119,017
2041	15,847	114,843	130,690	(17,495)	–	113,195
2042	9,710	111,750	121,460	(16,770)	–	104,690
2043	3,393	90,426	93,819	(13,880)	–	79,939
2044	-	11,080	11,080	(1,790)	–	9,290
Total	**$725,782**	**$2,721,502**	**$3,447,284**	**($433,437)**	**($14,119)**	**$2,999,728**

(1) Totals may not add due to rounding.

Construction Arrangements for the Additional Vogtle Units

As a result of the bankruptcy of the original contractor for the Additional Vogtle Units and increases in the construction costs, the Vogtle Co-Owners have restructured the construction arrangements for the Additional Vogtle Units. Under the restructured construction arrangements:

(a) Bechtel Power Corporation ("Bechtel") will serve as the prime construction contractor for the remaining construction activities for Plant Vogtle Units 3 and 4 under a Construction Agreement entered into between Bechtel and Georgia Power, acting for itself and as agent for the other Vogtle Co-Owners (the "Construction Agreement"), which is a cost reimbursable plus fee arrangement, which means that the Construction Agreement does not require Bechtel to absorb any increases in construction costs.

(b) In August 2018, the Vogtle Co-Owners approved amendments to their joint ownership agreements for Plant Vogtle Units 3 and 4 (as amended, the "Vogtle Joint Ownership Agreements") that limit the circumstances under which the holders of at least 90 percent of the ownership interests in Plant Vogtle Units 3 and 4 are required to approve the continuance of the construction of the Additional Vogtle Units to a few events, including the delay of one year or more over the most recently approved project schedule. Such events do not include increases in the construction budget.

(c) Under the Vogtle Joint Ownership Agreements, Georgia Power has the right to cancel the project at any time in its discretion.

The estimated construction costs to complete Project J's share of the Additional Vogtle Units have significantly increased from the original project budget of approximately $1.4 billion to the current estimate of approximately $3.453 billion inclusive of financing costs and required reserves. In addition, significant delays in the project's construction schedule have resulted in the original placed in-service dates for Plant Vogtle Unit 3 of April 2016 and for Plant Vogtle Unit 4 of April 2017 being revised. Plant Vogtle Unit 3 was placed in service on July 31, 2023, and Plant Vogtle Unit 4 is expected to be placed in service during the second quarter of 2024.

JEA is not a party to the Construction Agreement or to the Vogtle Joint Ownership Agreements and does not have the right under the Additional Vogtle Units PPA to cause a termination of the Construction Agreement, to cancel the project or to approve increases in the construction costs or delays in the construction schedule of the project. Accordingly, JEA can provide no assurance that construction costs for the Additional Vogtle Units will not significantly increase or that the schedule of the project will not be significantly delayed.

Increases in construction costs for Plant Vogtle Units 3 and 4 result in increases in the payment obligations of JEA for capacity and energy under the Additional Vogtle Units PPA. See the "Overview" and "Financing and In-Service Costs" sections above and "Litigation and Regulatory Proceedings" section below for a description of the complaint filed by JEA and the City challenging the enforceability of the Additional Vogtle Units PPA.

Litigation and Regulatory Proceedings

Settlement of Prior Litigation – On July 30, 2020, JEA and MEAG filed a voluntary notice and announced a settlement of all disputed issues relating to the Additional Vogtle Units PPA.

In connection with the litigation settlement, MEAG and JEA executed an amendment to the Additional Vogtle Units PPA pursuant to which MEAG and JEA agreed to an increase in the "Additional Compensation Obligation" payable by JEA to MEAG of $0.75 per MWh of energy delivered to JEA thereunder.

In addition, MEAG and JEA also entered into an agreement that, subject to the rights granted to other Project J participants in their Project J power sales contracts, grants to JEA a right of first refusal to purchase all or any portion of the entitlement share of a Project J participant to the output and services of Project J in the event that any Project J participant requests MEAG to effectuate a sale of such entitlement share pursuant to such participant's Project J power sales contract. This right of first refusal is applicable during the period commencing ten (10) years following the commercial operation date of the first of Vogtle Unit 3 or Vogtle Unit 4 to achieve commercial operation (July 31, 2023) and continuing until the expiration of twenty (20) years following such commercial operation dates. In order to exercise its right of first refusal as described above, JEA will be required to pay the price offered by a third-party purchaser or the fully embedded costs as provided for in the Project J power sales contract, whichever is greater.

Other Renewable Sources

JEA purchases energy from two landfill gas-to-energy facilities through PPA with Landfill Energy Systems ("LES"). Each agreement is for 9.6 MW. Currently, JEA purchases 9.6 MW from Trail Ridge Landfill in Jacksonville, Florida and 6.4 MW from Sarasota Landfill in Sarasota, Florida. LES can supply the remaining 3.2 MW from Sarasota, Florida if it is expanded and becomes available, or JEA can exercise its option to receive the remaining 3.2 MW from New River Landfill in Raiford, Florida. JEA pays only for the energy produced. LES pays all transmission and ancillary charges associated with transmitting the energy from Sarasota, Florida to Jacksonville, Florida, which came online in January 2015. Purchases of landfill energy were 55,311 MWh for approximately $4.256 million in the Fiscal Year ended September 30, 2023 and 68,457 MWh for approximately $5.161 million in the Fiscal Year ended September 30, 2022.

In 2009, JEA entered into a 30-year PPA with Jacksonville Solar, LLC for the produced energy, as well as the associated environmental attributes from a solar farm, Jacksonville Solar, which has been constructed in JEA's service territory. The facility, which consists of 200,000 photovoltaic panels on a JEA-leased 100-acre site, is currently owned by Rev Renewables, an LS Power company, and generated approximately 16,257 MWh of electricity in the Fiscal Year ended September 30, 2023 and 18,024 MWh of electricity in the Fiscal Year ended September 30, 2022. JEA pays only for the energy produced. Purchases of energy were approximately $3.636 million in the Fiscal Year ended September 30, 2023 and $3.928 million for the Fiscal Year ended September 30, 2022.

As part of JEA's continued commitment to the environment, and to increase JEA's level of carbon-free renewable energy generation, in December 2014, the JEA Board established a Solar Policy to add up to 38 MWac of solar photovoltaic ("PV") capacity. To support this policy, JEA issued requests for proposals for PPAs in December 2014 and April 2015. Seven PPAs, representing 27 MWac, have been finalized. The solar PPAs are distributed around JEA's service territory.

As of the end of calendar year 2019, all seven projects had been completed: NW Jacksonville Solar, Old Plank Road Solar, Starratt Solar, Simmons Solar, Blair Road Solar, Old Kings Solar, and Sunport Solar. JEA entered into 20-25 year PPAs for the energy and the associated environmental attributes from each solar farm. The solar facilities generated approximately 51,303 MWh in the Fiscal Year ended September 30, 2023 and 53,607 MWh in the Fiscal Year ended September 30, 2022. JEA pays only for the energy produced. Purchases of energy were approximately $4.042 million in the Fiscal Year ended September 30, 2023 and $4.174 million for the Fiscal Year ended September 30, 2022.

The JEA Board approved a further solar expansion consisting of five 50 MWac solar facilities to be constructed on JEA-owned property. These projects, totaling 250 MWac, were structured as PPAs. EDF-DS was selected as the vendor for the sites, and contracts were executed in January 2019; however, impacts caused by the COVID-19 pandemic, resulted in project delays. All five of the EDF-DS contracts have been terminated.

On April 25, 2023, the JEA Board approved JEA's 2030 goals, which include sourcing 35 percent of JEA's energy from clean energy resources, such as solar and aligning with JEA's commitment to increase its renewable portfolio, nuclear. To support this goal, JEA will need a total of 1,275 MW of solar.

JEA entered into an agreement on January 24, 2023, to purchase 150 MWac of electric energy, capacity resources, and renewable attributes (Solar) beginning April 1, 2023, from Florida Power & Light. JEA received approximately 196,411 MWh in the Fiscal Year ended September 30, 2023, and the purchases of energy were $9.934 million.

JEA is in negotiations for a solar agreement with the Florida Municipal Power Agency to purchase approximately 140 MW from facilities set to commission in 2026. Finally, JEA is currently in negotiations with Florida Renewable Partners for 280 MW of solar and energy storage systems to be constructed on JEA-owned parcels. These facilities are expected to commission between 2026 and 2027.

Participation in The Energy Authority

In May 1997, JEA, MEAG Power and South Carolina Public Service Authority (Santee Cooper) entered into a joint power marketing alliance through the formation of a nonprofit corporation in which such three parties constituted all of the members. The corporation is The Energy Authority ("TEA"), a Georgia nonprofit corporation. Subsequently, four additional publicly-owned utilities, NPPD, the City of Gainesville, Florida, doing business as Gainesville Regional Utilities ("GRU"), City Utilities of the City of Springfield, Missouri, and American Municipal Power, Inc. became members of TEA. The main office of TEA is in the City. TEA's board of directors consists of nine directors. The TEA Board, all of whom are elected by the members, is composed of one director from each member and two non-voting directors who serve as the respective chairs of two standing committees.

TEA commenced operations in August 1997 and is engaged in buying and selling wholesale power and natural gas and promoting the efficient use of the generation assets of its members to maximize the efficient use of electrical energy resources, reduce operating costs and increase operating revenues of the members. TEA is expected to accomplish the foregoing without impacting the safety and reliability of the electric system of each member. TEA transacts energy transactions among the members and external markets including arranging for any transmission services required to accommodate such transactions. TEA is the exclusive purchaser of short-term surplus energy from its members. Each member is responsible for having adequate firm generating capacity to serve its native load requirement plus operating reserve requirements. TEA has not engaged in the construction or ownership of generation or transmission assets. Additionally, the members have not engaged in other activities that are found in some power pools such as reserve sharing or dedication of all resources to serve the combined load.

TEA has managed a portion of JEA's natural gas supply since 2001. See "*Fuel Contracts*" above.

Pursuant to an Electric Advance Agreement and a Natural Gas Advance Agreement among TEA and its members and a Member Advance Agreement between JEA and TEA, JEA supports TEA's trading activities by the issuance of JEA guaranties and/or provision of cash advances as determined by TEA within the limits contained in such advance agreements. As of January 1, 2024, JEA is obligated to guaranty, directly or indirectly, certain of TEA's electric trading activities in an amount up to $60,000,000 and certain of TEA's natural gas procurement and trading activities up to $93,700,000, in either case, plus reasonable attorney's fees that any party claiming and prevailing under the guaranty might incur and be entitled to recover under its contract with TEA. The JEA Board has approved guaranties of up to $60,000,000 for TEA's electric trading activities, up to $60,000,000 (plus attorney's fees) for TEA's natural gas procurement and trading activities and up to $50,000,000 for TEA's electric and natural gas activities solely for JEA's benefit (since 2014 none of this latter type of trading activity is being engaged in by TEA). The JEA Board can from time to time increase or (subject to certain limits) decrease the amount of its advances to TEA. For a discussion of JEA's investment in TEA and its commitments to TEA as of September 30, 2023, see Note 7 to JEA's 2023 Financial Statements attached hereto as APPENDIX A.

Order No. 889 of the Federal Energy Regulatory Commission ("FERC") established certain standards of conduct for utilities that offer open access transmission services. The effect of these standards would have been to require JEA to establish a wholesale marketing organization separate and apart from its operating group that controls operations of its generation and transmission facilities. JEA believes that the establishment of TEA satisfied that requirement at a cost to JEA that is substantially less than the cost that JEA would have incurred if it acted alone in establishing a wholesale marketing organization.

Mutual Aid Alliance

JEA has entered into an agreement with six other electric utilities located in Florida and Georgia (the "Participating Utilities") to provide mutual aid in the form of energy and price commitments in the event of an extended outage of certain designated baseload generating units of the Participating Utilities. Under this agreement, each Participating Utility agrees to make available, from its own capacity and only to the extent it has capacity available in excess of its native load and firm sales commitments, energy to replace energy unavailable due to unplanned outages of the designated units in excess of 60 days ("Replacement Power"). Each Participating Utility is obligated to provide such Replacement Power for up to 365 days from the outage event. The Participating Utilities will provide such Replacement Power at a cost derived through a formula based upon natural gas prices. This agreement has a term ending in September 2027 and is automatically renewed for an additional five-year period unless a party thereto provides timely notice of its intent not to renew its participation.

Interconnections

JEA's Electric System is interconnected with other utilities located in the State through five interconnections with FPL, four at 230 kV and one at 138 kV; one 230 kV interconnection with Seminole Electric Cooperative ("Seminole"); one 138 kV interconnection with Florida Public Utilities; and one interconnection each at 230 kV and 138 kV with Beaches Energy Services ("BES"). Of these, one interconnection at 230 kV is located in the southwestern portion of the Electric System service territory; four 230 kV interconnections in the western section; two at 138 kV in the northern section; one at 138 kV in the eastern section; and one interconnection at 230 kV is located in the southeastern section.

JEA also has joint ownership with FPL on the two 500 kV lines that connect Florida's grid with Georgia Integrated Transmission System. These lines are located in the western section of the Electric System service territory and extend from FPL's Duval substation to the north to interconnect with Georgia Integrated Transmission System at the Florida-Georgia state line.

JEA is a member of the SERC Reliability Corporation ("SERC"). Under a delegation agreement with the North American Electric Reliability Corporation ("NERC"), SERC acts as JEA's Compliance Enforcement Authority for FERC approved Electric Reliability Standards. JEA is also a member of the Florida Reliability Coordinating Council ("FRCC"). The FRCC is a member owned organization whose objective is to provide certain reliability and planning functions in a coordinated manner among the utilities in the FRCC subregion of SERC. FRCC is the NERC approved and registered Reliability Coordinator for the utilities in the FRCC subregion. Additionally, FRCC members coordinate their planning and system operations through the FRCC Member services to share operating reserves; establish policies and procedures for dealing with scheduled and inadvertent interchanges and emergencies; coordinate maintenance schedules; establish and administer guidelines for utilizing under-frequency load shedding relays; maintain voice and data facilities; and evaluate and resolve system disturbances.

JEA is subject to standards enacted by NERC and enforced by FERC regarding protection of the physical and cyber security of critical infrastructure assets required for operating North America's bulk electric system. Accordingly, JEA maintains a compliance program as per the guidance of the NERC Compliance Monitoring and Enforcement Program (CMEP). In addition, compliance with or changes in the applicable standards and regulations may subject JEA to higher operating costs and/or increased capital expenditures as well as substantial fines for non-compliance.

Transmission and Distribution System

JEA's transmission system consists of all JEA-owned bulk power transmission facilities operating at 69 kV or higher, which includes all transmission lines and associated substation facilities that end at the substation's termination structure at four voltage levels: 69 kV, 138 kV, 230 kV and 500 kV.

JEA owns a total of 744 circuit miles of transmission lines, of which 691 are overhead miles and 53 are underground. The following table presents the breakdown of miles per kV level:

Voltage (kV)	Overhead (Miles)	Underground (Miles)	Total (Miles)
69	113	46	159
138	195	3	198
230	308	4	312
500	75	0	75
Total	691	53	744

The 159 miles of 69 kV transmission lines are located in the dense interior section of the Electric System's service area, in the vicinity of the urban core. The 198 miles of 138 kV lines interconnect substations in most of JEA's high load and growth areas. The 312 miles of 230 kV lines form a semicircular loop around the City with transformation from the transmission system to the distribution system performed at numerous JEA facilities, which also serve the high load and growth areas. There currently are 85 substations in the JEA service territory. JEA owns two 500 kV lines jointly with FPL. These lines are connected between FPL's Duval Substation and Georgia Integrated Transmission System at the Florida Georgia state line.

To serve the growing customer load around the existing San Pablo substation as well as the future Mayo Clinic campus expansion in the eastern part of the service territory, JEA constructed a new 138/26.4 kV Mayo load serving substation Mayo in the fall of 2023. JEA is also working to have a new 230 kV transmission injection into this substation from the south along with a 230/138 kV expansion at Mayo substation.

JEA's tie line interconnections with neighboring utilities within FRCC are:

JEA Station	Neighboring Utility Station	Voltage (kV)
Steelbald	Duval (FPL) Circuit 3	230
Brandy Branch	Duval (FPL) Circuit 1	230
Brandy Branch	Duval (FPL) Circuit 2	230
Jax Heights	Duval (FPL) Circuit 4	230
Neptune	JB Penman (BES)	138
Switzerland	Sampson (BES)	230
Jax Heights	Black Creek (Seminole)	230
Nassau	Step Down (FPU)	138
Nassau	O'Neil (FPL)	138

The distribution system covers approximately 7,408 circuit miles and is composed of three voltage levels depending upon the area served. The central downtown business district is served by a 13.2 kV underground secondary and spot network. Surrounding residential and commercial areas are served primarily at 26.4 kV, with some 4.16 kV and 13.2 kV interspersed. Most older areas are served from overhead distribution lines. However, the majority of all new developments, subdivisions, shopping centers and apartment complexes constructed since 1968 are served by underground 26.4 kV distribution.

The transmission and distribution system is under the control of JEA's system operators through a supervisory control and data acquisition system. The control of the generation facilities and the balance of power flow over interconnection transmission facilities is managed by an automatic generation control application with the system operators' oversight and input as needed.

Area Served

The Electric System serves approximately 900 square miles, which includes virtually the entire City (Duval County), with the exception of Jacksonville Beach and Neptune Beach. The Electric System also provides retail service in portions of the northern sections of St. Johns and Clay Counties, which are located southeast and southwest of the City, respectively.

Customers and Sales

In the Fiscal Year ended September 30, 2023, the Electric System served an average of 515,514 customer accounts. The following table sets forth electric revenues, the sales of the Electric System and the average number of Electric System accounts, all by customer classification, for Fiscal Years ended September 30, 2019 through 2023.

	Fiscal Year Ended September 30,				
	2023	**2022**	**2021**	**2020**	**2019**
Electric Revenues (000s omitted):					
Residential	$ 760,374	$ 785,986	$ 644,639	$ 624,078	$ 629,355
Commercial and industrial	708,529	714,288	566,942	556,722	590,473
Public street lighting	15,423	15,039	13,821	13,410	13,176
Sales for resale	2,254	1,341	2,137	2,128	3,914
FPL saleback	0	0	1	(1)	1,664
TOTAL	$1,486,580	$1,516,654	$1,227,540	$1,196,337	$1,238,582
Sales (MWh):					
Residential	5,650,016	5,741,350	5,642,412	5,566,222	5,515,428
Commercial and industrial	6,608,722	6,674,205	6,518,435	6,562,365	6,793,557
Public street lighting	54,822	54,939	55,487	55,974	57,410
Sales for resale:					
Off-system	52,902	17,758	22,815	18,412	99,563
FPL saleback	0	0	0	0	0
TOTAL	12,366,462	12,488,252	12,239,149	12,202,973	12,465,958
Average Number of Accounts:					
Residential	455,609	444,840	436,299	427,321	418,728
Commercial and industrial	55,895	55,105	54,381	53,750	53,204
Public street lighting	4,010	3,989	3,976	3,929	3,854
TOTAL	515,514	503,934	494,656	485,000	475,786

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Largest Customers

The 10 largest customer accounts served by the Electric System composed 13.9 percent of the total MWh purchases derived from the operation of the Electric System for the Fiscal Year ended September 30, 2023. The following table sets forth the 10 largest Electric System accounts by MWh purchases, during the Fiscal Year ended September 30, 2023.

Customer Accounts	MWh Purchases	Percentage of Total
United States Navy	350,220	2.8
CMC Steel	309,911	2.5
WestRock	208,345	1.7
City of Jacksonville	183,184	1.5
Duval County Public Schools	140,109	1.1
Southern Baptist Hospital	113,902	0.9
Johnson & Johnson Vision Care	109,163	0.9
Anheuser Busch	106,665	0.9
Mayo Clinic Jacksonville	102,527	0.8
Publix Supermarkets	101,146	0.8
TOTAL	1,725,172	13.9

Customer Billing Procedures

Customers are billed on a cycle basis approximately once per month. If the customer has not paid a bill within 42 days after the initial bill date, JEA may discontinue service to that customer. New commercial accounts are generally assessed a deposit. Residential customers who meet JEA's credit criteria are not assessed a deposit. Customers who do not meet JEA's credit criteria or do not maintain a good payment record may be assessed a deposit, which may vary with consumption. A late payment fee of 1.5 percent is assessed to customers for past due balances in excess of 27 days. The amount of uncollectible accounts is budgeted to be approximately 0.19 percent of estimated gross Electric System revenues for the Fiscal Year ending September 30, 2024. Actual uncollectible accounts were 0.25 percent of gross Electric System revenues for the Fiscal Year ended September 30, 2023.

Rates

JEA has sole discretion to set rate levels and revenue requirements for the Electric System, including its interest in Scherer Unit 4. JEA sets its retail rates after a public hearing. The JEA Board has the authority to change wholesale rates without a public hearing. The Florida Public Service Commission (the "PSC" or "Florida PSC") has the authority to review rate structures for municipal utilities in Florida, including JEA (see subsection "*Regulation*" of this section, below).

Each of JEA's various rates for electric service consists of "base rate" components and a "fuel and purchased power rate" component. The base rate is evaluated and adjusted as required to fund projected revenue requirements for each Fiscal Year. A comprehensive class cost of service study will be performed at a minimum of every five years to support the rates charged are based on cost. The rate for the fuel and purchased power component will be set monthly for full recovery of actual energy expenditures.

In June 2011, the JEA Board approved the conversion of the $2.90 per 1,000 kWh fuel recovery charge to base energy charges. The conversion became effective January 1, 2012.

On June 19, 2012, the JEA Board approved a decrease of the fuel and purchased power rate by $4.14 per 1,000 kWh that became effective on July 1, 2012.

On January 19, 2016, the JEA Board approved a decrease of the fuel and purchased power rate by $6.85 per 1,000 kWh that became effective on February 1, 2016.

On November 15, 2016, the JEA Board approved an increase to base rates of 4.4 percent on average across multiple rate classes and a decrease of the fuel and purchased power rate by $4.25 per 1,000 kWh effective on December 1, 2016. This rate restructuring was designed to lower overall bills for residential and commercial customers, improve the alignment of rates with the cost of service and enable additional early pay down of currently outstanding debt.

On September 17, 2021, the JEA Board approved an increase to the energy kWh portion of base rates of approximately three percent on average across all rate classes and a decrease of the fuel and purchased power rate by $2.00 per 1,000 kWh effective October 1, 2021. This resulted in a target revenue of neutral electric bills for all residential and commercial customers.

On October 26, 2021, the JEA Board approved the revision of the Pricing policy that states the Fuel Charge will be set monthly and is based on the energy cost projection for the billing month to fully recover all expected fuel-related costs. The monthly adjustments became effective December 1, 2021.

Given JEA's current five-year projection of flat electric sales and increasing obligations under the Additional Vogtle Units PPA, JEA expects to recommend net rate adjustments (excluding fuel) anticipated to result in revenue requirement increases averaging approximately 4.5 percent per year over the forecasted Fiscal Years 2024, 2025, 2026, 2027, and 2028.

Since environmental regulatory constraints and the cost of environmental compliance are anticipated to increase in the future, the JEA Board enacted an Environmental Charge of $0.62 per 1,000 kWh, which was applied to all rate classes as of October 1, 2007. See "ELECTRIC UTILITY SYSTEM - *ELECTRIC UTILITY FUNCTIONS* - Environmental Matters" and "ELECTRIC UTILITY SYSTEM - *ELECTRIC UTILITY FUNCTIONS* - Certain Factors Affecting the Electric Utility Industry - *Legislation*" herein.

In order to fund JEA's comprehensive conservation and demand reduction programs (which are designed to reduce electric consumption and, at the same time, reduce the need for acquiring or constructing additional generating capacity), the JEA Board enacted a Conservation Charge, which was applied to residential electric accounts effective as of October 1, 2007, in the amount of $0.01 per kWh for usage above 2,750 kWh in a single month.

On February 28, 2023, the JEA Board approved eliminating the enacted Environmental charge and Conservation charges for all rate classes and incorporating them into the energy charge effective as of April 1, 2023. In addition, basic monthly charges for each rate class were raised to more closely represent the cost to serve each class of customer. For residential customers, the increase to base rates was 3.4 percent or $2.63 per 1,000 kWh effective April 1, 2023. For non-residential customers, basic monthly charges were increased and offset by overall lower energy charges resulting in a target net neutral revenue impact.

A comparison of residential rates in selected major regional cities, including fuel adjustments and franchise fees, as of January 2024, is shown in the following table, arranged by price of 1,000 kWh:

City (Utility)	500 kWh	1,000 kWh	1,250 kWh	2,000 kWh
St. Petersburg (Duke Energy Florida)	$95.50	$177.33	$219.98	$347.95
Ocala (Electric Dept.)	89.82	162.64	199.05	308.28
FPL- NW FL (Gulf)	82.32	154.60	196.02	320.27
Tampa (Tampa Electric)	84.59	146.61	183.25	293.16
Gainesville (GRU)	79.30	145.73	183.75	297.83
Atlanta (GPC)	80.49	143.87	207.25	270.64
Key West (Keys Energy Services)	84.15	140.30	168.38	252.60
Miami (FPL)	75.00	139.94	177.69	290.95
Tallahassee (Electric Dept.)	70.96	132.51	163.29	255.62
Orlando (OUC)	74.75	132.00	166.88	271.50
JACKSONVILLE (JEA)	**71.59**	**127.73**	**155.80**	**240.01**
Lakeland (Utilities Dept.)	61.88	109.72	135.58	216.46

Source: Publicly available information from utility websites (January 2024).

A comparison of non-residential rates in selected major regional cities for certain classifications of service for November 2023 (excluding all taxes) is shown in the following table, arranged by price of non-demand 1,500 kWh service:

City (Utility)	Non-Demand 1,500 kWh	Demand 150 kW 60,000 kWh	Demand 500 kW 200,000 kWh
Gainesville (GRU)	$270.20	$8,995.50	$29,240.20
St. Petersburg (Duke Energy Florida)	257.32	7,656.43	25,496.67
Ocala (Electric Dept.)	240.16	8,037.20	26,954.00
Atlanta (GPC)	245.90	7,157.53	26,255.45
Pensacola (FP&L-NWFL)	233.18	6,747.58	22,167.00
Key West (Keys Energy Services)	226.11	8,093.50	27,070.50
Tampa (Tampa Electric)	221.72	5,829.90	19,357.40
Miami (FPL)	202.19	5,898.28	19,657.00
Orlando (Orlando Utilities Commission)	201.10	6,145.40	20,410.00
Tallahassee (Electric Dept.)	170.20	6,287.84	20,754.18
JACKSONVILLE (JEA)	**169.02**	**5,717.00**	**18,625.00**
Lakeland (Utilities Dept.)	163.35	5,391.74	18,212.14

Source: For all Florida cities, Florida Municipal Electric Association, Inc.'s "Commercial/Industrial Comparison of Electric Rates" (November 2023); for Atlanta, GPC (January 2024).

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In August 2013, the JEA Board approved an Economic Development Program (the "EDP") designed to provide a financial incentive for new and existing commercial or industrial customers who, upon meeting certain eligibility criteria, expand their business and add jobs within the JEA service area. In January 2015, the JEA Board amended the EDP to create an increased level of incentive for customers expanding their business and adding jobs within designated areas where JEA has underutilized existing transmission and distribution capacity (Load Density Improvement areas). In September 2022, the JEA Board approved an extension of the EDP program application date to September 30, 2023.

On November 15, 2016, the JEA Board approved an Economic Stimulus Rider designed to provide a financial incentive for new commercial or industrial customers to locate within JEA's service area. This rate rider would allow JEA to negotiate rates in certain controlled circumstances, given the following:

(a) Legal attestation by the customer (through an affidavit signed by an authorized representative of the customer) to the effect that, but for the application of the rider, the new load would not be served by JEA; and

(b) Documentation demonstrating to JEA's satisfaction that there is a viable lower cost alternative to the customers taking electric service from JEA.

In August 2023, the JEA Board approved enhancements to the EDP program, namely introducing an Enhanced Economic Development Program (the "EEDP") designed to further provide longer-term incentives to attract new or expanding electric load and creation of jobs in the Jacksonville region. Load Density Improvement areas were replaced with definitions of Targeted Areas for EDP program and Florida's Target Industries was introduced as a qualification EEDP program. The EDP and EEDP discount schedules are described in the following tables:

EDP Program Discount Schedule:

Year	Base Charges Discount – Less Than 5MW	Base Charges Discount – 5MW or greater *	Base Charges Discount – Less Than 5MW in Targeted Areas	Base Charges Discount – Greater Than 5 MW in Targeted Areas *
Year 1*	30%	30%	35%	35%
Year 2	25	30	30	35
Year 3	20	30	25	35
Year 4	15	25	20	30
Year 5	10	20	15	25
Year 6	5	15	10	20
Year 7	0	10	0	15
Year 8	0	5	0	10
Year 9	0	0	0	0

* Year 1 can be extended as outlined in General Provisions (g) of JEA Tariff Section Economic Development Program Rider.

EEDP Program Discount Schedule:

Year	Base Charges Discount – Less Than 5MW	Base Charges Discount – 5MW or greater *	Base Charges Discount – Less Than 5MW in Targeted Areas	Base Charges Discount – Greater Than 5 MW in Targeted Areas *
Year 1*	45%	45%	50%	50%
Year 2	40	45	45	50
Year 3	35	45	40	50
Year 4	30	40	35	45
Year 5	25	35	30	40
Year 6	20	30	25	35
Year 7	15	25	20	30
Year 8	10	20	15	25
Year 9	5	15	10	20
Year 10	0	10	0	15
Year 11	0	5	0	10
Year 12	0	0	0	0

* Year 1 can be extended as outlined in General Provisions (g) of JEA Tariff Section Economic Development Program Rider.

Regulation

Municipal electric utilities in the State, including JEA, are not subject to state regulation except for certain environmental matters, power plant and large transmission line siting, rate structures, certain conservation activities, certain safety standards and certain provisions of the Grid Power Bill. Section 366.04(5), Florida Statutes, a part of the Grid Power Bill, states that the PSC "shall further have jurisdiction over the planning, development, and maintenance of a coordinated electric power grid throughout Florida to assure an adequate and reliable source of energy for operational and emergency purposes in Florida and the avoidance of further uneconomic duplication of generation, transmission, and distribution facilities." In 1974, the Florida legislature enacted a statute which confers jurisdiction on the PSC to regulate "rate structures" of all utilities, including municipal utilities. In 1975, the PSC ruled that the statute does not confer ratemaking jurisdiction over municipal electric systems by distinguishing between "rates," as relating to determination of the revenues required by the utility, and "rate structures," as relating to the method by which revenues are generated.

The Florida legislature, in 1986, amended Section 366.04, Florida Statutes, which authorizes the PSC to prescribe and enforce safety standards for transmission and distribution facilities owned and operated by investor-owned electric utilities ("IOU's") and municipal- and cooperatively-owned electric utilities within the State. The PSC has adopted the National Electric Safety Code as its standard in this regard, and JEA believes it is currently in full compliance.

The Florida Electric Power Plant Siting Act, administered by the Florida Department of Environmental Protection (the "FDEP"), gives the PSC exclusive authority to determine the need for electric power plants. The Florida Transmission Line Siting Act, also administered by the FDEP, gives the PSC exclusive authority to determine the need for all transmission lines with voltages of 230 kV or greater which cross county lines. The Florida Department of Transportation ("FDOT") regulates the construction of new transmission and distribution lines that cross FDOT rights-of-way. The FDEP must approve the construction of transmission and distribution lines across FDEP-protected lands.

Transmission and distribution lines that cross navigable waters are regulated by the Army Corps of Engineers, the FDEP and the St. Johns River Water Management District.

Existing and proposed interconnection agreements with IOU's are subject to review and approval by FERC. The Energy Policy Act of 1992 conferred on FERC the power to order any "transmitting utility" to perform wheeling services. The term "transmitting utility" is defined to include municipal utilities, such as JEA. In addition, "transmitting utilities" are subject to FERC reporting requirements.

Capital Program

The Electric System's capital program consists of (a) capital requirements for improvements to existing generating facilities that are determined to be necessary as a result of JEA's annual resource planning process, (b) construction of a new Greenland 1x1 advanced class combined cycle unit, and (c) JEA's remaining capital requirements for transmission and distribution facilities and other capital items. The projected total amount of the capital program for the four-year period ending September 30, 2027 is shown in the following table.

Electric System Capital Program
(000s omitted)

Fiscal Year Ending September 30,	Amount
2024	$ 271,000
2025	313,000
2026	377,000
2027	534,000
Total	$1,495,000

The total amount of the capital program for the four-year period is estimated to be approximately $1,495 million. It is expected that approximately $694 million of the capital program for this period will be provided from the proceeds of bonds and that approximately $639 million will be provided from revenues and available funds of the Electric System. The projected total amount of the capital program may be affected by future environmental legislation and regulation. See "ELECTRIC UTILITY SYSTEM - *ELECTRIC UTILITY FUNCTIONS* - Environmental Matters" and "ELECTRIC UTILITY SYSTEM - *ELECTRIC UTILITY FUNCTIONS* - Certain Factors Affecting the Electric Utility Industry" herein.

St. Johns River Power Park

General Description

The St. Johns River Power Park, formerly a coal- and petcoke-fired steam electric generating station, is located on an approximately 1,900-acre site in the northeast section of the City. It consisted of two units, each having an average net capability of 638 MW. The two units were essentially identical in design and shared certain common facilities, including fuel handling and storage facilities, four on-site water wells, a demineralized water treatment system, a wastewater treatment facility, switchyards and miscellaneous buildings.

The term "Power Park" is used in this Annual Disclosure Report to mean the Joint Facilities, as that term is defined in the "Agreement for Joint Ownership, Construction and Operation of the St. Johns River Power Park Coal Units #1 and #2" dated as of April 2, 1982, as amended (the "Power Park Joint Ownership Agreement"), between JEA and FPL. The Joint Facilities are defined in the Power Park Joint Ownership Agreement to mean a coal-fired, steam electric generating facility consisting of two units, together with their associated improvements.

Ownership

The Power Park is 100 percent owned by JEA as of August 10, 2022. The Power Park was formerly owned and operated by JEA and FPL pursuant to the provisions of the Power Park Joint Ownership Agreement. A summary of certain provisions of the Power Park Joint Ownership Agreement is attached hereto as APPENDIX F. JEA owned an undivided 80 percent interest in the Power Park, and FPL owned the other 20 percent. JEA and FPL shared the decommissioning costs according to ownership.

Early Termination of Power Park Joint Ownership Agreement

On March 21, 2017, staff informed the JEA Board of an agreement in principle with FPL for an early termination of the Power Park Joint Ownership Agreement and cessation of commercial operations in January 2018 with decommissioning of the Power Park to occur thereafter. JEA and FPL obtained all required approvals, including those of the JEA Board, FPL's Board, and the PSC, and definitive agreements for cessation of commercial operations and decommissioning of the Power Park were executed, including an Asset Transfer and Contract Termination Agreement dated as of May 17, 2017. FPL obtained PSC Final Order approval on October 16, 2017. All required conditions were met prior to the shutdown on January 5, 2018.

Upon the ceasing of commercial operation of the Power Park (the "Power Park Closing"), FPL made a payment to JEA in consideration of the early termination of the Power Park Joint Ownership Agreement. Upon completion of the dismantlement of the Power Park, FPL was to assign its right, title and interest in and to the land upon which the Power Park is situated to JEA. On January 5, 2018, FPL and JEA deposited amounts, which together with funds on deposit in the debt service reserve fund, were sufficient to defease all outstanding debt issued under a resolution adopted by JEA on March 30, 1982 entitled "St. Johns River Power Park System Revenue Bond Resolution" (the "First Power Park Resolution").[1] As required by the terms of the Power Park Joint Ownership Agreement, FPL paid its share of the costs of retirement and dismantlement of the Power Park; provided, however, FPL did not contribute to the costs of remediation associated with any portions of the Power Park that JEA preserves for its beneficial use. Debt issued under the Second Power Park Resolution currently remains outstanding and was not defeased in connection with the Power Park Closing.

JEA's obligation to pay JEA's portion of the Power Park operating and maintenance expenses and renewal and replacement costs relating to the Power Park and all other costs associated with the Power Park, as well as all debt service on the Power Park Issue Three Bonds, is a Contract Debt

[1] The First Power Park Resolution was discharged and satisfied in accordance with its terms on March 21, 2018.

payable as a Cost of Operation and Maintenance of the Electric System pursuant to the Electric System Resolution. The Contract Debt payments with respect to the Power Park will be a Cost of Operation and Maintenance of the Electric System and are required to be made in accordance with the terms of the Second Power Park Resolution.

The total cost of decommissioning St. Johns River Power Park was approximately $64.5 million; JEA's portion was approximately $53.2 million, all of which had been incurred as of the Fiscal Year ended September 30, 2023. JEA paid 80 percent of the decommissioning cost with the exception of the Blount Island Conveyor Demolition, for which JEA paid 100 percent.

On August 10, 2022 all land and real property assets were transferred to JEA following the substantial completion of demolition and remediation. The active landfill closure commenced on December 9, 2020 and was completed in January 2022. JEA is evaluating opportunities for the future use, redevelopment or divestiture of the site.

Operation

The following table shows the total plant capacity factors for the Power Park since 2019. The capacity factor is a measure of the actual output as a percentage of the theoretical maximum output of a generating plant, or an individual unit, as the case may be.

Fiscal Year Ended September 30,	Power Park Capacity Factor		
	Unit 1 (%)	Unit 2 (%)	Total (%)
2019[1]	n/a	n/a	n/a
2020[1]	n/a	n/a	n/a
2021[1]	n/a	n/a	n/a
2022[1]	n/a	n/a	n/a
2023[1]	n/a	n/a	n/a

(1) Not applicable beginning Fiscal Year ended September 30, 2019.

Transmission Arrangements

As a result of the cessation of commercial operations of the Power Park in January 2018, JEA has terminated all transmission arrangements related to Power Park.

Fuel Supply and Transportation

As a result of the cessation of commercial operations of the Power Park in January 2018, JEA has concluded all fuel supply and transportation activities related to Power Park.

Capital Program

As a result of the cessation of commercial operations of the Power Park in January 2018, JEA does not project any additional expenditures relating to the capital program.

Scherer 4

General Description

Scherer Unit 4 is one of four coal-fired steam units located at the Robert W. Scherer Electric Generating Plant ("Plant Scherer") on a 12,000-acre site near the Ocmulgee River approximately three miles east of Forsyth, Georgia. Scherer Unit 4 has a current net maximum output of 846 MW and was placed in service in February 1989. Pursuant to the Plant Robert W. Scherer Unit Number Four Amended and Restated Purchase and Ownership Participation Agreement, dated as of December 31, 1990, as amended, among GPC, FPL and JEA (the "Scherer Unit 4 Purchase Agreement"), JEA purchased an aggregate of 23.64 percent of Scherer Unit 4, and FPL purchased an aggregate of 76.36 percent of Scherer Unit 4. In addition to the purchase of undivided ownership interests in Scherer Unit 4, under the Scherer Unit 4 Purchase Agreement, JEA and FPL also purchased proportionate undivided ownership interests in (a) certain common facilities shared by Units 3 and 4 at Plant Scherer, (b) certain common facilities shared by Units 1, 2, 3 and 4 at Plant Scherer and (c) an associated coal stockpile. Under a separate agreement, JEA also purchased a proportionate undivided ownership interest in substation and switchyard facilities. A summary of certain provisions of the Scherer Unit 4 Purchase Agreement and certain related agreements is attached hereto as APPENDIX G.

Ownership

As stated above, JEA and FPL are the owners of Scherer Unit 4 with undivided ownership interests of 23.64 percent and 76.36 percent, respectively; and JEA and FPL have proportionate ownership interests in the common facilities associated with all four units located at Plant Scherer. Oglethorpe, MEAG Power, GPC and the City of Dalton, Georgia ("Dalton"), as co-owners of Scherer Units 1 and 2, and Gulf Power Company ("Gulf Power") and GPC, as co-owners of Scherer Unit 3, also have proportionate undivided ownership interests in such common facilities. FPL and JEA also have proportionate undivided ownership interests in the common facilities shared by Scherer Units 3 and 4. GPC and Gulf Power, as co-owners of Scherer Unit 3, also have proportionate ownership interests in such common facilities (see "SUMMARY OF CERTAIN PROVISIONS OF AGREEMENTS RELATING TO SCHERER UNIT 4 - Scherer Unit 4 Purchase Agreement" in APPENDIX G attached hereto).

Oglethorpe, MEAG Power, Dalton, Gulf Power, GPC, FPL and JEA have entered into the Plant Scherer Managing Board Agreement which, among other things, established a managing board to coordinate the implementation and administration of various ownership agreements relating to Plant Scherer, including the establishment of standards, rules and policies for fuel procurement and the method of voting on issues affecting the various components of Plant Scherer in which all co-owners have an interest.

Retirement of Scherer Unit 4

On November 24, 2020, JEA and FPL entered into cooperation and retirement agreements setting forth the terms and conditions for the closure of the Scherer Unit 4 on or before January 1, 2022. On that same date, JEA also executed a 20-year purchased power agreement between JEA and FPL for a natural gas-fired system product with a solar conversion option ("FPL PPA") and a related 10-year natural gas hedge to replace the capacity and energy of Scherer Unit 4. The obligation of JEA to retire Scherer Unit 4 was subject to FPL having performed and complied in all material respects with the retirement agreement including remittance of the $100 million consummation payment (the "FPL Consummation Payment") to be used by JEA in its discretion to pay for JEA's costs in completing the retirement of Scherer Unit 4, including, but not limited to, the defeasance of the outstanding bonds.

FPL could have, at any time before the retirement date, terminated the retirement agreement if the Florida Public Service Commission ("PSC" or "Florida PSC") did not issue an order allowing FPL's proposed cost recovery plan for the FPL Consummation Payment. FPL filed with the PSC for approval in March 2021 and received approval on October 26, 2021. The FPL Consummation Payment was petitioned to be recovered as part of FPL's base rates, and the actual payment was made to JEA on December 6, 2021. On January 1, 2022, Scherer Unit 4 was retired and replaced by the FPL PPA.

Operation

The following table shows the total plant availability factors and capacity factors for Scherer Unit 4 since 2019.

	Scherer Unit 4	
Calendar Year	Availability Factor (%)	Capacity Factor (%)
2019	98.7	53.5
2020[1]	80.2	32.0
2021	93.4	47.7
2022[2]	n/a	n/a
2023	n/a	n/a

(1) During this period, Scherer Unit 4 underwent 13.5 weeks of planned and economic outages.
(2) Not applicable with Scherer Unit 4 retirement on January 1, 2022.

Transmission Arrangements

As a part of the purchase by JEA of its interest in Scherer Unit 4, GPC and Southern Company Services, Inc. provided JEA with firm transmission service through the GPC system to the Florida/Georgia border for delivery of the output of JEA's ownership interest in Scherer Unit 4 for the life of the unit. Transmission rates were computed by formulae contained within the agreement and are filed with, and under the jurisdiction of, FERC.

Fuel Supply

As a result of the closure of Scherer Unit 4 in January 2022, JEA has concluded all fuel supply activities related to Scherer Unit 4. See "ELECTRIC UTILITY SYSTEM - *ELECTRIC UTILITY FUNCTIONS* - Scherer 4 - *Retirement of Scherer Unit 4*" herein for additional information.

Capital Program

As a result of the closure of Scherer Unit 4 in January 2022, pursuant to the cooperation agreement entered into between JEA and FPL, JEA does not project any additional expenditures relating to the capital program. See "ELECTRIC UTILITY SYSTEM - *ELECTRIC UTILITY FUNCTIONS* - Scherer 4 - *Retirement of Scherer Unit 4*" herein for additional information.

Resource Requirements

Capacity

JEA must have sufficient resources to serve expected firm customer demands in the future. The capacity required consists of forecasted annual peak demands (net of interruptible demands) and a reserve margin necessary to allow for routine and emergency equipment outages and demand forecast variances. The installed capacity consists of existing Electric System generating units and firm power purchase agreement. The difference between firm capacity required (including the reserve margin) and installed capacity is the net capacity surplus or deficit.

JEA applies the Florida State mandated general rule that reserve capacity should be at least 15 percent of the projected seasonal firm peak demand. This reserve amount is added to projected firm peak demand to determine the seasonal capacity required. This approach is considered reasonable and prudent, particularly in light of JEA's strong transmission ties with FPL and the Southern Company ("Southern"). JEA owns approximately [1,228] MW of power import capacity into Florida across Florida-Georgia Transmission interface. Additional capacity, if needed, may be available for economic purchases by JEA. JEA also makes its part of the transmission import capacity available to others for transmission service under FERC Order No. 888.

As part of its strategic planning process, JEA re-evaluates its resource needs annually. The results of JEA's 2023 resource requirements study are shown below in the table entitled "PROJECTED AVAILABLE CAPACITY AND REQUIREMENTS." JEA's 2023 resource requirements study reflected JEA's most recent peak demand and energy forecast, which continued to identify JEA as a winter-peaking utility. The study also reflected the use of interruptible and curtailable rates. JEA's resource plan is expected to satisfy JEA's need for capacity through the listed operating period.

In 2021, JEA began its process of developing a comprehensive Integrated Resource Plan ("IRP"). The IRP was completed in May 2023. JEA's prime contractor for the development of the IRP was Black and Veatch ("B&V"), and supporting B&V as its IRP subcontractors were nFront Consulting, Resource Innovations and Accuity Design Group. The IRP is an industry standard process for evaluating long-term power supply requirements for:

- Reliability
- Economics
- Environmental

The process includes:

- Evaluating future need for generating resources
- Evaluating new resource options
- Identifying Scenarios and analyzing solutions
- Gathering Stakeholder feedback
- Determining preferred portfolio
- Developing action plan(s)

JEA included a stakeholder engagement component to the IRP effort. Reasons for stakeholder engagement include:

- Educate stakeholders on utility plans
- Improve transparency of utility decision-making process for resource planning
- Create an opportunity to provide feedback to the utility on its resource plan
- Encourage robust and informed dialogue on resource decisions
- Reduce utility regulatory risk by building understanding and support for utility resource decisions

JEA engaged a diverse group of stakeholders that had been selected to represent the broad range of the utility's customers and their individual interests. The stakeholder group included a variety of local and regional governmental and non-governmental organizations that in turn support the visions of their respective organizations. These stakeholders reviewed and provided feedback relative to various scenarios that may impact the utility and the community.

The results from the IRP helped guide the development of JEA’s long-term goals. On April 25, 2023, the JEA Board of Directors approved JEA'’s 2030 goal as follows:

- 35% of JEA's energy mix sourced from clean energy resources, such as solar and nuclear
- Retire less efficient generation
- 80% reduction in CO_2 emissions
- 100% of clean energy to serve JEA's facilities
- Offset electrification demand with energy efficiency programs

To meet this goal, JEA identified needing a total of 1,275 MW of solar, the 200 MW of nuclear power from Plant Vogtle Units 3 and 4, and a high-efficiency natural gas combined cycle unit.

Option to Purchase Interest in Lee Nuclear Station

On February 1, 2011 JEA entered into an option agreement with Duke Energy Carolinas, LLC ("Duke Carolinas"), a wholly-owned subsidiary of Duke Energy Corporation, pursuant to which JEA has the option (but not the obligation) to purchase an undivided ownership interest of not less than five percent and not more than 20 percent of the proposed two-unit nuclear station currently known as William States Lee III Nuclear Station, Units 1 & 2 to be constructed at a site in Cherokee County, South Carolina (the "Lee Project"). The Lee Project was planned to have 2,234 MW of electric generating capacity with a projected on-line date of 2026 with respect to Unit 1 and 2028 with respect to Unit 2. The total cost of the option was $7.5 million, with $3.75 million paid in each of Fiscal Years ended September 30, 2011 and 2012. JEA obtained this option in furtherance of its 2010 policy target to acquire up to 30 percent of JEA's energy requirements from nuclear sources by 2030.

The option agreement requires that JEA and Duke Carolinas complete negotiation of an ownership agreement and an operation and maintenance agreement for the Lee Project prior to JEA's exercising the option. The option exercise period will be opened by Duke Carolinas after it (a) receives NRC approval of the combined construction and operating license ("COL") for the Lee Project and (b) executes an engineering, procurement and construction agreement for the Lee Project. The Lee Project COL was received from the NRC in December 2016. In August 2017, Duke Carolinas filed with the North Carolina Utilities Commission and the South Carolina Public Service Commission to cancel the plant. This cancellation allows Duke Carolinas to seek cost recovery for the expenditures on licensing the plant; however, the NRC license remains active and the cancellation is not permanent. There is currently no schedule for negotiating an EPC agreement.

Once the exercise period is opened, JEA will have 90 days within which to exercise the option, and, if it does exercise the option, it must specify the percentage undivided ownership interest in the Lee Project that it will acquire.

After JEA exercises the option (should it elect to do so) and various regulatory approvals are obtained, JEA must pay Duke Carolinas the exercise price for the option. Such price is generally JEA's pro rata share, based on its percentage ownership interest in the Lee Project, of the development and pre-construction cost for the Lee Project incurred by Duke Carolinas from the beginning of the Lee Project through the closing date of the option exercise. JEA is undecided as to the financing structure it would employ to finance its interest in the Lee Project, should it elect to exercise its option.

Under certain circumstances should the Lee Project be terminated by Duke Carolinas, Duke may be obligated to provide JEA with options for alternative resources (but not necessarily from nuclear resources) to replace JEA's optionable portion of the projected Lee Project capacity. Such alternative resources are to be available to JEA within two years of the projected online date for the Lee Project, once such date is set. No alternative resource for the Lee Project has yet been proposed by Duke Carolinas.

System Load

From 2019 to 2023, the peak demand for power on JEA's Electric System increased at a compound annual rate of 1.53 percent per year. From 2019 to 2023, energy output decreased at a compound annual rate of 0.14 percent per year. JEA experienced its highest instantaneous peak of 3,250 MW on January 11, 2010. The yearly recorded values were as follows:

Fiscal Year	Net Peak Demand (MW)[1]	Percent Change From Previous Year	Annual Net Energy For Load (GWh)	Percent Change From Previous Year
2019	2,591	(14.1)	12,862	0.4
2020	2,582	0.5	12,623	(1.9)
2021	2,532	(2.9)	12,687	0.5
2022	2,728	9.1	12,900	1.7
2023	2,753	0.9	12,788	(1.6)

(1) The highest 60-minute net integrated peak demand for that year.

JEA's peak load forecast, which is based on weather-normalized load and energy data, together with JEA's projections for available generation and firm power purchases, is shown in the following tables.

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PROJECTED AVAILABLE CAPACITY AND REQUIREMENTS[1]
(MW)

Fiscal Year	Firm Winter Peak Demand[2]	Capacity Reserves	Firm Winter Peak Demand Plus Capacity Reserves[3]	Electric System Capacity[4]	Firm Power Purchases[5]	Installed Capacity and Net Firm Power Purchases[3]	Available Capacity Surplus[3]
2024	2,750	412	3,162	2,952	315	3,267	105
2025	2,767	415	3,181	2,952	415	3,367	186
2026	2,783	417	3,200	2,952	415	3,367	167
2027	2,800	420	3,220	2,952	400	3,352	132
2028	2,817	422	3,239	2,952	400	3,352	113

Fiscal Year	Firm Summer Peak Demand[2]	Capacity Reserves	Firm Summer Peak Demand Plus Capacity Reserves[3]	Electric System Capacity[4]	Firm Power Purchases[5]	Installed Capacity and Net Firm Power Purchases[3]	Available Capacity Surplus[3]
2024	2,614	392	3,006	2,799	414	3,213	207
2025	2,631	395	3,025	2,799	517	3,316	290
2026	2,646	397	3,043	2,799	546	3,345	302
2027	2,657	399	3,056	2,799	591	3,390	334
2028	2,674	401	3,075	2,799	614	3,413	338

(1) The projected figures contained herein are forward-looking statements and are subject to change without notice. These figures are based on current conditions and assumptions, including JEA's growth assumptions, environmental regulations, fuel prices, fuel availability and other factors in effect as of the date hereof and are subject to significant regulatory, business, economic and environmental uncertainties and contingencies. Events may occur and circumstances may change subsequent to the date hereof that would have a material impact on the projections presented herein. The achievement of certain results contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors that may cause actual results to differ materially from those stated in the forward-looking statements. JEA does not commit to issue any updates or revisions to those forward-looking statements if or when its expectations change, or events, conditions or circumstances on which such statements are based occur or fail to occur.

(2) Peak demand:
- (a) does not include serving expected interruptible loads.
- (b) includes Demand-Side Management.
- (c) includes Plug-In Electric Vehicle (PEV) penetration.

(3) Totals may not add due to rounding.

(4) Figures include the following considerations:
- (a) No capacity additions occur in the planning horizon.
- (b) Diesel capacity rating for Kennedy CTs 7 & 8, Greenland CTs and Brandy Branch CTs.
- (c) Gas capacity ratings in winter and summer for Brandy Branch CTs 2 & 3.

(5) Firm Power Purchases include:
- (a) TRE Phase I: 9 net MW clean power purchase starting winter 2008 and expiring December 2026.
- (b) TRE Phase II: 6 net MW clean power purchase starting winter 2014 and expiring December 2026.
- (c) JEA Existing Power Purchase Agreements: 20 percent of all existing solar power purchase agreements.
- (d) FPL Solar PPA: output in August at hour 17:00 of the 150 MW solar power purchase agreement starting April 1, 2023 and expiring April 1, 2028.
- (e) Two (2) 74.9 MW Solar PPAs: 20 percent of the ~150 MW solar power purchase agreements currently in negotiation starting the second quarter of the Fiscal Year ending September 30, 2026 and expiring the second quarter of the Fiscal Year ending September 30, 2046. (Included in Summer Firm power purchases. JEA does not count solar as capacity for Winter season.)
- (f) Four (4) 74.9 MW Solar PPAs: 20 percent of the ~300 MW solar power purchase agreements from a 2022 Request for Proposal process, which is undergoing negotiation process, starting the fourth quarter of the Fiscal Year ending September 30, 2026 and expiring the fourth quarter of the Fiscal Year ending September 30, 2046. (Included in Summer Firm power purchases. JEA does not count solar as capacity for Winter season.)
- (g) Two (2) 74.9 MW solar PPAs starting winter 2028 and expiring December 2048.
- (h) 150 MW Solar PPA coming starting on April 2028 and expiring March 2048.
- (i) Annual Firm Purchased Power Agreement for 200 MW Natural Gas Combined Cycle capacity and energy beginning January 1, 2022.
- (j) Vogtle Units 3 and 4: 100 MW each unit delivered from MEAG July 2023 and October 2024. The in-service date for the Vogtle Unit 4 in the Projected Available Capacity and Requirements table is being used for planning purposes and differs from Southern Company's assumed in-service date.

Environmental Matters

JEA is subject to numerous federal, state, and local environmental regulations resulting in environmental liabilities due to compliance costs associated with new regulatory initiatives, enforcement actions, legal actions and contaminated site assessment and remediation. Based on analysis of the cost of remediation and other identified environmental contingencies, as of September 30, 2023, JEA had accrued liabilities of approximately \$42.888 million related to environmental matters, of which approximately \$18.641 million is associated with the expected cost of remediating the former wood-preserving facility at the Kennedy Generating Station. Other environmental matters could have an impact on JEA; however, the resolution of these matters is uncertain, and no accurate prediction of range of loss is possible at this time. For a further discussion of certain pending litigation relating to environmental matters, see the discussion under the captions "Pollution Remediation Obligations" and "Northside Generating Station Byproduct" in Note 15 to JEA's Financial Statements attached hereto as APPENDIX A. See also "ELECTRIC UTILITY SYSTEM - *ELECTRIC UTILITY FUNCTIONS* - Environmental Matters - *Other Environmental*" herein.

While the final outcome of the foregoing proceedings cannot be predicted with certainty, JEA does not believe that its potential liabilities arising from such proceedings, either individually or in the aggregate, will have a material adverse effect upon its financial position, results of operations or liquidity.

Global Climate Change

Over the past 25 years, environmental concerns of the public, the scientific community and Congress have resulted in legislation that has had, and is expected to continue to have, a significant impact on the electric utility industry. Based on the increasing intensity of national and international attention to climate change, federal and state legislative and/or regulatory actions/discussions have been ongoing in this area.

Specific regulations with significant impact to JEA are described below.

In 1990, legislation was enacted (the "1990 Amendments") that substantially revised the Federal Clean Air Act (the "Clean Air Act"). A main feature of the 1990 Amendments is the reduction of sulfur dioxide ("SO_2") and nitrogen oxide ("NOx") emissions caused by electric utility power plants, particularly those fueled by oil and coal. The SO_2 reduction was to be achieved in two phases. Phase I addressed specific high sulfur emitting generating units named in the 1990 Amendments and was effective on January 1, 1995.

In Phase II, which became effective on January 1, 2000, total U.S. SO_2 emissions are capped at 8,900,000 tons per year. The 1990 Amendments contained provisions for allocating emission allowances to power plants based on historical or calculated levels. An allowance is defined as the authorization to emit one ton of SO_2. An "Affected Unit" is defined as a unit that is subject to emission reduction requirements or limitations under the United States Environmental Protection Agency (the "EPA") Acid Rain Program.

In 2009, the EPA issued final rules that require mandatory reporting of greenhouse gases ("GHG") emissions from all sectors of the economy. The rules require reporting by fossil fuel suppliers and industrial gas suppliers, direct GHG emitters and manufacturers of heavy-duty and off-road vehicles and engines. Electric generating units ("EGUs") subject to the Clean Air Act's Acid Rain Program would continue to measure CO_2 emissions as presently performed and report based on those measurements. Annual reports are due by March 31 each year.

Under the structure of the Clean Air Act, permits are required for all sectors of the economy that have activities that meet the definition of a "major source" of GHG emissions under the Clean Air Act. Covered entities will immediately be subject to Prevention of Significant Deterioration ("PSD") and Title V permitting regimes, including requirements that construction of new sources or modifications to existing sources that will significantly increase GHG emissions install Best Available Control Technology ("BACT") to limit those emissions.

The EPA final PSD and Title V Greenhouse Gas Tailoring Rule (the "Tailoring Rule"), which provided a three-stage phase-in of Clean Air Act PSD and Title V operating permit requirements for GHGs from stationary sources, became applicable to GHG emissions on January 2, 2011.

Under the first phase, PSD and Title V requirements only apply to GHGs at sources that are already subject to these programs as a result of their non-GHG emissions. In the second and third phases, PSD and Title V requirements can apply to sources on the basis of GHG emissions alone, even if non-GHG emissions are not high enough to trigger current PSD and Title V requirements. The second and third phase of the Tailoring Rule and any related assessments were rendered irrelevant by a U.S. Supreme Court ("Supreme Court") ruling in 2014. The Tailoring Rule was initially upheld by the U.S. Court of Appeals for the District of Columbia Circuit, but, on June 23, 2014, the U.S. Supreme Court reversed in part and affirmed in part. The Supreme Court held that the Clean Air Act neither compels nor permits the EPA to require compliance with PSD or Title V requirements solely on the basis of GHG emissions but that the EPA reasonably interpreted the Act to require a source that must obtain a PSD permit based on its emission of non-GHG emissions to also comply with BACT requirements for GHGs. On remand from the Supreme Court, the U.S. Court of Appeals for the District of Columbia Circuit issued an amended judgment on April 10, 2015 that held that the Tailoring Rule was vacated to the extent it required sources to obtain PSD or Title V permits solely on the basis of GHG emissions and directed the EPA to take steps to rescind or revise applicable regulations to reflect the Court's judgment. The EPA has issued guidance indicating that it will no longer seek to apply the second or third phase of the Tailoring Rule but will continue to implement the first phase and will undertake additional future rulemaking. In early October 2016, the EPA proposed revisions in response to the June 2014 U.S. Supreme Court's decision that invalidated GHG-only PSD permitting under the Tailoring Rule. The proposal revised a variety of provisions to comply with the Court's ruling, and established a significant emissions rate threshold for GHGs of 75,000 tons per year CO_2, which would determine whether a source that triggers PSD for conventional pollutants is required to conduct a BACT analysis for GHGs. The EPA accepted comments on the revisions until December 16, 2016. Consistent with the ruling, the EPA is no longer requiring PSD permitting based on GHG emissions. JEA cannot determine the impact of this rule or any future related regulatory actions on its facilities at this time.

On October 23, 2015, the EPA published final performance standards for carbon emissions from new, modified and reconstructed electric generating units, establishing standards of performance for CO_2 emissions from these units (the "Carbon Pollution Standards"). On the same date, the EPA issued final guidelines for existing power plants, called the Clean Power Plan ("CPP"), which requires states to regulate CO_2 emissions from existing fossil fuel-fired power plants. This rule requires Florida to achieve a CO_2 emissions rate reduction of 26 percent by 2030, with interim CO_2 reduction goals over the period of 2022 to 2029.

Under the CPP, each state would be required to submit for EPA approval a plan for achieving the mandated emissions reductions. If a state failed to submit a plan then the EPA would be able, under the CPP, to impose a federal plan. States have at least one year (up to three years in special circumstances) to develop and submit plans to the EPA for approval. Plans do not go into effect until 2022. If a state does not submit an acceptable implementation plan, the EPA will implement a federal plan for the state. The final "Carbon Pollution Standards" rule applies to any facility that commenced construction after January 8, 2014, or modification or reconstruction after June 18, 2014, with requirements becoming effective 60 days after the rule is published in the Federal Register. The EPA accepted Public Comment on the Federal Plan up until January 21, 2016.

On August 3, 2015, the EPA issued concurrently three separate rules pertaining to emissions of carbon dioxide ("CO_2") fossil fuel-fired electric generating units:

(a) The Final Clean Power Plan, applicable to existing fossil fuel-fired electric EGUs.

(b) The Final Carbon Pollution Standards Rule ("CPS"), applicable to new, modified and reconstructed fossil fuel-fired EGUs.

(c) The Proposed Federal Plan applicable to states that fail to submit an approvable plan that achieves CPP goals.

On February 9, 2016, the U.S. Supreme Court issued an order staying implementation of the CPP. The Supreme Court granted the applications of numerous parties to stay the CPP pending judicial review of the rule. The EPA subsequently petitioned the court to pause the litigation indefinitely while the EPA promulgates new rules.

On October 16, 2017, the EPA issued an Advanced Notice of Proposed Rulemaking to repeal the CPP in its entirety due to the Administration's different interpretation of the authority for CO_2 regulation under the Clean Air Act. On August 31, 2018, the EPA issued a proposed rule to replace the CPP, which is entitled the Affordable Clean Energy ("ACE") rule. The proposed rule requires states to set CO_2 performance standards for each individual affected generating unit based on heat rate improvements that can be made at each specific unit. In addition, the ACE proposal would adopt reforms to the New Source Review ("NSR") program that are designed to remove the current regulatory barriers to implementing efficiency measures as well as other reliability, maintenance and safety projects at existing power plants. The compliance requirements of the proposed ACE rule are significantly less stringent than those of the CPP. The EPA accepted written comments on the proposed ACE rule until October 31, 2018. For the duration of the ACE rule's promulgation, the D.C. Circuit court had held the CPP litigation in abeyance while the EPA acted to repeal and replace the CPP. The CPP becomes repealed essentially when the ACE becomes final. On June 19, 2019, the EPA issued the final ACE rule, similar to the initial proposal except that the EPA opted to finalize the NSR reform rules sometime during the year 2020. JEA anticipates the ability to comply with ACE without significant new investment. On September 17, 2019, the D.C. Circuit Court granted motions seeking to dismiss, as moot, the litigation on the CPP, essentially affirming the repeal of the CPP. For

ACE compliance, JEA was working on establishing a baseline CO_2 emissions rate and completed a Heat Rate Improvement study for NGS Units 1 and 2. JEA began the process to propose a CO_2 emissions standard for each unit for submission to FDEP towards the end of 2021 to support submission of an FDEP State plan in 2022 for the EPA's approval by 2024. However, due to the litigation and verdict described below, this process was suspended.

On December 6, 2018, the EPA issued a proposed rule to replace the CPS by revising the new source performance standards ("NSPS") for CO_2 emissions from new, reconstructed, and modified power plants. The proposed rule revises the CO_2 performance standards for new coal fired power plants, replacing the current standard based on carbon capture and storage with a more achievable standard based on high-efficiency generating technologies in combination with best operating practices. Similar to the ACE rule, the proposed NSPS for CO_2 emissions is significantly less stringent than the CPS. Correspondingly, JEA anticipates the ability to comply with the proposed NSPS for CO_2 emissions without significant incremental investment should it ever decide to construct a new EGU or modify an existing one.

On October 8, 2020, oral arguments were held at the D.C. Circuit Court to determine the validity of the ACE rule. On January 19, 2021, the court vacated the ACE rule and remanded it back to the EPA. The court decided that it was wrong for the EPA to conclude that the best system of emission reduction (BSER) meant only measures that can be applied to or at the source. The court also cited that generation shifting, averaging, trading, and biomass co-firing could be viable compliance options. The court stated that the repeal of the CPP was imbedded in the ACE rule, and therefore the CPP could go back into effect. This did happen. The court concluded that the EPA can regulate the same category (EGUs) under both Sections 111 and 112 of the Clean Air Act, but not the same pollutant. Back in 2015, the EPA made the Endangerment Finding to regulate GHGs from existing EGUs as part of a NSPS. On October 29, 2021, the Supreme Court accepted appeal of ACE vacatur (CPP Replacement) from West Virginia and 18 States, North Dakota, Westmoreland Mining and North American Coal Corp. Initial briefings were made on December 13, 2021, responses were submitted on January 18, 2022, and replies were completed by February 17, 2022. Oral arguments were held on February 28, 2022. A replacement rule is also under development.

On October 27, 2022, the D.C. Circuit Court ordered the repeal of CPP, and Section 111(d) revisions were vacated, but ACE challenges remained in abeyance. EPA proposed a replacement rule in April of 2023 to: (i) revise the new source performance standards ("NSPS") under Section 111(b) for GHG emissions from new fossil fuel-fired stationary combustion turbine EGUs; (ii) revise the NSPS for GHG emissions from fossil fuel-fired steam generating units that undertake a large modification; (iii) establish emission guidelines pursuant to Section 111(d) for GHG emissions from existing fossil fuel-fired steam generating EGUs, including coal-fired and oil/gas-fired steam generating EGUs; (iv) establish emission guidelines pursuant to Section 111(d) for GHG emissions from the largest, most frequently operated stationary combustion turbines; and (v) repeal the Affordable Clean Energy Rule.

The rule impacts both new and existing solid fuel and natural gas units. It requires the use of Carbon Capture Sequestration or Blending Green H as a fuel source to reduce GHG emissions. Impacts all coal, oil, and gas fired boilers. Only impacts CT's>300MW. Unit specific caps will be set based on unit size and usage. Comments were due Aug 8, 2023. Compliance for existing units is Jan 2030. Final rule is expected to be published by April, 2024.

On December 23, 2022, EPA proposed revisions to Section 111(d) implementing rules (timing and state plans) and clarifications of definitions including "remaining useful life," with comments due by February 27, 2023. The final rule was issued in November 2023.

Environmental Justice ("EJ")

In May 2022, Department of Justice's ("DOJ's") Environment and Natural Resources Division (ENRD) in partnership with EPA developed four "principles" for Environmental Justice Enforcement Strategy:

1. Prioritize cases that will reduce public health and environmental harms to overburdened and underserved communities.

2. Make strategic use of all available legal tools to address environmental justice concerns.

3. Ensure meaningful engagement with the impacted communities.

4. Promote transparency regarding environmental justice enforcement efforts and their results.

On December 22, 2022, EPA released a memo titled "Principles for Addressing Environmental Justice Concerns in Air Permitting." Environmental permit applications and renewals (including Title V) could be scrutinized for potential EJ issues.

Inflation Reduction Act (IRA) of 2022

Also, known as the Manchin-Schumer bill, calls for GHG reductions of about 40% by 2030, compared to the 2005 levels. There are tax incentives for any zero-carbon power production, and EV tax credits will continue. Details of how the Act will be implemented are still to be determined. On January 10, 2023, Biden-Harris Administration announced availability of $100 million through the Act for Environmental Justice Grants.

National Ambient Air Quality Standards

National Ambient Air Quality Standard ("NAAQS") are established to protect human health or public welfare. The EPA is required to review the NAAQS every five years and make such revisions in such criteria and standards and promulgate such new standards as may be appropriate in accordance with provisions of the Clean Air Act. If the EPA determines that a state's air quality is not in compliance with a NAAQS, that state is required to establish plans to reduce emissions to demonstrate attainment with that NAAQS.

Specific NAAQS that have recently been revised or are currently proposed for revision are as follows:

Ozone NAAQS. On October 1, 2015, the EPA revised its NAAQS for ground-level ozone to 70 parts per billion ("ppb"), which is more stringent than the 75-ppb standard set in 2008. The Clean Air Act mandates that the EPA publish initial area designations within two years of the promulgation of a new standard (*i.e.*, by October 2017), but allows for a one-year extension if the Administrator determines he "has insufficient information to promulgate the designations." On November 16, 2017, the EPA published a final rule establishing initial area designations for the 2015 NAAQS for ozone, designating 2,646 counties (including all counties in Florida) as "attainment/unclassifiable." The EPA is designating areas as "attainment/unclassifiable" where one or more monitors in the county are attaining the 2015 ozone NAAQS, or where the EPA does not have reason to believe the county is violating the 2015 ozone NAAQS or contributing to a violation of the 2015 ozone NAAQS in another county. States with nonattainment areas will have up to three years following designation to submit a revised state implementation plan ("SIP") outlining strategy and emission control measures to achieve compliance. In November 2017, Duval County was deemed unclassifiable pending acceptable monitoring results expected at the end of 2018. Duval County is projected to be in attainment of the revised standard. On August 14, 2019, the EPA published the proposal to redesignate Duval County from unclassifiable to attainment/unclassifiable for the 2015 Ozone NAAQS. In the event that Duval County was to become a non-attainment area, JEA's power plants (e.g., Northside and Brandy Branch) could be required to comply with additional emission control requirements (e.g., increased usage of ammonia in their Selective catalytic reduction/Selective non-catalytic reduction ("SCR/SNCR")) for nitrogen oxides and volatile organic compounds which are precursors to ozone formation. The nature and consequences of a non-attainment designation cannot be predicted at this time. On December 23, 2020, the Trump EPA decided to retain the 70 ppb standard after the required five year review. On January 20, 2021, the new Biden-Harris administration stated that it will be reviewing the Ozone NAAQS as contained in 85 Fed. Reg. 87256 dated December 31, 2020 (to be completed by December 2023).

On October 29, 2021, EPA stated it would reconsider the December 23, 2020 retention. On April 22, 2023, EPA staff recommended retention of the 70 ppb standard. An outside advisory panel has recommended lowering the standard to between 45-55 ppb. EPA has decided to delay issuing final determination until further studies and additional research can be completed. The rule is now expected in late 2024, or early 2025.

Particulate Matter NAAQS. The EPA finalized the NAAQS Fine Particulate Matter ("$PM_{2.5}$") standards in September 2006. Since then, the EPA established a more stringent 24-hour average $PM_{2.5}$ standard and kept the annual average $PM_{2.5}$ standard and the 24-hour coarse particulate matter standard unchanged. The EPA issued a final $PM_{2.5}$ rule on December 14, 2012, that reduced the annual $PM_{2.5}$ standard from 15 $\mu g/m^3$ to 12 $\mu g/m^3$. The rule left the 24-hour $PM_{2.5}$ standard of 35 $\mu g/m^3$ unchanged. The change in the $PM_{2.5}$ has not resulted in non-attainment designation for Duval County and has not had a material adverse effect on the operations of JEA's generating facilities. On January 20, 2021, the new (Biden-Harris) administration stated that it will be reviewing the PM NAAQS as contained in 85 Fed. Reg. 82854 dated December 18, 2020. On January 27, 2023, EPA proposed to further strengthen the annual $PM_{2.5}$ standard from 12 $\mu g/m^3$ to between 9 and 10 $\mu g/m^3$. Florida would fully meet an annual standard at 10 $\mu g/m^3$ but could have a couple of potential nonattainment areas if the standard is lowered to 9 $\mu g/m^3$. Also, EPA is proposing to retain the 24-hour standard of 35 $\mu g/m^3$, although it seeks comment on lowering it as low as 25 μg/m3. Comments are due on March 28, 2023. Based on 2009-2021 monitoring data by FDEP, Duval County is around 7 $\mu g/m^3$ for annual averaging, and 15 $\mu g/m^3$ for 24-hour averaging.

SO_2 and NO_2 NAAQS. During 2010, the EPA finalized new one-hour NAAQS for both SO_2 and nitrogen dioxide ("NO_2"). In 2013, the EPA published in the Federal Register its proposed nonattainment designations based on monitoring data for the 2010 one-hour primary SO_2 NAAQS. Parts of two Florida counties, including Nassau County, which is adjacent to JEA's service territory, were initially designated as being nonattainment areas. Duval County was not designated at this time. On August 10, 2015, the EPA issued a final rule directing states to provide data to characterize current air quality in areas with large sources of sulfur dioxide SO_2 emissions to identify maximum one-hour SO_2 concentrations in ambient air. The air quality data developed by the states in accordance with the final rule will be used by the EPA in future rounds of area designations for the 2010 one-hour SO_2 NAAQS. A March 2015 court order requires the EPA to complete designations of all areas by the end of 2020. The FDEP conducted dispersion modeling studies of several large SO_2 emitting sources in the State (including JEA's NGS), and found that the one-hour SO_2 NAAQS is being met in Duval County using either allowable emission rates or actual emission rates (for the three years 2016-2018). The EPA completed its review and issued a final rule on February 25, 2019 to maintain the one-hour standard at 75 ppb.

State Implementation Plans. The Clean Air Act requires states to develop a general plan to attain and maintain the NAAQS in all areas of the country and a specific plan to attain the standards for each area designated nonattainment for a NAAQS. These plans, known as State Implementation Plans ("SIPs"), are developed by state and local air quality management agencies and submitted to the EPA for approval.

On June 12, 2015, the EPA published a final rule concerning how provisions in the EPA-approved SIPs treat excess emissions during periods of startup, shutdown or malfunction ("SSM").

The final rule updates the EPA's SSM Policy as it applies to SIP provisions and clarifies, restates, and revises the EPA's guidance concerning its interpretation of the Clean Air Act requirements with respect to treatment in SIPs of excess emissions that occur during periods of SSM. The EPA issued a "SIP call" for Florida and 35 other states requiring them to submit corrective SIP revisions by November 22, 2016. Florida submitted its SSM SIP revision on November 22, 2016. On June 4, 2019, EPA Region 4 proposed to change its SSM policy and withdraw the SSM SIP Call for North Carolina. This could result in Florida's initial SIP being reinstated at a future date. JEA does not anticipate any impacts to JEA sources or permit conditions from either the former SIP or the revised SIP if approved. On April 28, 2020, the EPA published the final action withdrawing the SSM SIP Call for North Carolina. Environmental Non-governmental Organizations (ENGOs) are expected to challenge this action and then seek to consolidate it in the D.C. Circuit with the nationwide case. On January 20, 2021, the new Biden-Harris administration announced that it will be reviewing the previous administration's guidance memorandum dated October 9, 2020 regarding inclusion of affirmative defense provisions governing SSMs in state SIPs.

On May 1, 2020, the EPA has determined that the State will not contribute significantly to nonattainment or interfere with maintenance of the 2010 1-hour SO2 NAAQS in any other state. Therefore, the EPA is approving the September 18, 2018, SIP revision as meeting the requirements of the good neighbor provision for the 2010 1-hour SO2 NAAQS.

MATS

On February 16, 2012, the EPA issued a final rule intended to reduce emissions of toxic air pollutants from power plants. The Mercury and Air Toxics Standards ("MATS") Rule is intended to regulate four categories of hazardous air pollutants ("HAPs") emitted by coal- or oil fired EGUs with a capacity of 25 MW or greater, namely mercury, HAPs metals, acid gases and organic HAPs.

Affected sources had until April 2015 to be in compliance, subject to a one-year extension. In June 2015, the U.S. Supreme Court determined that the EPA's rule did not properly consider costs in developing MATS and directed the EPA to address costs. On December 1, 2015, the EPA published a proposed supplemental finding and request for comment regarding the costs of the MATS rule, in response to the Supreme Court's decision. On December 15, 2015, the D.C. Circuit remanded MATS back to the EPA without vacatur, leaving MATS in effect and giving the EPA to opportunity to properly complete "supplemental findings" associated with the MATS rulemaking. In April 2016, the EPA's supplemental findings determined that it is still "appropriate and necessary" to regulate HAPs from coal-fired power plants.

Reports indicate that the EPA will issue a proposed rule that may obviate the appropriate and necessary finding (obviating the need for the MATS rule) as well as the residual risk and technology review that the EPA must complete in order to determine whether a tightening of the current MATS emission limits is necessary. The proposed rule package was sent to the U.S. Office of Management and Budget in October 2018 for interagency review. The EPA published its MATS proposal on February 7, 2019 in the Federal Register. The proposal states that regulation of HAPs is not appropriate or necessary after reconsidering costs but that coal- and oil-fired EGUs would not be delisted from regulation under Section 112 of the Clean Air Act, and the 2012 MATS rule would remain in place. The comment period ended on April 17, 2019. The EPA has submitted its final rule regarding the MATS Supplemental Cost Finding Reconsideration and Risk and Technology Review ("RTR"). The final rule was issued on April 16, 2020. On January 20, 2021, the new Biden-Harris administration stated that it will be reviewing the reconsideration of supplemental finding and RTR review for Coal and Oil fired EGUs as contained in 85 Fed. Reg. 82854 dated May 22, 2020. On February 2, 2022, the EPA proposed to revoke the previous administration's Appropriate and Necessary Finding, and to revisit RTR.

On April 24, 2023, EPA signed proposed revisions to the Mercury and Air Toxics (MATS) Rule, in response to its reconsideration of the 2020 Residual Risk and Technology Review (which resulted in no rule revisions). The proposal lowers the filterable PM (fPM) standard from .030 to .010 lb/MMBtu, or possibly .006 or lower and deletes the ability to use Lower EGU Emitter (LEE) status. Requires the installation of PM CEMS for monitoring and deletes the option to use quarterly stack testing to monitor for compliance. The comment deadline was June 23, 2023. The final rule is expected in April 2024.

Because of the controls already installed at JEA's EGUs, JEA did not need to install any new or additional control equipment in order to comply with the MATS rule, as dependent on fuel type. As a precautionary measure, JEA has implemented an Activated Carbon Injection (ACI) system to further control mercury emissions from Units 1 and 2 at NGS if necessary.

National Emissions Standard for Hazardous Air Pollutants ("NESHAP") for Combustion Turbines

On March 9, 2020, the EPA published the final rule regarding 40 CFR 63 Subpart YYYY; *i.e*., NESHAP for stationary combustion turbines. This final action completes the EPA's RTR obligations for this rule. This final action (a) concludes that no revisions are necessary as a result of its RTR, (b) revises the startup, shutdown, and malfunction provisions to define when startup ends, as reaching stable operation or less than one hour for simple cycle turbines and less than three hours for combined cycle, whichever is less, (c) requires electronic reporting, and (d) does not lift the stay for new combustion turbines as it was previously proposed, pending the EPA's review of a petition to delist the entire combustion turbine source category with respect to this NESHAP. Challenged by NGOs, the rule is in abeyance pending reconsideration. A proposal to lift the stay was made in December 2021, and a decision is due by December 2022. There is also a petition to delist this NESHAP category, and the decision was made March 9, 2022 to delist. JEA's combustion turbine plants are minor sources of HAPs and are not expected to be impacted by this rule. JEA also conducted HAP emissions testing at Brandy Branch (specifically, for formaldehyde) to confirm that the facility is not a major source of HAPs.

CCRs

In April 2015, the EPA finalized its rule to regulate the disposal and management of coal combustion residuals ("CCRs"), meaning fly ash, bottom ash, boiler slag and flue gas desulfurization materials, destined for disposal from coal-fired power plants. The new rule became effective on October 19, 2015 and established technical requirements for surface impoundments and landfills. The rule requires protective controls, such as liners and groundwater monitoring, at landfills and surface impoundments that store CCRs. The rule, as adopted by the EPA, was to be enforced only by citizen-initiated lawsuits, rather than by the EPA. However, on December 16, 2016, the Water Infrastructure Improvements for the Nation Act (the "WIIN Act") was signed, and it contains coal ash provisions that enable states to implement and enforce the requirements of the final CCR rule. The WIIN Act provides for the establishment of state and federal permit programs for coal combustion residuals (coal ash), flexibility for states to incorporate the EPA final rule for coal combustion residuals or develop other criteria that are at least as protective as the final rule and requires the EPA to approve state permit programs within 180 days of a state submitting a program for approval. Multiple federal rulemaking proceedings are underway, many of which are subject to litigation. The State has incorporated the rules and regulations and is seeking EPA's approval of a state permitting program. The proposed state permit program will not include landfills in post-closure or corrective action. Enforcement will continue via third party citizen suits.

The rule applies to CCR management practices at the Power Park and Plant Scherer. The rule does not apply to management of byproducts at Northside Generating Station as long as it continues to burn a fuel mix with less than 50 percent coal. The operating cell within Area B of the Power Park was closed in January 2022 in accordance with performance standards specified in the CCR rule and included the installation of an impermeable liner on the top and side slopes. The cell did not have to be retrofitted with a bottom liner. The facility will continue to comply with the monitoring requirements of the rule following plant decommissioning in accordance with the post-closure and corrective action plans for groundwater. The Power Park's two closed byproduct storage areas (Areas I and II) are not affected by this rule. The Power Park has no regulated surface impoundments.

Existing surface impoundments, like that at Plant Scherer, are required to meet increased and more restrictive technical and operating criteria or to meet closure deadlines. GPC has decided to close in-place the surface impoundment at Plant Scherer instead of pursuing a retrofit. The receipt of CCR waste streams at the impoundment concluded in April 2019 and final closure is expected by 2030. Due to litigation, EPA is now proposing a rule to regulate coal ash at inactive surface impoundments at inactive facilities (legacy CCR surface impoundments). EPA is also proposing to establish groundwater monitoring, corrective action, closure, and post-closure care requirements for all CCR management units (regardless of how or when that CCR was placed) at regulated CCR facilities. Requirements would be phased in over a two-year period once rule is finalized.

The EPA left in place an amendment to the Federal Resource Conservation and Recovery Act known as the Bevill exemption for beneficial uses of CCRs in which CCRs are recycled as components of products instead of being placed in impoundments or landfills. Large quantities of CCRs are used today in concrete, cement, wallboard and other contained or encapsulated applications. This exemption would allow for the mining of materials from the three closed Power Park landfills.

Cross-State Air Pollution Rule and Clean Air Interstate Rule

On July 6, 2011, the EPA finalized the Cross-State Air Pollution Rule ("CSAPR") to regulate interstate impacts of SO_2 and NOx. The final rule replaced the EPA's 2005 Clean Air Interstate Rule ("CAIR"). On April 29, 2014, the U.S. Supreme Court reversed a D.C. Circuit decision and upheld the CSAPR rule. CSAPR requires a total of 28 states, plus the District of Columbia, to reduce annual SO_2 emissions, annual NOx emissions and/or ozone season NOx emissions to assist in attaining the 1997 ozone and fine particle and 2006 fine particle NAAQS. CSAPR became effective on January 1, 2015 for SO_2 and annual NOx, and May 1, 2015 with respect to seasonal NOx requirements. The State currently is subject only to seasonal NOx requirements (May 1 through September 30) under CSAPR rule.

On December 3, 2015, the EPA proposed an updated rule (known as the "transport rule"), which incorporated the 2008 ozone standard into the EPA's cross-state air pollution analysis. The proposal indicates that Florida's emissions do not cause non-compliance with the 2008 ozone standard in any downwind states. The rule was finalized on September 7, 2016, and Florida is no longer subject to CSAPR and has been removed from CSAPR beginning in 2017.

See also "ELECTRIC UTILITY SYSTEM - *ELECTRIC UTILITY FUNCTIONS* - St. Johns River Power Park - *Fuel Supply and Transportation*" herein.

Regional Haze

The EPA issued final regulations for a Regional Haze Program in June 1999. The purpose of the regulations is to improve visibility in the form of reducing regional haze in 156 national parks and wilderness areas ("Class I areas") across the country. Haze is formed, in part, from emissions of SO_2 and NOx. Because these pollutants can be transported over long distances, all 50 states, including those that do not have Class I areas, are required to participate in planning, analysis, and in many cases, emission control programs under the regional haze rule. The second implementation period, state implementation plans, are due to be submitted to the EPA by July 21, 2021. This period lasts until 2028.

Northside Unit 3 is subject to Best Available Retrofit Technology requirements under the EPA Regional Haze rules. Northside Unit 3 applied for and received an exemption under the Regional Haze Rule due to this unit's having minimal impacts on visibility in the Class I areas from particulate emissions as demonstrated by ambient air modeling. No other units are impacted.

A new visibility model by the EPA showed that NGS can contribute to visibility impairment at a nearby Class I area (specifically, due to SO_2 emissions and potential impacts at Wolf Island). As such, JEA provided an analysis to FDEP in October 2020. The analyses demonstrated that Units 1 and 2 at NGS are "well controlled" for SO_2 due to surrogate HCl limits per MATS regulations. JEA has accepted permit conditions to restrict the sulfur content of No. 6 fuel oil at Northside Unit 3, and no additional controls are expected to be necessary. Although well-controlled, JEA also had to revise the permit conditions to assure that Units 1 and 2 at NGS are subject to enforceable MATS-based SO_2 emission standards.

Water

On May 14, 2014, the EPA promulgated a draft rule to set technology standards for cooling water intake systems for existing facilities under Section 316(b) of the Federal Clean Water Act. Section 316(b) requires that standards for the location, design, construction and capacity of cooling water intake systems reflect the best technology available for minimizing adverse environmental impacts. Under the rule, existing facilities that withdraw very large amounts of water are required to conduct studies to help their respective permitting authorities determine whether and what site-specific controls, if any, would be required to reduce the number of aquatic organisms that are captured in cooling water intake systems. The final rule was published in the Federal Register on August 15, 2014 and became effective October 14, 2014.

The new standards in the final rule do not affect any of its facilities other than Northside. Northside is one of more than 1,260 existing facilities that use large volumes of cooling water from lakes, rivers, estuaries or oceans to cool their plants. It is possible that new standards may prospectively require upgrades to the system, varying from establishment of existing facilities as the Best Technology Available ("BTA"), to improvements to the existing screening facilities to the installation of other cooling technologies. A full two-year study is required to evaluate site specific conditions and form a basis for assessing BTA. JEA completed these studies in March 2020. Analyses of that data is underway, and a full peer reviewed submittal to the regulatory agency is expected to be completed in 2024. Accordingly, costs have not been determined for Northside and are not currently included in JEA's capital program for the Electric System.

Effluent Limitation Guidelines

The EPA issued the final Steam Electric Effluent Limitations Guidelines ("ELG") on September 30, 2015, and they became final on January 4, 2016. On August 31, 2020, the Trump Administration EPA finalized an ELG reconsideration rule. Under the reconsideration rule, the phase -in dates for new requirements for existing power plants would be extended until 2025. The ELG Reconsideration will be subject to legal challenges. Requirements under the rule are waste stream specific within a generating facility. JEA has evaluated compliance strategies that are being planned for NGS since SJRPP began the decommissioning process in January 2018. The investments to ensure compliance are not material. Options for compliance at Plant Scherer are being developed by all co-owners and will be phased in from 2017 to 2025.

On March 8, 2023, a proposed rule was issued that sets new limits that are significantly more stringent than the current rule. The waste streams impacted by this proposed rule are flue gas desulfurization wastewater (FGDW), bottom ash transport water (BATW) and combustion residual leachate (CRL). Final rule expected in April 2024.

Other Environmental

On May 27, 2015, the EPA and the U.S. Army Corps of Engineers ("USACE") released the prepublication version of the final "Clean Water Rule: Definition of 'Waters of the United States," ("WOTUS") redefining the extent of Clean Water Act jurisdiction and which was published in the Federal Register on July 29, 2015. This rule ("2015 Rule") contains many specific exemptions for connecting surface water features that are portions of the City's existing stormwater management system permitted under the National Pollutant Discharge Elimination System ("NPDES") Municipal Separate Stormwater Sewer System ("MS4") permits. Also, this rule specifically exempts JEA's permitted NPDES wastewater treatment ponds and potentially exempts identified NPDES Stormwater ponds from being considered as waters of the U.S., although discharges from such ponds would continue to be regulated.

The 2015 Rule was stayed nationwide on October 9, 2015 and is the subject of ongoing legal challenges. On February 2, 2018, the EPA and the USACE finalized a proposed rule that would postpone the effective date of the 2015 Rule for a period of two years. During the two-year period, the agencies were directed to proceed with a repeal and replace rulemaking process and eventually promulgate a new WOTUS definition and rule. On January 23, 2020, the EPA and the USACE released a pre-publication version of the rule. The final Rule repeals the 2015 Rule and restores the regulatory text that existed prior to the 2015 Rule. The official version of The Navigable Waters Protection Rule ("NWPR"): Definition of "Waters of the United States" was published in the Federal Register April 21, 2020. This Rule was effective June 22, 2020 but was subject to legal challenges. On August 30, 2021, the NWPR was vacated by an Arizona federal court (Pascua Yaqui Tribe v. U.S. Environmental Protection Agency, No. 20-00266 (D. Ariz. Aug. 30, 2021)). As a result, the EPA's position is that the NWPR is no longer in effect. On November 18, 2021, the agencies announced the signing of a proposed rule to revise the definition of "waters of the United States." The agencies propose to put back into place the pre-2015 definition of "waters of the United States," updated to reflect consideration of Supreme Court decisions. This familiar approach is thought to support a stable implementation of "waters of the United States" while the agencies continue to consult with states, tribes, local governments, and a broad array of stakeholders in both the current implementation and future regulatory actions. The EPA will hold public roundtable discussions to aid in developing a new rule to define jurisdictional Waters of the United States.

On December 17, 2020, the EPA approved Florida's assumption of the Clean Water Act section 404, providing for Florida administration oversight of the 404 program in lieu of USACE. The assumption became effective on December 22, 2020. At this time, DEP continues to employ the NWPR in the State Assumed 404 Program while the EPA has promulgated a new rule, effective September 8, 2023, to define jurisdictional Waters of the United States. The delegation of the 404 program was expected to streamline permitting; however, delays have been realized as FDEP adapts to the additional workload consequent to assuming the program. The delegation itself is facing legal challenges from environmental advocacy groups.

JEA's electric utility operations are subject to continuing environmental regulation. Federal, state, regional and local standards and procedures which regulate the environmental impact of JEA's system are subject to change. These changes may arise from continuing legislative, regulatory and judicial action regarding such standards and procedures. Consequently, there is no assurance that the units in operation, under construction or contemplated will remain subject to the regulations currently in effect, will always be in compliance with future regulations or will always be able to obtain all required operating permits. An inability to comply with environmental standards could result in increased costs of operating units, reduced operating levels or the complete shutdown of individual electric generating units not in compliance.

JEA cannot predict at this time whether any additional legislation or rules will be enacted which will affect JEA's operations, and if such laws or rules are enacted, what the costs to JEA might be in the future because of such action.

Certain Factors Affecting the Electric Utility Industry

General

The electric utility industry has been, and in the future, may be, affected by a number of factors which could have an impact on the financial condition of an electric utility such as the Electric System. These factors likely would affect individual utilities in different ways. Such factors include, among others: (a) effects of compliance with changing environmental, licensing and regulatory requirements, (b) regulatory changes and changes that might result from a national energy policy, (c) uncertain access to low cost capital for replacement of aging fixed assets, (d) increases in operating costs, (e) effects of competition from other suppliers of electricity and (f) issues relating to the reliability of electric transmission systems and grids. In addition, municipal electric utilities may face competition from companies in other industries looking to diversify into the energy sector. Examples of developing competitive areas include retail sale of electricity, distributed battery and electric storage resources, renewable distributed generation, customer installation of fuel cells, third-party electric vehicle charging, home or business automation that enables greater customer participation in energy markets, and third-party provision of energy management software and solutions. These factors, and others, are discussed in more detail below in relation to how they affect JEA.

The future financial condition of the Electric System could be adversely affected by, among other things, legislation, environmental and other regulatory actions promulgated by applicable federal, state and local governmental agencies. Future changes to new and existing regulations may substantially increase the cost of electric service by requiring changes in the design or operation of existing or new facilities. JEA cannot predict future policies such agencies may adopt.

COVID-19 Pandemic

JEA quickly responded to the effects of the COVID-19 pandemic with the implementation of practices and protocols to protect the wellbeing of its employees and established fully redundant electric and water control centers; both are used on a day-to-day basis, but either can control the System in an emergency.

For certain information regarding the impact of the COVID-19 pandemic on JEA, see Note 16 of JEA's 2023 Financial Statements attached hereto as APPENDIX A.

Legislation

From time to time, additional federal or state legislation or regulations affecting the electric utility industry may be enacted. Such legislation can radically change the regulatory context in which JEA operates and can require increased capital or operating expenditures, or reduced operations, at existing and/or new generating facilities. Any such legislative changes are inherently impossible to predict with any certainty, particularly in the way they might apply to specific organizations or facilities, such as JEA. JEA, through its consultants and participation in state and national advocacy groups, maintains awareness of legislative issues that may impact operations, participating in advocacy roles as warranted.

Compliance with any future GHG emission reduction requirements could require JEA, at significant cost, to purchase allowances or offsets, change the type of boiler fuel JEA uses, retire high-emitting generation facilities and replace them with lower-emitting generation facilities, or implement carbon capture and sequestration technology. The estimation of costs of compliance with GHG legislation or with EPA rules is subject to significant uncertainties because it is based on several interrelated assumptions and variables, including timing of the implementation of rules, required levels of reductions, allocation requirements, the maturation and commercialization of carbon capture and sequestration technology and associated regulations, and JEA's selected compliance alternatives.

Any new state or federal legislation or changes to existing legislation or regulations could affect JEA's operations. JEA cannot predict whether any additional legislation or regulations will be enacted which will affect JEA's operations and if such laws are enacted, what the costs to JEA might be in the future.

Retail Competition

On October 5, 2018, the Florida Division of Elections approved a ballot initiative to amend the Florida Constitution to allow retail energy choice, as sought by an organization known as Floridians for Affordable Reliable Energy ("FARE"). Even though the initiative secured enough signatures to be allowed on the ballot in 2020, the Florida Supreme Court ruled that the ballot language was misleading, disallowing it from being on the ballot. FARE stated it that would continue its effort in subsequent elections.

Currently, neither FARE nor any other similar group have initiated any public efforts to implement retail choice for electric customers in Florida. There are no current or anticipated proposals in the Florida Legislature or at the Florida Public Service to evaluate or implement retail choice for electric customers in Florida.

FINANCIAL INFORMATION RELATING TO ELECTRIC UTILITY FUNCTIONS

Debt Relating to Electric Utility Functions

Electric System Bonds

As of September 30, 2023, $854,340,000 in aggregate principal amount of bonds issued pursuant to the Electric System Resolution (the "Electric System Bonds") was outstanding. As of the date of this Annual Disclosure Report, there is $846,349,000 in aggregate principal amount of Electric System Bonds outstanding under the Electric System Resolution, consisting of (a) $422,960,000 in aggregate principal amount of variable rate Electric System Bonds and (b) $423,430,000 in aggregate principal amount of fixed rate Electric System Bonds.

Electric System Bonds may be issued to finance any lawful purpose of JEA relating to the Electric System (other than for the purpose of financing the generating facilities of the Electric System). See "SUMMARY OF CERTAIN PROVISIONS OF THE ELECTRIC SYSTEM RESOLUTION - Issuance of Additional Electric System Bonds" in APPENDIX B attached hereto.

On September 26, 2023, the JEA Board approved a resolution changing JEA's historical approach to seeking incremental debt authorization from the Council. The resolution established a not-to-exceed debt outstanding amount of $1.9 billion for the Electric System. The not-to-exceed amount is for the purposes of providing funds for both new money and the refunding of existing debt. The Council approved this new approach pursuant to Ordinance 2023-724-E enacted on November 14, 2023. This new methodology for debt authorization replaces the previous incremental approach. JEA will submit a summary, as part of its annual budget submission to the City, showing outstanding and anticipated borrowings against the not-to-exceed authorization amount. In the event additional authorization is needed in the future, it will be requested from the Board and the Council.

A summary of certain provisions of the Electric System Resolution, including a description of the proposed amendments thereto described below, is attached to this Annual Disclosure Report as APPENDIX B.

Liquidity support in connection with tenders for purchase of JEA's Variable Rate Electric System Revenue Bonds, Series Three 2008A, Series Three 2008B-2, Series Three 2008B-3, Series Three 2008C-1, Series Three 2008C-2 and Series Three 2008C-3 (collectively, the "Senior Liquidity Supported Electric System Bonds") currently is provided by certain banks pursuant to standby bond purchase agreements between JEA and each such bank. Any Senior Liquidity Supported Electric Bond that is purchased by the applicable bank pursuant to its standby bond purchase agreement between JEA and such bank and is not remarketed is required to be repaid as to principal in equal semiannual installments over a period of approximately five years from the date so purchased. In addition, any Senior Liquidity Supported Electric Bond that is purchased by the applicable bank pursuant to its standby bond purchase agreement may be tendered or deemed tendered to JEA for payment upon the occurrence of certain "events of default" on the part of JEA under such standby bond purchase agreement. Upon any such tender or deemed tender for purchase, the Senior Liquidity Supported Electric Bond so tendered or deemed tendered will be due and payable immediately. For a discussion of certain "ratings triggers" contained in such standby bond purchase agreements giving rise to such an event of default, see "OTHER FINANCIAL INFORMATION - Effect of JEA Credit Rating Changes" herein.

As of the date of this Annual Disclosure Report, no Senior Liquidity Supported Electric Bonds are held by the banks providing such standby bond purchase agreements. The standby bond purchase agreements are subject to periodic renewal at the discretion of the respective bank. The current expiration dates for the standby bond purchase agreements range from July 26, 2026 to May 7, 2027.

On July 27, 2010, the bank previously providing liquidity support for JEA Variable Rate Electric System Revenue Bonds, Series Three 2008B-1 and Series Three 2008D-1 and on October 22, 2012, the bank previously providing credit and liquidity support for JEA's Variable Rate Electric System Revenue Bonds, Series Three 2008B-4 (such Series Three 2008B-1, 2008D-1 and 2008B-4 Bonds are referred to herein collectively as the "Bank Purchased Bonds") purchased the applicable Bank Purchased Bonds pursuant to three substantially similar direct purchase agreements. The Bank Purchased Bonds are, as of the date of this Annual Disclosure Report, outstanding in the principal amounts of $51,395,000, $91,380,000 and $36,560,000, respectively.

Upon such purchases, the letter of credit and standby bond purchase agreement previously in effect for the respective Bank Purchased Bonds terminated. Except as described below, the bank does not have the option to tender the respective Bank Purchased Bonds for purchase for a period specified in the respective direct purchase agreements, which period would be subject to renewal under certain conditions. The three direct purchase agreements were amended effective September 17, 2015, December 11, 2018, and December 9, 2021, and the current expiration date of each is December 9, 2024. At the end of the period specified, which period is subject to extension under certain conditions, the Bank Purchased Bonds are subject to mandatory tender for purchase. Any Bank Purchased Bond that is not remarketed and purchased from such bank on the mandatory tender date that occurred upon the expiration of such period would be required to be repaid as to principal in equal semiannual installments over a period of approximately five years from such mandatory tender date. Such bank has no option to tender the Bank Purchased Bonds for payment by JEA during the holding period except upon the occurrence of certain "events of default" on the part of JEA under the respective direct purchase agreements and the occurrence of certain other conditions. Upon any such tender for payment, the Bank Purchased Bond so tendered would be due and payable immediately.

Proposed Amendments to the Electric System Resolution

In May 1998, JEA adopted a resolution (as amended, the "May 1998 Amending Resolution") for the purpose of making certain material amendments to the Electric System Resolution. In addition to certain amendments to the Electric System Resolution that heretofore have become effective, the May 1998 Amending Resolution provides for the amendment of certain provisions of the Electric System Resolution relating to the priority of payments from the Electric System with respect to the Power Park (the "Power Park Amendment"), in a manner requiring (a) the consent of FPL, (b) the consent of the holders of 60 percent or more in principal amount of the Power Park Issue Two Bonds[1] outstanding and (c) the consent of the holders of a majority in principal amount of the Power Park Issue Three Bonds outstanding. As of the date of this Annual Disclosure Report, JEA has not solicited

[1] The Power Park Issue Two Bonds were defeased on January 5, 2018 in connection with the shutdown of SJRPP and are no longer outstanding.

any consents to the Power Park Amendment and has no intention of soliciting any such consents in the future.

If the Power Park Amendment ever were to become effective, it would amend the provisions of the Electric System Resolution relating to the priority of payments with respect to the Power Park to provide that payments with respect to (a) debt service on obligations issued by JEA with respect to the Power Park (including the Power Park Issue Two Bonds[1] and the Power Park Issue Three Bonds) and any additional amounts relating to "debt service coverage" with respect thereto and (b) deposits into any renewal and replacement or similar fund with respect to the Power Park will no longer constitute a portion of the Cost of Operation and Maintenance (as defined in the Electric System Resolution), but will be payable on a parity with Subordinated Bonds (as defined in the Electric System Resolution) that may be issued in accordance with the provisions of the Electric System Resolution, including the Subordinated Electric System Bonds.

The amendments to the Electric System Resolution contained in the May 1998 Amending Resolution also would have amended the provisions of the Electric System Resolution relating to the priority of payments with respect to the Scherer 4 Project (and any other project that may be financed under the Restated and Amended Bulk Power Supply System Resolution) in a manner similar to that described above with respect to the Power Park, but the amendments relating to the Scherer 4 Project (and any other project that may be financed under the Restated and Amended Bulk Power Supply System Resolution) were rescinded by JEA in conjunction with the adoption of the Restated and Amended Bulk Power Supply System Resolution.

Subordinated Electric System Bonds

On August 16, 1988, JEA adopted a resolution (as amended, restated and supplemented, the "Subordinated Electric System Resolution") authorizing the issuance of obligations of JEA (the "Subordinated Electric System Bonds") that are junior and subordinate in all respects to the Electric System Bonds as to lien on, and source and security for payment from, the revenues of the Electric System. As of September 30, 2023, $470,185,000 in aggregate principal amount of Subordinated Electric System Bonds was outstanding. As of the date of this Annual Disclosure Report, there is $461,355,000 in aggregate principal amount of Subordinated Electric System Bonds outstanding under the Subordinated Electric System Resolution, consisting of (a) $47,340,000 in aggregate principal amount of variable rate Subordinated Electric System Bonds and (b) $414,015,000 in aggregate principal amount of fixed rate Subordinated Electric System Bonds.

The Subordinated Electric System Bonds may be issued for the purpose of financing the cost of acquisition and construction of additions, extensions and improvements to the Electric System, or any other lawful purpose of JEA relating to the Electric System, or to refund any of the Electric System Bonds or the Subordinated Electric System Bonds.

Pursuant to the Subordinated Electric System Resolution and the laws of the State, and in accordance with the Electric System Resolution, the amount of Subordinated Electric System Bonds that may be issued by JEA is not limited and is subject only to approval by the Council and satisfaction of the conditions set forth in the Subordinated Electric System Resolution. For a discussion of the Council authorization currently in effect for the issuance of Electric System Bonds and/or Subordinated Electric System Bonds, see subsection "*Electric System Bonds*" above in this section.

A summary of certain provisions of the Subordinated Electric System Resolution, including a description of the proposed amendments thereto described below, is attached to this Annual Disclosure Report as APPENDIX C. See "SUMMARY OF CERTAIN PROVISIONS OF THE SUBORDINATED ELECTRIC SYSTEM RESOLUTION - Additional Subordinated Bonds; Conditions to Issuance" in APPENDIX C attached hereto.

Liquidity support in connection with tenders for purchase of the Variable Rate Electric System Subordinated Revenue Bonds, 2000 Series A and 2008 Series D (collectively, the "Subordinated Liquidity Supported Electric System Bonds") currently is provided by a certain bank pursuant to standby bond purchase agreements between JEA and such bank. Any Subordinated Liquidity Supported Electric Bond that is purchased by the bank pursuant to its standby bond purchase agreement between JEA and such bank and is not remarketed is required to be repaid as to principal in equal semiannual installments over a period of approximately five years from the date so purchased. In addition, any Subordinated Liquidity Supported Electric Bond that is purchased by the bank pursuant to its standby bond purchase agreement will constitute an "Option Subordinated Bond" within the meaning of the Subordinated Electric System Resolution and, as such, may be tendered or deemed tendered to JEA for payment upon the occurrence of certain "events of default" on the part of JEA under such standby bond purchase agreement. Upon any such tender or deemed tender for purchase, the Subordinated Liquidity Supported Electric Bond so tendered or deemed tendered will be due and payable immediately. For a discussion of certain "ratings triggers" contained in such standby bond purchase agreements giving rise to such an event of default, see "OTHER FINANCIAL INFORMATION - Effect of JEA Credit Rating Changes" herein.

As of the date of this Annual Disclosure Report, no Subordinated Liquidity Supported Electric Bonds are held by the bank providing such standby bond purchase agreements. Such standby bond purchase agreements are subject to periodic renewal. The current expiration date of the standby bond purchase agreements is September 8, 2026.

Power Park Issue Three Bonds

On February 20, 2007, the JEA Board adopted a resolution entitled "St. Johns River Power Park System Second Revenue Bond Resolution" (as supplemented, the "Second Power Park Resolution"). Bonds issued under the Second Power Park Resolution are referred to herein as the "Power Park Issue Three Bonds". As of September 30, 2023, $92,715,000 of Power Park Issue Three Bonds was outstanding under the Second Power Park Resolution. On January 31, 2022, $27,255,000 of Power Park Issue Three Bonds were defeased using available funds from the FPL Consummation Payment. See "ELECTRIC UTILITY SYSTEM - *ELECTRIC UTILITY FUNCTIONS* - Scherer 4 - *Retirement of Scherer Unit 4*" herein. On September 14, 2022, an additional $102,335,000 of Power Park Issue Three Bonds were defeased using available funds of the Electric Utility System. As of the date of this Annual Disclosure Report, $76,850,000 in aggregate principal amount of Power Park Issue Three Bonds is outstanding under the Second Power Park Resolution.

The Second Power Park Resolution provides for the issuance of Power Park Issue Three Bonds in order to pay the costs of JEA's ownership interest in certain additional facilities of the Power Park. Pursuant to the Electric System Resolution, JEA's obligation to make debt service payments on the Power Park Issue Three Bonds is a Contract Debt payable as a Cost of Operation and Maintenance of the Electric System regardless of whether the Power Park is operational. Such payments are payable from the revenues of the Electric System prior to any payments from such revenues for indebtedness not constituting Contract Debts issued for the Electric System, including the Electric System Bonds and the Subordinated Electric System Bonds. See the subsection "*Electric System Contract Debts*" below in this section. FPL has no obligation for debt service in respect of the Power Park Issue Three Bonds.

A summary of certain provisions of the Second Power Park Resolution, including a description of the amendments thereto described below, is attached to this Annual Disclosure Report as APPENDIX D.

Bulk Power Supply System Bonds

JEA financed the acquisition of a portion of its ownership in the Scherer 4 Project through the issuance of its bonds (the "Original Bulk Power Supply System Bonds") issued pursuant to a resolution of JEA adopted on February 5, 1991, as amended and supplemented (the "Original Bulk Power Supply System Resolution"). Pursuant to the Original Bulk Power Supply System Resolution, the Electric System was entitled to the entire capacity of the Scherer 4 Project and was required to pay for such capacity on a "take-or-pay" basis. During its Fiscal Year ended September 30, 1999, JEA caused all the remaining Original Bulk Power Supply System Bonds to be retired in advance of the scheduled due dates from certain available funds of the Electric System accumulated for that purpose. As a result, all of the covenants, agreements and other obligations of JEA under the Original Bulk Power Supply System Resolution were discharged and satisfied. However, JEA continued to make the output of the Scherer 4 Project available to the Electric System, and all costs of operating and maintaining the Scherer 4 Project continued to be paid as a Contract Debt of the Electric System, payable as part of the Electric System's Cost of Operation and Maintenance. See subsection "*Electric System Contract Debts*" below in this section.

On November 18, 2008, the JEA Board adopted a resolution that readopted, amended and restated the Original Bulk Power Supply System Resolution (the Original Bulk Power Supply System Resolution, as so readopted, amended and restated, is referred to herein as the "Restated and Amended Bulk Power Supply System Resolution"). The Restated and Amended Bulk Power Supply System Resolution permits JEA to issue one or more series of bonds thereunder ("Additional Bulk Power Supply System Bonds") for any lawful purpose of JEA related to the Scherer 4 Project (and any other projects that may be financed thereunder). The Restated and Amended Bulk Power Supply System Resolution also permits JEA to issue refunding Additional Bulk Power Supply System Bonds to refund any outstanding Additional Bulk Power Supply System Bonds from time to time as it deems economical or advantageous. As of September 30, 2023, $24,765,000 in aggregate principal amount of bonds was outstanding under the Restated and Amended Bulk Power Supply System Resolution. On January 31, 2022, $47,630,000 of Additional Bulk Power Supply Bonds were defeased using available funds from the FPL Consummation Payment. See "ELECTRIC UTILITY SYSTEM - *ELECTRIC UTILITY FUNCTIONS* - Scherer 4 - *Retirement of Scherer Unit 4*" herein. As of the date of this Annual Disclosure Report, $22,270,000 in aggregate principal amount of bonds is outstanding under the Restated and Amended Bulk Power Supply System Resolution. See "OTHER FINANCIAL INFORMATION - Revolving Credit Facility" herein. JEA presently has no plans to issue Additional Bulk Power Supply System Bonds.

A summary of certain provisions of the Restated and Amended Bulk Power Supply System Resolution is attached to this Annual Disclosure Report as APPENDIX E.

Electric System Contract Debts

"Contract Debts," a component of the Electric System's Cost of Operation and Maintenance, is defined by the Electric System Resolution to mean any obligations of JEA under any contract, lease, installment sale agreement, bulk electric purchase power agreement or otherwise to make payments out of the revenues of the Electric System for property, services or commodities whether or not the same are made available, furnished or received, but shall not include (a) payments required to be made in respect of (i) debt service on any obligations incurred by JEA in connection with the financing of any separate bulk power supply utility or system undertaken by JEA and any additional amounts relating to "debt service coverage" with respect thereto and (ii) deposits into any renewal and replacement or other similar fund or account established with respect to any such separate bulk power supply utility or system (in each such case, other than the Power Park and the Bulk Power Supply System Projects (as defined in the Electric System Resolution and which includes additional electric generating plants)) and (b) payments required to be made in respect of any other arrangement(s) for the supply of power and/or energy to the Electric System for resale entered into after February 29, 2000 as may be determined by JEA to be payable on a parity with the payment of Subordinated Bonds (as defined in the Electric System Resolution), including the Subordinated Electric System Bonds. See "SUMMARY OF CERTAIN PROVISIONS OF THE ELECTRIC SYSTEM RESOLUTION" in APPENDIX B attached hereto. For a discussion of certain proposed amendments to the Electric System Resolution that amend the provisions thereof with respect to the priority of payment of JEA's obligations with respect to the Power Park, see subsection "Proposed Amendments to the Electric System Resolution" above in this section and "SUMMARY OF CERTAIN PROVISIONS OF THE ELECTRIC SYSTEM RESOLUTION - *Proposed Amendments to the Electric System Resolution - May 1998 Amending Resolution*" in APPENDIX B attached hereto.

JEA's obligation to make payments from the Electric System to provide revenues to pay JEA's portion of the Power Park operating and maintenance expenses and renewal and replacement costs relating to the Power Park and all other costs associated with the Power Park, as well as all debt service on the Power Park Issue Three Bonds, is a Contract Debt payable as a Cost of Operation and Maintenance of the Electric System pursuant to the Electric System Resolution. The Contract Debt payments with respect to the Power Park will be a Cost of Operation and Maintenance of the Electric System whether or not the Power Park is operating or operable and are required to be made in accordance with the terms of the Second Power Park Resolution.

Pursuant to the Restated and Amended Bulk Power Supply System Resolution, JEA is obligated to make the output and capacity of the Scherer 4 Project (and any other projects that may be financed under the Restated and Amended Bulk Power Supply System Resolution) available to the Electric System and is obligated to make payments from the Electric System on a "take-or-pay" basis to provide revenues to pay operating and maintenance expenses of the Scherer 4 Project (and such other projects), debt service on the Additional Bulk Power Supply System Bonds, renewal and replacement costs relating to the Scherer 4 Project (and such other projects) and all other costs relating to the Scherer 4 Project (and such other projects), and such payments constitute a Contract Debt of the Electric System, payable as a Cost of Operation and Maintenance of the Electric System.

See also "ELECTRIC UTILITY SYSTEM - *ELECTRIC UTILITY FUNCTIONS* - Electric System - *Power Purchase Contracts*" herein for a description of JEA's obligations pursuant to certain purchase power contracts, which obligations also constitute Contract Debts payable as a Cost of Operation and Maintenance of the Electric System pursuant to the Electric System Resolution.

JEA is authorized under the Electric System Resolution to construct or acquire and own and/or operate other electric generating utilities or systems for the purpose of furnishing and supplying electric energy and to issue debt obligations to finance the costs of any such separate electric generating utilities or systems, which obligations shall be payable on a parity with the payment of Subordinated Bonds (as defined in the Electric System Resolution), including the Subordinated Electric System Bonds. None of the revenues derived by JEA from the prior operation of the Power Park under the Second Power Park Resolution, from the operation of the Scherer 4 Project under the Restated and Amended Bulk Power Supply System Resolution (and any other projects that may be financed thereunder), or from the operation of any other separate bulk power supply utility or system undertaken by JEA shall be deemed under the Second Power Park Resolution, the Restated and Amended Bulk Power Supply System Resolution or the Electric System Resolution to be revenues of the Electric System. For a discussion of certain proposed amendments to the Electric System Resolution that amend the provisions thereof with respect to the priority of payment of JEA's obligations with respect to the Power Park, see subsection "Proposed Amendments to the Electric System Resolution" above in this section and "SUMMARY OF CERTAIN PROVISIONS OF THE ELECTRIC SYSTEM RESOLUTION - *Proposed Amendments to the Electric System Resolution - May 1998 Amending Resolution"* in APPENDIX B attached hereto.

Schedules of Debt Service Coverage

The following table shows the Electric System Schedules of Debt Service Coverage for the Fiscal Years ended September 30, 2023 and September 30, 2022, respectively. Such Schedules of Debt Service Coverage were derived from supplemental information included with JEA's 2023 Financial Statements and certain other information available to JEA. Such Schedules of Debt Service Coverage should be read in conjunction with such financial statements and the notes thereto. Set forth in APPENDIX A to this Annual Disclosure Report are Schedules of Debt Service Coverage for JEA's interest in the Power Park and the Bulk Power Supply System for the Fiscal Years ended September 30, 2023 and September 30, 2022. In accordance with the requirements of the Electric System Resolution, all the Contract Debt payments from the Electric System to the Power Park and the Bulk Power Supply System with respect to the use by the Electric System of the capacity and output of JEA's interest in the Power Park and the Bulk Power Supply System are reflected as a purchased power expense on the Electric System Schedules of Debt Service Coverage. The Electric System Schedules of Debt Service Coverage do not include revenues of the Power Park or the Bulk Power Supply System, except that the purchased power expense described in the preceding sentence is net of interest income on funds maintained under the Second Power Park Resolution and the Restated and Amended Bulk Power Supply System Resolution. In addition, the Electric System Schedules of Debt Service Coverage do not include revenues received by JEA pursuant to the FPL-Power Park Sale.

Electric System Schedules of Debt Service Coverage
(In Thousands)

	Fiscal Year Ended September 30, 2023	2022
Revenues		
Electric	$1,481,583	$1,516,654
Investment income [1]	17,919	2,547
Earnings from The Energy Authority	23,603	29,731
Other, net [2]	35,709	123,175
Plus: amounts paid from the Rate Stabilization Fund into the Revenue Fund	15,034	82,232
Less: amounts paid from the Revenue Fund into the Rate Stabilization Fund	(197,071)	(87,515)
Total Revenues	$1,376,777	$1,666,824
Cost of Operation and Maintenance [3]		
Fuel	438,127	478,743
Purchased power [4]	306,647	408,317
Maintenance and other operating expenses	304,327	227,313
State utility and franchise taxes	72,490	72,598
Total Cost of Operation and Maintenance	1,121,591	1,186,971
Net Revenues	$ 255,186	$ 479,853
Debt Service Requirement on Electric System Bonds (prior to reduction of investment income on sinking fund and Build America Bonds subsidy)	$ 42,012	$ 50,560
Less: investment income on sinking fund	(1,231)	(1,167)
Less: Build America Bonds subsidy	(1,535)	(1,535)
Debt Service Requirement on Electric System Bonds	$ 39,246	$ 47,858
Debt service coverage on Electric System Bonds [5]	6.50x	10.03x
Debt Service Requirement on Electric System Bonds (from above)	39,246	47,858
Plus: Aggregate Subordinated Debt Service on Subordinated Electric System Bonds (prior to reduction of Build America Bonds subsidy)	31,179	40,500
Less: Build America Bonds subsidy	(1,775)	(1,843)
Aggregate Subordinated Debt Service on Subordinated Electric System Bonds	29,404	38,657
Debt Service Requirement on Electric System Bonds and Aggregate Subordinated Debt Service on Subordinated Electric System Bonds	$ 68,650	$ 86,515
Debt service coverage on Electric System Bonds and Subordinated Electric System Bonds [6]	3.72x	5.55x

(1) Excludes investment income on sinking funds.

(2) Excludes the Build America Bonds subsidy.

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

(4) In accordance with the requirements of the Electric System Resolution, all the contract debt payments from the Electric System to SJRPP and Bulk Power Supply System with respect to the use by the Electric System of the capacity and output of SJRPP and Bulk Power Supply System are reflected as a purchased power expense on these schedules. These schedules do not include revenues of SJRPP and Bulk Power Supply System, except that the purchased power expense is net of interest income on funds maintained under the SJRPP and Bulk Power Supply System resolutions.

(5) Net Revenues divided by Debt Service Requirement on Electric System Bonds. Minimum annual coverage 1.20x.

(6) Net Revenues divided by Debt Service Requirement on Electric System Bonds and Aggregate Subordinated Debt Service on Subordinated Electric System Bonds. Minimum annual coverage is 1.15x.

Management's Discussion and Analysis of Electric System Schedules of Debt Service Coverage

Revenues

Total Revenues decreased $290.0 million, or 17.4 percent, for the Fiscal Year ended September 30, 2023 as compared to the Fiscal Year ended September 30, 2022, primarily related to lower electric revenues, a decrease in other revenues, a reduction in amounts paid from the Rate Stabilization Fund into the Revenue Fund, and an increase in amounts paid from the Revenue Fund into the Rate Stabilization Fund.

Electric revenues decreased $35.1 million, or 2.3 percent, for the Fiscal Year ended September 30, 2023 as compared to the Fiscal Year ended September 30, 2022, primarily related to a $31.0 million decrease in territorial sales revenues, due primarily to a $27.0 million decrease in fuel revenues resulting from a decrease in fuel costs.

Other revenues decreased $87.5 million, or 71.0 percent, for the Fiscal Year ended September 30, 2023 as compared to the Fiscal Year ended September 30, 2022, primarily related to the $100 million consummation payment from FPL for the retirement of Plant Scherer Unit No. 4 in Fiscal Year ended September 30, 2022, offset, in part, by the $11 million payment for the retirement of Cedar Bay in Fiscal Year ended September 30, 2023.

Amounts paid from the Rate Stabilization Fund into the Revenue Fund decreased $67.2 million, or 81.7 percent, for the Fiscal Year ended September 30, 2023 as compared to the Fiscal Year ended September 30, 2022, primarily related to a $41.8 million decrease in fuel withdrawals and a $28.2 million decrease in purchased power withdrawals.

Amounts paid from the Revenue Fund into the Rate Stabilization Fund increased $109.6 million, or 125.2 percent, for the Fiscal Year ended September 30, 2023 as compared to the Fiscal Year ended September 30, 2022, primarily related to a $118.3 million increase in purchased power contributions.

Cost of Operation and Maintenance

Total Cost of Operation and Maintenance decreased $65.4 million, or 5.5 percent, for the Fiscal Year ended September 30, 2023 as compared to the Fiscal Year ended September 30, 2022. Total fuel and purchased power expenses decreased $142.3 million, or 16.0 percent, for the Fiscal Year ended September 30, 2023 as compared to the Fiscal Year ended September 30, 2022, primarily related to a decrease of 8.5 percent in fuel expense and a decrease of 24.9 percent in purchased power expense. As commodity prices have fluctuated over these periods, the mix between generation and purchased power has shifted as JEA has taken advantage of the most economical sources of power. Total MWh power generated and purchased decreased 0.4 percent for the Fiscal Year ended September 30, 2023 as compared to the Fiscal Year ended September 30, 2022, to 12,851,171 MWh from 12,904,526 MWh, with a decrease of 2.8 percent for MWh purchased offset, in part, by an increase of 0.6 percent for MWh generated. The cost per MWh of power generated decreased 25.7 percent and the cost per MWh of purchased power decreased 13.1 percent.

Net Revenues

Net Revenues available for debt service decreased $224.7 million, or 46.8 percent, to $255.2 million for the Fiscal Year ended September 30, 2023 from $479.9 million for the Fiscal Year ended September 30, 2022.

Debt Service Requirement on Electric System Bonds

The Debt Service Requirement on Electric System Bonds decreased $8.6 million, or 18.0 percent, for the Fiscal Year ended September 30, 2023 as compared to the Fiscal Year ended September 30, 2022, primarily related to a $18.2 million decrease in scheduled principal amortization, a $0.9 million lower fixed rate interest expense as a result of lower outstanding balances, offset, in part, by a $10.5 million increase in variable interest rate expense.

JEA did not issue any Electric System Bonds during the Fiscal Years ended September 30, 2023 and 2022.

Debt Service Coverage on Electric System Bonds

The debt service coverage on Electric System Bonds decreased to 6.50 times for the Fiscal Year ended September 30, 2023 as compared to the debt service coverage of 10.03 times for the Fiscal Year ended September 30, 2022 as a result of the 46.8 percent decrease in Net Revenues available for debt service being proportionately greater than the 18.0 percent decrease in the Debt Service Requirement on Electric System Bonds between such periods.

Aggregate Subordinated Debt Service on Subordinated Electric System Bonds

Aggregate Subordinated Debt Service on Subordinated Electric System Bonds decreased $9.3 million, or 23.9 percent, for the Fiscal Year ended September 30, 2023 as compared to the Fiscal Year ended September 30, 2022, primarily related to a $9.8 million decrease in scheduled principal amortization and a $0.8 million lower fixed rate interest expense as a result of lower outstanding debt balances offset, in part, by a $1.2 million increase in variable interest rate expense.

JEA did not issue any Subordinated Electric System Bonds during the Fiscal Years ended September 30, 2023 and 2022.

Debt Service Coverage on Electric System Bonds and Subordinated Electric System Bonds

The combined debt service coverage on Electric System Bonds and Subordinated Electric System Bonds decreased to 3.72 times for the Fiscal Year ended September 30, 2023 as compared to the debt service coverage of 5.55 times for the Fiscal Year ended September 30, 2022 as a result of the 46.8 percent decrease in Net Revenues available for debt service being proportionately greater than the 20.7 percent decrease in the combined Debt Service Requirement on Electric System Bonds and Aggregate Subordinated Debt Service on Subordinated Electric System Bonds between such periods.

Liquidity Resources

The Days of Cash on Hand for the Electric System and the Scherer 4 Project on September 30, 2023 was 148 days, and the Days of Liquidity was 236 days. The Days of Cash on Hand for the Electric System and the Scherer 4 Project on September 30, 2022 was 126 days, and the Days of Liquidity was 254 days. The Days of Cash on Hand computation is as follows:

> (Cash and cash equivalents and Investments amounts under Current assets on the Combining Statement of Net Position + Renewal and Replacement Fund balance referenced in Note 4 of JEA's 2023 Financial Statements attached hereto as APPENDIX A) / ((Total operating expenses - Depreciation + Contributions to General Fund, City of Jacksonville, Florida) / 365 days)
>
> The Days of Liquidity computation is as follows:
>
> (Cash and cash equivalents and Investments amounts under Current assets on the Combining Statement of Net Position + Renewal and Replacement Fund balance referenced in Note 4 of JEA's 2023 Financial Statements attached hereto as APPENDIX A + allocated share of available Revolving Credit Facility*) / ((Total operating expenses - Depreciation + Contributions to General Fund, City of Jacksonville, Florida) / 365 days)

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*. Allocated share of available Revolving Credit Facility on September 30, 2023 was approximately $295.4 million and approximately $412.0 million on September 30, 2022; however, the total balance of $362 million could have been drawn as of September 30, 2023.

APPLICATION OF ELECTRIC SYSTEM REVENUES

The following chart shows a summary of the major components of the application of revenues under the Electric System Resolution, the Second Power Park Resolution and the Restated and Amended Bulk Power Supply System Resolution. For a discussion of certain proposed amendments to the Electric System Resolution that amend the provisions thereof with respect to the priority of payment of JEA's obligations with respect to the Power Park, see the subsection "ELECTRIC UTILITY SYSTEM - *FINANCIAL INFORMATION RELATING TO ELECTRIC UTILITY FUNCTIONS* - Debt Relating to Electric Utility Functions - *Proposed Amendments to the Electric System Resolution*" herein and "SUMMARY OF CERTAIN PROVISIONS OF THE ELECTRIC SYSTEM RESOLUTION - Proposed Amendments to the Electric System Resolution - *May 1998 Amending Resolution*" in APPENDIX B attached hereto.

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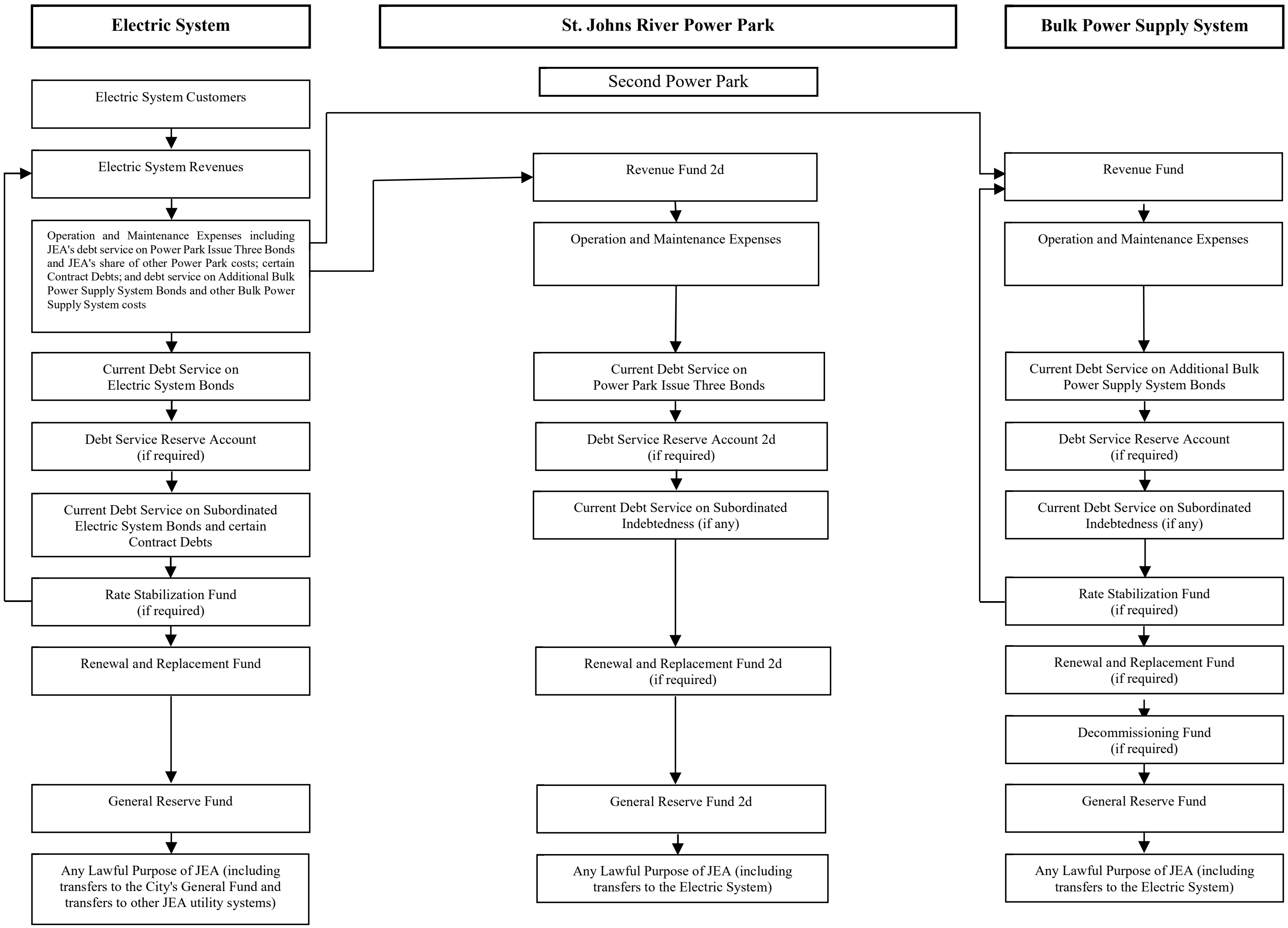
Electric System
St. Johns River Power Park
Bulk Power Supply System
Second Power Park
Electric System Customers
Electric System Revenues
Operation and Maintenance Expenses including JEA's debt service on Power Park Issue Three Bonds and JEA's share of other Power Park costs; certain Contract Debts; and debt service on Additional Bulk Power Supply System Bonds and other Bulk Power Supply System costs
Current Debt Service on Electric System Bonds
Debt Service Reserve Account (if required)
Current Debt Service on Subordinated Electric System Bonds and certain Contract Debts
Rate Stabilization Fund (if required)
Renewal and Replacement Fund
General Reserve Fund
Any Lawful Purpose of JEA (including transfers to the City's General Fund and transfers to other JEA utility systems)
Revenue Fund 2d
Operation and Maintenance Expenses
Current Debt Service on Power Park Issue Three Bonds
Debt Service Reserve Account 2d (if required)
Current Debt Service on Subordinated Indebtedness (if any)
Renewal and Replacement Fund 2d (if required)
General Reserve Fund 2d
Any Lawful Purpose of JEA (including transfers to the Electric System)
Revenue Fund
Operation and Maintenance Expenses
Current Debt Service on Additional Bulk Power Supply System Bonds
Debt Service Reserve Account (if required)
Current Debt Service on Subordinated Indebtedness (if any)
Rate Stabilization Fund (if required)
Renewal and Replacement Fund (if required)
Decommissioning Fund (if required)
General Reserve Fund
Any Lawful Purpose of JEA (including transfers to the Electric System)

OTHER FINANCIAL INFORMATION

General

JEA maintains separate accounting records for the Electric System, the Scherer 4 Project (which is sometimes referred to herein and in JEA's financial statements as the "Bulk Power Supply System"), and its interest in the Power Park. For purposes of financial reporting, however, JEA prepares combined financial statements that include the Electric System, the Bulk Power Supply System, JEA's interest in the Power Park, the Water and Sewer System and the District Energy System. Set forth in APPENDIX A hereto are (a) the financial statements of JEA for its Fiscal Years ended September 30, 2023 (which consist of the statement of net position of JEA as of September 30, 2023 and September 30, 2022 and the related statement of revenues, expenses, and changes in net position and cash flows for the years then ended and the notes thereto; such financial statements are hereinafter referred to as "JEA's 2023 Financial Statements"), together with the report of Ernst & Young LLP, independent auditors, on such financial statements, (b) certain supplemental data as of September 30, 2023 and September 30, 2022 and for the year then ended (which consist of the combining statement of net position, the combining statement of revenues, expenses and changes in net position and the combining statement of cash flows) and (c) certain statements of bond compliance information (which consist of schedules of debt service coverage for the year ended September 30, 2023 and September 30, 2022 for the Electric System, the Bulk Power Supply System, JEA's interest in the Power Park, the Water and Sewer System and the District Energy System), together with the report of Ernst & Young LLP, independent auditors, on such schedules. All such statements, information, data and schedules should be read in conjunction with the notes to JEA's 2023 Financial Statements, which are an integral part of the financial statements.

The assets reflected in the statement of net position included in JEA's 2023 Financial Statements include all of the assets of the Electric System, the Bulk Power Supply System, JEA's interest in the Power Park, the Water and Sewer System and the District Energy System, and the liabilities reflected in such statement of net position include, among other things, the Electric System Bonds, the Subordinated Electric System Bonds, the Power Park Issue Three Bonds, the Additional Bulk Power Supply System Bonds, the Water and Sewer System Bonds, the Subordinated Water and Sewer System Bonds and the District Energy System Bonds. The statement of revenues, expenses, and changes in net assets includes all expenses (*e.g.*, interest charges, operating and maintenance expenses, fuel expenses) of the Electric System, the Bulk Power Supply System, JEA's interest in the Power Park, the Water and Sewer System and the District Energy System. However, revenues of JEA's interest in the Power Park and the Bulk Power Supply System are not included in such statement of revenues, expenses, and changes in net assets, except that interest income on funds maintained under the Second Power Park Resolution and the Restated and Amended Bulk Power Supply System Resolution and revenues received from the FPL-Power Park Sale are included in the statement of revenues, expenses, and changes in net assets.

For financing purposes, the debt of JEA relating to the Electric Utilities Functions, the debt of JEA relating to its Water and Sewer System and the debt of JEA relating to the District Energy System are payable from and secured by separate revenue sources (*i.e.*, (a) the debt of JEA relating to its Electric Utility Functions is payable from and secured by the revenues derived by the Electric

System from the sale of electricity and related services; (b) the debt of JEA relating to the Water and Sewer System is payable from and secured by the revenues derived by the Water and Sewer System from the sale of water and the provision of wastewater treatment and related services; and (c) the debt of JEA relating to the District Energy System is payable from and secured by the revenues derived by the District Energy System from the sale of chilled water and related services; provided, however, available revenues of the Water and Sewer System shall be deposited into a Debt Service Reserve Account established for the District Energy System Refunding Revenue Bonds, 2013 Series A (Federally Taxable) (the "2013 DES Bonds") and pledged to pay debt service on the 2013 DES Bonds in the event that revenues of the District Energy System are insufficient to pay debt service on the 2013 DES Bonds). Accordingly, potential purchasers of the Electric System Bonds are advised that the information in JEA's 2023 Financial Statements relating to JEA's Water and Sewer System and District Energy System is not relevant to a decision to purchase the Electric System Bonds and should not be taken into account with respect thereto.

Transfers to the City

The Charter currently provides that, as consideration for the unique relationship between the City and JEA, there shall be assessed upon JEA in each Fiscal Year, for the uses and purposes of the City, from the revenues of the Electric System and Water and Sewer System operated by JEA available after the payment of all costs and expenses incurred by JEA in connection with the operation of the Electric System and the Water and Sewer System (including, without limitation, all costs of operation and maintenance, debt service on all obligations issued by JEA in connection with the Electric System and the Water and Sewer System and required reserves therefor and the annual deposit to the depreciation and reserve account required pursuant to terms of the Charter), an amount that is periodically negotiated by JEA and the City. The City's annual assessment of JEA does not include assessments pertaining to the District Energy System. See "APPLICATION OF ELECTRIC SYSTEM REVENUES" herein.

The Charter provides that the Council may reconsider the assessment calculations every five years; however, pursuant to the Charter, the Council may also revise the assessments at any time by amending the Charter with a two-thirds vote of the Council. From time to time, proposals have been made, and may be made in the future, to increase the amount of the City's annual assessment on JEA.

Effective October 1, 2008, JEA is required to pay to the City a combined assessment for the Electric System and the Water and Sewer System and this combined assessment has been set forth in the Charter.

JEA and the City reached agreement on amendments to the Charter which affect the amount of the combined assessment that JEA is required to pay to the City. The combined assessment for the Electric System and the Water and Sewer System will be equal, but not exceed the greater of (A) the sum of (i) the amount calculated by multiplying 7.468 mills (a "mill" is one one-thousandth of a U.S. Dollar) by the gross kilowatt hours delivered by JEA to retail users of electricity in JEA's service area and to wholesale customers under firm contracts having an original term of more than one year (other than sales of energy to FPL from JEA's St. Johns River Power Park System) during the 12-month period ending on April 30 of the Fiscal Year immediately preceding the Fiscal Year for which such assessment is applicable, plus (ii) the amount calculated by multiplying 389.20 mills by the number of kgals (1000 gallons) potable water and sewer service, excluding reclaimed water service, provided to consumers during the 12-month period ending on April 30 of the Fiscal Year immediately preceding the Fiscal Year for which such assessment is applicable or (B) a minimum calculated amount which increases by 1% per year using the fiscal year 2015-16 combined assessment of $114,187,538 as the base year. The amounts applicable to clause (B) above for fiscal year 2023-2024 is $123,648,741. As provided in the Charter, the Council may change the assessment calculation by ordinance within the provisions of the relevant section of the Charter. In the event the Council does not reconsider the assessment calculations, the assessments shall be calculated using the existing formulas specified in the Charter, including a minimum calculated amount in clause (B) therein, which increases by one percent per year for each fiscal year computed as provided in the Charter.

The portion of the budgeted aggregate assessment calculated with respect to the Electric System has increased from approximately $95,491,107 for the Fiscal Year ended September 30, 2023 to $95,209,531 for the Fiscal Year ending September 30, 2024. While the Charter requires JEA to pay the JEA assessment to the City at such times as the City requests, but not in advance of collection, the Ordinance Code of the City requires JEA to pay the JEA assessment on a monthly basis. Pursuant to Section 21.07(f) of the Charter, although the calculation of the amounts assessed upon JEA pursuant to the Charter and the annual transfer of available revenues from JEA to the City pursuant to the Charter are based on formulas that are applied specifically to the respective utility systems operated by JEA, JEA may, in its discretion, determine how to allocate the aggregate assessment between the Electric System and the Water and Sewer System, and the aggregate assessment may be paid from any available revenues of JEA.

In addition, the Charter provides that the Council shall have the power to appropriate annually a portion of the available revenues of each utility system operated by JEA (other than electric, water and sewer systems) for the uses and purposes of the City in an amount to be based on a formula to be agreed upon by JEA and the Council.

The Charter imposes a monthly Franchise Fee which JEA was required to pay to the City commencing June 1, 2008 for revenues derived effective April 1, 2008 in an amount initially equal to three percent (and not to exceed six percent, with increases requiring a request by the Mayor of the City and a two-thirds supermajority vote by the Council) of the revenues of the Electric System derived within Duval County other than the beach communities and the Town of Baldwin and subject to a per customer maximum. The Charter authorizes JEA to pass through the amount of the Franchise Fee to the customers of JEA, which JEA does. As a result, the Franchise Fee has no effect on JEA's net revenues.

Effect of JEA Credit Rating Changes

General

JEA has entered into certain agreements that contain provisions giving counterparties certain rights and options in the event of a downgrade in JEA's credit ratings below specified levels, which provisions commonly are referred to as "ratings triggers."

The table below sets forth the current ratings and outlooks for JEA's Electric System Bonds and Subordinated Electric System Bonds, without giving effect to any third-party credit enhancement. Given JEA's current levels of ratings, JEA's management does not believe that the ratings triggers contained in any of its existing agreements will have a material adverse effect on its results of operations or financial condition. However, JEA's ratings reflect the views of the rating agencies and not of JEA, and therefore JEA cannot give any assurance that its ratings will be maintained at current levels for any period of time.

	Fitch Ratings	Moody's	S&P
Outstanding Electric System Bonds	AA (stable)	A1 (stable)	A+ (stable)
Outstanding Subordinated Electric System Bonds	AA (stable)	A2 (stable)	A (stable)

Liquidity Support for JEA's Variable Rate Bonds

In particular, JEA has entered into standby bond purchase agreements with certain commercial banks in order to provide liquidity support in connection with tenders for purchase of the Senior Liquidity Supported Electric Bonds, and the Subordinated Liquidity Supported Electric Bonds (collectively the "Liquidity Supported Bonds"). As of the date of this Annual Disclosure Report, there is $243,625,000 in aggregate principal amount of Senior Liquidity Supported Electric Bonds outstanding and $47,340,000 in aggregate principal amount of Subordinated Liquidity Supported Electric Bonds outstanding. The standby bond purchase agreements relating to the Liquidity Supported Bonds provide that any of such Liquidity Supported Bonds that are purchased by the applicable bank pursuant to its standby bond purchase agreement may be tendered or deemed tendered to JEA for payment upon the occurrence of certain "events of default" with respect to JEA under such standby bond purchase agreement. Upon any such tender or deemed tender for purchase, such Liquidity Supported Bonds so tendered or deemed tendered will be due and payable immediately.

In general, each standby bond purchase agreement provides that it is an event of default on the part of JEA thereunder if the long-term ratings on the Liquidity Supported Bonds to which such standby bond purchase agreement relates, without giving effect to any third-party credit enhancement, fall below "BBB " by Fitch Ratings Inc. ("Fitch"), "Baa3" by Moody's Investors Service ("Moody's") and/or "BBB-" by S&P Global Ratings, a division of S&P Global Inc. ("S&P") or are suspended or withdrawn (generally for credit-related reasons).

Interest Rate Swap Transactions

From time to time, JEA enters into interest rate swap transactions pursuant to both its debt management policy (see "Debt Management Policy" below) and its investment policies (see "Investment Policies" below), which interest rate swap transactions may be for the account of the Electric System. JEA had interest rate swap transactions outstanding under interest rate swap master agreements with four different counterparties in an aggregate notional amount of $481,425,000 as of September 30, 2023, of which, $396,135,000 were for the account of the Electric System. For additional information concerning those interest rate swap transactions, see (a) "Debt Management Policy" below, (b) "Investment Policies" below and (c) Notes 1(k) and 8 to JEA's 2023 Financial Statements attached hereto as APPENDIX A.

Under each master agreement, the interest rate swap transactions entered into pursuant to that master agreement are subject to early termination upon the occurrence and continuance of certain "events of default" and upon the occurrence of certain "termination events." One of such "termination events" with respect to JEA is a suspension or withdrawal of certain credit ratings with respect to JEA or a downgrade of such ratings to below the levels set forth in the master agreement or in the confirmation related to a particular interest rate swap transaction. Upon any such early termination of an interest rate swap transaction, JEA may owe to the counterparty a termination payment, the amount of which could be substantial. The amount of any such potential termination payment would be determined in the manner provided in the applicable master agreement and would be based primarily upon market interest rate levels and the remaining term of the interest rate swap transaction at the time of termination. In general, the ratings triggers on the part of JEA contained in the master agreements range from (x) below "BBB" by S&P and below "Baa2" by Moody's to (y) below "A " by S&P and below "A3" by Moody's.

As of September 30, 2023, JEA's estimated aggregate exposure under all of its then outstanding interest rate swap transactions (*i.e.*, the net amount of the termination payments that JEA would owe to its counterparties if all of the interest rate swap transactions were terminated) was approximately $18,368,071, of which approximately $15,736,167 was attributable to interest rate swap transactions entered into for the account of the Electric System.

In connection with the issuance or proposed issuance of certain of JEA's bonds, JEA has entered into various floating-to-fixed rate interest rate swap transactions for the account of the Electric System. These swap transactions are entered into with various providers and are otherwise described in the table below.

Related Bonds	Counterparty	Initial Notional Amount	Notional Amount as of September 30, 2023	Fixed Rate of Interest	Variable Rate Index[(1)(2)]	Termination Date[(3)]
Variable Rate Electric System Revenue Bonds, Series Three 2008A	Goldman Sachs Mitsui Marine Derivative Products, L.P. ("GSMMDP")	$100,000,000	$51,680,000	3.836%	BMA Municipal Swap Index	10/1/2036
Variable Rate Electric System Revenue Bonds, Series Three 2008B-1, 2008B-2, 2008B-3 and 2008B-4	Morgan Stanley Capital Services Inc. ("MSCS")	117,825,000	82,575,000	4.351	BMA Municipal Swap Index	10/1/2039
	JPMorgan Chase Bank, N.A. ("JPMorgan")	116,425,000	74,925,000	3.661	68% of 1 month LIBOR Fallback	10/1/2035
Variable Rate Electric System Revenue Bonds, Series Three 2008C-1 and 2008C-2	GSMMDP	174,000,000	84,800,000	3.717	68% of 1 month LIBOR Fallback	9/16/2033
Variable Rate Electric System Revenue Bonds, Series Three 2008D-1	MSCS	98,375,000	62,980,000	3.907	SIFMA Municipal Swap Index	10/1/2031
Variable Rate Electric System Subordinated Revenue Bonds, 2008 Series D	JPMorgan	40,875,000	39,175,000	3.716	68% of 1 month LIBOR Fallback	10/1/2037

(1) The BMA Municipal Swap Index is now known as the SIFMA Municipal Swap Index.
(2) "LIBOR Fallback" = (Compounded SOFR + 11. 448 bps fixed spread adjustment), for rates set after June 30, 2023.
(3) Unless earlier terminated.

Debt Management Policy

JEA's debt management policy applies to all current and future debt and related hedging instruments issued by JEA. The policy is designed to provide both broad policy guidance and facilitate management, control and oversight of JEA's debt function, thus fostering ongoing access to the capital markets in order to fund future capital projects of JEA. The policy creates procedures to be followed in conjunction with the issuance of fixed rate debt, variable rate debt and debt refundings.

The counterparties with whom JEA may deal must meet the requirements for counterparties described under the caption "Investment Policies" below. The policy requires JEA staff to submit to the JEA Board an annual plan of finance, which will address, at a minimum, the amount of debt projected to be issued during the next Fiscal Year, whether such debt is senior or subordinated, whether such debt is fixed or variable, and whether any hedging instruments may be utilized. Under the policy, JEA's net variable rate debt will not exceed 30 percent of total debt and JEA's net variable rate debt plus net fixed-to-floating interest rate swaps will not exceed 55 percent of total debt. "Net variable rate debt" is actual variable rate debt minus net variable rate assets. "Net variable rate assets" is actual variable rate assets minus the notional amount of investment/asset-matched interest rate swaps. "Net fixed-to-floating interest rate swaps" is the aggregate notional amount of fixed-to-floating swaps maturing in 10 years or less minus the aggregate notional amount of floating-to-fixed swaps maturing in 10 years or less outstanding on the last day of each month. "Total debt" equals fixed rate debt plus variable rate debt. "Variable rate debt" equals hedged and unhedged variable rate debt. "Variable rate assets" are investments maturing in less than one year. "Unhedged variable rate debt" is actual variable rate debt outstanding less variable rate debt that is associated with a floating-to-fixed rate swap where the term of the swap matches the term of the variable rate debt. The percentages are to be computed periodically.

JEA's fixed rate debt, variable rate debt and debt-related hedging instruments are to be managed in conjunction with investment assets and investment-related hedging instruments to incorporate the natural occurrence of hedging impacts in those balance sheet categories. The purpose is to use each side of the balance sheet to mitigate or hedge cash flow risks posed by the other side of the balance sheet.

The policy establishes a framework for JEA's utilization of hedging instruments including interest rate swaps and caps and collars. The utilization of hedging instruments offers JEA a cost-effective alternative to traditional debt financing choices. JEA is authorized to enter into floating-to-fixed rate swaps, fixed-rate-to-floating rate swaps and basis swaps (*i.e.*, swaps which seek to manage the risk associated with the mismatch between two benchmarks used to set the indices utilized in an interest rate swap transaction). The percentage of variable rate exposure (the notional amount of net fixed-to-floating interest rate swaps and net variable rate debt outstanding) to total debt outstanding may not exceed 55 percent. The notional amount of interest rate swaps, caps, collars and related hedging instruments is limited to the amount approved by the JEA Board from time to time.

Interest rate caps and related hedging instruments are to be utilized to help JEA manage interest rate risk in its debt management program. Generally, a fixed-to-floating interest rate swap will have an associated interest rate cap for the same notional amount at a level no greater than 200 basis points above the interest rate swap fixed rate. It is also contemplated that an interest rate cap will not always have the same maturity as the interest swap with which it is associated. The average life of the aggregate of outstanding caps will not be less than 75 percent of the average life of the associated aggregate swaps.

The policy sets out various decision rules which govern the decision to execute various hedging instruments. Valuations are performed on a quarterly basis and adjustments to fair value are included in JEA's financial statements.

The policy calls for no more than $500,000,000 of net interest rate swap and cap or other hedging instruments to be outstanding in the aggregate with any one provider or affiliate thereof. The aggregate amount of all "long dated" (greater than 10 years) transactions executed with financial institutions and all affiliates thereof, shall be limited to an amount based on the credit rating of the financial institution at the time of the entry into the long-dated hedging transaction as shown below:

Rating Level	Notional Amount
AAA/Aaa by one or more rating agencies	$400,000,000
AA-/Aa3 or better by at least two rating agencies	300,000,000
A/A2 or better by at least two rating agencies	200,000,000
Below A/A2 by at least two rating agencies	0

The ratings criteria shown above apply either to the counterparty to the long-dated transaction or, if the payment obligation of such counterparty under the relevant swap agreement shall be guaranteed by an affiliate thereof, such affiliate. The overall maximum by definition of the above limits cannot exceed $400,000,000 for long dated transactions.

These diversification requirements include all interest rate swap, cap and other hedging instruments JEA may utilize to manage interest rate risks. Interest rate swap and cap transactions are to be competitively bid (unless otherwise determined by the Managing Director and Chief Executive Officer) by at least three providers that have executed interest rate swap agreements with JEA.

Under the policy, an annual budgeted reserve contribution is to be made to a reserve fund. The contributions to the reserve fund will be funded in three equal installments of 1 percent of the notional amount beginning in the month the swap is executed. Once funded, the reserve fund shall at all times be not less than three percent of the notional amount of fixed-to-floating rate debt interest rate swaps outstanding but can be used for any lawful purpose as approved by JEA's Managing Director and Chief Executive Officer.

The aggregate notional amount of all hedging instrument transactions entered into for the account of the Electric System outstanding at any one time, net of offsetting transactions, under all swap agreements is established at not to exceed (a) $1.5 billion in the case of interest rate swaps, (b) $500,000,000 in the case of basis swaps and (c) $1 billion in the case of caps and collars. A transaction that reverses an original transaction in every respect thereby offsetting the cash flows perfectly is referred to herein as an "offsetting transaction". Generally, in the past JEA has elected to receive or pay an upfront cash payment to reverse the original swap transaction. The phrase "net of offsetting transactions" would relate to reversals that remain on JEA's books if JEA elected not to take/make an upfront cash payment.

Investment Policies

The goals of JEA's investment policy are to (a) provide safety of capital, (b) provide sufficient liquidity to meet anticipated cash flow requirements, and (c) maximize investment yields while complying with the first two goals. Sound investment management practices help maintain JEA's competitive position since investment income reduces utility rates. JEA's funds are invested only in securities of the type and maturity permitted by its bond resolutions, Florida statutes, its internal investment policy and federal income tax limitations. JEA does not speculate on the future movement of interest rates and is not permitted to utilize debt leverage in its investment portfolio. Debt leverage is the practice of borrowing funds solely for the purpose of reinvesting the proceeds in an attempt to earn more income than the cost of the debt.

JEA invests its funds pursuant to Section 218.415, Florida Statutes, its various bond resolutions and its JEA Board-approved investment policy. As of September 30, 2023, 43.9 percent of JEA's total investment portfolio (including funds held under the Water and Sewer System Resolution, the Subordinated Water and Sewer System Resolution, the District Energy System Resolution, the Bulk Power Supply System Resolution, the Electric System Resolution, the Subordinated Electric System Resolution, and the Second Power Park Resolution) was invested in securities issued by the United States Government, federal agencies or state and local government entities and has a weighted average maturity of approximately 2.9 years. As of September 30, 2023, the remaining 56.1 percent of such investment portfolio was invested in commercial paper rated at least "A-1" and "P-1" by S&P and Moody's, respectively, having a weighted average maturity of 140 days, in money market mutual funds and in demand deposit bank accounts. JEA's funds that are invested in commercial paper, in money market mutual funds and in bank accounts are used primarily for operating expenses.

JEA entered into securities lending agreements in the past wherein from time to time JEA loaned certain securities in exchange for eligible collateral consisting of United States Government and federal agency securities whose market values were at least 103 percent of the market values of the loaned securities which were re-priced daily. JEA earned a fee in connection with such securities lending agreements, which augmented its portfolio yield. Although JEA currently does not have any securities held pursuant to its securities lending program, JEA may enter into similar securities lending agreements in the future.

JEA previously implemented a strategy to lengthen synthetically the investment maturity of its short-term revolving funds by entering into 100 percent asset-matched interest rate swap transactions. Through the use of this strategy, JEA may lock-in a fixed rate of return for up to five years on those funds, such as debt service sinking funds, that it is permitted to invest only in short-term investment securities. As of September 30, 2023, JEA had, and as of the date of this Annual Disclosure Report, JEA has, no outstanding interest rate swap transactions for this purpose, although it may enter into interest rate swap transactions for this purpose in the future.

The JEA Board has established limits on the notional amount of JEA's interest rate swap transactions and standards for the qualification of financial institutions with whom JEA may enter into interest rate swap transactions. The counterparties with whom JEA may deal must be rated (a) "AAA"/"Aaa" by one or more nationally recognized rating agencies at the time of execution, (b) "A"/"A2" or better by at least two of such credit rating agencies at the time of execution, or (c) if such counterparty is not rated "A"/"A2" or better at the time of execution, provide for a guarantee by an affiliate of such counterparty rated at least "A"/"A2" or better at the time of execution where such affiliate agrees to unconditionally guarantee the payment obligations of such counterparty under the swap agreement. In addition, swap agreements generally will require the counterparty to enter into a collateral agreement to provide collateral when (a) the ratings of such counterparty (or its guarantor) fall below "AA-"/"Aa3" by two rating agencies and (b) a termination payment would be owed to JEA. With respect to swap agreements entered into in 2014 between JEA and three swap counterparties, each counterparty will be required to provide collateral when (a) the ratings of such counterparty fall below "A+"/"A1" by any one of the rating agencies and (b) a termination payment would be owed to JEA above a specified threshold amount.

JEA's payment obligations under the interest rate swap transactions consist of periodic payments based upon fluctuations in interest rates and, in the event of a termination of a transaction prior to the stated term thereof, potential termination payments. The amounts of such potential termination payments are based primarily upon market interest rate levels and the remaining term of the transaction at the time of termination. JEA is authorized to enter into both (a) interest rate swap agreements the obligations of JEA under which are payable from available funds of the Electric System ("Electric System Swap Agreements") and (b) interest rate swap agreements the obligations of JEA under which are payable from available funds of the Water and Sewer System ("Water and Sewer System Swap Agreements").

In the case of interest rate swap transactions entered into pursuant to Electric System Swap Agreements, JEA's payment obligations thereunder are payable following the payment of the operation and maintenance expenses of the Electric System, including any Contract Debts of the Electric System, debt service on Electric System Bonds, debt service on any Subordinated Bonds of the Electric System (including Subordinated Electric System Bonds) and the deposits to the Renewal and Replacement Fund established by the Electric System Resolution.

All interest rate swap transactions for the account of the Electric System are required to be entered into pursuant to Electric System Swap Agreements. Interest rate swap transactions for the account of the Water and Sewer System may be entered into pursuant to either Water and Sewer System Swap Agreements or Electric System Swap Agreements. In the case of interest rate swap transactions for the account of the Water and Sewer System that are entered into pursuant to Electric System Swap Agreements, JEA has established procedures pursuant to which (a) all amounts received by JEA pursuant to such interest rate swap transactions are transferred to the Revenue Fund established pursuant to the Water and Sewer System Resolution and (b) all payments required to be made by JEA pursuant to such interest rate swap transactions are paid for from Revenues of the Water and Sewer System; provided, however, that no such payments may be made from Revenues of the Water and Sewer System until payment (or provision for payment) has been made of the operation and maintenance expenses of the Water and Sewer System, including any Contract Debts of the Water and Sewer System, debt service for the Water and Sewer System Bonds, debt service for any Subordinated Indebtedness of the Water and Sewer System (including the Subordinated Water and Sewer System Bonds) and the deposits to the Renewal and Replacement Fund established by the Water and Sewer System Resolution.

For further information regarding this interest rate swap program, see Notes 1(k) and 8 to JEA's 2023 Financial Statements attached hereto as APPENDIX A.

Revolving Credit Facility

Effective December 17, 2015, JEA entered into a revolving credit agreement (the "Revolving Credit Facility") with JPMorgan Chase Bank, National Association ("JPMorgan") for a $300,000,000 commitment. Effective November 1, 2018, the parties amended the Revolving Credit Facility to increase the maximum principal amount of the credit facility available for Electric System loans by $200,000,000, for a total commitment equal to $500,000,000. Effective May 24, 2021, the parties further amended the Revolving Credit Facility to increase the maximum principal amount of the credit facility available for the Water and Sewer System loans by $200,000,000, for a total commitment equal to $500,000,000. Effective July 31, 2023, the parties amended the Revolving Credit Facility to extend the facility maturity date from May 24, 2024 to May 24, 2027. Subject to meeting various conditions, the Revolving Credit Facility is available to JEA to provide working capital and short-term and interim financing for capital projects in connection with any of its systems. Payment obligations allocable to the Electric System, Power Park (under the Second Power Park Resolution) and the Bulk Power System under the Revolving Credit Facility are payable from the respective revenues of the Electric System, Power Park (under the Second Power Park Resolution) and the Bulk Power Supply System, as applicable, but are subordinate to the payment of JEA's Electric System, Power Park and Bulk Power Supply System debt (including the Electric System Bonds, the Subordinated Electric System Bonds, the Power Park Issue Three Bonds, and the Additional Bulk Power Supply System Bonds).

As of September 30, 2023, JEA had $138,000,000 in borrowings outstanding under the Revolving Credit Facility, of which $127,000,000 were for the account of the Water and Sewer System and $11,000,000 were for the account of the District Energy System. On October 25, 2023, the Revolving Credit Facility was drawn upon by the Water and Sewer System for an additional $50,000,000 leaving $312,000,000 available to be drawn, and on February 7, 2024, JEA repaid $177,000,000 of borrowings on the account of the Water and Sewer System from funds available to that system. As of the date of this Annual Disclosure Report, JEA has $11,000,000 in borrowings outstanding under the Revolving Credit Facility, all of which are for the account of the District Energy System. As of the date of this Annual Disclosure Report, $489,000,000 is available to be drawn.

Loans Among Utility Systems

Pursuant to the Charter, JEA has the authority to lend money from one of its utility systems to another of its utility systems under terms and conditions as determined by JEA. As of the date of this Annual Disclosure Report, no loans among the systems are outstanding.

No Default Certificates

Section 13.F of the Electric System Resolution and Section 6.08 of the Subordinated Electric System Resolution require that JEA annually obtain a certificate of its independent firm of certified public accountants setting forth any default on the part of JEA of any covenant in the Electric System Resolution and the Subordinated Electric System Resolution. Section 715.2 of the Second Power Park Resolution, and Section 714.2 of the Restated and Amended Bulk Power Supply System Resolution require that JEA annually obtain a certificate of its independent firm of certified public accountants stating whether or not, to the knowledge of the signer, JEA is in default with respect to any of the covenants, agreements or conditions on its part contained in the Second Power Park Resolution, and the Restated and Amended Bulk Power Supply System Resolution, respectively, and if so, the nature of such default. The actual certificates provided by such accountants state that nothing has come to such accountants' attention that caused such accountants to believe that JEA failed to comply with the terms, covenants, provisions or conditions of the applicable section(s) of the relevant resolutions, insofar as they relate to accounting matters (emphasis supplied). The accountants have advised JEA that the italicized qualifying language is required to be included by their professional standards (specifically, Statement on Auditing Standards No. 62). JEA does not believe that any other nationally recognized accounting firm will provide certificates that strictly meet the requirements of the applicable section(s) of the relevant resolutions and that differ materially from the certificates provided by JEA's accountants.

Notwithstanding the failure of the accountants' certificates to strictly meet the requirements of the respective resolutions as described above, as of the date of this Annual Disclosure Report, JEA is not in default in the performance of any of the covenants, agreements or conditions contained in the Electric System Resolution, the Subordinated Electric System Resolution, the Second Power Park Resolution, and the Restated and Amended Bulk Power Supply System Resolution.

LITIGATION AND OTHER MATTERS

General

In the opinion of the Office of General Counsel of the City ("OGC"), there is no pending litigation or proceedings that may result in any material adverse change in the financial condition of JEA relating to the Electric System other than as set forth in JEA's 2023 Financial Statements attached hereto as APPENDIX A and other than the matters set forth in this Annual Disclosure Report.

JEA, like other similar bodies, is subject to a variety of lawsuits and proceedings arising in the ordinary conduct of its affairs. After reviewing the status of all current and pending litigation, the OGC, believes that, while the outcome of litigation cannot be predicted, the final dissolution of all lawsuits which have been filed and of any actions or claims pending or, to the knowledge of JEA, threatened against JEA or its officials in such capacity are adequately covered by insurance, or the City's Risk Management fund, or sovereign immunity or will not have a material adverse effect upon the financial position or results of operations of the Electric System.

Other Matters

On April 21, 2020, the United States District Court for the Middle District of Florida issued a Subpoena to Testify Before Grand Jury to JEA requesting numerous documents and records relating to, among other things, the selection of JEA's former CEO, Aaron Zahn ("Zahn"); the former Invitation to Negotiate #127-19 for Strategic Alternatives ("ITN"), providing for the sale of JEA's assets and liabilities; and, a proposed bonus pay plan for senior executives to be funded by proceeds from the sale of JEA's assets and liabilities. JEA complied with the subpoena and provided the requested documents and records.

Subsequently, on March 2, 2022, a federal grand jury issued an indictment charging Zahn and Ryan Wannemacher ("Wannemacher"), JEA's former CFO, with one count of conspiracy and one count of wire fraud. According to the indictment, the charges stem from allegations that Zahn began planning for the ITN in efforts to effectuate the sale and privatization of JEA before he was selected as CEO of JEA. The indictment further alleges that Zahn and Wannemacher willfully engaged in a scheme to make false and fraudulent representations to the JEA Board about material facts concerning development of the proposed bonus plan and its connection to the ITN, knowing that if JEA was sold, they, along with others would be paid exorbitant sums of money from funds that would otherwise have gone to the City's General Fund. The trial of this case is anticipated to occur in the first half of 2024. JEA is not a party to the trial, and the outcome of the trial is not expected to have any effect on the operations or financial position of JEA.

On January 28, 2019, JEA terminated Zahn with cause. On May 8, 2020, Zahn filed a demand for arbitration with the American Arbitration Association seeking damages for JEA's alleged violation of the July 2019 employment agreement. The case is in arbitration and resolution of the matter is currently pending.

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AUTHORIZATION

The dissemination and use of this Annual Disclosure Report have been duly authorized by the JEA Board.

JEA

By: *<u>/s/ Robert L. Stein</u>*
Chair

By: *<u>/s/ Joseph C. Stowe III</u>*
Managing Director and Chief Executive Officer

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ANNUAL DISCLOSURE REPORT FOR WATER AND SEWER SYSTEM AND DISTRICT ENERGY SYSTEM FOR FISCAL YEAR ENDED SEPTEMBER 30, 2023

(Prepared pursuant to certain continuing disclosure undertakings relating to the Bonds listed in APPENDIX E hereto)

Filed on EMMA

Dated as of ___________, 2024

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JEA
225 NORTH PEARL STREET
JACKSONVILLE, FLORIDA 32202
(904) 665-7410
(http://www.jea.com)

JEA OFFICIALS

BOARD OF DIRECTORS

Chair	Robert L. Stein
Vice Chair	Martha T. Lanahan
Secretary	Gen. Joseph P. DiSalvo
	John D. Baker II
	Dr. A. Zachary Faison, Jr.
	Kawanza A. Humphrey
	Ricardo Morales III

LEADERSHIP TEAM

Managing Director and Chief Executive Officer	Joseph C. Stowe III
Chief Operating Officer	Raynetta Curry Marshall
Chief Customer Officer	Sheila E. Pressley
Chief Human Resources Officer	L. David Emanuel
Chief Financial Officer	Theodore B. Phillips
Chief Legal Officer	Regina D. Ross
Chief External Affairs Officer	Laura Marshall Schepis
Chief Strategy Officer	Laura M. Dutton
Vice President, Financial Services	Joseph E. Orfano

GENERAL COUNSEL

Michael T. Fackler, Esq.
General Counsel of the City of Jacksonville
Jacksonville, Florida

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ANNUAL DISCLOSURE REPORT
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FOR
FISCAL YEAR
ENDED
SEPTEMBER 30, 2023

INTRODUCTION

General

This Annual Disclosure Report for Water and Sewer System and District Energy System for Fiscal Year Ended September 30, 2023 (together with the Schedule and the Appendices hereto, this "Annual Disclosure Report") has been prepared and is being filed by JEA in connection with its annual continuing disclosure obligations as an "obligated person" (as defined in Rule 15c2-12 ("Rule 15c2-12") of the United States Securities and Exchange Commission (the "SEC") promulgated under the Securities Exchange Act of 1934, as amended), as set forth in the continuing disclosure undertakings of JEA entered into pursuant to Rule 15c2-12 relating to those certain series of bonds more particularly identified in APPENDIX E attached hereto. Information in this Annual Disclosure Report is reported as of September 30, 2023, except where expressly indicated otherwise.

This Annual Disclosure Report is being filed with the Municipal Securities Rulemaking Board (the "MSRB"), through the MSRB's Electronic Municipal Market Access ("EMMA") website currently located at https://emma.msrb.org/.

Each of the hereinafter defined Electric System, Water and Sewer System and District Energy System is owned and operated by JEA separately. For information relating to JEA's Electric System, see the Annual Disclosure Report for Electric Utility System for Fiscal Year Ended September 30, 2023 (the "Electric Annual Disclosure Report"), which is available on EMMA. **The revenues of each system do not constitute revenues of the other systems, and, except as described under "WATER AND SEWER SYSTEM -** ***FINANCIAL INFORMATION RELATING TO WATER AND SEWER SYSTEM*** **- Debt Relating to Water and Sewer System -** ***Water and Sewer System Support of the District Energy System Bonds*** **" herein, revenues of each system are not pledged to the payment of any debt issued or to be issued by JEA to finance and refinance the other systems.** JEA may, however, satisfy its annual obligation to transfer funds to the City of Jacksonville, Florida (the "City") with funds derived from any of its utilities systems. See "OTHER FINANCIAL INFORMATION - Transfers to the City" herein.

This Annual Disclosure Report contains information regarding JEA's Water and Sewer System and the District Energy System. For financing purposes and except as described under "WATER AND SEWER SYSTEM - *FINANCIAL INFORMATION RELATING TO WATER AND SEWER SYSTEM* - Debt Relating to Water and Sewer System - *Water and Sewer System Support of the District Energy System Bonds*" herein, the debt of JEA relating to the Water and Sewer System is payable from and secured by the revenues derived by the Water and Sewer System from the sale of water and the provision of sewer treatment and related services. The debt of JEA relating to the District Energy System is payable from and secured by the revenues derived from JEA's chilled water activities and any local district heating facilities JEA may develop in the future. **Accordingly, (a) except as described under "WATER AND SEWER SYSTEM - *FINANCIAL INFORMATION RELATING TO WATER AND SEWER SYSTEM* - Debt Relating to Water and Sewer System - *Water and Sewer System Support of the District Energy System Bonds*" herein, the information contained herein relating to the Water and Sewer System is not relevant to the Electric System Bonds, the Subordinated Electric System Bonds or the District Energy System Bonds and should not be taken into account in evaluating such debt; and (b) the information contained herein relating to the District Energy System is not relevant to the Electric System Bonds, Subordinated Electric System Bonds, Water and Sewer System Bonds or Subordinated Water and Sewer System Bonds and should not be taken into account in evaluating such debt.**

The summaries of or references to the Water and Sewer System Resolution, the Subordinated Water and Sewer System Resolution and the District Energy System Resolution, and certain amendments thereto, where applicable, (as such terms are hereinafter defined) and certain statutes and other ordinances and documents included in this Annual Disclosure Report do not purport to be comprehensive or definitive; and such summaries and references are qualified in their entirety by references to each such resolution, statute, ordinance, and document. Copies of the Water and Sewer System Resolution, the Subordinated Water and Sewer Resolution and the District Energy System Resolution are available on the JEA website at https://www.jea.com/About/Investor_Relations/Bonds.aspx and the other documents referred to in this Annual Disclosure Report may be obtained from JEA; *provided, however*, that a reasonable charge may be imposed by JEA for the cost of reproduction.

Miscellaneous; Forward-Looking Statements

This Annual Disclosure Report is not, and nothing in it should be construed as, an offer, invitation or recommendation in respect of any of JEA's debt or securities, or an offer, invitation or recommendation to sell, or a solicitation of an offer to buy JEA's debt in any jurisdiction. The matters discussed in this Annual Disclosure Report and all other documents issued by JEA are for informational purposes only, and holders of JEA's debt, potential investors and/or other interested parties should not rely on such information as their sole source of information about matters related to JEA's debt or in making an investment decision with respect to JEA's existing debt or securities or any other debt or securities which may be offered by JEA. Neither this Annual Disclosure Report nor anything in it shall form the basis of any contract or commitment. By the filing of this Annual Disclosure Report, JEA makes no recommendations and is not giving any investment advice as to any of JEA's debt or securities. In no event shall JEA be liable for any use by any party of, for any decision made or action taken by any party in reliance upon, or for any inaccuracies or errors in, or omissions from, the information contained in this Annual Disclosure

Report and such information may not be relied upon in evaluating the merits of holding, purchasing or selling any of JEA's debt or securities. The information contained in this Annual Disclosure Report, including any forecast financial information, if any, should not be considered as advice or a recommendation to holders and potential investors in relation to holding, purchasing or selling any such securities. Before acting on any information contained in Annual Disclosure Report, holders and potential investors should consider the appropriateness of the information having regard to these matters, any relevant offering document and in particular, holders and potential purchasers should seek independent financial and/or legal advice. Certain of the information in this Annual Disclosure Report has been compiled from sources believed to be reliable, certain of which has not been independently verified. No representation or warranty, express or implied, is provided in relation to the fairness, accuracy, correctness, completeness or reliability of the information, opinions or conclusions contained or expressed in this Annual Disclosure Report.

This Annual Disclosure Report may contain "forward-looking" statements that involve risks, uncertainties and assumptions. If the risks or uncertainties ever materialize or the assumptions prove incorrect, the results may differ materially from those expressed or implied by such forward-looking statements. Accordingly, JEA cautions holders and potential purchasers not to place undue reliance on these statements. All statements other than the statements of historical fact could be deemed forward-looking and should not be considered a comprehensive representation of JEA's expected operational or financial performance. All opinions, estimates, projections, forecasts and valuations are preliminary, indicative and are subject to change without notice. The information in this Annual Disclosure Report is current as of the dates set forth in this Annual Disclosure Report and there may be events that have occurred or will occur subsequent to such dates that would have a material adverse effect on the operational or financial information that is presented in this Annual Disclosure Report. JEA has not undertaken any obligation to update any information in this Annual Disclosure Report.

JEA's independent certified public accountants have not examined, compiled or otherwise applied procedures to this Annual Disclosure Report, including any forward-looking statements or financial forecasts presented in this Annual Disclosure, and, accordingly, do not express an opinion or any other form of assurance on the information in this Annual Disclosure Report, except where expressly indicated otherwise.

JEA Establishment and Organization

JEA is a body politic and corporate organized and existing under the laws of the State of Florida (the "State") and is an independent agency of the City. The City is a consolidated city-county local government for Duval County, located in Northeast Florida. For information regarding the governing body of JEA (the "JEA Board"), see "INTRODUCTION - JEA Establishment and Organization" below. JEA (then known as Jacksonville Electric Authority) was established in 1968 to own and manage the electric utility which had been owned by the City since 1895 (the "Electric System"). In 1997, the Council of the City (the "Council") amended the Charter of the City (the "Charter") in order to authorize JEA to own and operate additional utility functions and, effective on June 1, 1997, the City transferred to JEA the City's combined water and sewer utilities system (the "Water and Sewer System"). Effective as of October 1, 2004, JEA established a separate utility system (the "District Energy System") for its local district energy facilities, including its chilled water activities and any local district heating facilities JEA may develop in the future. JEA operates and maintains its records on the basis of a fiscal year ending on each September 30th (a "Fiscal Year").

The Charter assigns responsibility for the management of JEA's utility systems, including the Water and Sewer System, to the JEA Board. The JEA Board consists of seven members. The Council previously enacted an ordinance placing a referendum question on the November 3, 2020 general election ballot that asked the voters of the City to approve a change to the Charter that would require four members of the JEA Board be appointed by the Council president and three members be appointed by the Mayor of the City. In all cases the appointments would have to be confirmed by the Council. One of the Council president's appointments must be a former JEA employee or a person recommended by an employee, union or group of current or former JEA employees. The referendum item was supported by the majority of voters on November 3, 2020, and on December 8, 2020, the Council enacted an ordinance that codified these changes, among others, into the Charter. The members serve without pay for staggered terms of four years each, with a maximum of two consecutive full terms each.

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Current members of the JEA Board, their occupations and the commencement and expiration of their terms are as follows:

Member	Occupation	Term[(1)]
Robert L. Stein, *Chair*	President, The Regency Group, Inc.	April 16, 2020 – February 28, 2025[(2)]
Martha T. Lanahan, *Vice-Chair*	Executive Vice President & Regional President, North Central Southwest Florida Region, First Horizon Bank	April 16, 2020 – February 28, 2027[(3)]
Gen. Joseph P. DiSalvo, *Secretary*	Lieutenant General, U.S. Army (Retired)	April 16, 2020 – February 28, 2026[(4)]
John D. Baker II	Executive Chairman & CEO, FRP Holdings, Inc.	April 16, 2020 – February 28, 2024
Dr. A. Zachary Faison, Jr.	President & CEO, Edward Waters College	April 16, 2020 – February 28, 2026[(4)]
Kawanza A. Humphrey	Chief Human Resources Officer, VyStar Credit Union	August 24, 2023 – February 28, 2027[(5)]
Ricardo 'Rick' Morales III	President & CEO, Morales Construction Co. Inc.	October 1, 2021 – February 28, 2024[(6)]

(1) At the January 28, 2020 JEA Board meeting, the previous Chair of the JEA Board announced her resignation and following such meeting, Mayor Lenny Curry announced that all of the members of the JEA Board would be leaving their positions effective February 29, 2020. Accordingly, all seven of the then members of the JEA Board were subsequently appointed and all of their terms commenced on April 16, 2020.
(2) Mr. Stein was reappointed for a first full term commencing February 28, 2021.
(3) Ms. Lanahan was reappointed to a second full-term commencing February 28, 2023.
(4) General DiSalvo and Dr. Faison were each reappointed for a first full-term commencing February 28, 2022.
(5) Ms. Humphrey was appointed for a first full term commencing August 24, 2023, replacing Thomas Van Osdol, who resigned from the JEA Board effective May 19, 2023.
(6) Mr. Morales was appointed for a first full-term commencing October 1, 2021, replacing Dr. Leon L. Haley, Jr.

In addition, in accordance with the provisions of the interlocal agreement entered into between JEA and Nassau County, Florida ("Nassau County") in connection with JEA's acquisition of certain assets and franchises of a private water and sewer utility in Nassau County, Nassau County is entitled to appoint a non-voting representative to the JEA Board. The Nassau County representative is entitled to attend all JEA Board meetings and to participate in discussions concerning matters that affect the provision of water and sewer services within Nassau County. As of the date of this Annual Disclosure Report, Nassau County has not appointed its non-voting representative to the JEA Board.

The Charter authorizes JEA to construct, acquire (including acquisition by condemnation), establish, improve, extend, enlarge, maintain, repair, finance, manage, operate and promote its utilities systems (which consist of (a) the Electric System, (b) the Water and Sewer System, (c) the District Energy System and (d) any additional utilities systems which JEA may undertake in the future upon satisfaction of the conditions set forth in the Charter), and to furnish electricity, water, sanitary sewer service, natural gas and other utility services as authorized therein within and outside of the City and for said purposes to construct and maintain electric lines, pipelines, water and sewer mains, natural gas lines and related facilities along all public highways and streets within and outside of the City. Should any additional utility system be undertaken by JEA in the future, such utility system may, at the option of JEA, constitute an additional utility function added to, and may become a part of, the Water and Sewer System or the District Energy System. See "SUMMARY OF CERTAIN PROVISIONS OF THE WATER AND SEWER SYSTEM RESOLUTION - Certain Other Covenants - *Additional Utility Functions*" in APPENDIX B attached hereto. The Charter also confers upon JEA the power to sue, to enter into contracts, agreements and leases, and to sell revenue bonds to finance capital improvements and to refund previously issued evidences of indebtedness of JEA.

Management and Employees

The Charter assigns responsibility for the management of JEA's utilities systems to the JEA Board. JEA employs a Managing Director and Chief Executive Officer as its chief executive officer. The Managing Director, executive officers, vice presidents, directors, managers, executive assistants and other appointed staff, numbering approximately 501 persons, form the management team (the "Management Team") and are not subject to the City's civil service system.

Management

Mr. Stowe assumed his responsibilities at JEA as Managing Director and Chief Executive Officer on November 30, 2020.

The following is information regarding the Managing Director and Chief Executive Officer of JEA and the leadership team.

Joseph "Jay" C. Stowe III, Managing Director and Chief Executive Officer. Mr. Stowe was named JEA's Managing Director and Chief Executive Officer in November 2020 and has served in the not-for-profit utility sector.

For more than 30 years he has been focused on supporting a team of leaders to deliver on the mission of improving lives and building community – which he believes is critical to JEA's ability to best serve its customers in the Northeast Florida region.

Mr. Stowe served municipal utilities in direct roles and as a consultant. He served in a senior vice president role for the Tennessee Valley Authority ("TVA"). Prior to TVA, he spent more than a decade at Huntsville (Alabama) Utilities, where he served as VP of Operations and COO before becoming President and CEO. He also served two municipal utilities in North Carolina and started his career as a consultant for Black & Veatch.

Mr. Stowe serves as an American Public Power Association (APPA) representative on the national Electricity Subsector Coordinating Council (ESCC) and is currently the Co-chair of the group. He also serves as a board member and chair of The Energy Authority, and as a board member and chair of TEA Solutions. Mr. Stowe earned a bachelor's degree in civil engineering from North Carolina State University.

Raynetta Curry Marshall, Chief Operating Officer. Ms. Marshall leads all utility operations as well as the electric and water teams that provide reliable, affordable, safe utility services to more than one million Northeast Florida residents.

With more than 35 years of experience in water resources and utility management, Ms. Marshall returned to JEA as chief operating officer (COO) in August 2021. She served as general manager of the Underground Utilities & Public Infrastructure Department (UU&PI) in Tallahassee, Florida, for two years. Prior to that, Ms. Marshall held several leadership roles at JEA's water/wastewater department from 2011 to 2019.

Ms. Marshall holds a master's degree in environmental engineering and a bachelor's degree in civil engineering from Howard University. She served on the boards of the Florida Municipal Power Association and the Association of Edison Illuminating Companies and previously served as president of the Florida Water Environment Association and as Chair of the Water Environment Federation Utility Management Committee.

Sheila E. Pressley, Chief Customer Officer. Ms. Pressley was named JEA's Chief Customer Officer in February 2021. She is principally responsible for developing and implementing strategies to enhance the customer experience for JEA's 500,000 + customers. During her 20-year tenure at JEA, she has served as a member of senior leadership as the interim CCO, an executive with responsibility for AMI and AMR implementations, revenue cycle, and customer service operations.

Ms. Pressley is heavily engaged in community and civic endeavors. She serves as a JAX Chamber Trustee and on the board of directors for several nonprofit agencies including the American Red Cross, CX Innovation, and Leadership Jacksonville. She is a 2019 Leadership Jacksonville graduate and volunteers her time to support this longstanding leadership program. She also serves on the National Energy & Utility Affordability Coalition (NEUAC) board of directors, a nationwide organization that advocates for the energy needs of low-income households. Ms. Pressley studied Fine Arts at Florida State University and earned a Bachelor of Business Administration from the University of Phoenix.

L. David Emanuel, Chief Human Resources Officer. Mr. Emanuel was named JEA's Chief Human Resources Officer in February 2021. He is responsible for the development and implementation of organizational re-design efforts, talent acquisition, succession planning, compensation plans, and team member engagement efforts critical to JEA's efficiency and productivity.

As a human resources executive with over 30 years of experience in a variety of sectors, Mr. Emanuel strives to help others navigate personnel and organizational matters in a thoughtful, progressive and meaningful manner. He has worked globally, while learning the value of diversity of cultures. He firmly believes that while rules, policies, standards, and expectations can differ, respect for the individual cannot.

Prior to joining JEA, Mr. Emanuel served in a number of senior leadership roles, most recently as Chief Human Resources Officer for APR Energy, a global organization responsible for designing, manufacturing, and operating emergency power sources to customers in 35 countries internationally. He also worked as Senior Vice President of Global Human Resources for CIT, where he was responsible for business process redesign of all human resources in the corporate functional, operations and administration areas across its global footprint. Additionally, Mr. Emanuel was Vice President of Global Human Resources for Anschutz Entertainment Group

(AEG) Worldwide, where he was head of the global human resources sports and entertainment business, encompassing sports teams, entertainment, content management, product development, and facility management for over 35 major venues around the world.

Mr. Emanuel is the Chair of the Dean's Council at the University of North Florida, Co-Chair of the Talent Advancement Network for the Jacksonville Chamber of Commerce, President of the Board of Directors at Angelwood, Board member at Level the Playing Field, and has been a speaker for the Minority Business Roundtable for over a decade. He earned a bachelor's degree in history from Wittenberg University.

Theodore "Ted" B. Phillips, Chief Financial Officer. Mr. Phillips joined JEA as its Chief Financial Officer in August 2021. In this role, his responsibilities include oversight of Financial Services, Treasury Services, Risk Management Services, Supply Chain, Corporate Security, Procurement, Emergency Preparedness and Business Continuity, Facilities and Fleet Services and Technical Services. He brings with him a wealth of experience leading finance teams for public utilities.

Prior to joining JEA, Mr. Phillips worked for 10 years with Huntsville (Ala.) Utilities, leading teams in Finance/Accounting, MIS, Technical Services, Purchasing, Stores & Warehouses, Fleet and Facilities. Previously, he spent 20 years in the public sector working for the cities of Shelby and Monroe, North Carolina, Mecklenburg County, North Carolina, and the State Auditor's office in Missouri.

Mr. Phillips received a Bachelor of Science in Business Administration from Southeast Missouri State University. He has been an active member in the communities he has called home, having served on the boards of the United Way and The Schools Foundation in Huntsville, and in various United Way campaign leadership positions. He currently serves as Treasurer of the Salvation Army of Northeast Florida Advisory Board. He has also been a longtime pack leader for the Boy Scouts of America.

Laura M. Dutton, Chief Strategy Officer. Ms. Dutton has served as JEA's Chief Strategy Officer since March 2021. She leads a diverse team focused on ensuring JEA is well-positioned for the future across the enterprise. Economic Development & Real Estate focuses on growing capital investment and jobs in northeast Florida and the acquisition, disposition, lease, or licensing of real property in the region to support economic development and utility operations. Enterprise Strategy & Planning focuses on facilitating and leading the company through an integrated planning process that begins with setting the strategic direction, building out strategic plans and key supporting plans, and the planning and analysis to develop a business plan and monitor its progress. Grid Modernization & Business Development focuses on developing a comprehensive plan to modernize our systems, exploring new business lines and growing existing business lines, and providing electrification and distributed resources offerings to our customers. Organizational Effectiveness focuses on talent planning, employee engagement, and organizational design so the structure and culture match the strategic direction.

Ms. Dutton has served the public power industry for more than 20 years with experience in strategy development, planning and analysis across several functions at TVA. She earned an accounting degree and a master's degree in business administration from the University of North

Alabama. She also served in a variety of community leadership roles including Leadership Chattanooga, the Combined Federal Campaign, the Junior League of Chattanooga Board of Directors, and the Supervisory Committee for the Tennessee Valley Federal Credit Union Board of Directors. Currently, she serves as a Trustee for Jacksonville's Museum of Science and History, chairing its Long-Range Planning Committee.

Laura Marshall Schepis, Chief External Affairs Officer. Ms. Schepis was named JEA's Chief External Affairs Officer in September 2021. She leads teams responsible for government relations, media relations, communications and environmental services. In her appointed role, she also serves as the designated chief compliance officer for JEA.

For over two decades, Ms. Schepis has focused on improving outcomes for energy utilities and the customers and communities they serve. In leadership positions at the American Public Power Association, the Edison Electric Institute, and the National Rural Electric Cooperative Association, she directed advocacy, political, and communications campaigns on issues including energy efficiency, renewable resources, national security, telecommunications and climate change.

Ms. Schepis received her Juris Doctor degree from the University of Georgia School of Law and practiced civil and criminal law in Georgia before relocating to Washington, D.C. in 2000. She formerly chaired and now serves on the board of the National Energy Resources Organization. She also serves on the board of Downtown Vision, Inc. and the Greater Jacksonville Cultural Council.

Employees

The employees of JEA are governmental (public) employees and, as such, have the right to organize, be represented and bargain collectively for wages, hours and terms and conditions of employment, as provided in Chapter 447, Part II, Florida Statutes. Florida state law prohibits strikes and concerted work slowdowns by governmental (public) employees. Pursuant to the Charter, JEA has full and independent authority to hire, transfer, promote, discipline, terminate and evaluate employees and, consistent with the provisions of the Charter relating to civil service, to establish employment policies relating to hiring, promotion, discipline, termination and other terms and conditions of employment, to enter into negotiations with employee organizations with respect to wages, hours and terms and conditions of employment and to take such other employment related action as needed to assure effective and efficient administration and operation of its utilities systems. The Council is the legislative body with authority to approve or not approve collective bargaining agreements and to resolve any statutory impasses that may arise from collective bargaining.

As of October 1, 2023, JEA had 2,402 budgeted employee positions of which 750 were budgeted to the Water and Sewer System, six were budgeted to the District Energy System, and 1,646 were budgeted to the Electric System. Except for the Management Team and a minor number of contract employees, such employees have civil service status.

Approximately 1,650 employees are covered by five collective bargaining agreements. These employees are represented by the American Federation of State, County, and Municipal Employees ("AFSCME"), the International Brotherhood of Electrical Workers ("IBEW"), Local

2358 and the Northeast Florida Public Employees, Local 630, Laborers' International Union of North America ("LIUNA"), all of which are affiliated with the AFL-CIO, and by a professional employees' association (the "PEA," Professional Employees Association) and a supervisors' association (the "JSA," Jacksonville Supervisors Association) that have no AFL-CIO affiliation. JEA has collective bargaining agreements with all the collective bargaining agents, and all of the collective bargaining agreements have been ratified and approved by the legislative body, the Council, and are effective through September 30, 2025.

Pension

Despite pension reform, which shifted new employees to a defined contribution retirement plan beginning in October 2017, a substantial portion of JEA's employees participate in the City's General Employees Retirement Plan ("GERP"). Employees of the Power Park participate in a separate pension plan. See Note 12 to JEA's 2023 Financial Statements (as defined herein) attached hereto as APPENDIX A for a discussion of certain information on the City's plan. The Actuarial Valuation and Review as of October 1, 2021 for the City's GERP (the "2021 Actuarial Valuation Report") and the Actuarial Valuation and Review as of October 1, 2022 for the City's GERP (the "2022 Actuarial Valuation Report") are available for viewing and downloading from the City's website link: (https://www.jacksonville.gov/departments/finance/retirement-system/gasb-and-plan-valuation-statements) and selecting the October 1, 2021 Valuation or the October 1, 2022 Valuation, respectively, under "General Employees Retirement Plan."

For the five Fiscal Years ended September 30, 2018, 2019, 2020, 2021 and 2022, JEA contributed approximately $35,459,523, $34,352,000, $38,050,000, $40,401,000 and $43,893,000 to the GERP, respectively. JEA's minimum required contribution to the GERP for the Fiscal Year ended September 30, 2023 was $43,985,801 and is $50,036,224 for the Fiscal Year ending September 30, 2024.

Preparation of the Actuarial Valuation as of October 1, 2023 for the City's GERP has not been completed as of the date of this Annual Disclosure Report. The following discussion is based on the 2022 Actuarial Valuation Report and the 2021 Actuarial Valuation Report, the latest two reports available.

JEA expects its annual contributions to the GERP will continue to grow in line with projections made when pension reform was enacted and the GERP was closed to new participants beginning October 1, 2017. JEA expects that its annual contributions to GERP will continue to be at lower levels in the near term than they would have been absent the pension reform primarily due to the recognition of a pension liability surtax beginning with Fiscal Year ended September 30, 2017 and then it expects its annual contributions to GERP to increase over the longer-term as a result of the expected increase in the GERP's unfunded actuarial accrued liability. JEA expects that the GERP's unfunded actuarial accrued liability and JEA's portion of that unfunded liability will continue to increase over the near term primarily due to a delay in receipt of the revenues from the pension liability surtax.

For the Fiscal Year ended September 30, 2022, the aggregate unfunded actuarial accrued liability for the GERP was $1,573,517,914, which represented an increase of $163,272,732 from an aggregate unfunded actuarial accrued liability for the GERP for the Fiscal Year ended

September 30, 2021 of $1,410,245,182. For the Fiscal Year ended September 30, 2021, the aggregate unfunded actuarial accrued liability for the GERP was $1,410,245,182, which represented an increase of $63,320,978 from an aggregate unfunded actuarial accrued liability for the GERP for the Fiscal Year ended September 30, 2020 of $1,346,924,204. JEA was informed by the City that the actuary for the GERP calculated (a) JEA's allocated share of the unfunded actuarial accrued liability for the GERP reported for the Fiscal Year ended September 30, 2022 of $743,411,868 (an increase of $68,179,713 from JEA's allocated share for the Fiscal Year ended September 30, 2021) of the aggregate amount of $1,573,517,914 and (b) JEA's allocated share of the unfunded actuarial accrued liability for the GERP reported for the Fiscal Year ended September 30, 2021 of $675,232,155 (an increase of $27,112,006 from JEA's allocated share for the Fiscal Year ended September 30, 2020) of the aggregate amount of $1,410,245,182. The actuarial accrued liability is an estimate by the actuary for GERP of the present value of the amount of earned benefit payments that GERP will pay to retirees during retirement. The unfunded actuarial accrued liability represents the amount that the actuarial accrued liability exceeds assets in GERP available to pay those benefit payments. These figures are based on numerous assumptions, such as retirement age, mortality rates, and inflation rates, and use numerous methodologies all of which can cause the actual performance of the GERP to differ materially from the estimates of the actuary in any actuarial valuation. However, based on the current unfunded actuarial accrued liability of the GERP, JEA expects that its annual contributions to GERP will be increasing over the near future to fund its portion of the unfunded amount. JEA does not expect that increases in its annual contributions to GERP over time will be material.

JEA also maintains a medical benefits plan that it makes available to its retirees. The medical plan is a single-employer, experience-rated insurance contract plan that provides medical benefits to employees and eligible retirees and their beneficiaries. JEA currently determines the eligibility, benefit provisions, and changes to those provisions applicable to eligible retirees.

See Note 12, Note 13 and pages 113-119 of JEA's 2023 Financial Statements attached hereto as APPENDIX A for a discussion of the pension plans, "other post-employment benefit" plan and actuarial accrued liability.

Certain Demographic Information

The information provided in this section relates to the City and the Jacksonville Metropolitan Statistical Area (the "Jacksonville MSA"). The service areas for the Water System and the Sewer System do not encompass all of the City or the Jacksonville MSA. For additional information regarding the service areas for the Water System and the Sewer System, see "WATER AND SEWER SYSTEM - WATER AND SEWER SYSTEM FUNCTIONS - Area Served - Water System" and "- Sewer System" herein.

Under Florida law, the City and Duval County are organized as a single, consolidated government. Based upon the 2020 United States Census, the consolidated City is the most populous city in the State. The City covers 840 square miles and is one of the largest cities in area in the United States.

The Jacksonville MSA is composed of Duval, Clay, Nassau, St. Johns and Baker Counties, an area covering 3,202 square miles. The U.S. Census Bureau estimates that the Jacksonville MSA had a population of 1,675,668 as of July 1, 2022. The Jacksonville MSA is currently the fourth most populous MSA in the State. The table below shows the population for the Jacksonville MSA.

Year	Population Jacksonville MSA
1990	906,727
2000[1]	1,126,224
2010	1,348,967
2020	1,587,892
2021	1,637,666
2022	1,675,668

Source: United States Census Bureau.
[1] Baker County was included in the Jacksonville MSA starting with the 2000 United States census.

The economy of the Jacksonville MSA contains significant elements of trade and services, transportation services, manufacturing, insurance and banking and tourism. The Port of Jacksonville is one of the largest ports on the South Atlantic seaboard and in terms of tonnage ranks third in the State. A number of insurance and banking companies maintain regional offices in the City. The tourism and recreational facilities in the City include an arena, a performing arts center, a convention center, EverBank Stadium (the home field of the National Football League's Jacksonville Jaguars), a baseball park, numerous golf courses and resorts and various recreational facilities at the beaches. Two large United States Navy bases are located in the City.

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The table below sets forth the annual, not seasonally adjusted, labor force, employment and unemployment figures for the Jacksonville MSA and comparative unemployment figures for the State and the United States for calendar years 2013 through 2022.

	Jacksonville MSA Labor Force			Unemployment Rate (%)	
Year	**Civilian**	**Employment**	**Unemployment Rate (%)**	**Florida**	**U.S.**
2013	707,489	655,861	7.3	7.5	7.4
2014	714,795	668,958	6.4	6.4	6.2
2015	722,937	683,745	5.4	5.5	5.3
2016	738,827	704,144	4.7	4.9	4.9
2017	757,108	721,215	4.1	4.3	4.4
2018	766,719	739,813	3.5	3.6	3.9
2019	779,889	754,917	3.2	3.2	3.7
2020	777,024	725,930	6.6	8.1	8.1
2021	800,061	767,454	4.1	4.6	5.3
2022	832,239	808,776	2.8	2.9	3.6

Source: U.S. Bureau of Labor Statistics Local Area Unemployment Statistics database https://www.bls.gov/lau/data.htm (for Jacksonville MSA and Florida annual data) and Current Population Survey database https://www.bls.gov/cps/cpsaat01.htm (for U.S. annual data). Annual data are not seasonally adjusted.

The table below shows the preliminary estimated average non-agricultural wage and salary employment by sector for the Jacksonville MSA for the 12 months ended September 2023.

	Number of Employees	Percent of Distribution
Trade, Transportation and Utilities	171,700	21.5%
Professional and Business Services	130,400	16.3
Education and Health Services	121,600	15.2
Leisure and Hospitality	91,400	11.5
Government	78,600	9.9
Finance	76,000	9.5
Construction	51,500	6.5
Other Services[(1)]	41,000	5.1
Manufacturing	36,100	4.5
Total Non-Agricultural Employment (Except Domestics, Self-Employed and Unpaid Family Workers)	798,300	100.0%

Source: Bureau of Labor Statistics Current Employment Statistics database, extracted from https://www.bls.gov/data/#employment at https://www.floridajobs.org/workforce-statistics/data-center/statistical-programs/current-employment-statistics.

(1) Consists of other services, information and natural resources and mining.

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The following table lists the 10 largest non-governmental employers in the Jacksonville MSA and the approximate size of their respective work forces.

Name of Employer	Product or Service	Approximate No. of Employees
Amazon	E-commerce Fulfillment	16,000
Baptist Health System	Healthcare	12,000
Mayo Clinic	Healthcare	8,450
Bank of America / Merrill Lynch	Banking	8,000
UF Health Jacksonville	Healthcare	6,600
Florida Blue	Health Insurance	5,700
Southeastern Grocers	Supermarkets	5,700
Ascension St. Vincent's Healthcare	Healthcare	5,050
UPS	Worldwide Parcel Delivery	4,500
Citibank	Banking	4,000

Source: Jacksonville Regional Chamber of Commerce Research Department.

The following table lists the eight largest governmental employers in the Jacksonville MSA and the approximate size of their respective work forces.

Name of Employer	Type of Entity/Activity	Approximate No. of Employees
Naval Air Station, Jacksonville	United States Navy	20,000
Duval County Public Schools	Public Education	11,172[1]
Naval Air Station, Mayport	United States Navy	10,030
City of Jacksonville	Municipal Government	7,868[2]
St. Johns County School District	Public Education	6,299[3]
Fleet Readiness Center	Maintenance / Repair Overhaul	5,350
Clay County School Board	Public Education	4,960
United States Postal Service	United States Government	3,800

Source: Jacksonville Regional Chamber of Commerce Research Department.
(1) Duval County Public Schools website, full-time staff (http://www.duvalschools.org/domain/5268).
(2) City of Jacksonville Annual Budget 2023-24 (https://www.coj.net/departments/finance/docs/budget/fy-2023-2024-budget-summary.aspx).
(3) St. Johns County School District website, full- and part-time staff (http://www.stjohns.k12.fl.us/about/).

Indebtedness of JEA

The indebtedness of JEA relating to its Water and Sewer System as of the date of this Annual Disclosure Report consists of Water and Sewer System Bonds and Subordinated Water and Sewer System Bonds (as such terms are hereinafter defined) and borrowings under the Revolving Credit Facility for the account of the Water and Sewer System. See "WATER AND SEWER SYSTEM - *FINANCIAL INFORMATION RELATING TO WATER AND SEWER SYSTEM* - Debt Relating to Water and Sewer System" herein. The indebtedness of JEA relating to the District Energy System currently consists of District Energy System Bonds (as such term is hereinafter defined) and borrowings outstanding under the Revolving Credit Facility for the account of the District Energy System. See "DISTRICT ENERGY SYSTEM - *FINANCIAL INFORMATION RELATING TO DISTRICT ENERGY SYSTEM* - Debt Relating to the District Energy System" herein. For information regarding the Revolving Credit Facility, see "OTHER FINANCIAL INFORMATION - Revolving Credit Facility" herein. As described under "INTRODUCTION - General" herein, and except as described under "WATER AND SEWER

SYSTEM - *FINANCIAL INFORMATION RELATING TO WATER AND SEWER SYSTEM* - Debt Relating to Water and Sewer System - *Water and Sewer System Support of the District Energy System Bonds*" herein, the debt of JEA relating to its Electric System, the debt of JEA relating to the Water and Sewer System and the debt of JEA relating to the District Energy System are payable from and secured by separate revenue sources. Accordingly, (a) except as described under "WATER AND SEWER SYSTEM - *FINANCIAL INFORMATION RELATING TO WATER AND SEWER SYSTEM* - Debt Relating to Water and Sewer System - *Water and Sewer System Support of the District Energy System Bonds*" herein, the information contained in this Annual Disclosure Report relating to JEA's Water and Sewer System is not relevant to the Electric System Bonds (as described in the Electric Annual Disclosure Report), the Subordinated Electric System Bonds (as described in the Electric Annual Disclosure Report), Power Park Issue Three Bonds (as described in the Electric Annual Disclosure Report), Additional Bulk Power Supply System Bonds (as described in the Electric Annual Disclosure Report) or the District Energy System Bonds and should not be taken into account in evaluating such debt; and (b) the information contained in this Annual Disclosure Report relating to the District Energy System is not relevant to the Electric System Bonds, the Subordinated Electric System Bonds, the Power Park Issue Three Bonds, the Additional Bulk Power Supply System Bonds, the Water and Sewer System Bonds or the Subordinated Water and Sewer System Bonds.

The description of the debt of JEA contained herein and of the documents authorizing, securing and relating to such debt do not purport to be comprehensive or definitive. All references herein to such documents are qualified in their entirety by reference to such documents.

For a detailed description of the outstanding debt of JEA as of September 30, 2023, see Note 8 to the JEA's 2023 Financial Statements attached hereto as APPENDIX A.

Strategic Planning

JEA's strategic planning efforts are guided by its values:

1. Safety – Putting the physical and emotional wellbeing of people first, both at and away from work,

2. Respect – Treating others with courtesy and respect, seeking diverse perspectives and helping to bring out the best in everyone, and

3. Integrity – Placing the highest standard on ethics and personal responsibility, worthy of the trust its customers and colleagues place in it.

With these values in mind, JEA's strategic efforts are centered around three strategic focus areas:

1. Developing an Unbeatable Team – because knowing employees that are treated well will treat JEA customers well,

2. Delivering Business Excellence – because JEA and its employees are serious about serving as good stewards of the resources its customers rely on, and

3. Earning Customer Loyalty – because JEA's customers count on it to deliver affordable, reliable services.

To execute on the strategic focus areas, JEA has laid out its strategic objectives:

1. Fostering an Exceptional Work Culture
   - Employee engagement
   - Diversity, equity and inclusion
   - Employee development

2. Deepening Customer and Community Engagement
   - Reasonable rates
   - Sound business decisions
   - Economic development
   - Customer solutions
   - Stakeholder relationships
   - Environmental stewardship

3. Planning for the Future
   - Long-term workforce plan
   - New business opportunities
   - Enterprise planning
   - Resilient & reliable infrastructure
   - Grid modernization

4. Making Doing Business with JEA Easy
   - Technology, Tools & Data
   - Governance & Policy

While JEA's mission, vision, and values generally do not change, the strategic objectives, particularly the objectives within each focus area, will continue to evolve as JEA works to serve northeast Florida. These strategic focus areas and objectives will guide the development and/or refinement of JEA's plans, programs, and targets to meet its mission of improving lives and building community to be the best utility in the nation.

WATER AND SEWER SYSTEM

WATER AND SEWER SYSTEM FUNCTIONS

General

The Water and Sewer System consists of (a) facilities for the provision of potable water (hereinafter referred to as the "Water System"), (b) facilities for the collection and treatment of wastewater (hereinafter referred to as the "Sewer System") and (c) facilities for the treatment and distribution of reclaimed water (herein referred to as the "Reclaimed Water System"). The Water and Sewer System provides water and sewer service within the urban and suburban areas of the City, other than certain excluded areas described below.

The Water and Sewer System's service territory extends into St. Johns County, which is southeast of the City, and Nassau County, which is north of the City, and also serves a number of customers in Clay County, which is southwest of the City. It is JEA's policy to serve any customer requesting service within its urban and suburban service area. Investor-owned utilities must file a petition with the Public Service Commission in order to provide water or wastewater service within the City, and JEA would object to any petition for expansion of investor-owned utility service areas unless it otherwise determines that it would be in JEA's interest not to do so.

The Water System, which served an average of 391,859 customer accounts and 425,764 reuse water customers, respectively, in the Fiscal Year ended September 30, 2023, currently is composed of 39 water treatment plants and two repump facilities, 139 active water supply wells, approximately 5,112 miles of water distribution mains and water storage capacity of 84 million gallons (including the repump facilities). The overall peak capacity of the Water System is approximately 324 million gallons per day ("mgd"), and the Water System experienced an average daily flow of approximately 126 mgd and a maximum daily flow of approximately 163 mgd during the Fiscal Year ended September 30, 2023. Water supply is from the Floridan Aquifer, one of the most productive aquifers in the world, which provides high quality water. Total Water System sales revenues (including water capacity fees) during the Fiscal Year ended September 30, 2023 were approximately $236,417,000 (see "WATER AND SEWER SYSTEM - *FINANCIAL INFORMATION RELATING TO WATER AND SEWER SYSTEM* - Schedules of Debt Service Coverage" herein).

The Sewer System, which served an average of 311,873 customer accounts in the Fiscal Year ended September 30, 2023, currently is composed of 11 wastewater treatment plants that have a rated average daily treatment capacity of approximately 124 mgd and a maximum daily flow capacity of approximately 248 mgd, approximately 1,616 pumping stations, five vacuum stations, 765 low pressure sewer units and approximately 4,402 miles of gravity sewers and force mains. The Sewer System experienced an average daily flow of approximately 82 mgd and a non-coincident maximum daily flow of approximately 121 mgd during the Fiscal Year ended September 30, 2023. Total Sewer System sales revenues (including sewer capacity fees) during the Fiscal Year ended September 30, 2023 were approximately $321,332,000 (see "WATER AND SEWER SYSTEM - *FINANCIAL INFORMATION RELATING TO WATER AND SEWER SYSTEM* - Schedules of Debt Service Coverage" herein).

Since the transfer of the Water and Sewer System from the City to JEA in 1997, JEA has acquired the assets and customers of seven privately-owned water and sewer companies and one governmentally owned water and sewer utility. From time to time, JEA may explore other potential acquisition opportunities but presently has no plans to do so.

Interlocal Agreements

St. Johns County

In July 1999, JEA entered into an interlocal agreement (the "1999 Interlocal Agreement") with St. Johns County in connection with JEA's acquisition of JCP Utility Company, a standalone water and wastewater utility located wholly within St. Johns County. The effective term of the 1999 Interlocal Agreement is 30 years, subject to two successive five-year terms upon mutual consent of the parties. The 1999 Interlocal Agreement was subsequently amended in 2001 (the "First Addendum"), in 2003 (the "Second Addendum"), and in 2013 (the "Third Addendum").

Pursuant to the First Addendum, the 1999 Interlocal Agreement was amended to include JEA's acquisition of the entire utility system of United Water Florida, Inc., which included those portions of United Water Florida's water and wastewater operations located within St. Johns County (the "2001 Amendment"). In connection with the First Addendum, JEA made an up-front payment in December 2001 to St. Johns County in the amount of the net present value of five percent of JEA's projected gross revenues from the retail sale of water and wastewater (excluding reclaimed water) which JEA expected to realize in providing such services for the next 10 years in St. Johns County, calculated to be $3,616,576.

Under the terms of the 1999 Interlocal Agreement, as amended, subsequent utilities were purchased and St. Johns County granted JEA the right to: (a) provide water and wastewater service to those customers in an acquired franchise area within St. Johns County, (b) provide water and wastewater service to additional areas in St. Johns County not currently served by either the St. Johns County Water and Sewer Department or other water and wastewater utilities and (c) acquire, in JEA's sole discretion, other private utilities in northern St. Johns County.

In accordance with the 1999 Interlocal Agreement, as amended, at the end of each 10-year anniversary of this 30-year interlocal agreement with St. Johns County, JEA will calculate a "true-up" to adjust for the net present value of the actual retail revenues realized if the revenues exceed the projected revenues during the 10-year period. Additionally, after the 10-year and 20-year anniversaries of the 1999 Interlocal Agreement, as amended, JEA agrees to pay St. Johns County the net present value of five percent of the projected water and wastewater retail revenues that JEA expects to receive for the ensuing 10-year period. Based on this methodology, JEA paid St. Johns County $12,176,152 on January 11, 2012, for both components related to the first 10-year anniversary. St. Johns County disputed JEA's methodology for computing the true-up payment related to the first 10-year anniversary. The parties entered into mediation and settled the dispute by executing the Third Addendum, which provides that future payments will be made on an annual basis.

In accordance with the 1999 Interlocal Agreement, as amended, St. Johns County is granted a purchase option with regard to JEA facilities in St. Johns County. In September 2019, as part of its since-canceled privatization initiative, JEA provided notice to St. Johns County of its intent to enter into negotiations for purchase of the St. Johns County facilities, as provided in the 1999 Interlocal Agreement, as amended. Following cancellation of the privatization initiative, JEA determined that St. Johns County's purchase option was not triggered. Accordingly, the 1999 Interlocal Agreement, as amended, remains in effect subject to the same terms and conditions prior to the September 2019 notice provided by JEA.

Nassau County

In December 2001, JEA entered into an interlocal agreement (the "2001 Interlocal Agreement") with Nassau County in connection with JEA's acquisition of the entire utility system of United Water Florida, Inc., including those portions of United Water Florida's water and wastewater facilities located within Nassau County. The effective term of the 2001 Interlocal Agreement is 30 years, subject to two successive five-year terms upon mutual consent of the parties. The 2001 Interlocal Agreement was subsequently amended in October 2022 (the "First Amendment").

In accordance with the 2001 Interlocal Agreement, JEA made an up-front payment in December 2001 to Nassau County in the amount of the net present value of five percent of JEA's projected gross revenues from the sale of water and wastewater (excluding reclaimed water) which JEA expected to realize in providing such services for the next 10 years in Nassau County, calculated to be $720,000.

Under the terms of the 2001 Interlocal Agreement, Nassau County granted JEA the right to: (a) provide water and wastewater service to those customers in an acquired franchise area within Nassau County and (b) provide water and wastewater service to additional areas in Nassau County not currently served by either Nassau County or other water and wastewater utilities. The 2001 Interlocal Agreement further provided that, at the end of each 10-year anniversary of the 2001 Interlocal Agreement with Nassau County, JEA will calculate a "true-up" based on the actual revenues realized during the 10-year period. If the revenues exceed the projected amount, JEA will pay Nassau County the amount that would have been due based on actual revenues. Additionally, after the 10-year and 20-year anniversaries of the 2001 Interlocal Agreement, JEA agrees to pay Nassau County the net present value of five percent of the projected water and wastewater retail revenues that JEA expects to receive for the ensuing 10-year period. Based on this methodology, JEA paid Nassau County $3,480,556 on January 11, 2012, for both components related to the first 10-year anniversary. On October 10, 2022, the parties executed the First Amendment, which provides that future payments will be made on an annual basis.

In accordance with the 2001 Interlocal Agreement, Nassau County is granted a purchase option with regard to JEA facilities in Nassau County. The 2001 Interlocal Agreement provides Nassau County 90 days from receipt of written notice from JEA within which to enter into negotiations for purchase of the Nassau County facilities. In September 2019, as part of its since-canceled privatization initiative, JEA provided notice to Nassau County of its intent to enter into negotiations for purchase of the Nassau facilities, as provided in the 2001 Interlocal Agreement. Following cancellation of the privatization initiative, JEA determined that the Nassau County purchase option was not triggered. Accordingly, the 2001 Interlocal Agreement, as amended, remains in effect subject to the same terms and conditions prior to the September 2019 notice provided by JEA.

Area Served

Water System

The service territory of the Water System includes (a) virtually the entire City, other than the beach communities (Jacksonville Beach, Atlantic Beach and Neptune Beach), the Town of Baldwin, the active United States Navy facilities located within the City and those areas served by a community-owned water and wastewater utility that is not subject to jurisdiction of the Florida Public Service Commission ("PSC") and one investor-owned water utility and one investor-owned sewer utility that provide service within certificated territories under jurisdiction of the PSC, (b) approximately 143 square miles in St. Johns County and (c) approximately 620 square miles in Nassau County. In addition, the Water System serves a small number of customers in Clay County.

The Water System provides service in an area currently comprising approximately 497 square miles in Duval County, approximately 95 square miles in St. Johns County, approximately 77 square miles in Nassau County and approximately four-square miles in Clay County. In the remaining areas of the Water System's service territory not currently served by the Water System, other cities, the Navy, the community-owned utility or investor-owned utility, water service is provided through privately owned and operated wells.

Customers of the Water System are charged for water service based upon customer classification (residential, commercial or multi-family). Charges within each classification vary based upon meter size and monthly consumption.

Sewer System

The service territory for the Sewer System is essentially the same as that for the Water System. However, only approximately 40 percent of the service territory is currently served. In the remaining areas of the Sewer System's service territory not currently served by the Sewer System, other cities, the Navy, the community-owned utility or the investor-owned utility, wastewater service is provided through privately owned and operated septic tanks.

Customers of the Sewer System are charged for sewer service based upon customer classification (residential, commercial or multi-family). Charges within each classification vary and are based upon meter size and monthly flow. The Sewer System provides wholesale bulk sewer service to the investor-owned utility mentioned above.

Existing Facilities

Water System

The Water System consists of 28 major and 11 small water treatment plants and two repump facilities and is divided into two major distribution grids: the north grid and the south grid (one on each side of the St. Johns River), and includes four minor distribution grids: Ponte Vedra, Ponce de Leon, Mayport and Nassau County. The major distribution grids are fully interconnected, which provides the Water System with a high degree of redundancy. The purpose of such interconnectivity is to provide sufficient water capacity at the least cost which meets JEA's desired level of customer service requirements and complies with water quality criteria while avoiding adverse impacts on the Floridan Aquifer. The Water System has 139 active wells supplying the various water plants. Each plant consists of wells, aerators, ground storage tanks, water quality treatment and pH monitoring and chlorination facilities. Control is by computer with regular operator oversight. The rated maximum daily treatment capacity of the Water System is approximately 305 mgd for the north and south grids together and 324 mgd for the total Water System, taking into consideration maintenance factors. Treatment at the water plants currently consists of aeration and detention to oxidize hydrogen sulfide. The addition of sodium hypochlorite provides disinfection and prevents biological growth in the water distribution system. JEA also uses packed tower forced draft aeration and ozone to treat hydrogen sulfide at several facilities.

The following table shows the daily average and maximum flow capacities for the Fiscal Years ended September 30, 2019 through 2023.

Fiscal Year Ended September 30,	Average Daily Flow (mgd)	Maximum Daily Flow (Non-Coincident) (mgd)
2019	117	173
2020	118	170
2021	117	174
2022	124	171
2023	126	163

The following table shows the rated maximum daily treatment capacity during the Fiscal Year ended September 30, 2023 for each distribution grid.

Grid	Maximum Daily Treatment Capacity (mgd)
North grid	116
South grid	194
Other	14
Total	324

The water distribution system consists of approximately 5,112 miles of water distribution mains ranging from two to 36 inches in diameter. The water distribution mains are made of various materials, including polyvinyl chloride ("PVC"), galvanized steel, ductile iron, cast iron and asbestos cement. The majority of the water distribution mains are made of PVC, with less than one percent of the water distribution system being composed of asbestos cement pipe. Water quality monitoring in the areas containing asbestos cement pipe has shown all areas to be within the United States Environmental Protection Agency (the "EPA") and the Florida Department of Environmental Protection ("FDEP") regulatory limits. The asbestos cement pipe has been in service for several decades, and JEA anticipates removal of this pipe from the Water System through routine replacement of aging water mains. Virtually all new water system distribution mains are constructed of PVC.

Total finished water storage capacity of the Water System is 84 million gallons. All water storage facilities are located at the various water treatment plants, including two repump facilities. The Water System does not utilize elevated storage tanks.

Water supply is from the Floridan Aquifer, one of the most productive aquifers in the world, with high quality water. The Floridan Aquifer covers most of Florida and parts of Georgia and South Carolina. The Floridan Aquifer should be capable of meeting JEA's needs well into the future; provided that JEA continues its three-part program and well water quality program described under "Regulation - Public Water Supply System" below. Some capital expenditures are required to maintain this capacity, but these expenditures are expected to be equal to or less than those experienced by other Florida water systems of similar size and with similar water supply. As of the date of this Annual Disclosure Report, water quality monitoring of JEA well fields has not detected the presence of any man-made compounds at actionable levels, and water quality impacts are limited to selected wells on the south grid from localized upwelling of trapped water from deep fissures - not the result of lateral salt water intrusion. JEA is the largest single user of water from the Floridan Aquifer in Duval County. Other major users include the paper industry and investor-owned utilities. JEA currently operates the water systems and water plants under one potable Consumptive Use of Water Permit ("CUP"). JEA expects that current permitted withdrawal allocations (2011-2031) should be sufficient to satisfy customer demands through CUP expiration in 2031, assuming average weather conditions. JEA expects that customer demands through CUP expiration in 2031, assuming average weather conditions. JEA expects that customer demands will exceed current permitted withdrawal allocations (2011-2031) during the latter part of the 2021-2041 planning period. JEA is currently implementing conservation measures through the Demand Side Management program and developing alternative water supplies to offset the shortfall.

Sewer System

The Sewer System consists of approximately 4,402 miles of gravity sewers and force mains. The gravity sewers range from six to 84 inches in diameter and the force mains range from three to 54 inches in diameter. Approximately 72 percent of the gravity sewers and force mains are made of PVC, with the remaining sewers and mains consisting of various materials including, among others, concrete, vitrified clay, ductile iron, cast iron and polyethylene. Virtually all new sewer system gravity sewers and force mains are constructed of PVC, and the majority of sewer system rehabilitation (using pipe bursting technology) is constructed of high-density polyethylene.

The Sewer System has approximately 1,616 pumping stations, five vacuum stations, 765 low pressure sewer units and 11 treatment plants ranging in rated average daily treatment capacity from 0.2 to 52.5 mgd. Each of the treatment plants provides a minimum of secondary treatment with biological nutrient removal utilized at the major treatment plants. All sludge from the treatment plants is pumped or trucked to either permitted land application sites or a JEA-owned biosolids processing facility for anaerobic digestion, centrifuge dewatering and palletization in preparation for beneficial use. Current sludge production averages approximately 40 dry tons per day ("dt/day"). The Residuals Management Facility ("RMF") is permitted at an annual capacity of 20,290 dry tons per year (64.1 dry tons per day). The RMF produces a usable product (fertilizer) from the sludge. Design of a new biosolids processing facility is underway, which will include solids thickening, dewatering, and cake loadout facilities in a new building. JEA also plans to replace the dryer with new dryers in a new building in Fiscal Year 2028.

The following table shows the average and maximum daily wastewater treatment flows and the rated average and maximum daily wastewater treatment capacities during the Fiscal Year ended September 30, 2023 for each of JEA's wastewater treatment plants.

Wastewater Treatment Plant	Average Daily Flow (mgd) Fiscal Year Ended September 30, 2023	Maximum Daily Flow (Non-Coincident) (mgd) Fiscal Year Ended September 30, 2023	Rated Average Daily Treatment Capacity (mgd)[1]	Rated Maximum Daily Treatment Capacity (mgd)[1]
Buckman	25.41	44.03	52.50	105.00
District 2	5.68	7.05	10.00	20.00
Southwest	11.81	18.79	14.00	28.00
Arlington East	19.85	24.07	25.00	50.00
Mandarin	7.14	10.42	8.75	17.50
Julington Creek Plantation	.91	1.21	1.00	2.00
Blacks Ford	5.98	8.81	6.00	12.00
Nassau	1.81	2.45	2.00	4.00
Monterey	2.31	2.75	3.60	7.20
Ponte Vedra	0.68	1.29	0.80	1.60
Ponce De Leon	0.08	0.81	0.24	0.48
Total	81.65	121.68	123.89	247.78

(1) Since the rated maximum daily treatment capacity of each wastewater treatment plant is approximately twice the rated average daily treatment capacity, the Sewer System is able to accept and handle surges that come with peak usage periods (morning and evening) and heavy rains. On-going system maintenance and improvements are aimed at continuing to decrease peak surges from heavy rains and infiltration into the collection system (*i.e.,* storm water and/or ground water that enters the sewer system through cracks or openings in the collection system) and inflow (*i.e.*, water that enters the sewer system through illegal or unpermitted piped connections to the collection system).

Five of the regional wastewater treatment plants (Buckman, District 2, Southwest, Arlington East and Mandarin) provide advanced secondary treatment and two of the regional wastewater treatment plants (Blacks Ford and Nassau) provide advanced waste treatment. The Buckman, District 2, Southwest, Arlington East, Mandarin and Blacks Ford wastewater treatment plants utilize ultraviolet light disinfection (irradiation of the water), and the Julington Creek Plantation plant utilizes chlorination for disinfection and SO_2 for dechlorination prior to discharge to the St. Johns River. Design is underway to expand treatment capacity at Blacks Ford to 12.0 mgd. Construction is underway to expand treatment capacity at Southwest and Nassau to 16.0 mgd and 3.5 mgd respectively, in addition to a new Greenland wastewater treatment plant (4.0 mgd) to be located in the Southeast corner of Duval County.

Although effluent disposal currently is predominately surface water discharge, JEA initiated implementation of a reclaimed water reuse program in 1999 with its acquisition of the assets and customers of an investor-owned water and wastewater utility which had an existing program for reuse of reclaimed water by customers. JEA has established an expanding program to substantially increase water reclamation systems in Nassau, Duval and St. Johns Counties. JEA is actively developing additional reclaimed water capacity. Reclaimed water capacity (in mgd) as of September 30, 2023 is provided in the table below.

Facility	Capacity (mgd)
Arlington East (Public Access)	8.00
Mandarin (Public Access)	8.75
Blacks Ford (Public Access)	6.00
Julington Creek Plantation (Public Access)	1.00
Ponte Vedra (Public Access)	0.80
Nassau (Public Access)	2.00
Buckman (Non-Public Access)	7.70
District 2 (Non-Public Access)	6.00
Southwest (Non-Public Access)	0.80
Ponce De Leon (Non-Public Access)	0.24
Total	41.29

Customers and Sales

Water System

During the Fiscal Year ended September 30, 2023, the Water System served an average of 391,859 customer accounts and 25,764 reuse water customers, respectively. Water System revenues, including revenues from environmental charges, sales of water, expressed in 1,000 gallons ("kgal") and the average number of Water System customer accounts, all by customer classification, for the Fiscal Year ended September 30, 2019 through 2023 are shown in the following table.

	Fiscal Year Ended September 30				
	2023	**2022**	**2021**	**2020**	**2019**
Water Revenues					
Residential	$107,920	$105,065	$100,361	$100,316	$ 96,699
Commercial and Industrial	49,970	49,302	47,429	47,011	47,619
Irrigation	34,291	34,510	31,666	35,030	34,800
Subtotal	$192,181	$188,877	$179,456	$182,357	$179,118
Reuse Water	26,150	25,260	20,644	21,097	17,909
TOTAL	$218,331	$214,137	$200,100	$203,454	$197,027
Water Sales (kgals):					
Residential	19,632,070	19,168,978	18,448,336	18,839,990	17,921,588
Commercial and Industrial	14,423,321	14,321,083	13,675,041	13,540,631	13,958,000
Irrigation	5,678,470	5,718,816	5,057,191	5,891,176	5,816,484
Subtotal	39,733,861	39,208,877	37,180,568	38,271,797	37,696,072
Reuse Water	5,277,237	5,166,479	4,463,047	4,426,905	3,884,210
TOTAL	45,011,098	44,375,356	41,643,615	42,698,702	41,580,282
Average Number of Accounts:					
Residential	326,119	318,284	308,626	299,872	292,460
Commercial and Industrial	27,265	26,939	26,518	26,190	25,963
Irrigation	38,475	38,258	37,931	37,535	37,212
Subtotal	391,859	383,481	373,075	363,597	355,635
Reuse Water	25,764	22,634	19,704	17,031	14,267
TOTAL	417,623	406,115	392,779	380,628	369,902

Source: JEA.

Sewer System

During the Fiscal Year ended September 30, 2023, the Sewer System served an average of 311,873 customer accounts. Sewer System revenues, including revenues from environmental charges, volume of wastewater treatment billed and the average number of Sewer System customer accounts, all by customer classification, for the Fiscal Years ended September 30, 2019 through 2023 are shown in the following table.

	Fiscal Year Ended September 30				
	2023	**2022**	**2021**	**2020**	**2019**
Sewer Revenues (000's omitted):					
Residential	$162,512	$157,706	$152,684	$151,893	$146,186
Commercial and Industrial	114,093	114,448	111,255	109,682	110,724
TOTAL	$276,605	$272,154	$263,939	$261,575	$256,910
Volume (kgals):					
Residential	17,295,189	16,816,302	16,148,759	16,405,359	15,717,129
Commercial and Industrial	12,371,643	12,436,566	11,990,765	11,754,843	12,009,667
TOTAL	29,666,832	29,252,868	28,139,524	28,160,202	27,726,796
Average Number of Accounts:					
Residential	292,490	284,401	275,022	266,460	259,308
Commercial and Industrial	19,383	19,149	18,848	18,644	18,507
TOTAL	311,873	303,550	293,870	285,104	277,815

Source: JEA.

Largest Customers

Water System

The 10 highest consumption customers served by the Water System composed 6.4 percent of total Water System consumption during the Fiscal Year ended September 30, 2023. The following table sets forth the 10 highest consumption customers, by kgal, during the Fiscal Year ended September 30, 2023.

Customer Account	Annual Billed (kgal)	Percentage of Total
St. Johns County Utility	666,271	1.5
City of Jacksonville	565,163	1.3
Duval County Public Schools	291,387	0.7
Southern Baptist Hospital	285,530	0.6
Mayo Clinic Jacksonville	190,594	0.4
The American Bottling Company	174,873	0.4
Johnson & Johnson Vision Care	164,873	0.4
American Homes 4 Rent	163,599	0.4
Gate Petroleum Company	160,171	0.4
Mid America Apartments	138,616	0.3
Total	2,801,077	6.4

Source: JEA.

Sewer System

The 10 customers with the highest usage level served by the Sewer System composed 6.3 percent of the total volume of wastewater treatment billed during the Fiscal Year ended September 30, 2023. The following table sets forth the 10 customers with the highest usage level, by volume of wastewater treatment billed, during the Fiscal Year ended September 30, 2023.

Customer Accounts	Annual Billed (kgal)	Percentage of Total
City of Jacksonville	348,558	1.2
St. Johns County Utility	331,225	1.1
Duval County Public Schools	203,237	0.7
Southern Baptist Hospital	150,965	0.5
Mayo Clinic Jacksonville	144,448	0.5
American Homes 4 Rent	142,726	0.5
Johnson & Johnson Vision Care	136,311	0.5
Mid-America Apartments	133,930	0.5
Gate Petroleum Company	126,194	0.4
Symrise Inc	116,719	0.4
Total	1,834,313	6.3

Source: JEA.

Customer Billing Procedures

Customers are billed on a cycle basis approximately once per month. If the customer has not paid a bill within 42 days after the initial bill date, JEA may discontinue service to that customer. New commercial accounts are generally assessed a deposit. Residential customers who meet JEA's credit criteria are not assessed a deposit. Customers who do not meet JEA's credit criteria or do not maintain a good payment record may be assessed a deposit, which may vary with consumption. A late payment fee of 1.5 percent is assessed to customers for past due balances in excess of 27 days. The amount of uncollectible accounts is budgeted to be approximately 0.20 percent of estimated gross Water and Sewer System revenues for the Fiscal Year ending September 30, 2024. Actual uncollectible accounts were 0.21 percent of gross Water and Sewer System revenues for the Fiscal Year ended September 30, 2023.

Rates

General

Water and Sewer System revenues are derived from two basic types of charges: (a) monthly service charges and (b) connection charges (which include capacity charges). Additionally, environmental charges collected were reflected in Water and Sewer System Revenues prior to April 1, 2023 and were eliminated and rolled into the monthly service charges, specifically the unit charges for metered consumption (per kgal), thereafter. The JEA Board has sole discretion to set rate levels and revenue requirements for the Water and Sewer System. JEA sets its retail rates after a public hearing.

Generally, Water System customers are charged for monthly water service based upon metered consumption, and Sewer System customers are charged for monthly sewer service based upon water consumption during that same month, utilizing readings of the water meters. Approximately 15 percent of the customers of the Water System have separate meters for water used for irrigation purposes. In those cases, billings for monthly sewer service exclude the water used for irrigation purposes. In the case of Sewer System customers that obtain water service from a community- or investor-owned utility, monthly sewer charges are based upon readings of that utility's water meter. In the case of Sewer System customers that obtain water from privately owned wells, water meters meeting JEA's requirements are required to be installed, and monthly sewer charges are based upon readings of those meters. In addition, in some instances, non-residential customers have separate meters to measure wastewater flows, and JEA charges those customers for sewer service based upon readings of such separate meters. Further, certain non-residential Sewer System customers are subject to surcharges for wastewater discharges that exceed certain designated levels of chemical oxygen demand and suspended solids.

Prior to April 1, 2023, water users were charged a monthly service availability charge according to water meter size, plus a unit rate and an environmental charge. After April 1, 2023, water users are only charged monthly service availability and unit rate charges.

Rates for Monthly Service

The schedules shown in the following tables reflect rates for monthly water, sewer service and reclaimed service effective as of October 1, 2021, and April 1, 2023, as indicated.

Water Rates

Prior to April 1, 2023, water users were charged a monthly service availability charge according to water meter size, plus a unit rate and an environmental charge. After April 1, 2023, water users are only charged monthly service availability and unit rate charges. The following tables reflect rates for monthly water service effective as of October 1, 2021 and April 1, 2023, as indicated:

Water System
Monthly Service Availability Charge

Meter Size	Residential	Residential Irrigation	Commercial	Multi-Family	Multi-Family Irrigation; Commercial Irrigation
5/8″	$ 12.60	$ 12.60	$ 12.60	$ 18.41	$ 12.60
3/4″	18.90	18.90	18.90	27.62	18.90
1″	31.50	31.50	31.50	46.03	31.50
1 1/2″	63.00	63.00	63.00	92.05	63.00
2″	100.80	100.80	100.80	147.28	100.80
3″	201.60	201.60	201.60	294.56	201.60
4″	-	-	315.00	460.25	315.00
6″	-	-	630.00	920.50	630.00
8″	-	-	1,008.00	1,472.80	1,008.00
10″	-	-	1,974.55	2,117.15	-
12″	-	-	3,691.55	3,958.15	-
20″	-	-	7,726.50	8,284.50	-

Water System
Unit Charge (per kgal)*

Non-Irrigation					Irrigation			
Residential Tiers (kgal)			Commercial Tier	Multi-Family Tier	Residential Tiers (kgal)		Multi-Family; Commercial Tiers (kgal)	
1-6	7-20	>20	All kgal	All kgal	1-14	>14	1-14	>14
$0.93	$2.60	$5.60	$1.49	$1.00	$2.60	$5.60	$3.44	$3.96

*Unit Charge rates in effect prior to April 1, 2023.

Water System
Environmental Charge (per kgal)*

Water	$0.37
Irrigation	0.37

*Environmental Charge rates in effect prior to April 1, 2023.

Effective April 1, 2023, environmental charges were eliminated and rolled into the unit charge according to the following schedule.

Water System
Unit Charge (per kgal) Effective April 1, 2023

Non-Irrigation					Irrigation			
Residential Tiers (kgal)			Commercial Tier	Multi-Family Tier	Residential Tiers (kgal)		Multi-Family; Commercial Tiers (kgal)	
1-6	7-20	>20	All kgal	All kgal	1-14	>14	1-14	>14
$1.30	$2.97	$5.97	$1.86	$1.37	$2.97	$5.97	$3.81	$4.33

Sewer Rates

Prior to April 1, 2023, users of the Sewer System were charged a monthly service availability charge according to water meter size, plus a unit rate based on water consumption from JEA, community- or investor-owned utilities or private wells, as applicable and an environmental charge. After April 1, 2023, Sewer System users are only charged monthly service availability and unit rate charges. The following tables reflect rates for monthly water service effective as of October 1, 2021 and April 1, 2023, as indicated:

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Sewer System
Monthly Service Availability Charge

Meter Size	Residential	Multi-Family	Commercial
5/8″	$ 14.10	$ 24.68	$ 21.15
3/4″	21.15	37.01	31.73
1″	35.25	61.69	52.88
1 1/2″	70.50	123.38	105.75
2″	112.80	197.40	169.20
3″	225.60	394.80	338.40
4″	-	616.88	528.75
6″	-	1,233.75	1,057.50
8″	-	1,974.00	1,692.00
10″	-	2,837.63	2,432.25
12″	-	5,305.13	4,547.25
20″	-	11,103.75	9,517.50

Sewer System
Unit Charge (per kgal)*

Tiers (kgal)	Residential	Multi-Family; Commercial
1-6	$4.94	-
7-20	6.02	-
All	-	$6.02

*Unit Charge rates in effect prior to April 1, 2023.

Sewer System
Environmental Charge (per kgal)*

Residential: 1-20 kgal	$0.37
Commercial; Multi-Family; Limited Service: All kgal	0.37

*Environmental Charge rates in effect prior to April 1, 2023.

Effective April 1, 2023, environmental charges were eliminated and rolled into the unit charge according to the following schedule.

Sewer System
Unit Charge (per kgal) Effective April 1, 2023

Tiers (kgal)	Residential	Multi-Family; Commercial
1-6	$5.31	-
7-20	6.39	-
All	-	$6.39

Reclaimed Water Rates

Prior to April 1, 2023, reclaimed (reuse) water users were charged a monthly service availability charge according to water meter size, plus a unit rate and an environmental charge. After April 1, 2023, reclaimed water users are only charged monthly service availability and unit rate charges. The following tables reflect rates for monthly reclaimed water service effective as of October 1, 2021 and April 1, 2023, as indicated:

Reclaimed System
Monthly Service Availability Charge

Meter Size	Residential[(1)]	Multi-Family[(1)]; Commercial[(1)]
5/8″	$ 12.60	$ 12.60
3/4″	18.90	18.90
1″	31.50	31.50
1 1/2″	63.00	63.00
2″	100.80	100.80
3″	201.60	201.60
4″	-	315.00
6″	-	630.00
8″	-	1,008.00

(1) Non-bulk reclaimed customers will be charged an additional $6.00 regardless of meter size to cover costs due to regulatory requirements.

Reclaimed System
Unit Charge (per kgal)

Tiers (kgal)	Residential	Multi-Family; Commercial
1-14	$2.60	$3.44
> 14	5.60	3.96

Reclaimed System
Environmental Charge (per kgal)*

$0.37

*Environmental Charge rates in effect prior to April 1, 2023.
Note: Environmental Charge not applicable to bulk reclaimed usage.

Effective April 1, 2023, environmental charges were eliminated and rolled into the unit charge according to the following schedule.

Reclaimed System
Unit Charge (per kgal) Effective April 1, 2023

Tiers (kgal)	Residential	Multi-Family; Commercial
1-14	$2.97	$3.81
> 14	5.97	4.33

Connection and Capacity Charges

In addition to the monthly charges for water and wastewater service described above, JEA assesses connection and capacity charges for new Water and Sewer System customers, which charges are designed to cover some of the capital costs of providing service to new customers.

Capacity charges are included within the revenues pledged for payment of the Water and Sewer System Bonds. However, under applicable Florida law and in accordance with the provisions of the Water and Sewer System Resolution, such capacity charges may be used and applied only for the purpose of paying costs of expansion of the Water and Sewer System or paying or providing for the payment of debt service on Water and Sewer System Bonds, Subordinated

Indebtedness or other indebtedness of JEA relating to the Water and Sewer System issued for such purpose.

On September 17, 2021, the JEA Board approved a new rate structure for plant capacity and line extension charges to better reflect the actual expenditures for providing water with and without irrigation. These rates were effective October 1, 2021 and are scheduled to adjust through 2023. On October 15, 2021, the JEA Board Finance & Audit Committee approved deferring implementation of phase-in until the April 1, 2022 scheduled increases.

New Water System customers are assessed a one-time plant capacity charge for new connections. The minimum charge for a new water connection shall be the greater of the charge per gallon of average daily water as estimated and approved by JEA or the applicable plant capacity fee stated below, plus the line extension growth capacity charge.

Water Plant Capacity Fees for Residential and Commercial Service (1)

Effective Date/ Meter Size	October 1, 2021	April 1, 2022	October 1, 2022	April 1, 2023
		Charge per Gallon		
$/gallon	$1.90	$2.83	$3.76	$4.68
		Water (without irrigation)		
3/4″	$475.00	$ 707.50	$ 940.00	$1,170.00
1″	570.00	849.00	1,128.00	1,404.00
1 1/2″	855.00	1,273.50	1,692.00	2,106.00
		Water (with irrigation)		
3/4″	$380.00	$566.00	$ 752.00	$ 936.00
1″	475.00	707.50	940.00	1,170.00
1 1/2″	570.00	849.00	1,128.00	1,404.00
		Irrigation		
3/4″	$ 427.50	$ 636.75	$ 846.00	$1,053.00
1″	617.50	919.75	1,222.00	1,521.00
1 1/2″	1,330.00	1,981.00	2,632.00	3,276.00

(1) Services greater than 1 1/2″ and those that have more fixture units than allowed by meter size will be charged based on the estimated average daily flow.

The average daily flow is determined by reference to industry standards, subject to review and approval by the JEA Board. In addition, all new Water and Sewer System connections are assessed a one-time "line extension growth" capacity charge that is a minimum of $1,695.00.

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The following table presents the line extension growth capacity charges for new residential and commercial Water System customers. Services that have more fixture units than allowed by meter size will be charged based on the estimated average daily flow.

Water Line Extension Growth Capacity Charge
for Residential and Commercial Service

Meter Size	Residential	Commercial
5/8″	N/A	N/A
3/4″	$1,695	$ 1,695
1″	2,000	2,500
1 1/2″	2,175	2,500
2″	2,350	2,500
3″	N/A	5,000
4″	N/A	5,000
6″	N/A	5,000
8″	N/A	5,000
10″	N/A	10,000
12″	N/A	10,000
20″	N/A	20,000

The following table presents the connection charges for new residential and commercial Water System customers.

Water System Connection Charges
for Residential and Commercial Service[1]

Meter Size	Tap Fee	Set Fee
3/4"	$1,360.00	$ 300.00
1"	1,360.00	320.00
1 1/2"	1,770.00	1,010.00
2"	1,770.00[2]	1,150.00[2]

(1) Includes potable, irrigation, and reclaimed water.
(2) Or actual installation cost, whichever is greater, for service connections larger than 2".

Sewer System Connection Charges

The following table presents the connection charges for new Sewer System customers:

Sewer System Connection Charges

Connection Size	Charge
Up to 6"	$8,330.00
Greater than 6"	Actual Cost

Source: JEA.

New residential and commercial Sewer System customers also are assessed a one-time capacity charge for new connections. The minimum charge for a new sewer connection shall be the greater of the charge per gallon of average daily sewer as estimated and approved by JEA or the applicable plant capacity fee stated below. For existing sewer connections, there will be a charge per gallon of additional average daily sewer capacity as estimated and approved as stated below.

Sewer Plant Capacity Fees for Residential and Commercial Service

Effective Date/ Meter Size	October 1, 2021	April 1, 2022	October 1, 2022	April 1, 2023
		Charge per Gallon		
$/gallon	$9.12	$14.60	$20.08	$25.57
		Sewer		
3/4″	$1,824.00	$2,920.00	$4,016.00	$5,114.00
1″	2,280.00	3,650.00	5,020.00	6,392.50
1 1/2″	2,736.00	4,380.00	6,024.00	7,671.00

Reclaimed Water System Connection Charges

Effective on October 1, 2007, the retail reclaimed (reuse) water rate was modified to reflect (a) a separate rate for commercial customers in DRIs equal to potable, non-DRI, commercial irrigation rates and (b) a new rate class for commercial bulk reclaimed (reuse) water service.

Regulation

Water and Sewer System

The future financial condition of the Water and Sewer System could be adversely affected by, among other things, legislation, environmental and other regulatory actions promulgated by applicable federal, state and local governmental agencies. Future changes to new and existing regulations may substantially increase the cost of water and sewer service by requiring changes in the design or operation of existing or new facilities. JEA cannot predict future policies such agencies may adopt.

Several upcoming rules could impact the potable water system:

1. The revised Lead and Copper Rule ("LCR"). The LCR includes (a) lead service line replacement by the utility of the utility-owned section when a customer changes the portion they own, (b) a new trigger level from 15 ppb to 10 ppb for the 90th percentile sample for optimizing corrosion control treatment ("CCT") or completing a CCT study if not currently treating, (c) increase sampling reliability by imbedding current guidance in the rule and revising sampling pool requirements, (d) require public notification with 24 hours of an action level exceedance, (e) require utilities to test for lead in schools and child care facilities and (f) require a lead service line inventory and replacement plan. The final rule was published January 15, 2021, with an effective date of December 16, 2021. On November 30, 2023, EPA announced the proposed Lead and Copper Rule Improvements (LCRI) to promulgate further revisions. The proposed LCRI would require many water systems to replace lead services lines within 10 years. JEA will work with water associations to provide comments in informing EPA in the development

of the final regulation. As described above, the rule will require additional sampling and reporting; the overall financial impacts are expected to be minimal.

2. Potential regulation of Per- and Polyfluoroalkyl substances ("PFAS"). PFAS are group of synthetic compounds widely used in consumer and commercial products, including perfluorooctanoic acid ("PFOA") and perfluorooctanesulfonic acid ("PFOS"). On June 15, 2022, EPA issued interim updated drinking water health advisories for PFOA and PFOS that replace those EPA issued in 2016. The updated advisory levels indicate that some negative health effects may occur with concentrations of PFOA or PFOS in water that are near zero. These interim health advisories will remain in place until EPA establishes a National Primary Drinking Water Regulation. The PFAS rule is still pending; however, it will likely not affect JEA as there is no PFOA or PFOS in our deep Floridan aquifer wells, and levels reported in wastewater effluent are below current provisional screening levels.

Public Water Supply System

The St. Johns River Water Management District ("SJRWMD") regulates groundwater withdrawals and issues permits for the same. JEA was issued a 20-year CUP in May 2011 from the SJRWMD. As of the date of this Annual Disclosure Report, modeling efforts have indicated that a sustainable groundwater supply can continue to be met for the 20-year planning period out to 2031 with a three-part program that is the basis of JEA's water capital improvement plan: (a) continued expansion of the reuse system, (b) aggressive water conservation program and (c) water transfers from areas with a higher supply on JEA's north grid to areas with a lower supply on JEA's south grid via river-crossing pipelines. JEA has also implemented a groundwater quality management program to mitigate the effects of (non-lateral) saltwater intrusion into specific wells on the systems south grid that includes routine well monitoring, back plugging of specific wells, and reducing or replacing wells that show continued increases in chlorides. The 2023 permitted CUP allocation was 142.26 million gallons per day. Actual calendar year withdrawals through December 2023 averaged 124 million gallons per day.

JEA's groundwater withdrawals are subject to a consumptive use permit issued by the St. Johns River Water Management District. Pursuant to its CUP, JEA is required to address its share of impact to water bodies with set minimum flows and levels, which are regulatory water levels intended to prevent significant harm.

Rulemaking to set Minimum Flows and Levels ("MFLs") is currently underway for several water bodies in north Florida. The SJRWMD set MFLs for Lakes Brooklyn and Geneva on May 11, 2021. JEA and other utilities participated in an agreement with the SJRWMD to partially fund a project to move water from Black Creek into the lakes. The Florida Department of Environmental Protection is due to set MFLs for the Lower Santa Fe and Ichetucknee Rivers in 2023-24. Based on preliminary information, one or more of the MFLs for these water bodies may be violated upon completion of rulemaking.

JEA's costs associated with its use of groundwater could be increased or JEA may be required to implement more costly sources of water.

In addition, the SJRWMD and SRWMD have developed a joint North Florida Regional Water Supply Plan, which was approved in December 2023. The plan concludes that future water demands through 2045 can be met with water conservation measures and water supply options included in the plan.

Wastewater Treatment System

The Sewer System is regulated by the EPA under provisions of the Federal Clean Water Act and the Federal Water Pollution Control Act. The EPA has delegated the wastewater regulatory program to the FDEP. Except as described below, the Sewer System is in substantial compliance with all federal and state wastewater regulations.

In 2013, the EPA and FDEP reached an agreement on the adoption of numeric nutrient criteria ("NNC") for the State. As part of the NNC adoption process, the EPA re-approved the Lower St. Johns River nutrient Total Maximum Daily Load ("TMDL"). The EPA re-approval means the TMDL will remain the legally enforceable nutrient standard for the Lower St. Johns River. JEA has completed all the treatment plant improvements required of the utility by the TMDL and its facilities are in compliance with its nutrient allocation.

Because JEA has reduced nitrogen well below its own permitted nitrogen reduction goals, it can generate Water Quality Credits. JEA has previously recorded a reduction in its NPDES permit to generate and transfer 74.69 metric tons of Total Nitrogen Water Quality Credits ("Initial Credits") to the City in 2024 and is positioned to remain in compliance with its Aggregate Nitrogen permit. JEA has agreed to provide 45.34 metric tons per year to the City for no compensation from 2025 through December 31, 2031 as long as the Credits are authorized and approved by the appropriate regulatory agency. JEA's current aggregate nitrogen limit for all wastewater plants discharging to the St. Johns River is 683 short tons per year. During the Fiscal Year ended September 30, 2023, JEA facilities discharged 428 short tons to the river.

As the regulatory reduction of Total Nitrogen in the Lower St. Johns River is an ongoing annualized requirement that both the City and JEA will be required to meet beyond December 31, 2031, the City and JEA have agreed to engage in discussions to work on a plan for meeting the future needs of both parties beyond December 31, 2031.

On December 11, 2006, JEA and the FDEP executed a long-term sanitary sewer overflows ("SSO") consent order. The long-term SSO consent order is the mechanism under which periodic, unforeseeable JEA SSOs are reviewed and adjudicated. The SSOs for each Fiscal Year are typically adjudicated on an annual to bi-annual basis. In connection with the SSOs for the Fiscal Year Ended September 30, 2023, JEA will be assessed an estimated penalty of $146,500 by FDEP for Fiscal Year 2023 SSOs. In September 2023, due to state legislation, the consent order was revised to increase SSO penalties for the first time since 2006, with the penalties for most volume categories doubling. The maximum penalty is raised from $10,000/day to $15,000/day. JEA continues its extreme weather resiliency program to evaluate and implement processes or physical projects to reduce the potential for and mitigate impacts from SSOs during extreme weather events or due to effects of climate change.

Reclaimed Water System

April 21, 2021, the Florida Legislature passed Senate Bill 64, titled "Reclaimed Water" (the "Reclaimed Water Bill"), which was signed into law by the Governor on June 29, 2021. The Reclaimed Water Bill calls for the state-wide elimination of non-beneficial surface water discharges of effluent, reclaimed water or reuse water. With a few exceptions, wastewater utilities with discharges to surface water were required to submit a plan by November 1, 2021, to the FDEP outlining how they will comply with the elimination or curtailment of the discharges with full implementation by January 1, 2032. In conjunction with JEA's integrated water resource planning process, JEA submitted a plan to FDEP designed to meet the conditions required under the Reclaimed Water Bill. The plan has been approved by FDEP and is projected to result in significant costs to JEA.

Capital Program

The Water and Sewer System's capital program for the four-year period through September 30, 2027 is centered on renewal and replacement and to enable the Water and Sewer System to remain in compliance with all applicable regulatory requirements, as well as to lower operating and maintenance expenses. Major projects include the Buckman Water Reclamation Facility (WRF), the Buckman Biosolids Conversion Process Facility with Dual Dryers, expansion of the Blacks Ford Water Reclamation Facility, and multiple Surface Water Discharge projects to comply with Florida Senate Bill 64 including Arlington East WRF, Southwest WRF, Cedar Bay WRF, Buckman WRF, Monterey WRF, and Ponte Vedra WRF. Also included is funding for our galvanized pipe and water meter conversion programs, construction of a 4.7 mgd Water Treatment Plant to serve customers in the southern part of JEA's service territory, and expansion of the Westlake Water Treatment Plant from 3.0 to 7.0 mgd. This program contains funding targeted to improve water and sewer treatment plants, in addition to meeting the three-part program described in "Regulation - Public Water Supply System" above to maintain sustainable water supply for JEA's customers. The projected total amount of the capital program for the four-year period ending September 30, 2027 is shown in the following table.

Water and Sewer System Capital Program
(000s omitted)

Fiscal Year Ending September 30,	Amount
2024	$ 514,000
2025	520,000
2026	520,000
2027	520,000
Total	$2,074,000

The total amount of the capital program for the four-year period is estimated to be approximately $2,074 million. It is expected that approximately $1,380 million of the capital program for this period will be provided by proceeds of bonds and that approximately $953 million will be provided from revenues (including capacity charges) and available funds of the Water and

Sewer System. The projected total amount of the capital program may be affected by future environmental legislation and regulation. See "Regulation" above.

Certain Factors Affecting the Water and Sewer Utility Industry

COVID-19 Pandemic

JEA quickly responded to the effects of the COVID-19 pandemic with the implementation of practices and protocols to protect the wellbeing of its employees and established fully redundant electric and water control centers; both are used on a day-to-day basis, but either can control the System in an emergency.

For certain information regarding the impact of the COVID-19 pandemic on JEA, see Note 6 of JEA's 2023 Financial Statements attached hereto as APPENDIX A.

Legislation

From time to time, additional federal or state legislation or regulations affecting the water and sewer utility industry may be enacted. Such legislation can radically change the regulatory context in which JEA operates and can require increased capital or operating expenditures, or reduced operations, at existing and/or new facilities. Any such legislative changes are inherently impossible to predict with any certainty, particularly in the way they might apply to specific organizations or facilities, such as JEA. JEA, through its consultants and participation in state and national advocacy groups, maintains awareness of legislative issues that may impact operations, participating in advocacy roles as warranted.

Compliance with state legislation on Elimination of Surface Water Discharge could require JEA, at significant cost, to undertake capital projects to develop alternatives to surface water discharge to the St. John's River. The estimation of costs of compliance with legislation on Elimination of Surface Water Discharge is approximately $1.8 billion. Also, any future EPA requirements for testing and removal of PFAS from wastewater could require JEA, at significant cost, to purchase equipment, modify wastewater treatment plants, and conduct site cleanup to curtail or remove PFAS contaminants. The estimation of costs of compliance with the EPA final ruling on PFAS is subject to uncertainties based on codification deemed hazardous, timing of the implementation of rules, the maturation and availability of PFAS removal technology, additional associated regulations, and JEA's selected compliance alternatives.

Any new state or federal legislation or changes to existing legislation or regulations could affect JEA's operations. JEA cannot predict whether any additional legislation or regulations will be enacted which will affect JEA's operations and if such laws are enacted, what the costs to JEA might be in the future.

FINANCIAL INFORMATION RELATING TO WATER AND SEWER SYSTEM

Debt Relating to Water and Sewer System

Water and Sewer System Bonds

As of September 30, 2023, $1,002,400,000 in aggregate principal amount of bonds (the "Water and Sewer System Bonds") issued pursuant to the resolution of JEA adopted on February 18, 1997 and referred to therein as the "Water and Sewer System Revenue Bond Resolution" (as amended, restated and supplemented, the "Water and Sewer System Resolution") was outstanding. As of the date of this Annual Disclosure Report, there is $1,300,850,000 in aggregate principal amount of Water and Sewer System Bonds outstanding under the Water and Sewer System Resolution, consisting of (a) $133,075,000 in aggregate principal amount of variable rate Water and Sewer System Bonds and (b) $1,167,775,000 in aggregate principal amount of fixed rate Water and Sewer System Bonds.

Water and Sewer System Bonds may be issued for the purposes of (a) paying or providing for the payment of Costs (as defined in the Water and Sewer System Resolution) of the Water and Sewer System and (b) refunding any Water and Sewer System Bonds. See "SUMMARY OF CERTAIN PROVISIONS OF THE WATER AND SEWER SYSTEM RESOLUTION - *Additional Water and Sewer System Bonds*" in APPENDIX B attached hereto.

Pursuant to the Water and Sewer System Resolution and the laws of the State, the amount of Water and Sewer System Bonds that may be issued by JEA is not limited and is subject only to approval by the Council and satisfaction of the conditions set forth in the Water and Sewer System Resolution.

On September 26, 2023, JEA's governing board (the "JEA Board") approved a resolution changing JEA's historical approach to seeking incremental debt authorization from the Council. The resolution established a not-to-exceed debt outstanding amount of $2.5 billion for the Water and Sewer System. The not-to-exceed amount is for the purposes of providing funds for both new money and the refunding of existing debt. The Council approved this new approach pursuant to Ordinance 2023-724-E enacted on November 14, 2023. This new methodology for debt authorization replaces the previous incremental approach. JEA will submit a summary, as part of its annual budget submission to the City, showing outstanding and anticipated borrowings against the not-to-exceed authorization amount. In the event additional authorization is needed in the future, it will be requested from the Board and the Council.

A summary of certain provisions of the Water and Sewer System Resolution, including a description of the recent amendments thereto described below, is attached to this Annual Disclosure Report as APPENDIX B.

On February 7, 2024, JEA closed on the issuance of $503,835,000 in aggregate principal amount of its Water and Sewer System Revenue Bonds, 2024 Series A (the "2024 Series A Bonds"). Of this amount, $353 million was new money issuance, and $150.8 million was refunding of existing senior and subordinate debt. The proceeds of the 2024 Series A Bonds, together with any additional funds made available by JEA, will be used for the purpose of repaying the outstanding balance of $177 million under the revolving credit facility, in addition to providing funds to pay for expansion and improvements to the Water and Sewer System.

Liquidity support in connection with tenders for purchase of the Variable Rate Water and Sewer System Revenue Bonds, 2008 Series B (the "SBPA Supported Variable Rate Water and Sewer Bond") currently is provided by a bank pursuant to a standby bond purchase agreement between JEA and such bank. Credit and liquidity support for JEA's Variable Rate Water and Sewer System Revenue Bonds, 2008 Series A-2 (the "LOC Supported Variable Rate Water and Sewer System Bond" and, together with the SBPA Supported Variable Rate Water and Sewer System Bond, the "Senior Liquidity Supported Water and Sewer Bonds") currently is provided by a direct-pay letter of credit issued by a different bank. Any Senior Liquidity Supported Water and Sewer Bond that is purchased by the applicable bank pursuant to its (a) standby bond purchase agreement between JEA and such bank or (b) letter of credit issued in connection with the reimbursement agreement between JEA and such bank, as applicable, and is not remarketed is required to be repaid as to principal in equal semiannual installments over a period of approximately five years from the date so purchased. In addition, any Senior Liquidity Supported Water and Sewer Bond that is purchased by the applicable bank pursuant to its standby bond purchase agreement or letter of credit reimbursement agreement, as applicable, will constitute an "Option Bond" within the meaning of the Water and Sewer System Resolution and, as such, may be tendered or deemed tendered to JEA for payment upon the occurrence of certain "events of default" on the part of JEA under such standby bond purchase agreement or letter of credit reimbursement agreement, as applicable. Upon any such tender or deemed tender for purchase, the Senior Liquidity Supported Water and Sewer Bond so tendered or deemed tendered will be due and payable immediately. For a discussion of certain "ratings triggers" contained in such standby bond purchase agreement and such reimbursement agreement, see "OTHER FINANCIAL INFORMATION - Effect of JEA Credit Rating Changes" herein.

As of the date of this Annual Disclosure Report, no Senior Liquidity Supported Water and Sewer Bonds are held by the banks providing such standby bond purchase agreement or such letter of credit. The standby bond purchase agreement and letter of credit are subject to periodic renewal at the discretion of the respective bank. The current expiration date for the standby bond purchase agreement is May 7, 2027, and the current expiration date for the letter of credit is September 27, 2028.

Subordinated Water and Sewer System Bonds

As of September 30, 2023, $184,655,000 in aggregate principal amount of bonds (the "Subordinated Water and Sewer System Bonds") issued pursuant to the resolution of JEA adopted on May 15, 2003 and referred to therein as the "Water and Sewer System Subordinated Revenue Bond Resolution" (as supplemented, the "Subordinated Water and Sewer System Resolution") was outstanding. As of the date of this Annual Disclosure Report, there is $166,380,000 in aggregate principal amount of Subordinated Water and Sewer System Bonds outstanding under the Subordinated Water and Sewer System Resolution, consisting of (a) $94,135,000 in aggregate principal amount of variable rate Subordinated Water and Sewer System Bonds and (b) $72,245,000 in aggregate principal amount of fixed rate Subordinated Water and Sewer System Bonds.

The Subordinated Water and Sewer System Bonds may be issued (a) for any lawful purpose of JEA relating to the Water and Sewer System or (b) to refund any of the Water and Sewer System Bonds or the Subordinated Water and Sewer System Bonds.

Pursuant to the Subordinated Water and Sewer System Resolution and the laws of the State, and in accordance with the Water and Sewer System Resolution, the amount of Subordinated Water and Sewer System Bonds that may be issued by JEA is not limited and is subject only to approval by the Council and satisfaction of the conditions set forth in the Subordinated Water and Sewer System Resolution. For a discussion of the Council authorization currently in effect for the issuance of Water and Sewer System Bonds and/or Subordinated Water and Sewer System Bonds, see subsection "Water and Sewer System Bonds" above in this section.

A summary of certain provisions of the Subordinated Water and Sewer System Resolution is attached to this Annual Disclosure Report as APPENDIX C.

Liquidity support in connection with tenders for purchase of the Variable Rate Water and Sewer System Subordinated Revenue Bonds, 2008 Series A-1, 2008 Series A-2 and 2008 Series B-1 (the "Subordinated Liquidity Supported Water and Sewer Bonds") currently is provided by certain banks pursuant to standby bond purchase agreements between JEA and each such bank. Any Subordinated Liquidity Supported Water and Sewer Bond that is purchased by the applicable bank pursuant to its standby bond purchase agreement and is not remarketed is required to be repaid as to principal in equal semiannual installments over a period of approximately five years from the date so purchased. In addition, any Subordinated Liquidity Supported Water and Sewer Bond that is purchased by the applicable bank pursuant to its standby bond purchase agreement will constitute an "Option Subordinated Bond" within the meaning of the Subordinated Water and Sewer System Resolution and, as such, may be tendered or deemed tendered to JEA for payment upon the occurrence of certain "events of default" on the part of JEA under the standby bond purchase agreement. Upon any such tender or deemed tender for purchase, the Subordinated Liquidity Supported Water and Sewer Bond so tendered or deemed tendered will be due and payable immediately. For a discussion of certain "ratings triggers" contained in such standby bond purchase agreements, see "OTHER FINANCIAL INFORMATION - Effect of JEA Credit Rating Changes" herein.

As of the date of this Annual Disclosure Report, no Subordinated Liquidity Supported Water and Sewer Bonds are held by the banks providing such standby bond purchase agreements. Such standby bond purchase agreements are subject to periodic renewal at the discretion of the respective bank. The current expiration dates for the standby bond purchase agreements range from March 19, 2024 to May 7, 2027. JEA is currently negotiating the replacement of the standby bond purchase agreement set to expire on March 19, 2024.

Water and Sewer System Contract Debts

"Contract Debts," a component of the Water and Sewer System's Operation and Maintenance Expenses, is defined by the Water and Sewer System Resolution to mean any obligations of JEA under any contract, lease, installment sale agreement, bulk purchase agreement or otherwise to make payments out of the Revenues of the Water and Sewer System for property, services or commodities whether or not the same are made available, furnished or received. JEA has not incurred any obligations constituting Contract Debts under the Water and Sewer System Resolution, but it may do so in the future. All Contract Debts will be payable from the Revenues of the Water and Sewer System prior to any payments from such Revenues for indebtedness not constituting Contract Debt issued for the Water and Sewer System, including the Water and Sewer System Bonds and Subordinated Indebtedness (including the Subordinated Water and Sewer System Bonds).

Water and Sewer System Support of the District Energy System Bonds

Effective as of October 1, 2004, JEA established the District Energy System, a separate system to provide chilled water services and other local district energy functions. JEA transferred its assets relating to chilled water production and distribution from the Electric System to the District Energy System. The Electric System received approximately $30,000,000 from the District Energy System for the transferred assets. The District Energy System is operated as a separate system for accounting and financing purposes. See JEA's 2023 Financial Statements attached hereto as APPENDIX A.

As of the date of this Annual Disclosure Report, there is $25,955,000 in aggregate principal amount of District Energy System Bonds outstanding under the District Energy System Resolution.

Pursuant to Resolution No. 2013-2, adopted by JEA on March 19, 2013, revenues of the Water and Sewer System shall be deposited into a special subaccount in the Debt Service Reserve Account (the "2013 Series A Bonds Subaccount") established for the District Energy System Refunding Revenue Bonds, 2013 Series A (the "DES 2013 Series A Bonds") and pledged to pay debt service on the DES 2013 Series A Bonds in the event that revenues of the District Energy System are insufficient to pay debt service on such DES 2013 Series A Bonds.

Schedules of Debt Service Coverage

The following table sets forth Schedules of the Debt Service Coverage for the Water and Sewer System for the Fiscal Years ended September 30, 2023 and September 30, 2022 and has been prepared in accordance with the requirements of the Resolution. Such information should be read in conjunction with JEA's 2023 Financial Statements attached hereto as APPENDIX A.

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Water and Sewer System Schedules of Debt Service Coverage
(In Thousands)

	Fiscal Year Ended September 30, 2023	2022
Revenues		
Water	$217,572	$214,073
Water Capacity Charges	18,845	17,046
Sewer	275,642	272,074
Sewer Capacity Charges	45,690	30,165
Investment income	6,338	3,674
Other [1]	18,999	19,732
Plus: amounts paid from the Rate Stabilization Fund into the Revenue Fund	48,387	28,991
Less: amounts paid from the Revenue Fund into the Rate Stabilization Fund	(22,292)	(25,008)
Total Revenues	$609,181	$560,747
Operation and Maintenance Expenses [2]		
Maintenance and other operating expenses	$231,632	$195,656
State utility and franchise taxes	11,319	11,294
Total Operation and Maintenance Expenses	$242,951	$206,950
Net Revenues	$366,230	$353,797
Aggregate Debt service on Water and Sewer System Bonds (prior to reduction of Build America Bonds subsidy)	$ 86,676	$ 48,341
Less: Build America Bonds subsidy	(2,435)	(2,443)
Aggregate Debt service on Water and Sewer System Bonds	$ 84,241	$ 45,898
Aggregate Debt service coverage on Water and Sewer System Bonds [3]	4.35x	7.71x
Aggregate Debt service on Water and Sewer System Bonds (from above)	$ 84,241	$ 45,898
Plus: Aggregate Subordinated Debt Service on Subordinated Water and Sewer System Bonds	16,899	7,302
Aggregate Debt Service on Water and Sewer System Bonds and Aggregate Subordinated Debt Service on Subordinated Water and Sewer System Bonds	$101,140	$ 53,200
Debt service coverage on Water and Sewer System Bonds and Subordinated Water and Sewer System Bonds excluding Capacity Charges[4]	2.98x	5.76x
Debt service coverage on Water and Sewer System Bonds and Subordinated Water and Sewer System Bonds including Capacity Charges[4]	3.62x	6.65x

(1) Excludes the Build America Bonds subsidy.
(2) Excludes depreciation and recognition of deferred costs and revenues, net.
(3) Net Revenues divided by Aggregate Debt Service on Water and Sewer System Bonds. Minimum annual coverage is 1.25x.
(4) Net Revenues divided by Aggregate Debt Service on Water and Sewer System Bonds and Aggregate Subordinated Debt Service on Subordinated Water and Sewer System Bonds. Minimum annual coverage is either 1.00x Aggregate Debt Service on Water and Sewer System Bonds and Aggregate Subordinated Debt Service on Subordinated Water and Sewer System Bonds (excluding Capacity Charges) or the sum of 1.00x Aggregate Debt Service on Water and Sewer System Bonds and 1.20x Aggregate Subordinated Debt Service on Subordinated Water and Sewer System Bonds (including Capacity Charges)

Management's Discussion and Analysis of Water and Sewer System Schedules of Debt Service Coverage

Revenues

Total Revenues increased $48.4 million, or 8.6 percent for the Fiscal Year ended September 30, 2023 as compared to the Fiscal Year ended September 30, 2022, primarily related to higher sales volumes, increases in customer accounts, increases in Capacity Charges, an increase in amounts paid from the Rate Stabilization Fund into the Revenue Fund and a reduction in amounts paid from the Revenue Fund into the Rate Stabilization Fund.

Water revenues (including reuse) increased $3.5 million, or 1.6 percent, for the Fiscal Year ended September 30, 2023 as compared to the Fiscal Year ended September 30, 2022, primarily related to a 1.4 percent increase in water sales and a 2.8 percent increase in water accounts. Water sales volume, measured in thousands of gallons (kgals), increased 635,742 kgals, or 1.4 percent, to 45,011,098 kgals for the Fiscal Year ended September 30, 2023 from 44,375,356 kgals for the Fiscal Year ended September 30, 2022. Residential water sales volume increased 3.5 percent, commercial and industrial water sales volume increased 0.8 percent and irrigation decreased 4.1 percent.

Sewer revenues increased $3.6 million, or 1.3 percent, for the Fiscal Year ended September 30, 2023 as compared to the Fiscal Year ended September 30, 2022, primarily related to a 1.4 percent increase in sewer sales and a 2.7 percent increase in sewer accounts. Sewer sales volume increased 413,964 kgals, or 1.4 percent, to 29,666,832 kgals for the Fiscal Year ended September 30, 2023 from 29,252,868 kgals for the Fiscal Year ended September 30, 2022. Residential sewer sales volume increased 2.8 percent and commercial and industrial sewer sales volume decreased 0.5 percent.

Water Capacity Charges increased $1.8 million, or 10.6 percent, and Sewer Capacity Charges increased $15.5 million, or 51.5 percent for the Fiscal Year ended September 30, 2023 as compared to the Fiscal Year ended September 30, 2022, primarily related to the new rate structure for water and sewer capacity charges approved by the Board on September 17, 2021 and executed on April 1, 2022, October 1, 2022, and April 1, 2023.

Investment income increase $2.7 million, or 72.5 percent for the Fiscal Year ended September 30, 2023 as compared to the Fiscal Year ended September 30, 2022 related to higher investment yields, offset in part, by lower investable balances.

Amounts paid from the Rate Stabilization Fund into the Revenue Fund increased $17.8 million, or 58.1 percent, primarily related to an increase in environmental withdrawals, while amounts paid from the Revenue Fund into the Rate Stabilization Fund decreased $4.3 million, or 16.3 percent primarily related to a decrease in environmental contributions.

Operation and Maintenance Expenses

Total Operation and Maintenance Expenses increased $36.0 million, or 17.4 percent for the Fiscal Year ended September 30, 2023 as compared to the Fiscal Year ended September 30, 2022 primarily related to higher maintenance and other operating expenses, as the result of a $19.3

million increase in compensation and benefits, a $12.8 million increase in overhead, a $5.7 million increase in maintenance expenses, a $3.3 million increase in professional services, offset, in part, by a $5.1 million decrease in interlocal payments.

Net Revenues

Net Revenues available for debt service increased $12.4 million, or 3.5 percent, to $366.2 million for the Fiscal Year ended September 30, 2023 from $353.8 million for the Fiscal Year ended September 30, 2022.

Aggregate Debt Service on Water and Sewer System Bonds

Aggregate Debt Service on Water and Sewer System Bonds for the Fiscal Year ended September 30, 2023 increased $38.3 million, or 83.5 percent, as compared to the Fiscal Year ended September 30, 2022, primarily related to a $35.2 million increase in scheduled principal amortization and a $3.4 million increase in variable interest rates.

JEA did not issue any Water and Sewer System Bonds during the Fiscal Years ended September 30, 2023 and 2022.

Debt Service Coverage on Water and Sewer System Bonds

Debt service coverage on Water and Sewer System Bonds decreased to 4.35 times for the Fiscal Year ended September 30, 2023 as compared to the debt service coverage of 7.71 times for the Fiscal Year ended September 30, 2022, as a result of the 3.5 percent increase in Net Revenues available for debt service being proportionately less than the 83.5 percent increase in Aggregate Debt Service on Water and Sewer System Bonds between such periods.

Aggregate Subordinated Debt Service on Subordinated Water and Sewer System Bonds

Aggregate Subordinated Debt Service on Subordinated Water and Sewer System Bonds increased $9.6 million, or 131.4 percent, for the Fiscal Year ended September 30, 2023 as compared to the Fiscal Year ended September 30, 2022 primarily related to a $8.2 million increase in scheduled principal amortization and a $2.3 million increase in variable interest rates.

JEA did not issue any Subordinated Water and Sewer System Bonds during the Fiscal Years ended September 30, 2023 and 2022.

Debt Service Coverage on Water and Sewer System Bonds and Subordinated Water and Sewer System Bonds including Capacity Charges

Debt service coverage on Water and Sewer System Bonds and Subordinated Water and Sewer System Bonds decreased to 3.62 times for the Fiscal Year ended September 30, 2023 as compared to the debt service coverage of 6.65 times for the Fiscal Year ended September 30, 2022, as a result of the 3.5 percent increase in Net Revenues available for debt service being proportionately less than the 90.1 percent increase in Aggregate Debt Service on Water and Sewer System Bonds between such periods.

Liquidity Resources

The Days of Cash on Hand for the Water and Sewer System on September 30, 2023 was 23 days, and the Days of Liquidity was 109 days. The Days of Cash on Hand for the Water and Sewer System on September 30, 2022 was 252 days, and the Days of Liquidity was 370 days. In recent years, liquidity metrics had been historically high and well above internal targets. The elevated amounts were in anticipation of being able to fund a portion of increasing capital improvement needs in the Water and Sewer System. The lower liquidity metrics are representative of JEA's transition to a period of higher capital investment in the Water and Sewer System, resulting in more efficient use of liquidity while keeping within established liquidity targets. JEA anticipates moderate increases in liquidity metrics in upcoming years but does not expect the metrics to increase to prior levels that had built up in anticipation of recent elevated capital expenditures. The Days of Cash on Hand computation is as follows:

(Cash and cash equivalents and Investments amounts under Current assets on the Combining Statement of Net Position + Renewal and Replacement Fund balance referenced in Note 4 of JEA's 2023 Financial Statements attached hereto as APPENDIX A) / ((*Total operating expenses - Depreciation + Contributions to General Fund, City of Jacksonville, Florida) / 365 days)*

The Days of Liquidity computation is as follows:

(Cash and cash equivalents and Investments amounts under Current assets on the Combining Statement of Net Position + Renewal and Replacement Fund balance referenced in Note 4 of JEA's 2023 Financial Statements attached hereto as APPENDIX A + allocated share of available Revolving Credit Facility*) / ((*Total operating expenses - Depreciation + Contributions to General Fund, City of Jacksonville, Florida) / 365 days)*

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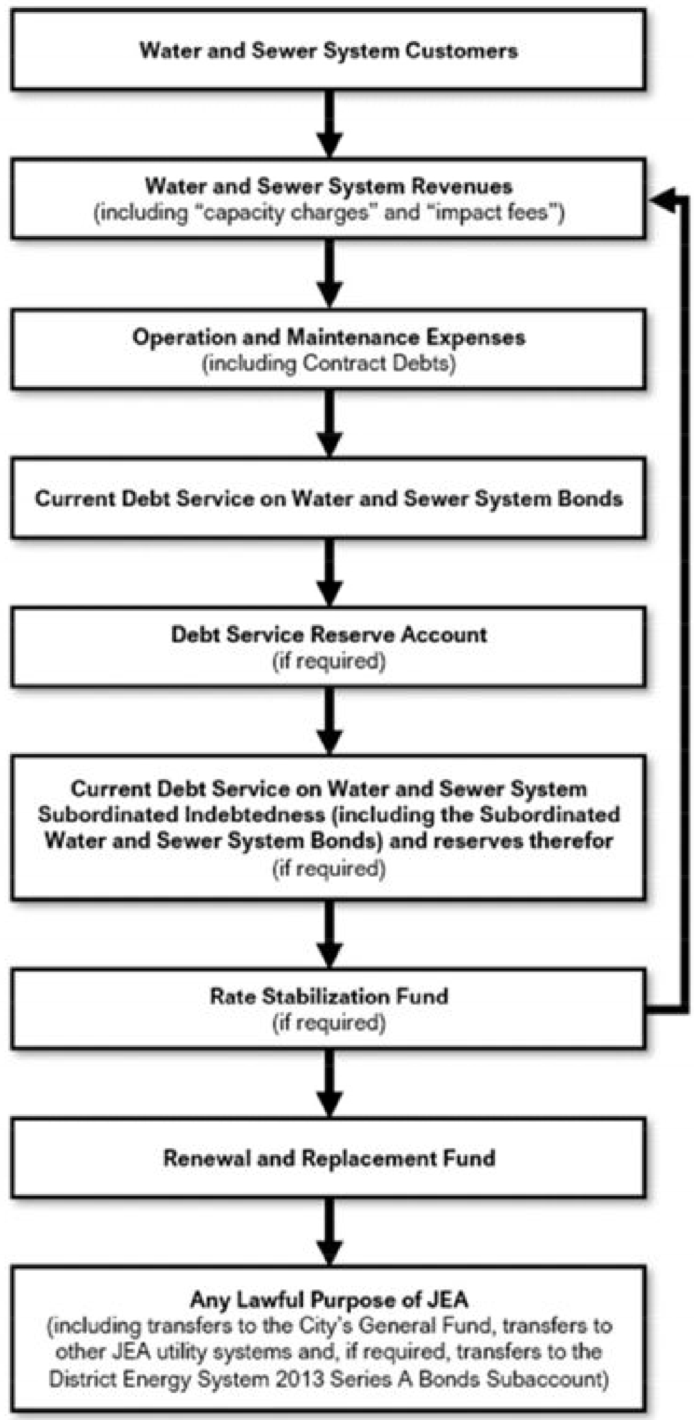
* Allocated share of available Revolving Credit Facility on September 30, 2023 was approximately $66.6 million and approximately $85.0 million on September 30, 2022; however, the total balance available to the Water and Sewer System of $362 million could have been drawn as of September 30, 2023.

APPLICATION OF WATER AND SEWER SYSTEM REVENUES

The following chart shows a summary of the major components of the application of revenues under the Water and Sewer System Resolution.



DISTRICT ENERGY SYSTEM

DISTRICT ENERGY SYSTEM FUNCTIONS

General

The District Energy System provides chilled water to customers for air-conditioning and, in some cases, cooling equipment. The facilities for the chilled water business consist of chilled water plants to generate chilled water and underground piping to distribute the chilled water to buildings located within the respective districts served by the plants and certain ancillary equipment. JEA's first chilled water facility became fully operational in March 2003.

The establishment of the District Energy System was approved by the Council in September 2004. Effective as of October 1, 2004, the District Energy System was established as a separate utility system for its local district energy facilities, including the chilled water activities, and any local district heating facilities JEA may develop in the future. Since its commencement of operations, JEA subsequently added three other chilled water facilities, one of which was sold on September 30, 2020. Currently, JEA District Energy has 15,930 tons of cooling demand under contract and in full service with an additional 3,530 tons of cooling demand under contract and in construction for initial services in 2024.

Chilled Water Facilities

Chilled water systems air condition buildings by circulating cold water in a continuous flow to the building. A central chilled water plant provides chilled water to buildings through an underground loop, rather than the customer installing and operating its own chiller equipment. JEA has entered into agreements with the City to provide chilled water systems to the baseball park, the arena, the Duval County Courthouse, the library and other government buildings. JEA also has contracts with private entities to serve institutional buildings.

JEA's first chilled water facility, the Hogan's Creek Plant, located on East Church Street in downtown Jacksonville, became fully operational in March 2003. At this time, the plant is serving the Baseball Grounds of Jacksonville (310-ton contract demand), the Jaguars Sports Performance Facility (500-ton contract demand), and the Jacksonville Veteran's Memorial Arena (2,350-ton contract demand). While not currently in service, the Shipyards Hotel and Offices are currently under contract for future load delivery. The facility includes three 2,000-ton chillers, two 1,700-ton cooling towers and a one-million-gallon chilled water storage tank for peak demand capacity.

A second chilled water facility located on Duval Street serves five City buildings including the Court House, State Attorney's Office, Library, City Hall Annex and a City garage for a total contract demand of 5,170 tons. The plant also serves the prior JEA downtown complex with a demand of 700 tons and in April 2022 started serving the new JEA headquarters facilities with a demand load of 400 tons. While not currently in service, a new data center facility is currently under contract for future load delivery in May, 2024. The facility includes three 2,400-ton chillers, and a 7,200-ton cooling tower.

JEA's third chilled water facility is located at 2103 Boulevard Avenue in the Springfield neighborhood. The Springfield facility currently serves eight locations on the UF Health

Jacksonville complex. The total contracted demand for the facility is 6,500 tons. The facility includes three 1,600-ton chillers, three 1,450-ton chillers, a 9,176-ton cooling tower and a 2,948-ton cooling tower.

Customers and Sales

The District Energy System had contracts to provide 20 locations with chilled water, with three additional locations contracted for initial service in calendar year 2024, and total District Energy System sales revenues were approximately $12,761,000 for the Fiscal Year ended September 30, 2023.

Customer Billing Procedures

Customers are billed on a cycle basis approximately once per month. If the customer has not paid a bill within 42 days after the initial bill date, JEA may discontinue service to that customer. Customers who meet JEA's credit criteria are not assessed a deposit. Customers who do not meet JEA's credit criteria, or do not maintain a good payment record, are assessed a deposit which may vary with consumption. A late payment fee of 1.5 percent is assessed to customers for past due balances in excess of 27 days.

Rates

Prior to October 1, 2022, District Energy System ("DES") revenues were derived from two basic types of charges: (a) a demand charge based upon the customer's estimated expected yearly cooling load requirements and (b) a consumption charge based upon the actual amount of chilled water consumed by the customer.

Standard rates for chilled water services were based on the customer's demand and consumption of chilled water and a standard 2,400 Equivalent Full Load Hour ("EFLH") profile. EFLH is defined as the annual ton-hours of chilled water required divided by the chiller's design capacity in tons.

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Between December 2021 and September 2022, the consumption rates for chilled water were adjusted monthly to reflect recovery of costs due to changes in the electric rate charged to DES. The following schedule reflects the rates and rate structure in effect during the adjustment period where consumption rates moved to a monthly setting for chilled water service.

Contract Size	Charge	Rate Effective on January 1, 2022	Rate Effective on December 1, 2021	Rate Effective on October 1, 2021
> 200 tons	Demand Charge	$20.00/ ton	$20.00/ ton	$20.00/ ton
@ ≤ 2,400 EFLH	Consumption Charge	$0.11828/ ton-hour	$0.11132/ ton-hour	$0.10553/ ton-hour
> 200 tons	Demand Charge	$20.00/ ton	$20.00/ ton	$20.00/ ton
@ > 2,400 EFLH	Consumption Charge	$0.10128/ ton-hour	$0.09432/ ton-hour	$0.08853/ ton-hour
< 200 tons	Demand Charge	NONE	NONE	NONE
@ ≤ 2,400 EFLH	Consumption Charge	$0.20828/ ton-hour	$0.20132/ ton-hour	$0.19553/ ton-hour
< 200 tons	Demand Charge	NONE	NONE	NONE
@ > 2,400 EFLH	Consumption Charge	$0.10128/ ton-hour	$0.09432/ ton-hour	$0.08853/ ton-hour

Effective October 1, 2022, the Board approved a new rate structure for the District Energy System, which has three components.

- Commodity charge – based on ton-hour sales, which is set monthly for full recovery of the electric and water expenses.
- Consumption charge (ton-hours) – based on ton-hour sales, which is set annually for full recovery of operating and maintenance expenses. Adjustments are made by multiplying current rate by CPI-U (All Urban Consumers All Items in U.S. City Average). The first annual CPI-U adjustment is scheduled to be applied to the April 1, 2024 consumption charge.
- Demand charge (tons) – based on tons of billable demand, which is set as needed for full recovery of costs for debt service, capital renewal and replacement of equipment for each plant.

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The DES rate structure no longer contains pricing differences between 200 tons and 2,400 EFLH thresholds. The following schedule reflects the new rates, rate structure and effective dates. Commodity (ton-hours) charges change monthly and only select periods are shown below. All other charges remained constant during the Fiscal Year ended September 30, 2023.

Charge	Plant	Rate Effective on October 1, 2022	Rate Effective on November 1, 2022	Rate Effective on December 1, 2022	Rate Effective on January 1, 2023	Rate Effective on September 1, 2023
Commodity (Ton-hours)	All	$0.11220	$0.08476	$0.06592	$0.09785	$0.09083
Consumption (Ton-hours)	All	$0.04814	$0.04814	$0.04814	$0.04814	$0.04814
Demand	Hogan's Creek	$38.90/Ton	$38.90/Ton	$38.90/Ton	$38.90/Ton	$38.90/Ton
Demand	Downtown	$35.40/Ton	$35.40/Ton	$35.40/Ton	$35.40/Ton	$35.40/Ton
Demand	Springfield	$33.30/Ton	$33.30/Ton	$33.30/Ton	$33.30/Ton	$33.30/Ton

Permits, Licenses and Approvals

All permits, licenses and approvals required for the operation of all District Energy System facilities have been obtained, and all of the facilities are operating in compliance with such permits, licenses and approvals.

Capital Program

The District Energy System's capital program consists of capital requirements for renewal and replacement and improvements to existing facilities and expansion of the system. The District Energy System's projected capital program for the four-year period ending September 30, 2027 is summarized below.

District Energy System Capital Program
(000s omitted)

Fiscal Year Ending September 30,	Amount
2024	$ 16,800
2025	22,200
2026	24,100
2027	10,900
Total	$74,000

The total amount of the capital program for the four-year period is estimated to be approximately $74 million, which includes approximately $41.7 million for future expansion, $14.4M for the Hogans Creek chilled water extension, $8.3 million for chiller replacements at our Hogan's Creek and Springfield facilities, $5.8 million for the Downtown chilled water expansion, and $3.9 million for renewal. JEA expects the total amount required for the capital program will be derived from revenues, other available funds of the District Energy System and borrowings from the revolving credit facility. See "OTHER FINANCIAL INFORMATION - Revolving Credit Facility" herein for additional information.

FINANCIAL INFORMATION RELATING TO DISTRICT ENERGY SYSTEM

Debt Relating to the District Energy System

District Energy System Bonds

As of September 30, 2023, $27,825,000 in aggregate principal amount of bonds (the "District Energy System Bonds") issued pursuant to the resolution of JEA adopted on June 15, 2004, as amended and supplemented (the "District Energy System Resolution") was outstanding. As of the date of this Annual Disclosure Report, there is $25,955,000 in aggregate principal amount of District Energy System Bonds outstanding under the District Energy System Resolution.

District Energy System Bonds may be issued to finance any lawful purpose of JEA relating to the District Energy System. See "SUMMARY OF CERTAIN PROVISIONS OF THE DISTRICT ENERGY SYSTEM RESOLUTION - Additional Bonds" in APPENDIX D attached hereto.

Pursuant to the District Energy System Resolution and the laws of the State, the amount of District Energy System Bonds that may be issued by JEA is not limited and is subject only to approval by the Council and satisfaction of the conditions set forth in the District Energy System Resolution.

On September 26, 2023, the JEA Board approved a resolution changing JEA's historical approach to seeking incremental debt authorization from the Council. The resolution established a not-to-exceed debt outstanding amount of $150 million for the District Energy System. The not-to-exceed amount is for the purposes of providing funds for both new money and the refunding of existing debt. The Council approved this new approach pursuant to Ordinance 2023-724-E enacted on November 14, 2023. This new methodology for debt authorization replaces the previous incremental approach. JEA will submit a summary, as part of its annual budget submission to the City, showing outstanding and anticipated borrowings against the not-to-exceed authorization amount. In the event additional authorization is needed in the future, it will be requested from the Board and the Council.

A summary of certain provisions of the District Energy System Resolution is attached to this Annual Disclosure Report as APPENDIX D.

District Energy System Contract Debts

Contract Debts, a component of the District Energy System's Operation and Maintenance Expenses, is defined by the District Energy System Resolution to mean any obligations of JEA under a contract, lease, installment sale agreement, bulk purchase agreement or otherwise to make payments out of Revenues for property, services or commodities whether or not the same are made available, furnished or received. JEA has not incurred any obligations constituting Contract Debts under the District Energy System Resolution, but it may do so in the future. All Contract Debts will be payable from the Revenues of the District Energy System prior to any payments from such Revenues for indebtedness not constituting Contract Debt issued for the District Energy System, including the District Energy System Bonds.

Schedules of Debt Service Coverage

The following table sets forth Schedules of the Debt Service Coverage for the District Energy System for the years ended September 30, 2023 and September 30, 2022, respectively. Such Schedules of Debt Service Coverage were derived from supplemental information included with JEA's 2023 Financial Statements and certain other information available to JEA. Such Schedules of Debt Service Coverage should be read in conjunction with such financial statements and the notes thereto.

JEA did not issue any District Energy System Bonds during the Fiscal Year ended September 30, 2023.

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District Energy System Schedules of Debt Service Coverage
(In Thousands)

	Fiscal Year Ended September 30,	
	2023	**2022**
Revenues		
Services revenues	$12,761	$8,989
Investment income	100	21
Other income	-	2
Total Revenues	12,861	9,012
Operation and Maintenance Expenses [(1)]		
Maintenance and other operating expenses	6,064	5,239
Total Operation and Maintenance Expenses	6,064	5,239
Net Revenues	$6,797	$3,773
Aggregate Debt Service [(2)]	$3,022	$3,021
Debt service coverage on District Energy System Bonds [(3)]	2.25x	1.25x

(1) Excludes depreciation.
(2) On June 19, 2013, the closing date of the District Energy System Refunding Revenue Bonds, 2013 Series A, JEA covenanted to deposit into the 2013 Series A Bonds Subaccount from Available Water and Sewer Revenues an amount equal to the Aggregate DES Service Deficiency that exists with respect to the 2013 Series A Bonds, in the event that the amount on deposit in the Debt Service Account in the Debt Service Fund in accordance with the District Energy System Resolution is less than Accrued Aggregate Debt Service as of the last Business Day of the then current month.
(3) Net Revenues divided by aggregate debt service. Minimum annual coverage is 1.15x.

Management's Discussion and Analysis of District Energy System Schedules of Debt Service Coverage

Revenues

Total Revenues increased $3.8 million, or 42.6 percent, for the Fiscal Year ended September 30, 2023 as compared to the Fiscal Year ended September 30, 2022, as the result of higher consumption, an increase in the adjustable fuel rate, and introduction of the new rate structure effective October 1, 2022.

Operation and Maintenance Expenses

Total Operation and Maintenance Expenses increased $0.8 million, or 15.8 percent, for the Fiscal Year ended September 30, 2023 as compared to the Fiscal Year ended September 30, 2022, primarily related to an increase in electric utility charges and higher maintenance expenses.

Net Revenues

Net Revenues available for debt service increased $3.0 million, or 79.9 percent, to $6.8 million for the Fiscal Year ended September 30, 2023 from $3.8 million for the Fiscal Year ended September 30, 2022.

Aggregate Debt Service on District Energy System Bonds

Aggregate Debt Service on District Energy System Bonds for the Fiscal Year ended September 30, 2023 remained relatively flat as compared to the Fiscal Year ended September 30, 2022.

JEA did not issue any District Energy System Bonds during the Fiscal Years ended September 30, 2023 or September 30, 2022.

Debt Service Coverage on District Energy System Bonds

Debt service coverage on District Energy System Bonds increased to 2.25 times for the Fiscal Year ended September 30, 2023 as compared to the debt service coverage of 1.25 times for the Fiscal Year ended September 30, 2022, as a result of the 79.9 percent increase in Net Revenues available for debt service.

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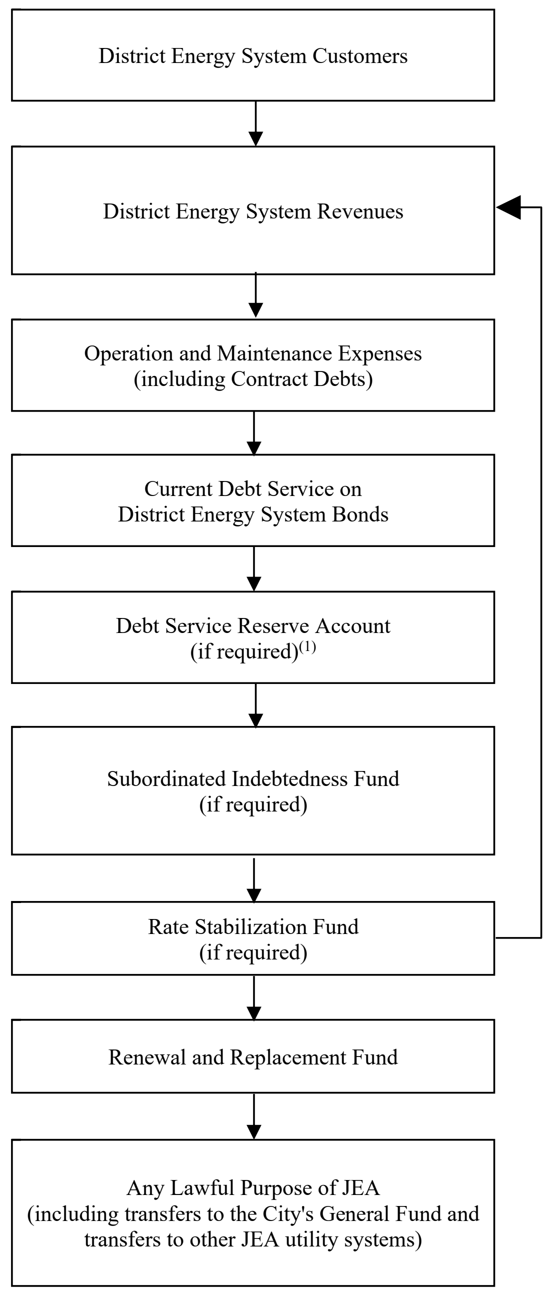
APPLICATION OF DISTRICT ENERGY SYSTEM REVENUES

The following chart shows a summary of the major components of the application of revenues under the District Energy System Resolution.



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(1) Revenues of the Water and Sewer System shall be deposited into a special subaccount in the Debt Service Reserve Account (the "2013 Series A Bonds Subaccount") established for the DES 2013 Series A Bonds and pledged to pay debt service on the DES 2013 Series A Bonds in the event that revenues of the District Energy System are insufficient to pay debt service on such DES 2013 Series A Bonds.

OTHER FINANCIAL INFORMATION

General

JEA maintains separate accounting records for the Water and Sewer System and the District Energy System. For purposes of financial reporting, however, JEA prepares combined financial statements that include the Electric System, the Bulk Power Supply System, JEA's interest in the Power Park[(1)], the Water and Sewer System and the District Energy System. Attached hereto as APPENDIX A are (a) the financial statements of JEA for its Fiscal Year ended September 30, 2023 (which consist of the statements of net position of JEA as of September 30, 2023 and September 30, 2022 and the related statements of revenues, expenses, and changes in net position and cash flows for the years then ended and the notes thereto; such financial statements are hereinafter referred to as "JEA's 2023 Financial Statements"), together with the report of Ernst & Young LLP, independent auditors, on such financial statements, (b) certain supplemental data as of September 30, 2023 and September 30, 2022 and for the years then ended (which consist of the combining statements of net position, the combining statements of revenues, expenses, and changes in net position and the combining statements of cash flows) and (c) certain statements of bond compliance information (which consist of schedules of debt service coverage for the years ended September 30, 2023 and September 30, 2022 for the Electric System, the Bulk Power Supply System, JEA's interest in the Power Park, the Water and Sewer System and the District Energy System), together with the report of Ernst & Young LLP, independent auditors, on such schedules. All such statements, information, data and schedules should be read in conjunction with the notes to JEA's 2023 Financial Statements, which are an integral part of the financial statements.

The assets reflected in the statement of net position included in JEA's 2023 Financial Statements include all of the assets of the Water and Sewer System, Electric System, the Bulk Power Supply System, JEA's interest in the Power Park and the District Energy System, and the liabilities reflected in such statement of net position include, among other things, the Water and Sewer System Bonds, the Subordinated Water and Sewer System Bonds, the Electric System Bonds, the Subordinated Electric System Bonds, the Power Park Issue Three Bonds, the Additional Bulk Power Supply System Bonds and the District Energy System Bonds. The statement of revenues, expenses, and changes in net assets includes all expenses (*e.g.*, interest charges, operating and maintenance expenses, fuel expenses) of the Water and Sewer System, the Electric System, the Bulk Power Supply System, JEA's interest in the Power Park and the District Energy System.

Except as described under the caption "INTRODUCTION - General" herein, for financing purposes, the debt of JEA relating to the Electric Utilities Functions, the debt of JEA relating to its Water and Sewer System and the debt of JEA relating to the District Energy System are payable from and secured by separate revenue sources (*i.e.*, (a) the debt of JEA relating to its Electric Utility Functions is payable from and secured by the revenues derived by the Electric System from the sale of electricity and related services; (b) the debt of JEA relating to the Water and Sewer System is payable from and secured by the revenues derived by the Water and Sewer System from the sale of water and the provision of wastewater treatment and related services; and (c) except as

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(1) The Power Park ceased operations on January 5, 2018.

described under the caption "WATER AND SEWER SYSTEM - *FINANCIAL INFORMATION RELATING TO WATER AND SEWER SYSTEM* - Debt Relating to Water and Sewer System - *Water and Sewer System Support of the District Energy System Bonds*" herein, the debt of JEA relating to the District Energy System is payable from and secured by the revenues derived by the District Energy System from the sale of chilled water and related services). Accordingly, potential purchasers of the Water and Sewer System and District Energy System Bonds are advised that the information in JEA's 2023 Financial Statements relating to JEA's Electric System is not relevant to a decision to purchase the Water and Sewer System and District Energy System Bonds.

Transfers to the City

The Charter currently provides that, as consideration for the unique relationship between the City and JEA, there shall be assessed upon JEA in each Fiscal Year, for the uses and purposes of the City, from the revenues of the Electric System and Water and Sewer System operated by JEA available after the payment of all costs and expenses incurred by JEA in connection with the operation of the Electric System and the Water and Sewer System (including, without limitation, all costs of operation and maintenance, debt service on all obligations issued by JEA in connection with the Electric System and the Water and Sewer System and required reserves therefor and the annual deposit to the depreciation and reserve account required pursuant to terms of the Charter), an amount that is periodically negotiated by JEA and the City. The City's annual assessment of JEA does not include assessments pertaining to the District Energy System. See "APPLICATION OF WATER AND SEWER SYSTEM REVENUES" herein.

The Charter provides that the Council may reconsider the assessment calculations every five years; however, pursuant to the Charter, the Council may also revise the assessments at any time by amending the Charter with a two-thirds vote of the Council. From time to time, proposals have been made, and may be made in the future, to increase the amount of the City's annual assessment on JEA.

Effective October 1, 2008, JEA is required to pay to the City a combined assessment for the Electric System and the Water and Sewer System and this combined assessment has been set forth in the Charter.

JEA and the City reached agreement on amendments to the Charter which affect the amount of the combined assessment that JEA is required to pay to the City. The combined assessment for the Electric System and the Water and Sewer System will be equal, but not exceed the greater of (A) the sum of (i) the amount calculated by multiplying 7.468 mills (a "mill" is one one-thousandth of a U.S. Dollar) by the gross kilowatt hours delivered by JEA to retail users of electricity in JEA's service area and to wholesale customers under firm contracts having an original term of more than one year (other than sales of energy to FPL from JEA's St. Johns River Power Park System) during the 12-month period ending on April 30 of the Fiscal Year immediately preceding the Fiscal Year for which such assessment is applicable, plus (ii) the amount calculated by multiplying 389.20 mills by the number of kgals (1000 gallons) potable water and sewer service, excluding reclaimed water service, provided to consumers during the 12-month period ending on April 30 of the Fiscal Year immediately preceding the Fiscal Year for which such assessment is applicable or (B) a minimum calculated amount which increases by 1% per year using the fiscal year 2015-16 combined assessment of $114,187,538 as the base year. The amounts applicable to clause (B) above for fiscal year 2023-2024 is $123,648,741. As provided in the Charter, the Council may change the assessment calculation by ordinance within the provisions of the relevant section of the Charter. In the event the Council does not reconsider the assessment calculations, the assessments shall be calculated using the existing formulas specified in the Charter, including a minimum calculated amount in clause (B) therein, which increases by one percent per year for each fiscal year computed as provided in the Charter.

The portion of the budgeted aggregate assessment calculated with respect to the Water and Sewer System has increased from approximately $26,933,389 for the Fiscal Year ended September 30, 2023 to $28,439,210 for the Fiscal Year ending September 30, 2024. While the Charter requires JEA to pay the JEA assessment to the City at such times as the City requests, but not in advance of collection, the Ordinance Code of the City requires JEA to pay the JEA assessment on a monthly basis. Pursuant to Section 21.07(f) of the Charter, although the calculation of the amounts assessed upon JEA pursuant to the Charter and the annual transfer of available revenues from JEA to the City pursuant to the Charter are based on formulas that are applied specifically to the respective utility systems operated by JEA, JEA may, in its discretion, determine how to allocate the aggregate assessment between the Electric System and the Water and Sewer System, and the aggregate assessment may be paid from any available revenues of JEA.

In addition, the Charter provides that the Council shall have the power to appropriate annually a portion of the available revenues of each utility system operated by JEA (other than electric, water and sewer systems) for the uses and purposes of the City in an amount to be based on a formula to be agreed upon by JEA and the Council.

The Charter imposes a monthly Franchise Fee which JEA was required to pay to the City commencing June 1, 2008 for revenues derived effective April 1, 2008 in an amount initially equal to three percent (and not to exceed six percent, with increases requiring a request by the Mayor of the City and a two-thirds supermajority vote by the Council) of the revenues of the Electric System derived within Duval County other than the beach communities and the Town of Baldwin and subject to a per customer maximum. The Charter authorizes JEA to pass through the amount of the Franchise Fee to the customers of JEA, which JEA does. As a result, the Franchise Fee has no effect on JEA's net revenues.

Effect of JEA Credit Rating Changes

General

JEA has entered into certain agreements that contain provisions giving counterparties certain rights and options in the event of a downgrade in JEA's credit ratings below specified levels, which provisions commonly are referred to as "ratings triggers."

The table below sets forth the current ratings and outlooks for JEA's Water and Sewer System Bonds and Subordinated Water and Sewer System Bonds, without giving effect to any third-party credit enhancement. Given JEA's current levels of ratings, JEA's management does not believe that the ratings triggers contained in any of its existing agreements will have a material adverse effect on its results of operations or financial condition. However, JEA's ratings reflect the views of the rating agencies and not of JEA, and therefore JEA cannot give any assurance that its ratings will be maintained at current levels for any period of time.

	Fitch Ratings	Moody's	S&P
Outstanding Water and Sewer System Bonds	AA+ (stable)	Aa2 (positive)	AA+ (stable)
Outstanding Subordinated Water and Sewer System Bonds	AA+ (stable)	Aa2 (positive)	AA (stable)

Liquidity Support for JEA's Variable Rate Bonds

In particular, JEA has entered into a credit agreement, standby bond purchase agreements and letter of credit reimbursement agreement with certain commercial banks in order to provide liquidity support in connection with tenders for purchase of the Senior Liquidity Supported Water and Sewer Bonds and the Subordinated Liquidity Supported Water and Sewer Bonds (collectively the "Liquidity Supported Bonds"). As of the date of this Annual Disclosure Report, there is $133,075,000 in aggregate principal amount of Senior Liquidity Supported Water and Sewer Bonds outstanding and $94,135,000 in aggregate principal amount of Subordinated Liquidity Supported Water and Sewer Bonds outstanding. The standby bond purchase agreements and reimbursement agreements, as applicable, relating to the Liquidity Supported Bonds provide that any of such Liquidity Supported Bonds that are purchased by the applicable bank pursuant to its standby bond purchase agreement or letter of credit, as applicable, may be tendered or deemed tendered to JEA for payment upon the occurrence of certain "events of default" with respect to JEA under such standby bond purchase agreement or such reimbursement agreement, as applicable. Upon any such tender or deemed tender for purchase, such Liquidity Supported Bonds so tendered or deemed tendered will be due and payable immediately.

In general, the credit agreement and each standby bond purchase agreement and reimbursement agreement, as applicable, provides that it is an event of default on the part of JEA thereunder if the long-term ratings on the Liquidity Supported Bonds to which the credit agreement or such standby bond purchase agreement or such reimbursement agreement, as applicable, relates, without giving effect to any third-party credit enhancement, fall below "BBB-" by Fitch Ratings Inc. ("Fitch"), "Baa3" by Moody's Investors Service ("Moody's") and / or "BBB-" by S&P Global Ratings, a division of S&P Global Inc. ("S&P"), or are suspended or withdrawn (generally for credit-related reasons).

Interest Rate Swap Transactions

From time to time, JEA enters into interest rate swap transactions pursuant to both its debt management policy (see "Debt Management Policy" below) and its investment policies (see "Investment Policies" below), which interest rate swap transactions may be for the account of the Water and Sewer System. As of September 30, 2023, JEA had an interest rate swap transaction outstanding under an interest rate swap master agreement in a notional amount of $85,290,000 relating to the account of the Water and Sewer System. For additional information concerning those interest rate swap transactions, see (a) "Debt Management Policy" below, (b) "Investment Policies" below and (c) Notes 1(k) and 8 to JEA's 2023 Financial Statements attached hereto as APPENDIX A.

Under the master agreement, the interest rate swap transaction entered into pursuant to that master agreement is subject to early termination upon the occurrence and continuance of certain "events of default" and upon the occurrence of certain "termination events." One of such "termination events" with respect to JEA is a suspension or withdrawal of certain credit ratings with respect to JEA or a downgrade of such ratings to below the levels set forth in the master agreement or in the confirmation related to an interest rate swap transaction. Upon any such early termination of an interest rate swap transaction, JEA may owe to the counterparty a termination payment, the amount of which could be substantial. The amount of any such potential termination payment would be determined in the manner provided in the master agreement and would be based primarily upon market interest rate levels and the remaining term of the interest rate swap transaction at the time of termination. In general, the ratings triggers on the part of JEA contained in the master agreement range from (x) below "BBB" by S&P and below "Baa2" by Moody's to (y) below "A-" by S&P and below "A3" by Moody's.

Additionally, the master agreement between JEA and Merrill Lynch Derivative Products AG ("MLDP") for the account of the Water and Sewer System contains an automatic transfer provision triggered by a certain rating downgrade or downgrades, as applicable, of JEA or MLDP. Under certain circumstances if the rating on JEA's senior lien Water and Sewer System Bonds or the long-term, unsecured, unsubordinated debt rating or financial program rating of MLDP were to fall below the double-A category, all rights and obligations of MLDP under the master agreement and all transactions under the master agreement would be automatically assigned and delegated to Merrill Lynch Capital Services, Inc. ("MLCS"). MLCS has entered into an agreement with JEA to cause a guarantee from Merrill Lynch & Co. to be delivered to JEA after the assignment occurs (the "Merrill Lynch Guarantee") and such guarantee will guarantee the payments of MLCS under the master agreement to JEA. S&P downgraded MLDP to "A+" on August 5, 2013, triggering the assignment to MLCS and the Merrill Lynch & Co. guarantee described above.

As of September 30, 2023, JEA's estimated aggregate exposure under all of its then outstanding interest rate swap transactions (i.e., the net amount of the termination payments that JEA would owe to its counterparties if all of the interest rate swap transactions were terminated) was approximately $18,368,071, of which approximately $2,631,904 was attributable to interest rate swap transactions entered into for the account of the Water and Sewer System.

The following table presents a summary of the floating-to-fixed rate interest rate swap transactions entered into for the account of the Water and Sewer System.

Related Bonds	Counterparty	Initial Notional Amount	Notional Amount as of September 30, 2023	Fixed Rate of Interest	Variable Rate Index[(1)]	Termination Date[(2)]
Variable Rate Water and Sewer System Revenue Bonds, 2008 Series B	Merrill Lynch Capital Services, Inc.	85,290,000	85,290,000	3.895%	BMA Municipal Swap Index	10/1/2041

(1) The BMA Municipal Swap Index is now known as the SIFMA Municipal Swap Index.
(2) Unless earlier terminated.

Debt Management Policy

JEA's debt management policy applies to all current and future debt and related hedging instruments issued by JEA. The policy is designed to provide both broad policy guidance and facilitate management, control and oversight of JEA's debt function, thus fostering ongoing access to the capital markets in order to fund future capital projects of JEA.

The counterparties with whom JEA may deal must meet the requirements for counterparties described under the caption "Investment Policies" below. The policy requires JEA staff to submit to the JEA Board an annual plan of finance, which will address, at a minimum, the amount of debt projected to be issued during the next Fiscal Year, whether such debt is senior or subordinated, whether such debt is fixed or variable, and whether any hedging instruments may be utilized. Under the policy, JEA's net variable rate debt will not exceed 30 percent of total debt and JEA's net variable rate debt plus net fixed-to-floating interest rate swaps will not exceed 55 percent of total debt. "Net variable rate debt" is actual variable rate debt minus net variable rate assets. "Net variable rate assets" is actual variable rate assets minus the notional amount of investment/asset-matched interest rate swaps. "Net fixed-to-floating interest rate swaps" is the aggregate notional amount of fixed-to-floating swaps maturing in 10 years or less minus the aggregate notional amount of floating-to-fixed swaps maturing in 10 years or less outstanding on the last day of each month. "Total debt" equals fixed rate debt plus variable rate debt. "Variable rate debt" equals hedged and unhedged variable rate debt. "Variable rate assets" are investments maturing in less than one year. "Unhedged variable rate debt" is actual variable rate debt outstanding less variable rate debt that is associated with a floating-to-fixed rate swap where the term of the swap matches the term of the variable rate debt. The percentages are to be computed periodically.

JEA's fixed rate debt, variable rate debt and debt-related hedging instruments are to be managed in conjunction with investment assets and investment-related hedging instruments to incorporate the natural occurrence of hedging impacts in those balance sheet categories. The purpose is to use each side of the balance sheet to mitigate or hedge cash flow risks posed by the other side of the balance sheet.

The policy establishes a framework for JEA's utilization of hedging instruments including interest rate swaps and caps and collars. The utilization of hedging instruments offers JEA a cost-effective alternative to traditional debt financing choices. JEA is authorized to enter into floating-to-fixed rate swaps, fixed-rate-to-floating rate swaps and basis swaps (*i.e.*, swaps which seek to manage the risk associated with the mismatch between two benchmarks used to set the indices utilized in an interest rate swap transaction). The percentage of variable rate exposure (the notional amount of net fixed-to-floating interest rate swaps and net variable rate debt outstanding) to total debt outstanding may not exceed 55 percent. The notional amount of interest rate swaps, caps, collars and related hedging instruments is limited to the amount approved by the JEA Board from time to time.

Interest rate caps and related hedging instruments are to be utilized to help JEA manage interest rate risk in its debt management program. Generally, a fixed-to-floating interest rate swap will have an associated interest rate cap for the same notional amount at a level no greater than 200 basis points above the interest rate swap fixed rate. It is also contemplated that an interest rate cap will not always have the same maturity as the interest swap with which it is associated. The average life of the aggregate of outstanding caps will not be less than 75 percent of the average life of the associated aggregate swaps.

The policy sets out various decision rules which govern the decision to execute various hedging instruments. Valuations are performed on a quarterly basis and adjustments to fair value are included in JEA's financial statements.

The policy calls for no more than $500,000,000 of net interest rate swap and cap or other hedging instruments to be outstanding in the aggregate with any one provider or affiliate thereof. The aggregate amount of all "long dated" (greater than 10 years) transactions executed with financial institutions and all affiliates thereof, shall be limited to an amount based on the credit rating of the financial institution at the time of the entry into the long-dated hedging transaction as shown below:

Rating Level	Notional Amount
AAA/Aaa by one or more rating agencies	$400,000,000
AA-/Aa3 or better by at least two rating agencies	300,000,000
A/A2 or better by at least two rating agencies	200,000,000
Below A/A2 by at least two rating agencies	0

The ratings criteria shown above apply either to the counterparty to the long-dated transaction or, if the payment obligation of such counterparty under the relevant swap agreement shall be guaranteed by an affiliate thereof, such affiliate. The overall maximum by definition of the above limits cannot exceed $400,000,000 for long dated transactions.

These diversification requirements include all interest rate swap, cap and other hedging instruments JEA may utilize to manage interest rate risks. Interest rate swap and cap transactions are to be competitively bid (unless otherwise determined by the Managing Director and Chief Executive Officer) by at least three providers that have executed interest rate swap agreements with JEA.

Under the policy, an annual budgeted reserve contribution is to be made to a reserve fund. The contributions to the reserve fund will be funded in three equal installments of 1 percent of the notional amount beginning in the month the swap is executed. Once funded, the reserve fund shall at all times be not less than three percent of the notional amount of fixed-to-floating rate debt interest rate swaps outstanding but can be used for any lawful purpose as approved by JEA's Managing Director and Chief Executive Officer.

The aggregate notional amount of all hedging instrument transactions entered into for the account of the Water and Sewer System outstanding at any one time, net of offsetting transactions, under all swap agreements is established at not to exceed (a) $600,000,000 in the case of interest rate swaps, (b) $250,000,000 in the case of basis swaps and (c) $400,000,000 in the case of caps and collars. A transaction that reverses an original transaction in every respect thereby offsetting the cash flows perfectly is referred to herein as an "offsetting transaction." Generally, in the past JEA has elected to receive or pay an upfront cash payment to reverse the original swap transaction. The phrase "net of offsetting transactions" would relate to reversals that remain on JEA's books if JEA elected not to take/make an upfront cash payment.

Investment Policies

The goals of JEA's investment policy are to (a) provide safety of capital, (b) provide sufficient liquidity to meet anticipated cash flow requirements, and (c) maximize investment yields while complying with the first two goals. Sound investment management practices help maintain JEA's competitive position since investment income reduces utility rates. JEA's funds are invested only in securities of the type and maturity permitted by its bond resolutions, Florida statutes, its internal investment policy and federal income tax limitations. JEA does not speculate on the future movement of interest rates and is not permitted to utilize debt leverage in its investment portfolio. Debt leverage is the practice of borrowing funds solely for the purpose of reinvesting the proceeds in an attempt to earn more income than the cost of the debt.

JEA invests its funds pursuant to Section 218.415, Florida Statutes, its various bond resolutions and its JEA Board-approved investment policy. As of September 30, 2023, 43.9 percent of JEA's total investment portfolio (including funds held under the Water and Sewer System Resolution, the Subordinated Water and Sewer System Resolution, the District Energy System Resolution, the Bulk Power Supply System Resolution, the Electric System Resolution, the Subordinated Electric System Resolution, and the Second Power Park Resolution) was invested in securities issued by the United States Government, federal agencies or state and local government entities and has a weighted average maturity of approximately 2.9 years. As of September 30, 2023, the remaining 56.1 percent of such investment portfolio was invested in commercial paper rated at least "A-1" and "P-1" by S&P and Moody's, respectively, having a weighted average maturity of 140 days, in money market mutual funds and in demand deposit bank accounts. JEA's funds that are invested in commercial paper, in money market mutual funds and in bank accounts are used primarily for operating expenses.

JEA entered into securities lending agreements in the past wherein from time to time JEA loaned certain securities in exchange for eligible collateral consisting of United States Government and federal agency securities whose market values were at least 103 percent of the market values of the loaned securities which were re-priced daily. JEA earned a fee in connection with such securities lending agreements, which augmented its portfolio yield. Although JEA currently does not have any securities held pursuant to its securities lending program, JEA may enter into similar securities lending agreements in the future.

JEA previously implemented a strategy to lengthen synthetically the investment maturity of its short-term revolving funds by entering into 100 percent asset-matched interest rate swap transactions. Through the use of this strategy, JEA may lock-in a fixed rate of return for up to five years on those funds, such as debt service sinking funds, that it is permitted to invest only in short-term investment securities. As of September 30, 2023, JEA had, and as of the date of this Annual Disclosure Report, JEA has, no outstanding interest rate swap transactions for this purpose, although it may enter into interest rate swap transactions for this purpose in the future.

The JEA Board has established limits on the notional amount of JEA's interest rate swap transactions and standards for the qualification of financial institutions with whom JEA may enter into interest rate swap transactions. The counterparties with whom JEA may deal must be rated (a) "AAA"/"Aaa" by one or more nationally recognized rating agencies at the time of execution, (b) "A"/"A2" or better by at least two of such credit rating agencies at the time of execution, or

(c) if such counterparty is not rated "A"/"A2" or better at the time of execution, provide for a guarantee by an affiliate of such counterparty rated at least "A"/ "A2" or better at the time of execution where such affiliate agrees to unconditionally guarantee the payment obligations of such counterparty under the swap agreement. In addition, swap agreements generally will require the counterparty to enter into a collateral agreement to provide collateral when (a) the ratings of such counterparty (or its guarantor) fall below "AA-"/ "Aa3" by two rating agencies and (b) a termination payment would be owed to JEA.

JEA's payment obligations under the interest rate swap transactions consist of periodic payments based upon fluctuations in interest rates and, in the event of a termination of a transaction prior to the stated term thereof, potential termination payments. The amounts of such potential termination payments are based primarily upon market interest rate levels and the remaining term of the transaction at the time of termination. JEA is authorized to enter into both (a) interest rate swap agreements the obligations of JEA under which are payable from available funds of the Electric System ("Electric System Swap Agreements") and (b) interest rate swap agreements the obligations of JEA under which are payable from available funds of the Water and Sewer System ("Water and Sewer System Swap Agreements").

In the case of interest rate swap transactions entered into pursuant to Water and Sewer System Swap Agreements, JEA's payment obligations thereunder are payable following the payment of the operation and maintenance expenses of the Water and Sewer System, including any Contract Debts of the Water and Sewer System, debt service on Water and Sewer System Bonds, debt service on any Subordinated Indebtedness of the Water and Sewer System (including Subordinated Water and Sewer System Bonds) and the deposits to the Renewal and Replacement Fund established by the Water and Sewer System Resolution.

Interest rate swap transactions for the account of the Water and Sewer System may be entered into pursuant to either Water and Sewer System Swap Agreements or Electric System Swap Agreements. In the case of interest rate swap transactions for the account of the Water and Sewer System that are entered into pursuant to Electric System Swap Agreements, JEA has established procedures pursuant to which (a) all amounts received by JEA pursuant to such interest rate swap transactions are transferred to the Revenue Fund established pursuant to the Water and Sewer System Resolution and (b) all payments required to be made by JEA pursuant to such interest rate swap transactions are paid for from Revenues of the Water and Sewer System; provided, however, that no such payments may be made from Revenues of the Water and Sewer System until payment (or provision for payment) has been made of the operation and maintenance expenses of the Water and Sewer System, including any Contract Debts of the Water and Sewer System, debt service for the Water and Sewer System Bonds, debt service for any Subordinated Indebtedness of the Water and Sewer System (including the Subordinated Water and Sewer System Bonds) and the deposits to the Renewal and Replacement Fund established by the Water and Sewer System Resolution.

For further information regarding this interest rate swap program, see Notes 1(k) and 8 to JEA's 2023 Financial Statements attached hereto as APPENDIX A.

Revolving Credit Facility

Effective December 17, 2015, JEA entered into a revolving credit agreement (the "Revolving Credit Facility") with JPMorgan Chase Bank, National Association ("JPMorgan") for a $300,000,000 commitment. Effective November 1, 2018, the parties amended the Revolving Credit Facility to increase the maximum principal amount of the credit facility available for Electric System loans by $200,000,000, for a total commitment equal to $500,000,000. Effective May 24, 2021, the parties further amended the Revolving Credit Facility to increase the maximum principal amount of the credit facility available for the Water and Sewer System loans by $200,000,000, for a total commitment equal to $500,000,000. Effective July 31, 2023, the parties amended the Revolving Credit Facility to extend the facility maturity date from May 24, 2024 to May 24, 2027. Subject to meeting various conditions, the Revolving Credit Facility is available to JEA to provide working capital and short-term and interim financing for capital projects in connection with any of its systems. Payment obligations allocable to each of JEA's systems under the Revolving Credit Facility are payable from the respective revenues of the applicable system. More particularly, payment obligations allocable to the Water and Sewer System under the Revolving Credit Facility are payable from the revenues of the Water and Sewer System but are subordinate to the payment of JEA's Water and Sewer System Bonds and the Subordinated Water and Sewer System Bonds.

As of September 30, 2023, JEA had $138,000,000 in borrowings outstanding under the Revolving Credit Facility, of which $127,000,000 were for the account of the Water and Sewer System and $11,000,000 were for the account of the District Energy System. On October 25, 2023, the Revolving Credit Facility was drawn upon by the Water and Sewer System for an additional $50,000,000 leaving $312,000,000 available to be drawn and on February 7, 2024, JEA repaid $177,000,000 of borrowings on the account of the Water and Sewer System from funds available to that system. As of the date of this Annual Disclosure Report, JEA has $11,000,000 in borrowings outstanding under the Revolving Credit Facility, all of which are for the account of the District Energy System. As of the date of this Annual Disclosure Report, $489,000,000 is available to be drawn.

Loans Among Utility Systems

Pursuant to the Charter, JEA has the authority to lend money from one of its utility systems to another of its utility systems under terms and conditions as determined by JEA. As of the date of this Annual Disclosure Report, no loans among the systems are outstanding.

No Default Certificates

Section 714.2 of the Water and Sewer System Resolution and Section 7.07 of the Subordinated Water and Sewer Resolution require that JEA annually obtain a certificate of its independent firm of certified public accountants stating whether or not, to the knowledge of the signer, JEA is in default with respect to any of the covenants, agreements or conditions on its part contained in the Water and Sewer System Resolution and the Subordinated Water and Sewer System Resolution, respectively, and if so, the nature of such default. Section 713.2 of the District Energy System Resolution requires that JEA annually obtain a certificate of its independent firm of certified public accountants stating whether or not, to the knowledge of the signer, JEA is in default with respect to any of the covenants, agreements or conditions on its part contained in the District Energy System Resolution, and if so, the nature of such default. The actual certificates provided by such accountants' state that nothing has come to such accountants' attention that caused such accountants to believe that JEA failed to comply with the terms, covenants, provisions or conditions of the applicable section(s) of the relevant resolutions, insofar as they relate to accounting matters (emphasis supplied). The accountants have advised JEA that the italicized qualifying language is required to be included by their professional standards (specifically, Statement on Auditing Standards No. 62). JEA does not believe that any other nationally recognized accounting firm will provide certificates that strictly meet the requirements of the applicable section(s) of the relevant resolutions and that differ materially from the certificates provided by JEA's accountants.

Notwithstanding the failure of the accountants' certificates to strictly meet the requirements of the respective resolutions as described above, as of the date of this Annual Disclosure Report, JEA is not in default in the performance of any of the covenants, agreements or conditions contained in the Water and Sewer System Resolution, Subordinated Water and Sewer Resolution and the District Energy System Resolution.

LITIGATION AND OTHER MATTERS

General

In the opinion of the Office of General Counsel of the City ("OGC"), there is no pending litigation or proceedings that may result in any material adverse change in the financial condition of JEA relating to the Water and Sewer System or the District Energy System other than as set forth in JEA's 2023 Financial Statements attached hereto as APPENDIX A and other than the matters set forth in this Annual Disclosure Report.

JEA, like other similar bodies, is subject to a variety of lawsuits and proceedings arising in the ordinary conduct of its affairs. After reviewing the status of all current and pending litigation, the OGC, believes that, while the outcome of litigation cannot be predicted, the final dissolution of all lawsuits which have been filed and of any actions or claims pending or, to the knowledge of JEA, threatened against JEA or its officials in such capacity are adequately covered by insurance, or the City's Risk Management fund, or sovereign immunity or will not have a material adverse effect upon the financial position or results of operations of the Water and Sewer System.

Other Matters

On April 21, 2020, the United States District Court for the Middle District of Florida issued a Subpoena to Testify Before Grand Jury to JEA requesting numerous documents and records relating to, among other things, the selection of JEA's former CEO, Aaron Zahn ("Zahn"); the former Invitation to Negotiate #127-19 for Strategic Alternatives ("ITN"), providing for the sale of JEA's assets and liabilities; and, a proposed bonus pay plan for senior executives to be funded by proceeds from the sale of JEA's assets and liabilities. JEA complied with the subpoena and provided the requested documents and records.

Subsequently, on March 2, 2022, a federal grand jury issued an indictment charging Zahn and Ryan Wannemacher ("Wannemacher"), JEA's former CFO, with one count of conspiracy and one count of wire fraud. According to the indictment, the charges stem from allegations that Zahn began planning for the ITN in efforts to effectuate the sale and privatization of JEA before he was selected as CEO of JEA. The indictment further alleges that Zahn and Wannemacher willfully engaged in a scheme to make false and fraudulent representations to the JEA Board about material facts concerning development of the proposed bonus plan and its connection to the ITN, knowing that if JEA was sold, they, along with others would be paid exorbitant sums of money from funds that would otherwise have gone to the City's General Fund. The trial of this case is anticipated to occur in the first half of 2024. JEA is not a party to the trial, and the outcome of the trial is not expected to have any effect on the operations or financial position of JEA.

On January 28, 2019, JEA terminated Zahn with cause. On May 8, 2020, Zahn filed a demand for arbitration with the American Arbitration Association seeking damages for JEA's alleged violation of the July 2019 employment agreement. The case is in arbitration and resolution of the matter is currently pending.

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AUTHORIZATION

The dissemination and use of this Annual Disclosure Report have been duly authorized by the JEA Board.

JEA

By: */s/ Robert L. Stein*
Chair

By: */s/ Joseph C. Stowe III*
Managing Director and Chief Executive Officer