JEA BOARD AGENDA

DATE: October 30, 2015

TIME: 11:00 AM

PLACE: JEA

21 West Church Street 8th Floor, Board Room

I. WELCOME

- A. Call to Order
- B. Time of Reflection
- C. Pledge to Flag
- D. Adoption of the Agenda
- E. Safety Briefing Ted Hobson, Chief Compliance Officer

 Meeting participants are asked to turn their cell phones completely off

II. PRESENTATIONS AND COMMENTS

- A. Comments from the Public
- B. Council Liaison's Comments The Honorable Bill Gulliford
- C. Office of the Mayor Liaison's Comments Dr. Johnny Gaffney

III. FOR BOARD CONSIDERATION

- A. Consent Agenda The Consent Agenda consists of agenda items that require Board approval but are routine in nature, or have been discussed during previous public meetings of the Board. The Consent Agenda items require no explanation, discussion or presentation and are approved by one motion and vote.
 - 1. Approval of Board Meeting Minutes September 15, 2015 action
 - 2. Directors' & Officers' Liability Insurance information
 - 3. Real Estate Acquisition Status Report information
 - 4. Customer Escalation Summary information
 - 5. Monthly JEA Operations Report information
 - 6. Monthly JEA Financial Statements information

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- 7. Monthly FY15/16 Communications & Engagement Calendar and Plan Update information
- B. Strategic Discussions/Action
 - 1. Appointment of Steven V. Tuten, Director, Audit Services Ted Hobson, Chief Compliance Officer 5 minutes presentation/action
 - 2. Approval of Resolution: FY2016 Budgetary Transfers Melissa Dykes, Chief Financial Officer 5 minutes presentation/information approval to be requested at November 17, 2015 Board Meeting
 - 3. Revolving Credit Facility for Operational/Capital Purposes and Liquidity Melissa Dykes, Chief Financial Officer 5 minutes presentation/information approval to be requested at November 17, 2015 Board Meeting
 - 4. JEA Early Debt Retirement Update Melissa Dykes, Chief Financial Officer 5 minutes presentation/information
 - 5. JEA Five-Year Financial Assumptions and Projections FY2016 FY2019 Melissa Dykes, Chief Financial Officer 10 minutes presentation/information
 - 6. Bi-Monthly Finance Presentation Melissa Dykes, Chief Financial Officer 10 minutes presentation/information
 - 7. Sole Source & Emergency Procurement Report John McCarthy, Director, Supply Chain Management 5 minutes presentation/information
 - 8. FY16 Organizational Performance Goals Paul McElroy, Chief Executive Officer 5 minutes presentation/information approval to be requested at November 17, 2015 Board Meeting
 - 9. FY16 CEO Goals Paul McElroy, Chief Executive Officer 5 minutes presentation/information approval to be requested at November 17, 2015 Board Meeting
- C. Other New Business
- D. Old Business none

IV. REPORTS

A. Managing Director/CEO's Report

V. CLOSING CONSIDERATIONS

- A. Announcements
- B. Adjournment



INTER-OFFICE CORRESPONDENCE

October 21, 2015

SUBJECT: BOARD MEETING AGENDA

FROM: Melissa Charleroy and Cheryl Mock, JEA Executive Assistants

TO: All Members, JEA Board of Directors

Scheduled times and locations for JEA meetings to be held *Friday, October 30, 2015*, are as follows:

Board Meeting

11:00 AM Board Room, 8th Floor, JEA Tower

We are looking forward to seeing you on the 30th. Please call Melissa Charleroy at 665-7313 or Cheryl Mock at 665-4202 if you require additional information.

J. Bryant V. Wright

/mmc

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T. Hobson	D. Champ	W. Stanford
B. Roche	M. Charleroy	M. Evans
M. Whiting	S. Kluszewski	J. Brooks, OGC
J. Upton	C. Mock	J. Gabriel, OGC
G. Boyce	N. NesSmith	C. Edgar
J. Gutos	M. Ruiz-Adams	B. Fore
	B. Roche M. Whiting J. Upton G. Boyce	B. Roche M. Charleroy M. Whiting S. Kluszewski J. Upton C. Mock G. Boyce N. NesSmith

e-copy:

Patrick Maginnis Security Desk Security Office Brandi Sneed Russell Park Ted Delay

JEA BOARD MINUTES

September 15, 2015

The JEA Board held a Pre-Board Meeting at 12:00 PM on Tuesday, September 15, 2015, in the Conference Room on the 8th Floor, 21 W. Church Street, Jacksonville, Florida. Present were Helen Albee, Peter Bower, Wyman Winbush, Lisa Weatherby, Husein Cumber, John Hirabayashi, Robert Heekin, Paul McElroy, Bill Gulliford, JEA City Council Liaison, Jody Brooks, Office of General Counsel (OGC), Leah Donelan, Nonprofit Center of Northeast Florida, and Nate Monroe, Florida Times-Union. Also present were JEA staff Gerri Boyce.

The Pre-Board discussion consisted of the following topics:

- Board Retreat Follow-up Bylaws Review Mr. Heekin stated he met with Paul McElroy, CEO and Jody Brooks, OGC again on September 9, 2015, to review the draft JEA Bylaws. A copy of the draft Bylaws were provided. Board Members will provide their comments to Jody Brooks prior to the October 20, 2015 JEA Board Meeting. Upon compilation of all comments, Ms. Brooks will issue another draft. The Board will take action to approve the JEA Bylaws at the October 20, 2015 Board Meeting.
- CEO Scorecard Paul McElroy provided Board Members with a revised FY2015
 CEO Scorecard. Melissa Charleroy, Executive Assistant will schedule one-on-one
 meetings with Board Members to review the CEO Scorecard and FY2016 goals. The
 Board will take action on the CEO Scorecard at the October 20, 2015 Board Meeting.
- 3. Today's Meeting Mr. McElroy provided Board Members with a schedule of today's meetings and presentations.

With no action taken and no further business claiming the attention of the Board, the Pre-Board Meeting was adjourned at 12:58 PM and the Board moved to the 8th Floor Board Meeting Room for the regularly scheduled meeting.

The JEA Board met in regular session on Tuesday, September 15, 2015, in the 8th Floor Board Meeting Room, 21 W. Church Street, Jacksonville, Florida. Present were Helen Albee, Peter Bower, Wyman Winbush, Lisa Weatherby, Husein Cumber, John Hirabayashi, and Robert Heekin.

Agenda Item I - Welcome

- **A.** The meeting was **called to order** at 1:03 PM by Chair Albee.
- **B.** A **Moment of Reflection** was observed by all.
- **C.** The **Pledge of Allegiance** was led by Mr. Heekin.
- **D. Adoption of Agenda** The agenda was approved on **motion** by Ms. Weatherby and second by Mr. Bower.
- **E.** The **Safety Briefing** was given by Rick Dow, Mechanical Technician.

Agenda Item II – Presentations and Comments

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- A. September Safety Commitment Month Video Leah Greene, Manager, Safety and Health Services, presented information regarding the September Safety Commitment month. Each week in September, a safety video and materials will be distributed to each department. Employees will be asked to sign a poster to show their commitment to safety. The theme for this year is Safety³, safety for me, my job, and my family. Ms. Greene stated September Safety Commitment Month was also held in 2014 with the hopes of seeing a decrease in recordable incidents in October and throughout the fiscal year. This year JEA held a contest and asked employees to produce a video to show their commitment to safety. Ms. Green presented the Board Members with the week two video highlighting JEA employees that are committed to safety.
- **B.** Comments from the Public None
- **C. Council Liaison's Comments** The Honorable Bill Gulliford did not have any comments.

Agenda Item III – For Board Consideration

- A. Consent Agenda used for items that require no explanation, discussion or presentation and are approved by one motion and vote. On **motion** by Ms. Weatherby and second by Mr. Winbush, items 1 and 2 on the Consent Agenda was unanimously approved and items 3 through 5 were received for information.
 - 1. Approval of Board Meeting Minutes August 18, 2015 approved
 - 2. 2016 JEA Board Meetings approved
 - 3. Monthly JEA Financial Review & Statements received for information
 - 4. Monthly FY15 Communications & Community Engagement Plan Update received for information
 - 5. Monthly FY15 Community Engagement Calendar received for information

B. Strategic Discussions/Action

1. Southside Generating Station/Healthy Town – Nancy Kilgo, Director Government Affairs introduced Michael Balanky, Chase Properties, and Michael Munz, The Dalton Agency, Inc. who, along with Peter Rummell and David Manfredi form the purchasing company Elements of Jacksonville. Ms. Kilgo stated the contract for JEA's Southside Generating Station property was signed in February 2015. Ms. Kilgo stated she is pleased with the progress of their due diligence. Currently Elements of Jacksonville has submitted applications for initial government approvals, and is currently going through the approval process with the Downtown Investment Authority. The applications will ultimately go before City Council for approval. The earliest closing date by contract is March 2016. Ms. Kilgo offered to provide details of the closing at a later date. Michael Munz offered apologies to the Board for the absence of Peter Rummell due to a scheduling conflict. Mr. Munz presented Board Members with a video providing information on the vision for Healthy Town, their target audience Generation H, collaboration initiatives with the developer community, and programming updates. Mr. Munz stated Healthy Town was a concept name. To select a name for the community, Elements of Jacksonville introduced an online public naming contest in which 330 responses have been received. Mr. Munz added the new development name will be announced in a few

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- weeks. Michael Balanky presented to the Board Members the design plan for Healthy Town. Mr. Balanky extended his appreciation to Peter Rummell for his vision for this project and to David Manfredi, Founding Principal, with Elkus Manfredi Architects for his visionary design. Mr. Balanky presented concept drawings, discussed allocation rights, and provided a project overview. Mr. Balanky stated the community will consist of approximately 1,100 residential units for rental and sale, 250,000 square feet of boutique retail space and anchor stores, 200,000 square feet of office space, and a 200-room hotel. Mr. Balanky stated the final development will be dictated by market demand which is currently being vetted. This presentation was received for information.
- 1. Supplier Diversity Joint Agency Task Force John McCarthy, Director Supply Chain Management, presented a review of the Supplier Diversity Joint Agency Task Force (JATF), including a brief summary of the history, participants, and outreach activities. Mr. McCarthy stated JEA hosted a "Doing Business with JEA" workshop for women, minority, and small business owners on August 18, 2015. This event was attended by over 70 business owners, JEA's CEO, procurement staff, project managers, and other key operational managers. JEA's Board of Directors was represented by Mr. Wyman Winbush. Mr. McCarthy stated 81% of workshop surveys rated the seminar as Excellent, with the remainder rating it as Good. The 2nd Annual JATF Town Hall Meeting will be held on October 27, 2015 at 5:30 pm at the Florida Department of Transportation Center on Edison Avenue. This presentation was provided for information.
- 2. Bi-Monthly Operations Presentation Brian Roche, Vice President/General Manager Water/Wastewater Systems, Mike Brost, Vice President/General Manager Electrical Systems, and Monica Whiting, Chief Customer Officer Mr. Roche reviewed safety metrics, water/wastewater performance objectives, environmental compliance, financial performance, and water/wastewater rates in Florida. Mr. Brost reviewed electric systems performance objectives, FY2015 fuel revenue and expense, financial performance, and residential electric bill comparison information. Ms. Whiting presented the J.D. Power Customer Satisfaction Index, increased participation in key customer solutions, billing and payment solutions, first contact resolution, JEA corporate citizenship initiatives, including the new JEA Ambassador program, customer education, receivables net write offs, and continuous improvement efforts. This presentation was provided for information.
- C. Other New Business None
- **D.** Old Business None

Agenda Item IV – Reports

A. Managing Director/CEO's Report – Mr. McElroy congratulated Mike Brost, Vice President/General Manager Electric Systems for his work with JEA's fleet savings, flexibility, and performance. Mr. McElroy stated that JEA will continue to advance technology as the primary means of communicating with its customers with a move towards mobile applications. This will be at a low cost and will yield a great service requested by JEA's customers. Melissa Charleroy will schedule individual meetings with Board Members to review the CEO FY2015 scorecard and the FY2016 goals.

JEA Board Minutes

September 15, 2015

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- Also, the next Workforce Committee meeting will take place prior to the October JEA Board Meeting.
- **B.** Chair's Report Chair Albee thanked Board Member Heekin for his work on JEA's Bylaws, and recognized Board Member Winbush for representing JEA's Board of Directors at the JATF Workshop on August 18, 2015. Chair Albee thanked JEA volunteers and employees who attended the United Way Kick-off event. Chair Albee announced the National Drive Electric Week event on September 17, 2015 at Whole Foods.

Agenda Item V – Closing Considerations

- **A. Announcements** none
- B. Adjournment

Executive Assistant

With no further business claiming the attention of the Board, Chair Albee adjourned the meeting at 2:17 PM.

APPROVED BY:		
	SECRETARY DATE:	
Board Meeting recorded by:		
Melissa M. Charleroy		



October 1, 2015

SUBJECT:	DIRECTORS' &	& OFFICERS'	LIABILITY INSUF	RANCE		
Purpose:		ation Only	Action Rec	quired	Advice/Direction	
Issue: Director	rs' and Officers' I	Liability Insura	nce			
Significance:	See information	above.				
	ober 1, 2004, JE wed each subse	•		cers' Liabilit	y Insurance. This insurance	
of actual or alle	eged breach of d ttempted while a	luty, neglect, e acting independ	rror, misstatemen	t or omission ely in their ca	d Board Members in the event n, actually or allegedly caused, apacity at JEA. The year's cost 0.	
Recommended Board action: This item is submitted for information.						
For additional	information, co	ontact: James	Chapman, Direct	or Risk Man	nagement Services, 665-7781	
Submitted by: PEI	Energizing our community through high-value energy and water solutions.	JEA is a premier service provider, valued asset and vital partner in advancing our community.	- Safety - Service - Geoveth? - Accountability - Integrity		Earn Customer Loyalty Deliver Business Excellence Develop an	

Ver.2.0D 9/21/2013 jer

Develop an Unbeatable Team



INTER-OFFICE MEMORANDUM

October 1, 2015

SUBJECT: DIRECTORS' & OFFICERS' LIABILITY INSURANCE

FROM: Paul E. McElroy, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

On October 1, 2004, JEA purchased Directors' and Officers' Liability insurance. This insurance has been renewed each subsequent October 1. It provides coverage for JEA, its' Officers and Board Members in the event of actual or alleged breach of duty, neglect, error, misstatement or omission, actually or allegedly caused, committed or attempted while acting independently or collectively in their capacity at JEA.

DISCUSSION:

The attached insurance summary explains this coverage.

RECOMMENDATION:

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

Paul E. McElroy, Managing Director/CEO

PEM/TEH/JDC



DIRECTORS' & OFFICERS' LIABILITY INSURANCE

INSURED: JEA, its' Officers and Board Members

CARRIER: Associated Electric & Gas Insurance Services Limited

(AEGIS)

POLICY PERIOD: October 1, 2015 thru September 30, 2016

POLICY NUMBER: DP5029715P

ANNUAL PREMIUM: \$108,840

POLICY LIMIT: \$10,000,000 aggregate for the policy period

DEDUCTIBLE: \$250,000 each claim

COVERAGE: AEGIS shall pay on behalf of the Insured by reason of any

"Wrongful Act" of Officers and Board Members which

takes place on or after October 1, 2004.

"WRONGFUL ACT": Actual or alleged breach of duty, neglect, error,

misstatement or omission actually or allegedly caused, committed or attempted by any Officers and Board Members while acting individually or collectively in their

capacity for JEA.

EXCLUSIONS OF COVERAGE: Deliberately fraudulent, dishonest, criminal or malicious

act or omission or any knowing and intentional violation of any statute or regulation. Also, any employment related

wrongful acts such as termination of employment,

discrimination or sexual harassment.

Prepared by: James D. Chapman, JEA Director Risk Management Services

October 1, 2015



October 20, 2015

SUBJECT:	REAL ESTATE ACQUISITION	ON STATUS REPORT						
Purpose:		☐ Action Required	☐ Advice/Direction					
Authority has p	Issue: Provide the JEA Board with an update of Real Estate activities where use of Condemnation Authority has previously been granted. Since there is no new condemnation activity at this time, this report is placed within the consent agenda.							
Significance:	Timely acquisition of property	rights provides for continued s	service reliability.					
Effect: Proper	rty owners whose real property	y is impacted by specific JEA v	work.					
	it: The cost to acquire propert e legal and other fees and exp	ty rights is a one-time fee supp penses.	ported by certified appraisals					
Recommende informational p		equired. The Real Estate Acqu	uisition Status Report is for					
For additional	information, contact: Hamid	d Zahir, 665-6068						

Submitted by: PEM/MHD/HAZ/DLB



Commitments to Action



Ver.2.0D 9/21/2013 jer



INTER-OFFICE MEMORANDUM

October 20, 2015

SUBJECT: REAL ESTATE ACQUISITION STATUS REPORT

FROM: Paul E. McElroy, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

The JEA Board of Directors periodically grants the use of Condemnation Authority for specific work which is critical to JEA's operations. This authority provides for property rights to be acquired in a timely manner which ensures continued service reliability. Every effort is made to negotiate a settlement before proceeding with this action.

DISCUSSION:

The Real Estate Acquisition Status Report is submitted to the Board quarterly, and is intended to provide the Board with an overview of activities for which Condemnation Authority has been granted.

RECOMMENDATION:

No action is required. The Real Estate Acquisition Status Report is for informational purposes only.

Paul E. McElroy, Managing Director/CEO

PEM/MHD/HAZ/DLB

Customer Escalation Summary

Reporting Period: July through September 2015

During the fourth quarter of 2015, 23 customers routed issues through JEA Executive Offices, the JEA Board or through City Administrative Offices. This is typical volume.

As of this report, there are two outstanding issues which we are continuing to work with our customers and hope to have resolved shortly. All other escalations were resolved.

TRENDS

Key themes in this quarter's escalations included water leaks and/or high water bills, sovereign citizen requests, write off infractions and other varied financial or billing transactions, such as pay plan explanations and billing details. The following process improvements have been implemented or are under review to address identified opportunities from past and recent escalations:

- Continued one-on-one coaching of employees as the root cause of each escalation was discovered
- Closer collaboration between various departments where process handoffs occur
- Improvements to processes and training material related to:
 - o High Bills
 - o Water/Sewer leak troubleshooting
 - o Electric troubleshooting
 - o Water/sewer leak adjustments

Reinforce the importance for employees to review the entire account and customer issue to fully understand the situation, and to seek guidance from provided resources to ensure accurate information is provided to the customer.



JEA Operations Report

as of September 30, 2015

Board of Directors Meeting October 30, 2015



JEA Safety

(September 30, 2015)

FY2014

- RIR = 2.29
- # of Recordables = 46
- September YTD Recordables = 48

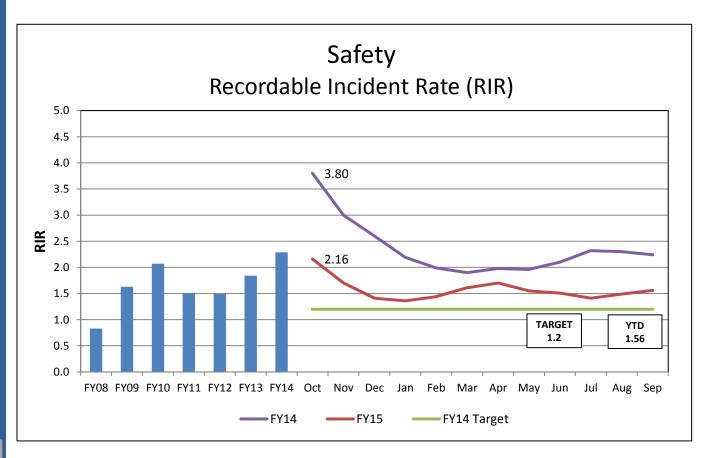
FY2015

- September Recordables = 2
- September YTD Recordables = 32 8 (39%) were lost time
 - o Electric Systems = 22
 - o Water/WW Systems = 7
 - o Customer Service = 1
 - Finance/Shared Services = 2
- Continuing to "Plan for Zero"
- Maintaining focus on severity and lost time incidents

Industry Benchmark*

Average Municipal Utility RIR is 6.3

Units	FY2015 YTD	FY2015 Target	FY2014	FY2013
RIR	1.56	1.20	2.29	1.84





JEA FY2015 Performance Objectives

Electric System Reliability Metrics

T&D Grid Performance	Metric	FY2015 YTD	FY2015 Target	FY2014	FY2013
Customer Outage Frequency	# of Outages per Year	1.7	1.8	1.7	1.7
Electric Service Available	% Available	99.981	99.985	99.987	99.987
Transmission Line Faults	# of Faults	1.7	3.5	2.4	3.8
CEMI ₅	% Customers > 5 outages	2.1	1.5	2.34	N/A

Electric Service Reliability

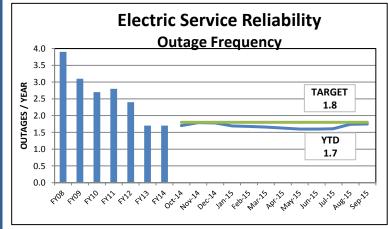
- Outage frequency and duration has been cut in half over the last 6 years; running flat this year and near the FY2015 targets
- The typical JEA customer sees 1.7 outages per year and a total outage duration of 99 minutes
- CEMI₅: 9,714 (2.1%) of our customers have experienced more than 5 outages in the past 12 months

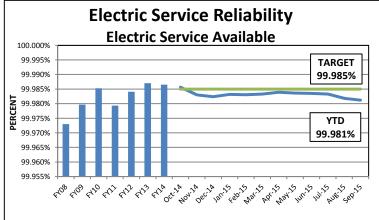
<u>Transmission Line</u> Reliability

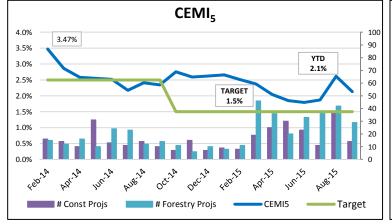
- Overall downward trend over the last six years
- YTD (1.7) running below the FY15 target

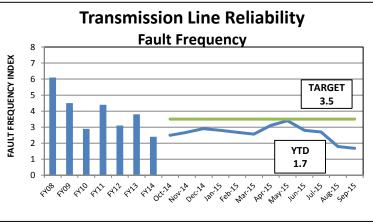
Other Operational Metrics

 Continue showing favorable trends over time







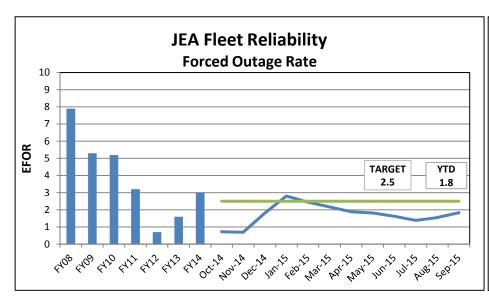


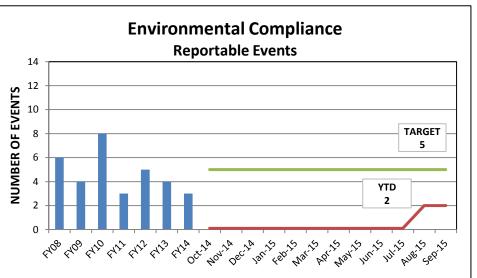


JEA FY2015 Performance Objectives

Electric System Reliability Metrics

Generating Plant Performance	Metric	FY2015 YTD	FY2015 Target	FY2014	FY2013
Generation Fleet Reliability	Forced Outages Rate	1.8	2.5	3.0	1.6
Environmental Compliance	Permit Exceedances	2	5	3	4





Generating Fleet Reliability

- The JEA fleet Forced Outage Rate is in line with prior 6-year performance and under FY15 target of 2.5
- Planned outage work was successfully completed in the Fall on NS1, NS2, and BBCC and in the Spring on both SJRPP units
- High unit reliability contributes to lower fuel and non-fuel expenses

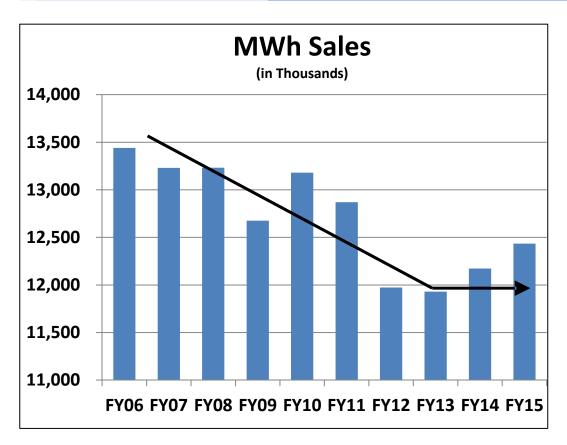
Environmental Compliance

- Excellent environmental performance in FY15 and prior years, with no air permit violations
- No reportable events through the first 10 months; two events in August—one at SJRPP sump discharge line leak), one at NS (unloading fuel)
- Mercury Air Toxics Standards (MATS) became effective April 2015



JEA Electric System

MWh Sales



Month	FY14	FY15	% Change
Oct	959,319	971,595	1.3%
Nov	835,344	895,617	7.2%
Dec	914,615	943,753	3.2%
Jan	1,104,547	1,035,621	(6.2%)
Feb	843,507	934,102	10.7%
Mar	933,671	898,524	(3.8%)
Apr	900,972	954,803	6.0%
May	1,028,801	1,062,459	3.3%
Jun	1,124,764	1,187,741	5.6%
Jul	1,207,001	1,254,252	3.9%
Aug	1,255,262	1,212,295	(3.4%)
Sep	1,064,186	1,083,446	1.8%
Total	12,171,989	12,434,208	2.2%

Unit Sales Driver: Degree days were 4% higher than last year.

Degree Days			
30-yr. Avg. FY14 FY15			
4,014	3,998	4,159	

Total System	2.2%
Residential	3.1%
Comm./Industrial	1.1%
Interruptible	4.8%
Wholesale (FPU)	(1.0%)



JEA Electric System

Financial Results and Cost Metrics

(\$ in thousands)

Revenues	FY15 Actual	FY14 Actual	FY15 Budget	FY15 vs FY14 (\$)	Variance (%)
Fuel Revenue	\$ 486,362 ¹	\$ 498,930 ²	\$ 516,398	\$ (12,568)	-2.5%
Base Revenue	741,411	725,203	711,462	16,208	2.2%
Other Revenue	38,183	39,571	42,626	(1,388)	-3.5%
Total Revenues	\$ 1,265,956	\$ 1,263,704	\$ 1,270,486	\$ 2,252	0.2%
	1	\$(5M)	<u></u>		
Select Expenses					
Fuel Expense	\$ 441,076	\$ 501,763	\$ 503,519	\$ 60,687	12.1%
Fuel Fund Transfers	45,286	(2,833)	12,879	(48,119)	
O & M Expense	191,764	168,688	207,337	(23,076)	(-13.7%)
Non-fuel Purchased Power	114,804	194,030	123,663	79,226	40.8%
Net Revenues	\$ 461,604	\$ 389,604	\$ 414,571	\$ 72,000	18.5%
	1	\$47M			
Capital Expenditures	\$ 116,728	\$ 86,155	\$ 129,000 ³	\$ (30,573)	-35.5%
Debt Service	\$ 175,779	\$ 161,509	\$ 196,591	\$ (14,270)	-8.8%

Financial Metrics	FY15 Actual
Coverage:	2.6x
Days Cash/Liquidity:	182 / 303
Debt/Asset:	68% (6% lower)
Total Debt:	\$3.1B (\$314M lower)

Non-Fuel
\$ 54.73
49.69
\$ 5.04

Fuel Fund (\$ in m	nillions)
Beginning Balance	\$ 105
Surplus/(Deficit)	96
Fuel Credit	(50)
Ending Balance	\$ 151

¹ Net of \$50 million fuel credit in April bill

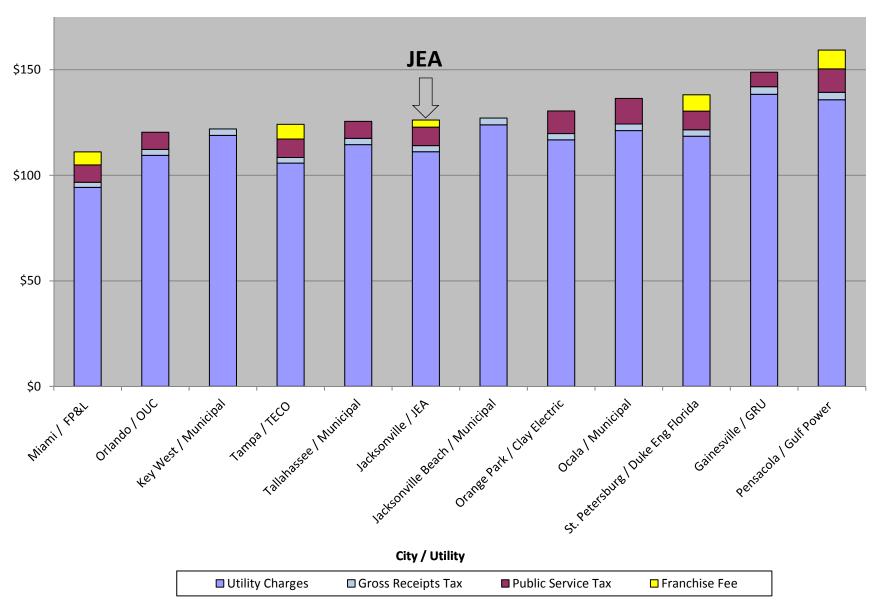
² Net of \$26 million fuel credit in FY14

³ Council approved limit for capital expenditures in FY15 is \$150 million

⁴ Preliminary numbers

Florida Utilities Monthly Residential Electric Bill Comparison

(Consumption @ 1,000 kWh)
Residential Rates as of October 2015

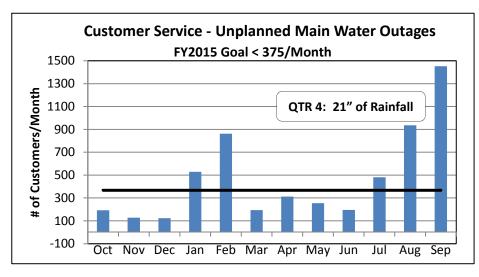


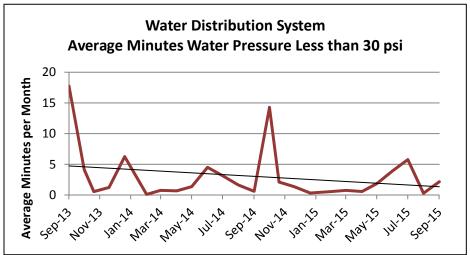


JEA FY2015 Performance Objectives

Water and Wastewater System Reliability

Water Grid Performance Metric		FY2015 YTD	FY2015 Target	FY2014	FY2013
Water Main Outages	# of Customers per Year	5,659	4,500	4,645	3,671





Unplanned Water Outages

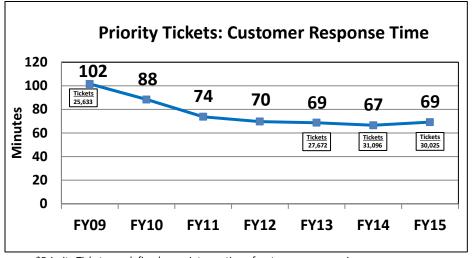
of Customers Affected by Unplanned Outages increased in 4th QTR correlating to heavy rainfall and ground saturation

Water Pressure (minutes per month < 30 psi)

Measured by 109 pressure monitoring stations in the distribution system. Slight increase during June due to high peak customer demand.

Customer Response Time

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

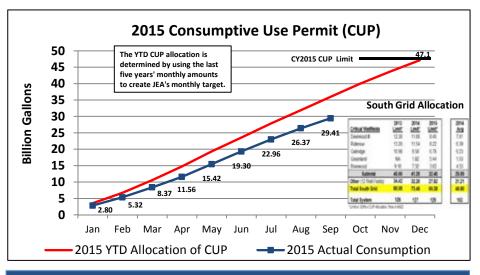


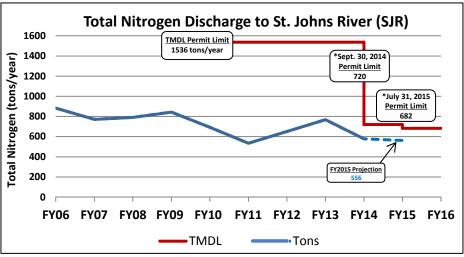
^{*}Priority Tickets are defined as an interruption of water or sewer service



Environmental Compliance Water and Wastewater System

Compliance	Metric	FY2015 YTD	FY2015 Target	FY2014	FY2013
Water	CUP Limits (MGD) – CY basis	108	129	104 (127 limit)	100 (126 limit)
Sewer	Nitrogen (N) Tons – FY basis	556	650 (TMDL of 682*)	577	767 (1536 limit)





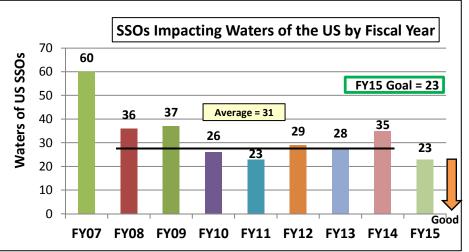
St. Johns River Water Management CUP

YTD average daily flow is 16% below CY limit of 129 MGD, and the YTD South Grid consumption is below allocation limits

Nitrogen Discharge to St. Johns River (SJR)

Florida Department of Environmental Protection (FDEP) has reduced the Total Maximum Daily Load (TMDL) at 682 tons upon JEA cost allocating 33 tons to COJ via Trading Credits

Sanitary Sewer Overflows (SSOs)
On FY15 met the record low of 23 SSO's

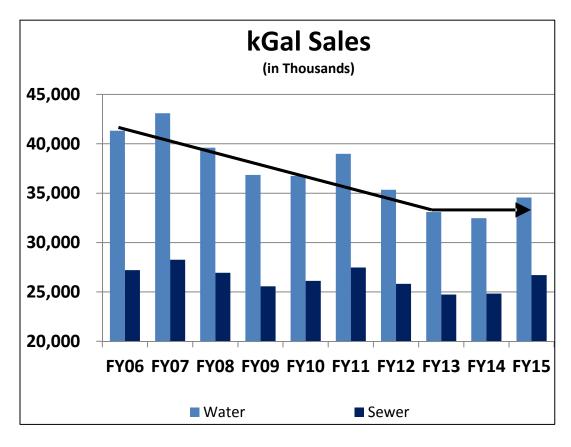




JEA Water and Sewer System

kGal Sales

(in Thousands)



Month	FY14	FY15	% Change	
Oct	2,793	3,051	9.2%	
Nov	2,381	2,597	9.1%	
Dec	2,662	2,708	1.7%	
Jan	2,475	2,502	1.1%	
Feb	2,130	2,238	5.1%	
Mar	2,387	2,732	14.4%	
Apr	2,691	2,765	2.7%	
May	3,088	3,509	13.7%	
Jun	2,897	3,382	16.8%	
Jul	2,993	3,300	10.3%	
Aug	3,221	3,062	(4.9%)	
Sep	2,750	2,712	(1.4%)	
Total	32,468	34,558	6.4%	

Unit Sales Driver: Rainfall was down 2 inches; rain days were same as prior year.

Rain							
	30-Yr. Avg.	FY14	<u>FY15</u>				
Inches	52	51	49				
Days	114	114	114				

Total System	6.4%
Residential	4.9%
Comm./Industrial	6.1%
Irrigation	12.1%



JEA Water and Sewer System

Financial Results and Cost Metrics

(\$ in thousands)

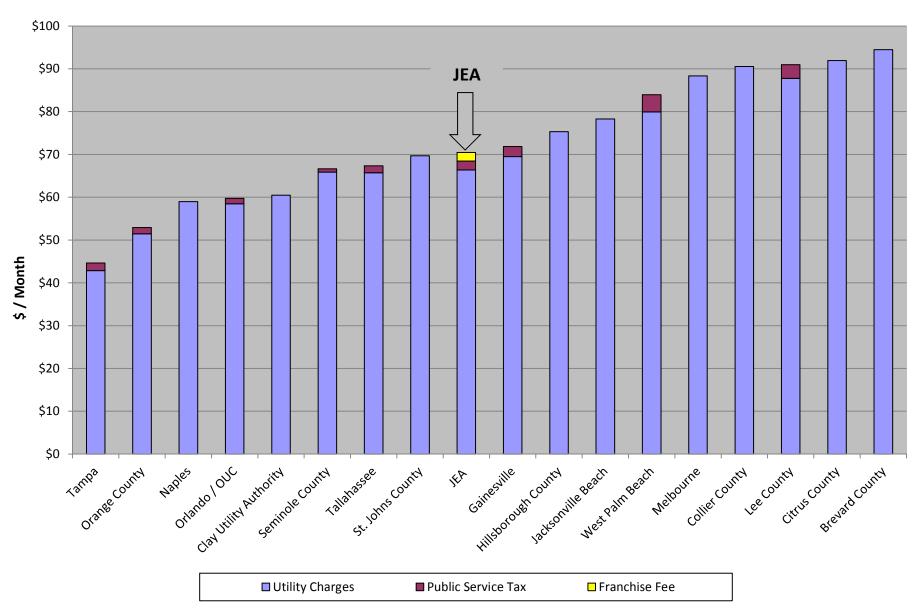
Revenues	FY15 Actual	FY14 Actual	FY15 Budget	FY15 vs FY14 (\$)	Variance (%)	
Water & Sewer Revenues	\$ 393,167	\$ 375,372	\$ 390,392	\$ 17,795	4.7%	
Other Revenue	43,750	32,518	28,868	11,232	34.5%	
Total Revenues	\$ 436,917	\$ 407,890	\$ 419,260	\$ 29,027	7.1%	
	1	\$18M				
Select Expenses						
O & M Expense	\$ 127,174	\$ 119,466	\$ 136,523	\$ (7,708)	-6.5%	
Net Revenues	\$ 278,471	\$ 281,727	\$ 279,426	\$ (3,256)	-1.2%	
	†	\$(1M)				
Capital Expenditures	\$ 100,806	\$ 76,852	\$ 130,900	\$ (23,954)	-31.2%	
Debt Service	\$ 101,108	\$ 114,372	\$ 124,443	\$ 13,264	11.6%	

Metrics	FY15 Actual
Coverage:	2.8x
Days Cash/Liquidity:	149 / 269
Debt/Asset:	55% (1% lower)
Total Debt:	\$1.7B (\$117M lower)

Cost / KGal	Water	Sewer
Target	\$ 4.47	\$ 7.96
Actual ¹	4.01	7.26
Difference	\$ 0.46	\$ 0.70

Water & Sewer Rates in Florida

Residential Service with a 5/8" meter and 6 kgals of Consumption Residential Rates as of October 2015



Empowering Customers to Make Informed Decisions

Communication

Communicating with customers about utility programs and services that impact them is a key driver to satisfaction

JDP Comm Awareness

Residential

FY13 48.8%

FY14 51.9%

FY15 56.6%

Commercial

FY13 53.4%

FY14 55.7%

FY15 70.4%











Communication Channels FY15

Volume: 467,999,215

- e-Com
 (jea.com, email, social)

 25,414,020
- Paid Media
 (Radio, TV, Print)
 120,944,121
- Community Engagement (Events, Workshops) 462,598
- Other Communication (Bill Inserts, Brochures, 11,909,480
- Earned Media309,268,996





Customer Experience

Presenter: Monica Whiting

Date: October 2015

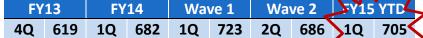
FY15 Customer Satisfaction Goal

Achieve National 2nd Quartile Ranking for Residential and 1st for Business on the J.D. **Power Customer Satisfaction Index**

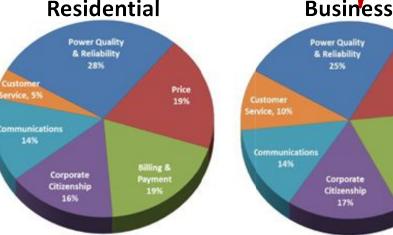
Residential (R)

FY	13	FY	14	Wa	ve 1	Wa	ve 2	Wa	ve 3	Wa	ve 4	Y	15 YTC	4
													Q 692	

Business (B)



Residential



2015 Residential # of companies ranked: 140 2015 Business # of companies ranked: 87

1Q= 1st quartile 2Q= 2nd quartile 3Q = 3rd quartile 4Q = 4th quartile

Improve Quartile Rankings from FY14

Be Easy to Do Business With

Customer Service

	FY	14	Wa	ve 1	Wa	ve 2	Wa	ve 3	Wa	ve 4	FY15	YTD
R	2Q	731	1Q	799	3Q	717	1Q	767	1Q	820	1Q	775
В	2Q	716	1Q	757	2Q	750					1Q	754

Power Quality & Reliability

	FY	14	Wa	ve 1	Wa	ve 2	Wa	ve 3	Wa	ve 4	FY15	YTD
R	3Q	701	2Q	743	3Q	703	1Q	755	2Q	742	2Q	736
В	2Q	721	1Q	763	3Q	709					2Q	736

Empower Customers to Make Informed Decisions

Billing & Payment

R	FY	14	Wa	ve 1	Wa	ve 2	Wave 3		Wave 4		FY15 YTD	
В	2Q	736	1Q	762	2Q	740	1Q	764	1Q	754	1Q	755
	1Q	740	1Q	754	1Q	758					1Q	756

Communication

	FY	14	Wa	ve 1	Wa	ve 2	Wa	ve 3	Wa	ve 4	FY15	YTD
R	2Q	600	1Q	669	3Q	620	1Q	667	1Q	658	1Q	653
В	1Q	627	1Q	679	2Q	618					1Q	648

Price

	FY	14	Wa	ve 1	Wa	ve 2	Wa	ve 3	Wa	ve 4	FY15	YTD
R	4Q	538	1Q	626	3Q	588	1Q	635	2Q	611	2Q	615
В	2Q	612	1Q	674	2Q	625					1Q	650

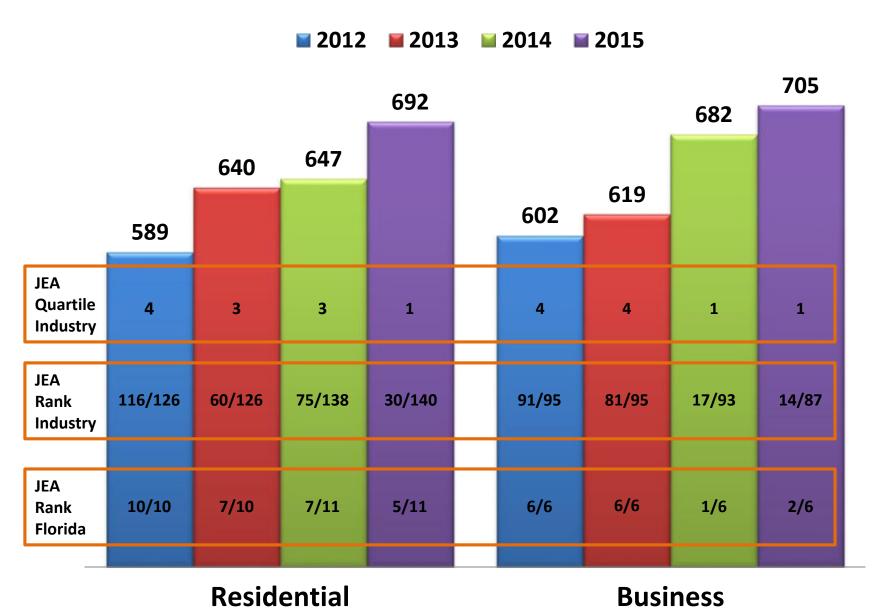
Demonstrate Community Responsibility

Corporate Citizenship

	FY	14	Wa	ve 1	Wa	ve 2	Wa	ve 3	Wa	ve 4	FY15	YTD
R	2Q	592	2Q	644	3Q	601	1Q	658	2Q	635	2Q	634
В	1Q	635	1Q	687	1Q	659					1Q	673

Price 15%

Customer Satisfaction Index Scores



29

Easy to Do Business With

Customer Service

Providing multiple contact channels allows the customer to interact with JEA in a way that's easiest for them.

Customer Satisfaction

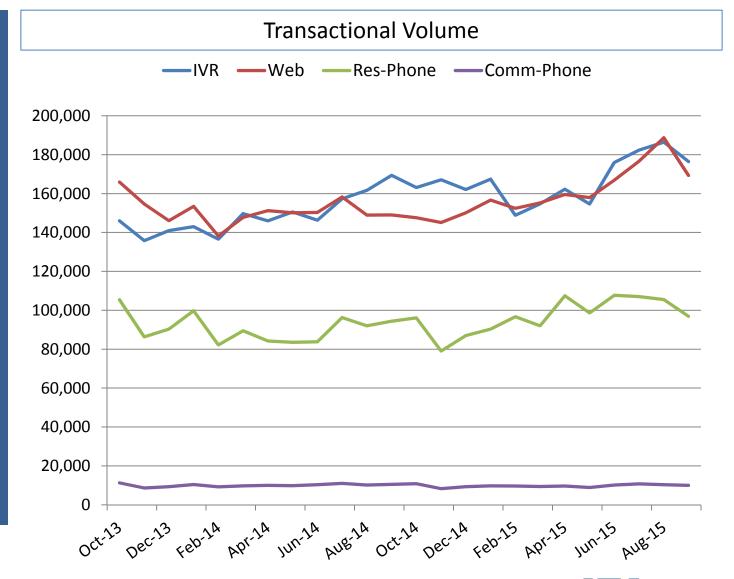
Rating: 8s-10s by Channel -- JDP

FY 14 FY15

Phone 68.0% 60.8%

IVR 54.7% 68.5%

Web 59.6% 74.0%





Easy to Do Business With

Customer Service

Accurately addressing a customer's needs the first time produces a positive customer experience

FY2015 YTD

Residential CC 72.8%
Branches 72.7%
Commercial CC 73.8%
jea.com 85.4%
Overall 80.9%

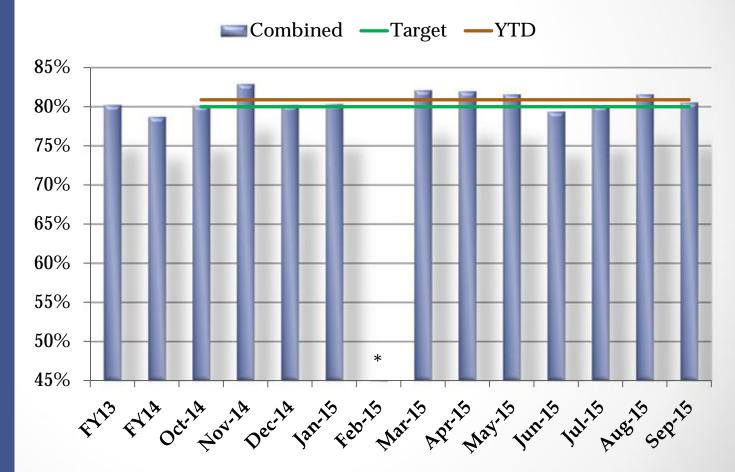
2015 JD Power FCR

Residential CC 74.3%

Jea.com 80.2%

Business CC 73.8%

FCR Branches, Call Centers, and jea.com





Easy to Do Business With

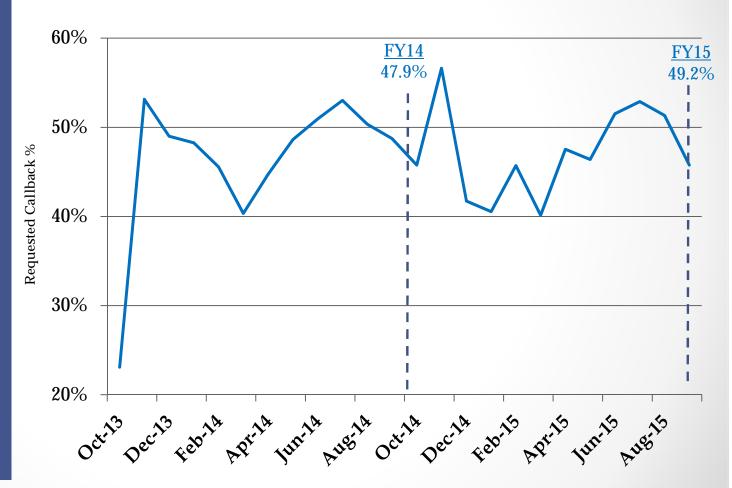
Power Quality and Reliability

Customers Requesting a Call Back after an Outage

Customers are more satisfied when receiving additional information about their outage and given callbacks when power is restored.

JD Power "Keeping you informed about outage"

Score	2014	<u> 2015</u>
8 – 10	29.6%	36.1%
< 5	28.0%	24.1%



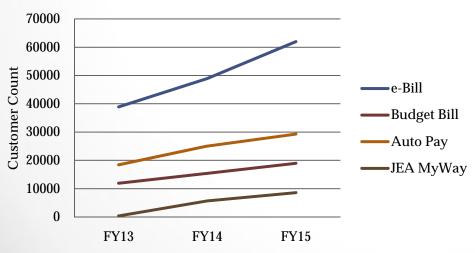


Empowering Customers to Make Informed Decisions

Billing & Payment

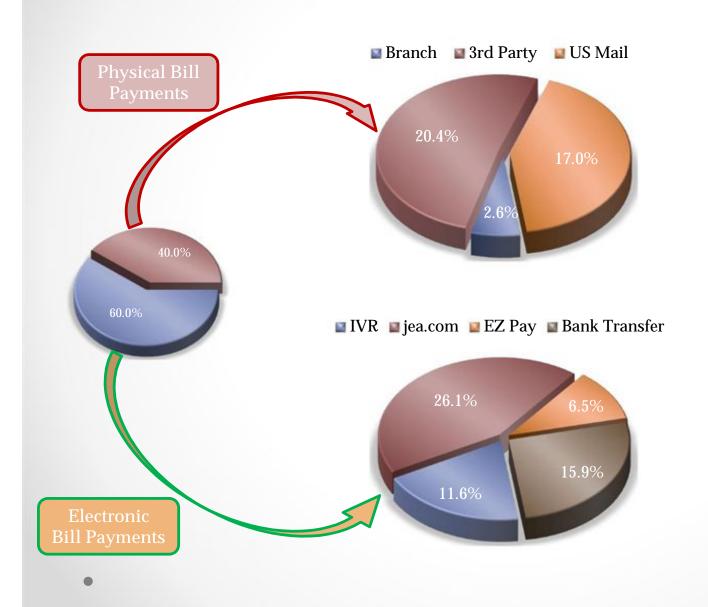
Customer Solution Participation	2015 Goal	FY14	FY15	Status
e-Billing Participation	60,900	48,900	61,981	Meets Target
Budget Bill Participation	30,000	15,394	18,986	Not On Track
Auto Pay Participation	35,012	25,012	29,272	Not On Track
JEA MyWay Participation	7,675	5,675	8,577	Meets Target

B&P Program Participation



	FY15	Industry Benchmark*					
e-Bill	15.5%	14.5%					
Budget Bill	4.7%	11.0%					
Auto Pay	7.3%	14.0%					
*2013 IOU Benchmark Median							

Empowering Customers to Make Informed Decisions Billing & Payment



Electronic Payment methods provide a true win-win for JEA and the Customer – higher satisfaction and lower transaction cost

FY2015

FY15 Industry
Benchmark

Electronic Transaction

60.0%

51.5%

*2013 IOU Benchmark Median

2015 Electronic Transaction Goal: 60%



Empowering Customers to Make Informed Decisions

Communication

Communicating with customers about utility programs and services that impact them is a key driver to satisfaction

JDP Comm Awareness

51.9%

Residential

FY14

FY13 48.8%

FY15 56.6%

Commercial

FY13 53.4%

55.7% **FY14**

FY15 70.4%



You're getting a fuel credit on your bill in October.

Because fuel costs were less than expected, we're passing the savings on to you - just like we did in April. At JEA, we're always working to provide you with the most efficient service at the lowest possible cost.

So check out the electric portion of your bill in October to see your fuel credit and enjoy the savings! Questions about your fuel credit? Go to iea.com/fuelcredit.







As we wrap up our old fiscal year and start a new one October 1, we wanted to share some of our successes, as well as some areas of focus for the fiscal year ahead. and year and in by operating to a financially responsible way, in Fifth we patient to have provine the Fernor signific Meanwrise, GPS Buckman Mole set in fact, our arress spending has Sectionalities Flamble Secretary back in class bettermance in August, It treated over 1.1 british galance of savage or about 27 12 west for the past from years, displic Remarks in the code of stony backway. We also paid down the million patient can dea which is about 30 bentuel from that Collect we new our creditors by \$425 million. All this wide erags. (York hose sits.) The Submar horn accomplishe gli mantaring sar accesses as- creat rating this bonc sorry this while daving agrificantly under all unwinnerstal partiet tinds and alto performing wall proof the point design and for elonger discharge into the SL sales likes. is the year could scree-the seller the selling. The deliver stand size or our date, which is used to pay for unboar MENDERSON TO RESIDENCE WE SHARE YOU HARRAN, LICE AND THE E. I.S. Preur surveys show that year satisfaction with JEA as year willify provider law improved drawallocally over the leaf fitner years, in 2015 faith our 2. We multiplied other's to become and revenue by adding alleranthy revenue security and commercial continuous research EA high.

the set it's beautiler paying with any harvering teller or sand we see in Sustein, those thistoid, with report that sind to harvest again to arother 20 - 30 years, making it a serventive mount for amendom of Chicomore

the average continuor by Sill persont since 2006. Notice proc music excepted progress in nearl war: working or braging widgeth tight new approximators 2.6 percent of ERS continues as seing note that the outages a year With continue to work or represent the executor saturately for those customen in the year

otherts are working, ALD perton adoptivities decreased 42% from approximation (25) gas day is 2007 to 14 gallors per person a day by 2 won the oblinin Highest award for our secondar

angles an own it by the quarter nationaly and among

tech to the community through our retectors work and through our poweres describes—recording \$450,500

personal to the City of Sections with through

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Delivering Business Excellence



Our Year in Review

Communication Channels **FY15**

Volume: 517,049,230

- e-Com (jea.com, email, social) 28,596,394
- Paid Media (Radio, TV, Print) 130,548,737
- Community Engagement (Events, Workshops) 476.143
- Other Communication (Bill Inserts, Brochures, 12.992.160
- Earned Media 344,435, 796



Demonstrating Community Responsibility

Corporate Citizenship

Giving back to our community through volunteering is foundational as a community-owned utility

September — 53 Volunteers

- Bird Stewards at Huguenot Park
- Feeding NE Florida Food Bank (2)
- Dignity U Wear
- Dragon Boat Festival

FY15 Activities:

- 792 Volunteers
- 4,093 hours of Community Service
- 62 Volunteer Events
- 41 Organizations Benefited



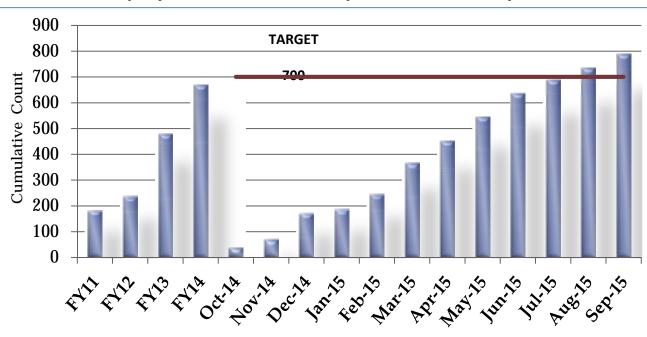
Dignity You Wear



Tonya Middleton Integration Services Specialist JEA Employee Volunteer of the Month



JEA Employee Volunteer Participation Community Service





Corporate Citizenship

JEA Ambassadors are engaging customers throughout our community in a greatly expanded way.

FY15 Activities:

- Speakers Bureau—102
- Facility Tours—62
- Community Events—66
- Educational Partnership Activities—36

JEA Ambassador Program



JEA met with local non-profit leaders: Ambassador Brian Pippin discussed ways to help low-income residents pay their utility bill with members of Community Connections of Jacksonville.



JEA Ambassadors at Northeast Florida Community Action Agency's Resource Fair: JEA Ambassadors Angel Vilechez and Thomas Hannah represented JEA at the NE FL Community Action Agency Resource Fair at the Emmett Reed Community Center.



Corporate Citizenship: Environmental

DSM Programs & Participation	2015 Goal	FY14	FY15	Status
Efficiency Assessment	22,400	24,462	24,348	Meets Target
Electric Efficiency Online Assessment	15,100	14,975	13,119	Not On Track
Electric and Water Efficiency in-home Assessment	8,900	8,967	10,690	Meets Target
Irrigation Efficiency at home Assessment	500	520	539	Meets Target
Invest Smart & Shop Smart	70,290	65,313	91,588	Meets Target
Neighborhood Energy Efficiency	1,132	1,140	1,199	Meets Target
Electric Vehicle Rebates	150	N/A	47	Not On Track

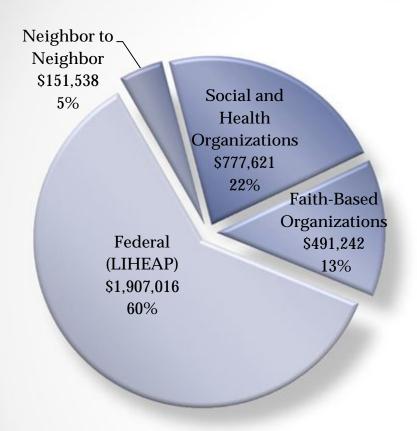


27 New Electric Vehicle Host Sites:

- Capacity for approximately 50 charging spaces
- Installation started in October
- To be completed by Year End
- 10 sites selected based on customer input
- 17 sites selected by application process which divided city into 10 geographic zones to get better disbursement



Corporate Citizenship: Customer Assistance Funding



Agency & Federal Customer Assistance FY15 YTD \$3,327,416 30 agencies provided 590 utility payments on behalf of JEA customers in September 2015 totaling \$183,893



Customers Receiving Agency & Federal Utility Assistance FY 15 YTD 10,557



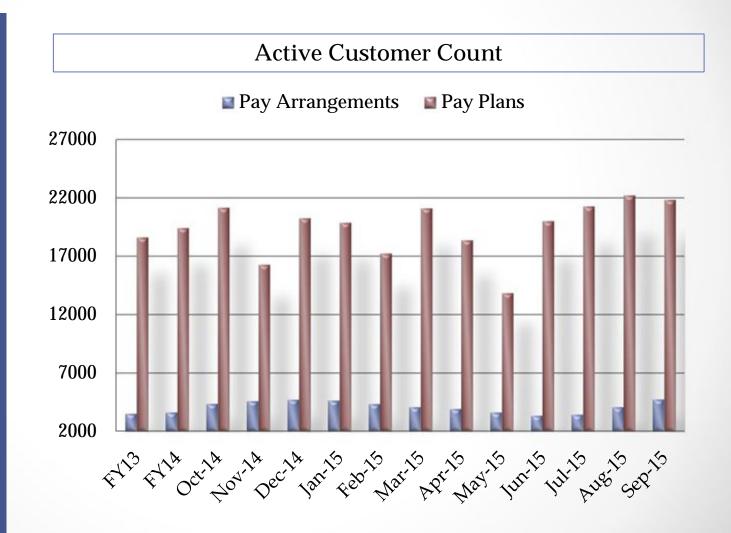
Corporate Citizenship: Customer Assistance

JEA works with customers during times of financial stress, offering assistance through Payment Plans and Payment Arrangements

Write-offs YTD Combined – 0.16% Residential – 0.15% Commercial – 0.01%

Receivables YTD < 30 Days = 84.7% Goal > 82%

> 90 Days = 1.60% Goal < 2%







Monthly Financial Statements Preliminary SEPTEMBER 2015

JEA Board of Directors Meeting - III. A. Consent Agenda

Monthly Financial Statements September 30, 2015

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JEA
Statements of Net Position
(in thousands - unaudited) September 30, 2015 and 2014

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	 2015	2014
Current assets:		
Cash and cash equivalents	\$ 419,595	\$ 299,702
Investments	78,794	146,649
Customer accounts receivable, less allowance for		
doubtful accounts - \$ 4,342 in 2015 and \$ 4,620 in 2014	218,109	215,774
Miscellaneous accounts receivable	21,622	17,306
Interest receivable	1,659	1,547
Inventories, less reserve of \$226 in 2015 and \$1,445 in 2014:		
Fuel inventory - Electric System	60,260	65,993
Fuel inventory - Plant Scherer	4,423	2,995
Materials and supplies - Electric System	19,953	19,965
Materials and supplies - Plant Scherer	2,173	2,164
Materials and supplies - Water and Sewer	42,766	45,772
Total current assets	869,354	817,867
Restricted assets:		
Cash and cash equivalents	216,479	289,920
Investments	772,571	783,340
Accounts and interest receivable	6,185	4,473
Total restricted assets	 995,235	1,077,733
Noncurrent assets:		
Other assets	17,967	19,624
Notes receivable - City of Jacksonville	-	189
Investment in The Energy Authority	7,491	8,071
Total noncurrent assets	25,458	27,884
Capital assets:		
Land and easements	164,023	136,813
Plant in service	10,601,856	10,491,842
Less accumulated depreciation	 (5,079,243)	(4,607,417)
Plant in service, net	5,686,636	6,021,238
Construction work in progress	272,716	198,382
Capital assets, net	5,959,352	6,219,620
Total assets	 7,849,399	8,143,104
Deferred outflows of resources:		
Costs to be recovered from future revenues	543,329	63,601
Unamortized losses on refundings	154,449	168,593
Accumulated decrease in fair value of fuel hedging derivatives	3,754	-
Accumulated decrease in fair value of interest swaps derivatives	148,749	105,615
Total deferred outflows of resources	850,280	337,809
Total assets and deferred outflows of resources	\$ 8,699,679	\$ 8,480,912

JEA Page 3 Statements of Net Position

(in thousands - unaudited) September 30, 2015 and 2014

Current liabilites: \$ 96,552 \$ 114,959 Accounts and accrued expenses payable 2,999 3,096 City of Jacksonville payable 9,345 9,148 Compensated absences due within one year 6,152 6,431 Customer deposits 55,798 55,644 Total current liabilities 170,846 189,278 Current liabilities payable from restricted assets: 87,500 256,630 Revenue bonds and line of credit due within one year 187,500 256,630 Interest payable 89,394 94,307 Construction contracts and accounts payable 36,645 22,604 Renewal and replacement reserve 84,472 89,220 Total current liabilities 398,011 462,761 Noncurrent liabilities 1,725 4,125 Compensated absences due after one year 21,667 20,750 Environmental liabilities 48,662 18,662 Pension 408,629 395,990 Other liabilities 457,018 40,446 Long-term debt: 457,018 40,444 <th>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</th> <th>***************************************</th> <th>2015</th> <th></th> <th>2014</th>	LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	***************************************	2015		2014
State utility taxes payable 2,999 3,096 City of Jacksonville payable 9,345 9,148 Compensated absences due within one year 6,152 6,431 Customer deposits 55,798 55,644 Total current liabilities 170,846 189,278 Current liabilities payable from restricted assets: 187,500 256,630 Revenue bonds and line of credit due within one year 187,500 256,630 Interest payable 89,394 94,307 Construction contracts and accounts payable 6,645 22,604 Renewal and replacement reserve 84,472 89,220 Total current liabilities payable from restricted assets 398,011 462,761 Noncurrent liabilities 1,725 4,125 Compensated absences due after one year 21,667 20,750 Environmental liabilities 18,662 18,662 Pension 40,862 399,90 Other liabilities 6,335 919 Total noncurrent liabilities 4,57,018 440,446 Long-term debt 4,648,720 <	Current liabilites:				
City of Jacksonville payable 9,345 9,148 Compensated absences due within one year 6,152 6,431 Customer deposits 55,798 55,644 Total current liabilities 170,846 189,278 Current liabilities payable from restricted assets: 88,394 94,307 Revenue bonds and line of credit due within one year 187,500 256,630 Interest payable 89,394 94,307 Construction contracts and accounts payable 36,645 22,604 Renewal and replacement reserve 84,472 89,220 Total current liabilities payable from restricted assets 398,011 462,761 Noncurrent liabilities 398,011 462,761 Noncurrent liabilities 1,725 4,125 Compensated absences due after one year 21,667 20,750 Environmental liabilities 18,662 18,662 Pension 408,629 395,990 Other liabilities 457,018 440,446 Long-term debt 4,648,720 4,971,935 Commercial notes payable 40,800 <td>Accounts and accrued expenses payable</td> <td>\$</td> <td>96,552</td> <td>\$</td> <td>114,959</td>	Accounts and accrued expenses payable	\$	96,552	\$	114,959
Compensated absences due within one year 6,152 6,431 Customer deposits 55,788 55,644 Total current liabilities 170,846 189,278 Current liabilities payable from restricted assets: 88,9394 187,500 256,630 Interest payable 89,394 94,307 26,630 Construction contracts and accounts payable 36,645 22,604 Renewal and replacement reserve 84,472 89,220 Total current liabilities payable from restricted assets 398,011 462,761 Noncurrent liabilities: 92,20 1,725 4,125 Compensated absences due after one year 21,667 20,750 Environmental liabilities 18,662 18,662 Pension 408,629 395,990 Other liabilities 457,018 440,446 Long-term debt: 457,018 440,464 Long-term debt: 46,48,720 4,971,935 Commercial notes payable - 40,800 Unamortized premium (discount) 170,630 194,046 Fair value of debt ma	State utility taxes payable		2,999		3,096
Customer deposits 55,798 55,644 Total current liabilities 170,846 189,278 Current liabilities payable from restricted assets: Revenue bonds and line of credit due within one year 187,500 256,630 Interest payable 89,394 94,307 Construction contracts and accounts payable 36,645 22,604 Renewal and replacement reserve 84,472 89,220 Total current liabilities payable from restricted assets 398,011 462,761 Noncurrent liabilities: 1,725 4,125 Compensated absences due after one year 21,667 20,750 Environmental liabilities 18,662 18,662 Pension 408,629 395,990 Other liabilities 457,018 440,446 Long-term debt: 457,018 440,446 Long-term debt: 468,720 4,971,935 Commercial notes payable - 40,800 Unamortized premium (discount) 170,630 194,406 Fair value of debt management strategy instruments 148,749 105,615 Total liabilities	City of Jacksonville payable		9,345		9,148
Total current liabilities 170,846 189,278 Current liabilities payable from restricted assets: 89,304 94,307 Revenue bonds and line of credit due within one year 89,394 94,307 Construction contracts and accounts payable 36,645 22,604 Renewal and replacement reserve 84,472 89,220 Total current liabilities payable from restricted assets 398,011 462,761 Noncurrent liabilities: 398,011 462,761 Compensated absences due after one year 21,667 20,750 Environmental liabilities 18,662 18,662 Pension 408,629 395,990 Other liabilities 6,335 919 Total noncurrent liabilities 457,018 440,446 Long-term debt: 457,018 440,446 Long-term debt: 4648,720 4,971,935 Commercial notes payable - 4,080 Unamortized premium (discount) 170,630 194,406 Fair value of debt management strategy instruments 148,749 105,615 Total liabilities 5	Compensated absences due within one year		6,152		6,431
Current liabilities payable from restricted assets: 187,500 256,630 Revenue bonds and line of credit due within one year 187,500 256,630 Interest payable 89,394 94,307 Construction contracts and accounts payable 36,645 22,604 Renewal and replacement reserve 84,472 89,220 Total current liabilities payable from restricted assets 398,011 462,761 Noncurrent liabilities 1,725 4,125 Compensated absences due after one year 21,667 20,750 Environmental liabilities 18,662 18,662 Pension 408,629 395,990 Other liabilities 463,355 919 Total noncurrent liabilities 457,018 440,446 Long-term debt: 4648,720 4,971,935 Bonds payable, less current portion 4,648,720 4,971,935 Commercial notes payable - 40,800 Unamortized premium (discount) 170,630 194,406 Fair value of debt management strategy instruments 148,749 105,615 Total liabilities <td>Customer deposits</td> <td></td> <td>55,798</td> <td></td> <td>55,644</td>	Customer deposits		55,798		55,644
Revenue bonds and line of credit due within one year 187,500 256,630 Interest payable 89,394 94,307 Construction contracts and accounts payable 36,645 22,604 Renewal and replacement reserve 84,472 89,220 Total current liabilities payable from restricted assets 398,011 462,761 Noncurrent liabilities: 1,725 4,125 Compensated absences due after one year 21,667 20,750 Environmental liabilities 18,662 18,662 Pension 408,629 395,990 Other liabilities 6,335 919 Total noncurrent liabilities 457,018 440,446 Long-term debt: 40,800 4,971,935 Commercial notes payable - 40,800 Unamortized premium (discount) 170,630 194,406 Fair value of debt management strategy instruments 148,749 105,615 Total long-term debt 4,968,099 5,312,756 Total liabilities 5,993,974 6,405,241 Deferred inflows of resources: 538,796	Total current liabilities		170,846	٠	189,278
Interest payable 89,394 94,307 Construction contracts and accounts payable 36,645 22,604 Renewal and replacement reserve 84,472 89,220 Total current liabilities payable from restricted assets 398,011 462,761 Noncurrent liabilities: 398,011 462,761 OPEB liability 1,725 4,125 Compensated absences due after one year 21,667 20,750 Environmental liabilities 18,662 18,662 Pension 408,629 395,990 Other liabilities 6,335 919 Total noncurrent liabilities 457,018 440,446 Long-term debt: 4,648,720 4,971,935 Commercial notes payable - 40,800 Unamortized premium (discount) 170,630 194,406 Fair value of debt management strategy instruments 148,749 105,615 Total liabilities 5,993,974 6,405,241 Deferred inflows of resources: 538,796 231,770 Total deferred inflows of resources 538,796 231,770 <td>Current liabilites payable from restricted assets:</td> <td></td> <td></td> <td></td> <td></td>	Current liabilites payable from restricted assets:				
Construction contracts and accounts payable Renewal and replacement reserve 36,645 22,604 Renewal and replacement reserve 84,472 89,220 Total current liabilities payable from restricted assets 398,011 462,761 Noncurrent liabilities 398,011 462,761 OPEB liability 1,725 4,125 Compensated absences due after one year 21,667 20,750 Environmental liabilities 18,662 18,662 Pension 408,629 395,990 Other liabilities 6,335 919 Total noncurrent liabilities 457,018 440,446 Long-term debt: 457,018 440,446 Long-term debt: - 4,080 Commercial notes payable - 4,080 Unamortized premium (discount) 170,630 194,046 Fair value of debt management strategy instruments 148,749 105,615 Total long-term debt 4,968,099 5,312,756 Total liabilities 5,993,974 6,405,241 Deferred inflows of resources 538,796 231,770	Revenue bonds and line of credit due within one year		187,500		256,630
Renewal and replacement reserve 84,472 89,220 Total current liabilities payable from restricted assets 398,011 462,761 Noncurrent liabilities: 1,725 4,125 OPEB liability 1,725 4,125 Compensated absences due after one year 21,667 20,750 Environmental liabilities 18,662 18,662 Pension 408,629 395,990 Other liabilities 6,335 919 Total noncurrent liabilities 457,018 440,446 Long-term debt: 800 4,971,935 Commercial notes payable, less current portion 4,648,720 4,971,935 Commercial notes payable - 40,800 Unamortized premium (discount) 170,630 194,406 Fair value of debt management strategy instruments 148,749 105,615 Total long-term debt 4,968,099 5,312,756 Total liabilities 5,993,974 6,405,241 Deferred inflows of resources: 538,796 231,770 Total deferred inflows of resources 538,796 231,770 <td>Interest payable</td> <td></td> <td>89,394</td> <td></td> <td>94,307</td>	Interest payable		89,394		94,307
Total current liabilities payable from restricted assets 398,011 462,761 Noncurrent liabilities: 1,725 4,125 OPEB liability 1,725 4,125 Compensated absences due after one year 21,667 20,750 Environmental liabilities 18,662 18,662 Pension 408,629 395,990 Other liabilities 6,335 919 Total noncurrent liabilities 457,018 440,446 Long-term debt: 8 457,018 440,446 Long-term debt: 8 4,648,720 4,971,935 Commercial notes payable, less current portion 4,648,720 4,971,935 Commercial notes payable - 40,800 Unamortized premium (discount) 170,630 194,406 Fair value of debt management strategy instruments 148,749 105,615 Total liabilities 5,993,974 6,405,241 Deferred inflows of resources: 538,796 231,770 Total deferred inflows of resources 538,796 231,770 Net investment in capital assets <t< td=""><td>Construction contracts and accounts payable</td><td></td><td>36,645</td><td></td><td>22,604</td></t<>	Construction contracts and accounts payable		36,645		22,604
Noncurrent liabilities: 1,725 4,125 OPEB liability 1,725 4,125 Compensated absences due after one year 21,667 20,750 Environmental liabilities 18,662 18,662 Pension 408,629 395,990 Other liabilities 6,335 919 Total noncurrent liabilities 457,018 440,446 Long-term debt: - 40,800 Commercial notes payable - 40,800 Unamortized premium (discount) 170,630 194,406 Fair value of debt management strategy instruments 148,749 105,615 Total long-term debt 4,968,099 5,312,756 Total liabilities 5,993,974 6,405,241 Deferred inflows of resources: 538,796 231,770 Total deferred inflows of resources 538,796 231,770 Net position: Net investment in capital assets 1,305,339 985,691 Restricted 530,011 607,499 Unrestricted 331,559 250,711 Total net position </td <td>Renewal and replacement reserve</td> <td></td> <td>84,472</td> <td></td> <td>89,220</td>	Renewal and replacement reserve		84,472		89,220
Noncurrent liabilities: 1,725 4,125 OPEB liability 1,725 4,125 Compensated absences due after one year 21,667 20,750 Environmental liabilities 18,662 18,662 Pension 408,629 395,990 Other liabilities 6,335 919 Total noncurrent liabilities 457,018 440,446 Long-term debt: - 40,800 Commercial notes payable - 40,800 Unamortized premium (discount) 170,630 194,406 Fair value of debt management strategy instruments 148,749 105,615 Total long-term debt 4,968,099 5,312,756 Total liabilities 5,993,974 6,405,241 Deferred inflows of resources: 538,796 231,770 Total deferred inflows of resources 538,796 231,770 Net position: Net investment in capital assets 1,305,339 985,691 Restricted 530,011 607,499 Unrestricted 331,559 250,711 Total net position </td <td>Total current liabilities payable from restricted assets</td> <td></td> <td>398,011</td> <td></td> <td>462,761</td>	Total current liabilities payable from restricted assets		398,011		462,761
Compensated absences due after one year 21,667 20,750 Environmental liabilities 18,662 18,662 Pension 408,629 395,990 Other liabilities 6,335 919 Total noncurrent liabilities 457,018 440,446 Long-term debt: 800 4,648,720 4,971,935 Bonds payable, less current portion 4,648,720 4,971,935 Commercial notes payable - 40,800 Unamortized premium (discount) 170,630 194,406 Fair value of debt management strategy instruments 148,749 105,615 Total long-term debt 4,968,099 5,312,756 Total liabilities 5,993,974 6,405,241 Deferred inflows of resources: 538,796 231,770 Net position: 1,305,339 985,691 Net investment in capital assets 1,305,339 985,691 Restricted 530,011 607,499 Unrestricted 331,559 250,711 Total net position 2,166,909 1,843,901					
Environmental liabilities 18,662 18,662 Pension 408,629 395,990 Other liabilities 6,335 919 Total noncurrent liabilities 457,018 440,446 Long-term debt: 8 457,018 440,446 Long-term debt: 9 4,648,720 4,971,935 Commercial notes payable - 40,800 Unamortized premium (discount) 170,630 194,406 Fair value of debt management strategy instruments 148,749 105,615 Total long-term debt 4,968,099 5,312,756 Total liabilities 5,993,974 6,405,241 Deferred inflows of resources: 8 231,770 Revenues to be used for future costs 538,796 231,770 Net position: Net investment in capital assets 1,305,339 985,691 Restricted 530,011 607,499 Unrestricted 331,559 250,711 Total net position 2,166,909 1,843,901	OPEB liability		1,725		4,125
Pension Other liabilities 408,629 6,335 919 Total noncurrent liabilities 457,018 440,446 Long-term debt: 457,018 440,446 Bonds payable, less current portion 4,648,720 4,971,935 Commercial notes payable - 40,800 Unamortized premium (discount) 170,630 194,406 Fair value of debt management strategy instruments 148,749 105,615 Total long-term debt 4,968,099 5,312,756 Total liabilities 5,993,974 6,405,241 Deferred inflows of resources: 538,796 231,770 Revenues to be used for future costs 538,796 231,770 Net position: Net investment in capital assets 1,305,339 985,691 Restricted 530,011 607,499 Unrestricted 331,559 250,711 Total net position 2,166,909 1,843,901	Compensated absences due after one year		21,667		20,750
Other liabilities 6,335 919 Total noncurrent liabilities 457,018 440,446 Long-term debt: *** *** Bonds payable, less current portion 4,648,720 4,971,935 Commercial notes payable - 40,800 Unamortized premium (discount) 170,630 194,406 Fair value of debt management strategy instruments 148,749 105,615 Total long-term debt 4,968,099 5,312,756 Total liabilities 5,993,974 6,405,241 Deferred inflows of resources: ** 8 Revenues to be used for future costs 538,796 231,770 Net position: ** 1,305,339 985,691 Restricted 530,011 607,499 Unrestricted 331,559 250,711 Total net position 2,166,909 1,843,901	Environmental liabilites		18,662		18,662
Total noncurrent liabilities 457,018 440,446 Long-term debt: 4,648,720 4,971,935 Commercial notes payable - 40,800 Unamortized premium (discount) 170,630 194,406 Fair value of debt management strategy instruments 148,749 105,615 Total long-term debt 4,968,099 5,312,756 Total liabilities 5,993,974 6,405,241 Deferred inflows of resources: 8 231,770 Total deferred inflows of resources 538,796 231,770 Net position: Net investment in capital assets 1,305,339 985,691 Restricted 530,011 607,499 Unrestricted 331,559 250,711 Total net position 2,166,909 1,843,901	Pension		408,629		395,990
Long-term debt: 4,648,720 4,971,935 Commercial notes payable - 40,800 Unamortized premium (discount) 170,630 194,406 Fair value of debt management strategy instruments 148,749 105,615 Total long-term debt 4,968,099 5,312,756 Total liabilities 5,993,974 6,405,241 Deferred inflows of resources: 538,796 231,770 Total deferred inflows of resources 538,796 231,770 Net position: Net investment in capital assets 1,305,339 985,691 Restricted 530,011 607,499 Unrestricted 331,559 250,711 Total net position 2,166,909 1,843,901	Other liabilities		6,335		919
Bonds payable, less current portion 4,648,720 4,971,935 Commercial notes payable - 40,800 Unamortized premium (discount) 170,630 194,406 Fair value of debt management strategy instruments 148,749 105,615 Total long-term debt 4,968,099 5,312,756 Total liabilities 5,993,974 6,405,241 Deferred inflows of resources: 538,796 231,770 Total deferred inflows of resources 538,796 231,770 Net position: Net investment in capital assets 1,305,339 985,691 Restricted 530,011 607,499 Unrestricted 331,559 250,711 Total net position 2,166,909 1,843,901	Total noncurrent liabilities		457,018		440,446
Commercial notes payable - 40,800 Unamortized premium (discount) 170,630 194,406 Fair value of debt management strategy instruments 148,749 105,615 Total long-term debt 4,968,099 5,312,756 Total liabilities 5,993,974 6,405,241 Deferred inflows of resources: 8 8 Revenues to be used for future costs 538,796 231,770 Total deferred inflows of resources 538,796 231,770 Net position: 1,305,339 985,691 Restricted 530,011 607,499 Unrestricted 331,559 250,711 Total net position 2,166,909 1,843,901	Long-term debt:				
Unamortized premium (discount) 170,630 194,406 Fair value of debt management strategy instruments 148,749 105,615 Total long-term debt 4,968,099 5,312,756 Total liabilities 5,993,974 6,405,241 Deferred inflows of resources: Revenues to be used for future costs 538,796 231,770 Total deferred inflows of resources 538,796 231,770 Net position: 1,305,339 985,691 Restricted 530,011 607,499 Unrestricted 331,559 250,711 Total net position 2,166,909 1,843,901	Bonds payable, less current portion		4,648,720		4,971,935
Fair value of debt management strategy instruments 148,749 105,615 Total long-term debt 4,968,099 5,312,756 Total liabilities 5,993,974 6,405,241 Deferred inflows of resources: Revenues to be used for future costs 538,796 231,770 Total deferred inflows of resources 538,796 231,770 Net position: Net investment in capital assets 1,305,339 985,691 Restricted 530,011 607,499 Unrestricted 331,559 250,711 Total net position 2,166,909 1,843,901	Commercial notes payable		-		40,800
Total long-term debt 4,968,099 5,312,756 Total liabilities 5,993,974 6,405,241 Deferred inflows of resources: Revenues to be used for future costs 538,796 231,770 Total deferred inflows of resources 538,796 231,770 Net position: Net investment in capital assets 1,305,339 985,691 Restricted 530,011 607,499 Unrestricted 331,559 250,711 Total net position 2,166,909 1,843,901			170,630		194,406
Total liabilities 5,993,974 6,405,241 Deferred inflows of resources: Revenues to be used for future costs 538,796 231,770 Total deferred inflows of resources 538,796 231,770 Net position: Net investment in capital assets 1,305,339 985,691 Restricted 530,011 607,499 Unrestricted 331,559 250,711 Total net position 2,166,909 1,843,901	Fair value of debt management strategy instruments		148,749		105,615
Deferred inflows of resources: Revenues to be used for future costs 538,796 231,770 Total deferred inflows of resources 538,796 231,770 Net position: Net investment in capital assets 1,305,339 985,691 Restricted 530,011 607,499 Unrestricted 331,559 250,711 Total net position 2,166,909 1,843,901	Total long-term debt		4,968,099		5,312,756
Revenues to be used for future costs 538,796 231,770 Total deferred inflows of resources 538,796 231,770 Net position: 1,305,339 985,691 Restricted 530,011 607,499 Unrestricted 331,559 250,711 Total net position 2,166,909 1,843,901	Total liabilities		5,993,974		6,405,241
Total deferred inflows of resources 538,796 231,770 Net position: 1,305,339 985,691 Net investment in capital assets 1,305,339 985,691 Restricted 530,011 607,499 Unrestricted 331,559 250,711 Total net position 2,166,909 1,843,901	Deferred inflows of resources:				
Net position: 1,305,339 985,691 Net investment in capital assets 1,305,339 985,691 Restricted 530,011 607,499 Unrestricted 331,559 250,711 Total net position 2,166,909 1,843,901	Revenues to be used for future costs		538,796		231,770
Net investment in capital assets 1,305,339 985,691 Restricted 530,011 607,499 Unrestricted 331,559 250,711 Total net position 2,166,909 1,843,901	Total deferred inflows of resources		538,796		231,770
Restricted 530,011 607,499 Unrestricted 331,559 250,711 Total net position 2,166,909 1,843,901	Net position:				
Unrestricted 331,559 250,711 Total net position 2,166,909 1,843,901	Net investment in capital assets		1,305,339		985,691
Unrestricted 331,559 250,711 Total net position 2,166,909 1,843,901	Restricted		530,011		607,499
	Unrestricted				250,711
Total liabilities, deferred inflows of resources, and net position \$8,699,679 \$8,480,912	Total net position	***	2,166,909		1,843,901
	Total liabilities, deferred inflows of resources, and net position	\$	8,699,679	\$	8,480,912

JEA Combining Statement of Net Postion (in thousands - unaudited) September 30, 2015

(iii mousainds - uriaduited) September 30, 2015								
	Electric		Elimination	Total	Water	District		
	System and	0	of Inter-	Electric	and Sewer	Energy		
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	Supply System		transactions	Fund	Fund	System	Eliminations	Total JEA
Current assets:								
Cash and cash equivalents	\$ 315,917	\$ 44,142	, &	\$ 360,059	\$ 56,176	3,360	•	\$ 419,595
Investments	70,236		,	78,794	•	1	•	78,794
Customer accounts receivable, less allowance for								
doubtful accounts of \$ 4,342	182,488	•	į	182,488	34,657	964	•	218,109
Miscellaneous accounts receivable	20,706	20,521	(19,991)	21,236	386	•	•	21,622
Interest receivable	886			1,002	657	1	1	1,659
Inventories, less reserve of \$ 226;								<u>.</u>
Fuel inventory - Electric System	31,808	28.452	•	60.260	•	1	•	60,260
Firel inventory - Plant Scherer	4 423		•	4 423	•	•	•	4.423
Materials and supplies - Electric System	1	19.953	,	19,953	•	1	•	19,953
Materials and supplies - Plant Scherer	2,173		•	2,173	•	•	•	2.173
Materials and supplies - Water and Sewer	î	•	,	ì	42.766	•	•	42.766
Total current assets	628,739	121,640	(19,991)	730,388	134,642	4,324	•	869,354
Restricted assets:								
Cash and cash equivalents	162	92,776	į	95,938	115,627	4,914	•	216,479
Investments	360,695	198,747	1	559,442	213,129	•	1	772,571
Accounts and interest receivable	2,747	1,025	,	3,772	2,413	•	-	6,185
Total restricted assets	363,604	295,548		659,152	331,169	4,914		995,235
Noncurrent assets:								
Other assets	8,394	•	,	8,394	9,573	•	•	17,967
Notes receivable - City of Jacksonville		•	•	•	•	•	1	
Investment in The Energy Authority	7,491	•	•	7,491	•	•	1	7,491
Total noncurrent assets	15,885			15,885	9,573			25,458
Capital assets:								
Land and easements	95,177	099'9	•	101,837	59,135	3,051	Ī	164,023
Plant in service	5,056,397	1,365,472	,	6,421,869	4,127,396	52,591	•	10,601,856
Less accumulated depreciation	(2,498,573)	(811,802)	•	(3,310,375)	(1,749,344)	(19,524)	•	(5,079,243)
Plant in service, net	2,653,001	560,330		3,213,331	2,437,187	36,118	-	5,686,636
Construction work in progress	133,376	13,143	•	146,519	125,271	926	•	272,716
Capital assets, net	2,786,377	573,473	,	3,359,850	2,562,458	37,044		5,959,352
Total assets	3,794,605		(19,991)	4,765,275	3,037,842	46,282	1	7,849,399
Deferred outflows of resources:								
Costs to be recovered from future revenues	278,228	11,289	•	289,517	253,812	•	•	543,329
Unamortized losses on refundings	85,304	19,944	•	105,248	48,982	219	•	154,449
Accumulated decrease in fair value of fuel hedging derivatives	3,754			3,754	•	•	Ī	3,754
Accumulated decrease in fair value of interest swaps derivatives	120,400	•		120,400	28,349	•	1	148,749
Total deferred outflows of resources	487,686	31,233		518,919	331,142	219	•	850,280
Total assets and deferred outflows of resources	\$ 4,282,291	\$ 1,021,894	\$ (19,991)	\$ 5,284,194		\$ 46,501	\$	\$ 8,699,679
	ı	1				I		

1,725 21,667 18,662 408,629 6,335

457,018

4,648,720

187,500 89,394 36,645 84,472 398.011

96,552 2,999 9,345 6,152 55,798 70,846

Total JEA

Eliminations

1,305,339 530,011 331,559 2,166,909 8,699,679

(4,129) 4,209 4,237 4,317

1,093,349 197,401

216,119 328,401 294,710

> 17,206 (17,206)

(20,298) 61,866 92,427 133,995 1,021,894

236,417 249,329 219,489

32,612

46,501

3,368,984

839,230 5,284,194

(19,991)

705,235 4,282,291

Total net position

Total liabilities, deferred inflows of resources, and net position

Net investment in capital assets

Unrestricted

Net position: Net invest Restricted 323 362

538,796

538,796

170,630 148,749 4,968,099 5,993,974

Page 5

Combining Statement of Net Postion

S 1,610 705 80 24 ဓ္ထ 2,395 27 39,750 (48) 57 42,184 39,702 Energy System Fund District မ 1,836 710 62,196 28,349 36,180 32,421 17,972 637 6,446 30,805 30,805 157,742 and Sewer Enterprise 86,573 1,643,515 2,581 1,734,060 167,406 2,014,817 Water Fund 1,088 15,164 18,662 250,887 3,754 85,551 2,999 7,509 5,436 42,543 144,038 149,710 56,268 18,593 108,482 120,400 Electric Enterprise Fund 84,472 309,043 2,965,455 507,991 3,936,973 507,991 289,55 3,194,337 S (2,785)Transactions (2,785)(17,206)(17,206)(19,991 Elimination company of Inter-S 50,945 11,439 19,315 84,472 166,171 22,235 1,329 518,286 713,670 1,486 4,163 5,492 24,286 174,229 23,721 494,000 174,229 SJRPP System 7,509 3,950 42,543 98,765 44,829 16,484 160,078 1,088 13,835 18,662 246,724 84,196 120,400 2,676,051 3,243,294 333,762 3.754 Supply System 333,762 2,471,455 System and Bulk Power 284,063 Electric G LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION Total current liabilities payable from restricted assets Noncurrent liabilites: Revenue bonds and line of credit due within one year Accumulated increase in fair value of fuel derivatives Fair value of debt management strategy instruments (in thousands - unaudited) September 30, 2015 Construction contracts and accounts payable Current liabilites payable from restricted assets: Compensated absences due within one year Compensated absences due after one year Total deferred inflows of resources Accounts and accrued expenses payable Revenues to be used for future costs Fonds payable, less current portion Renewal and replacement reserve Unamortized premium (discount) Total noncurrent liabilities City of Jacksonville payable Total current liabilities Commercial notes payable Deferred inflows of resources: Total long-term debt State utility taxes payable Environmental liabilites Total liabilities Customer deposits Interest payable Other liabilities OPEB liability Current liabilites .ong-term debt Pension

JEA Combining Statement of Net Postion (in thousands - unaudited) Septemeber 30, 2014

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES Current assets: Cash and cash equivalents Investments Customer accounts receivable, less allowance for doubtful accounts receivable Inventories, less reserve of \$ 4.620 Miscellaneous accounts receivable Inventories, less reserve of \$ 1.445: Fuel inventory - Electric System Fuel inventory - Plant Scherer Materials and suuplies - Electric System	System and Bulk Power	dadis	of Inter-	Electric	and Sewer	Energy		
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES Current assets: Cash and cash equivalents Investments Customer accounts receivable, less allowance for doubtful accounts receivable Interest receivable Interest receivable Inventories, less reserve of \$ 1,445. Fuel inventory - Electric System Fuel inventory - Plant Scherer Materials and supplies - Electric System Anterials and supplies - Electric System	Sunaly System		200		Futernries			
Current assets: Cash and cash equivalents Investments Customer accounts receivable, less allowance for doubtful accounts of \$ 4,620 Miscellameous accounts receivable Interest receivable Inventories, less reserve of \$ 1,445: Fuel inventory - Electric System Fuel inventory - Plant Scherer Materials and suuplies - Electric System	ouppin oyarem		Company	Fund	Fund	Fund	Eliminations	Total JEA
Cash and cash equivalents Investments Customer accounts receivable, less allowance for doubful accounts of \$4,620 Miscellaneous accounts receivable Interest receivable Inventories, less reserve of \$1,445: Fuel inventory - Electric System Fuel inventory - Plant Scherer Materials and supplies - Electric System								
Investments Customer accounts receivable, less allowance for doubtful accounts of \$4,620 Miscellaneous accounts receivable Interest receivable Inventories, less reserve of \$1,445: Fuel inventory - Electric System Fuel inventory - Plant Scherer Materials and supplies - Electric System	\$ 177,292 \$	76,333	•	\$ 253,625	\$ 42,660	\$ 3,417	٠ ج	\$ 299,702
Customer accounts receivable, less allowance for doubtful accounts of \$ 4,620 Miscellaneous accounts receivable Interest receivable Interest receivable Fuel rowentory - Electric System Fuel inventory - Electric System Fuel inventory - Plant Scherer Materials and supplies - Electric System	128,027	18,622	1	146,649	•	•	•	146,649
doubtful accounts of \$ 4,620 Miscellaneous accounts receivable Interest receivable Inventories, less reserve of \$ 1,445: Fuel inventory - Electric System Fuel inventory - Plant Scherer Materials and supplies - Electric System								
Miscellaneous accounts receivable Interest receivable Inventories, less reserve of \$ 1,445: Fuel inventory - Electric System Fuel inventory - Plant Scherer Materials and subjes - Electric System	179,054	•	•	179,054	35,821	889	•	215,774
Interest receivable Inventories, less reserve of \$1,445. Fuel inventory - Electric System Fuel inventory - Plant Scherer Materials and supplies - Electric System	19,186	11,801	(14,794)	16,193	1,113			17,306
Inventories, less reserve of \$ 1,445. Fuel inventory - Electric System Fuel inventory - Plant Scherer Materials and supplies - Electric System	926	1		926	591	Ī	•	1,547
Fuel inventory - Electric System Fuel inventory - Plant Scherer Materials and supplies - Electric System								
Fuel inventory - Plant Scherer Materials and supplies - Electric System	36,016	29,977	ı	65,993	•	•		65,993
Materials and supplies - Electric System	2.995	•	•	2.995	•	•	•	2,995
	1	19.965	•	19,965	•	٠	•	19,965
Materials and supplies - Plant Scherer	2 164	, '	•	2 164	•	1	•	2.164
Materials and supplies - I fall Collete Materials and supplies - Water and Sower	, 'S' 'S' '	,		· ·	45.772	•	•	45,772
Total august coots	545 600	156 600	(147 704)	697 504	125 057	1 316		817 867
חיווים ומסספוס	000,010	20,00	1,1,01,	50,100	100,00	2		
Kestricted assets:				1	000			000
Cash and cash equivalents	140	191,607	•	191,/4/	93,260	4,913		289,920
Investments	344,879	194,208	•	539,087	244,253	1	•	/83,340
Accounts and interest receivable	1,201	915		2,116	2,357	•	-	4,473
Total restricted assets	346,220	386,730		732,950	339,870	4,913		1,077,733
Noncurrent assets:								
Other assets	8.578	1	•	8,578	11,046	•	•	19,624
Notes receivable - City of Jacksonville		1	,	•	189	•	•	189
Investment in The Energy Authority	8.071	•	•	8.071	•	1	•	8,071
Total noncurrent assets	16 649	1		16.649	11,235			27.884
Capital assets:				200				
l and and easements	73 621	6 660	•	80 281	53.481	3.051	•	136.813
Plant in service	5 018 097	1 388 852		6 406 949	4 032 977	51,916	•	10.491.842
Less accumulated depreciation	(2.313.295)	(788.972)	,	(3,102,267)	(1.487.912)	(17,238)	1	(4,607,417)
Plant in service, net	2.778.423	606,540		3,384,963	2.598.546	37.729		6,021,238
Construction work in progress	80,101	18,188		98,289	99,409	684	•	198,382
Capital assets, net	2,858,524	624,728		3,483,252	2,697,955	38,413		6,219,620
Total assets	3,767,083	1,168,156	(14,794)	4,920,445	3,175,017	47,642		8,143,104
Deferred outflows of resources:								
Costs to be recovered from future revenues	35,699	14,374	1	50,073	13,528	•	•	63,601
Unamortized losses on refundings	908'06	25,933	•	116,739	51,627	227	•	168,593
Accumulated decrease in fair value of fuel hedging derivatives		•	•	•	•	•	1	•
Accumulated decrease in fair value of interest swaps derivatives	88,022	•	•	88,022	17,593	1	•	105,615
Total deferred outflows of resources	214,527	40,307	-	254,834	82,747	227	1	337,809
Total assets and deferred outflows of resources	\$ 3.981.610 \$	1.208.463	\$ (14.794) \$	(14.794) \$ 5.175.279	\$ 3.257.764	\$ 47,869	8	\$ 8,480,912

JEA Combining Statement of Net Postion In thousands - unaudited) Septemeber 30, 2014

(in thousands - unaudited) Septemeber 30, 2014								
	Electric		Elimination	Total	Water	District		
	System and		of Inter-	Electric	and Sewer	Energy		
	Bulk Power	SJRPP	company	Enterprise	Enterprise	System		
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	Supply System	System	Transactions	Fund	Fund	Fund	Eliminations	Total JEA
Current liabilites:							•	
Accounts and accrued expenses payable	\$ 75,516 \$	28,948	\$ (4)	\$ 104,460	\$ 10,480	8	·	\$ 114,959
State utility taxes payable	3,096	1	•	3,096	•	1	•	3,096
City of Jacksonville payable	7,277	•	•	7,277	1,871	•	•	9,148
Compensated absences due within one year	4,152	1,486	•	5,638	785	8	•	6,431
Customer deposits	42,857	•	1	42,857	12,787	•	•	55,644
Total current liabilities	132,898	30,434	(4)	163,328	25,923	27		189,278
Current liabilites payable from restricted assets:								0
Revenue bonds and line of credit due within one year	78,615	132,085	•	210,700	44,325	1,605	1	256,630
Interest payable	47,763	14,586	•	62,349	31,250	208	•	94,307
Construction contracts and accounts payable	8,232	15,450	(14,790)	8,892	13,693	19		22,604
Renewal and replacement reserve	•	89,220	1	89,220	-	•	1	89,220
Total current liabilities payable from restricted assets	134,610	251,341	(14,790)	371,161	89,268	2,332	1	462,761
Noncurrent liabilities:	o c			003 6	1 525		•	4 125
OPEB liability	7,600	•	•	2,000	0.70,1	٠,		- 1
Compensated absences due after one year	13,028	1,326	1	14,354	6,349	4/	•	20,750
Environmental liabilites	18,662	•	1	18,662	1	į	•	18,662
Pension	235,941	9,201	•	245,142	150,848	•	1	395,990
Other liabilities	•	•		•	919			919
Total noncurrent liabilities	270,231	10,527	1	280,758	159,641	47	1	440,446
Long-term debt:								
Bonds payable, less current portion	2,598,405	579,110	•	3,177,515	1,753,060	41,360	1	4,971,935
Commercial notes payable	40,800		1	40,800	į	•	•	40,800
Unamortized premium (discount)	98,375	25,635	•	124,010	70,449	(23)	•	194,406
Fair value of debt management strategy instruments	88,022	•	•	88,022	17,593	1	1	105,615
Total long-term debt	2,825,602	604,745	•	3,430,347	1,841,102	41,307	-	5,312,756
Total liabilities	3,363,341	897,047	(14,794)	4,245,594	2,115,934	43,713		6,405,241
Deferred inflows of resources:								700
Revenues to be used for future costs	53,072	178,698		231,770	-	1	•	231,770
Total deferred inflows of resources	53,072	178,698	1	231,770	•	•	•	231,770
Net position:								
Net investment in capital assets	156,065	(135,485)	•	20,580	969,402	(4,291)	•	985,691
Restricted	228,765	152,467	14,790	396,022	207,272	4,205	•	607,499
Unrestricted	180,367	115,736	(14,790)	281,313	(34,844)	4,242	•	250,711
Total net position	565,197	132,718	•	697,915				1,843,901
Total liabilities, deferred inflows of resources, and net position	\$ 3,981,610 \$	1,208,463	\$ (14,794)	\$ 5,175,279	\$ 3,257,764	\$ 47,869	٠ ج	\$ 8,480,912

JEA Page 8
Schedule of Cash and Investments

Schedule of Cash and Investments (in thousands - unaudited) September 30, 2015

(in thousands - unaudited) September 30, 2015	Sy:	lectric stem and lk Power oly System	SJRPP System	ı	Total Electric Enterprise Fund	 Water nd Sewer interprise Fund	District Energy System Fund	т	otal JEA
Unrestricted cash and investments:									
Operations	\$	46,981	\$ 19,622	\$	66,603	\$ 22,631	\$ 623	\$	89,857
Debt management strategy reserve		-	-		-	-	-		-
Self insurance reserve funds:									
Self funded health plan		10,937	-		10,937	-	-		10,937
Property insurance reserve		10,000	-		10,000	-	-		10,000
Total self insurance reserve funds		20,937	-		20,937	-	-		20,937
Rate stabilization:									
DSM/Conservation		2,886	-		2,886	-	-		2,886
Debt management		42,126	_		42,126	20,290	2,737		65,153
Environmental		23,430	-		23,430	-	-		23,430
Fuel		150,742	-		150,742	-	-		150,742
Purchased Power		38,000	-		38,000	-	_		38,000
Total rate stabilization funds		257,184	-		257,184	20,290	2,737		280,211
Environmental liability reserve		18,662	 -		18,662	-	-		18,662
General reserve		-	33,078		33,078	_	_		33,078
Customer deposits		42,389	-		42,389	13,255	-		55,644
Total unrestrictred cash and investments	\$	386,153	\$ 52,700	\$	438,853	\$ 56,176	\$ 3,360	\$	498,389
Restricted assets:									
Debt service funds	\$	142,303	\$ 62,608	\$	204,911	\$ 67,720	\$ 2,315	\$	274,946
Debt service reserve account		69,446	136,762		206,208	108,849	-		315,057
Renewal and replacement funds		145,711	84,380		230,091	147,494	2,599		380,184
Construction funds		4	77		81	664			745
Subtotal		357,464	283,827		641,291	324,727	4,914		970,932
Other funds		158	11,958		12,116	70	-		12,186
Unrealized holding gain (loss) on investments		3,235	(1,262)		1,973	3,959			5,932
Total restricted cash and investments	\$	360,857	\$ 294,523	\$	655,380	\$ 328,756	\$ 4,914	\$	989,050

JEA Schedule of Cash and Investments

(in thousands - unaudited) Septemeber 30, 2014	Sy: Bu	Electric stem and ilk Power ply System	SJRPP System	E	Total Electric Enterprise Fund	_	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Unrestricted cash and investments:									
Operations	\$	43,428	\$ 22,426	\$	65,854	\$	9,278	\$ 680	\$ 75,812
Debt management strategy reserve		-	-		-		304	-	304
Self insurance reserve funds:									
Self funded health plan		10,749	-		10,749		-	-	10,749
Property insurance reserve		10,000	_		10,000				 10,000
Total self insurance reserve funds		20,749	-		20,749		-		 20,749
Rate stabilization:									
DSM/Conservation		3,570	-		3,570		-	-	. 3,570
Debt management		42,126	-		42,126		20,290	2,737	65,153
Environmental		16,639	-		16,639		-	-	16,639
Fuel		105,457	_		105,457		-	=	105,457
Purchased Power		12,000	-		12,000		-	-	12,000
Total rate stabilization funds		179,792	-		179,792		20,290	2,737	202,819
Environmental liability reserve		18,662	-		18,662		-	-	18,662
General reserve		-	72,529		72,529		-	-	72,529
Customer deposits		42,688	-		42,688		12,788	 -	55,476
Total unrestrictred cash and investments	\$	305,319	\$ 94,955	\$	400,274	\$	42,660	\$ 3,417	\$ 446,351
Restricted assets:									
Debt service funds	\$	125,084	\$ 146,884	\$	271,968	\$	75,019	\$ 2,313	\$ 349,300
Debt service reserve account	•	69,692	129,462		199,154		116,829	-	315,983
Renewal and replacement funds		146,910	89,147		236,057		141,481	2,600	380,138
Construction funds		42	149		191		326	· -	517
Subtotal		341,728	 365,642		707,370		333,655	4,913	1,045,938
Other funds		93	21,359		21,452		326	· -	21,778
Unrealized holding gain (loss) on investments		3,198	(1,186)		2,012		3,532	_	5,544
Total restricted cash and investments	\$	345,019	\$ 385,815	\$	730,834	\$	337,513	\$ 4.913	\$ 1,073,260

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

			nth		Year-		
		Septe 2015	embe	er 2014	Septo 2015	emb	er 2014
Operating revenues (net of allowances and discounts) :		2013		2017	2013		2017
Electric - base	\$	69,999	\$	67,630	\$ 791,974	\$	781,645
Electric - fuel and purchased power	•	46,205	•	56,269	532,909	•	649,522
Water and Sewer		30,645		31,918	379,789		383,643
District Energy		882		892	8,778		8,682
Other, net of allowances		2,844		3,228	35,930		38,389
Total operating revenues		150,575		159,937	1,749,380		1,861,881
Operating expenses:							
Operations:							
Fuel		39,082		44,742	469,982		541,806
		3,388		2,182	47,257		43,215
Purchased power		42,926			•		269,963
Other				24,681	267,475		
Maintenance		10,789		9,417	106,691		94,801
Depreciation		30,777		31,085	366,486		375,505
State utility taxes and franchise fees		6,757		6,985	72,510		72,221
Recognition of deferred costs and revenues, net		(962)		(2,381)	(11,168)		49,271
Total operating expenses		132,757		116,711	1,319,233		1,446,782
Operating income		17,818		43,226	430,147		415,099
Nonoperating revenues (expenses):							
Earnings from The Energy Authority		1		241	1,461		3,567
Investment income		2,432		865	12,550		10,646
Net increase (decrease) in fair value of investments		931		405	354		9,900
Other revenue		835		607	11,919		7,280
Other expense		(18)		-	(86)		-,====
Interest on debt		(14,536)		(19,312)	(178,618)		(204,487
Debt management strategy		(1,667)		(1,615)	(19,581)		(19,249
Other interest, net		(3)		(1,010)	(68)		(38)
Allowance for funds used during construction		753		509	5,723		3,894
Loss on sale of asset		700		303	(199)		3,034
Total nonoperating revenues (expenses), net		(11,272)		(18,301)	(166,545)		(188,487
rotal Honopolating revenues (expendes), net		(11,212)	<u>'</u>	(10,001)	(100,010)		(100,101
Special Item		-		-	151,490		-
Income before contributions	~	6,546		24,925	415,092		226,612
Contributions (to) from:							
General fund, City of Jacksonville		(9,307)		(9,099)	(111,688)		(109,188
		, , ,	1		• • •		•
Developers and other		4,170		3,884	52,709		38,845
Reduction of plant cost through contributions		(2,773) (7,910)		(5,215)	(33,105) (92,084)		(70,343
		(1,010)		(0,210)	(02,00.)		(, 0,0,.0)
Change in net position		(1,364)	<u> </u>	19,710	323,008		156,269
Net position - beginning of period		2,168,273		2,176,296	1,843,901		2,039,737
Effect of change in accounting		-		(352,105)	-		(352,105
Net position, beginning of year, as restated		2,168,273		1,824,191	1,843,901		1,687,632
Net position - end of period	\$	2,166,909	\$	1,843,901	\$ 2,166,909	\$	1,843,901

JEA
Combining Statement of Revenues, Expenses and Changes in Net Position

companies of the control of the cont
(in thousands - unaudited) for the month ended September 30, 2015

	Electric System and Bulk Power	SJRPP	Elimination of Inter- company	Total Electric Enterprise	Water and Sewer Enterprise	District Energy System	F	
Oti	Supply Syste	m System	transactions	Fund	Fund	Fund	Eliminations	Total JEA
Operating revenues (net of allowances and discounts) : Electric - base	\$ 70,30	3.\$	- \$ -	\$ 70,308	s -	\$ -	\$ (309)	¢ 60.000
					a -	a -	. ,	
Electric - fuel and purchased power	35,82		(13,602)			-	(1,163)	46,205
Water and Sewer		-	-	-	30,720	-	(75)	30,645
District Energy		-	-		-	882	-	882
Other, net of allowances	2,19		- (40,000)	2,194	856		(206)	2,844
Total operating revenues	108,32	9 25,143	3 (13,602)	119,870	31,576	882	(1,753)	150,575
Operating expenses:								
Operations:								
Fuel	24,51	4 14,568	-	39,082	-	-	-	39,082
Purchased power	16,99		- (13,602)	3,388	-	-	-	3,388
Other	21,22	7 9,124	-	30,351	13,877	451	(1,753)	42,926
Maintenance	7,01	6 2,028	3 -	9,044	1,688	57	-	10,789
Depreciation	15,93	9 3,579	-	19,518	11,068	191	-	30,777
State utility taxes and franchise fees	5,92	7		5,927	830	-	-	6,757
Recognition of deferred costs and revenues, net	(31	2) (639	9) -	(951)	(11)	-	-	(962
Total operating expenses	91,30	1 28,660	(13,602)	106,359	27,452	699	(1,753)	132,757
Operating income	17,02	8 (3,517	7) -	13,511	4,124	183	<u>-</u>	17,818
Nonoperating revenues (expenses):								
Earnings from The Energy Authority		1	_	1	_	_	_	1
Investment income	1,88			2,106	326	_	_	2,432
Net increase (decrease) in fair value of investments	(35			(49)		_		931
Other revenue	37	•		409	426	_		835
Other expense	(1		_	(18)			_	(18
Interest on debt	(6,97	•		(9,401)		(119)	_	(14,536
Debt management strategy	(1,29		-	(1,291)		(113)	_	(1,667
Other interest, net	•	-	_	(3)		_	_	• •
	37	3)		378		2	-	(3 753
Allowance for funds used during construction	31	ь	-	3/6	373	2	-	755
Loss on sale of asset Total nonoperating revenues (expenses), net	(5,99	- 4) (1,874	<u>-</u> 1) -	(7,868)	(3,287)	(117)		(11,272
								•
Special Item		-	-	-	-	-	<u>-</u> .	-
Income before contributions	11,03	4 (5,39	-	5,643	837	66	-	6,546
Contributions (to) from:								
General fund, City of Jacksonville	(7,50	9)	-	(7,509)	(1,798)	-	-	(9,307
Developers and other		-		-	4,170	-	-	4,170
Reduction of plant cost through contributions		•		•	(2,773)			(2,773
Total contributions	(7,50	9)		(7,509)	(401)		-	(7,910
Change in net position	3,52	5 (5,39°	l) -	(1,866)	436	66		(1,364
Net position - beginning of period	701,71	0 139,386		841,096	1,322,926	4,251	_	2,168,273
Effect of change in accounting		-		-	-	-	-	
Net position, beginning of year, as restated	701,71	0 139,386	3 -	841,096	1,322,926	4,251	-	2,168,273
Net position - end of period	\$ 705.23	5 \$ 133,995	5 \$ -	\$ 839 230	\$ 1,323,362	\$ 4,317	\$ -	\$ 2,166,909
rret position - end or pendu	ψ 100,23	. क् ।उउ, ४४ ६	<u>, </u>	ψ U38,23U	ψ 1,020,002	Ψ 4,31/	Ψ -	φ ∠, 100,909

JEA
Combining Statement of Revenues, Expenses and Changes in Net Position

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Inter- company transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues (net of allowances and discounts):		•	•			•	• (000)	
Electric - base	\$ 67,956		\$ -	\$ 67,956	\$ -	\$ -	\$ (326)	
Electric - fuel and purchased power	46,318	46,794	(35,614)	57,498		-	(1,229)	56,269
Water and Sewer	-	-	-	-	31,964	-	(46)	31,918
District Energy	-	-	-	-	-	892	-	892
Other, net of allowances	2,674			2,674	760		(206)	3,228
Total operating revenues	116,948	46,794	(35,614)	128,128	32,724	892	(1,807)	159,937
Operating expenses:								
Operations:								
Fuel	30,728	14,014	_	44,742	_	_	_	44,742
Purchased power	37,796	14,014	(35,614)	2,182		_		2,182
·		1 650	(33,014)		10.620	450	(4.007)	
Other	13,744	1,658	-	15,402	10,628	458	(1,807)	24,681
Maintenance	5,462	2,397	-	7,859	1,494	64	-	9,417
Depreciation	16,613	3,503	-	20,116	10,780	189	-	31,085
State utility taxes and franchise fees	6,129	-	-	6,129	856	-	-	6,985
Recognition of deferred costs and revenues, net	(451)	(1,930)		(2,381)			- (4.00=)	(2,381
Total operating expenses	110,021	19,642	(35,614)	94,049	23,758	711	(1,807)	116,711
Operating income	6,927	27,152	-	34,079	8,966	181		43,226
Nonoperating revenues (expenses):								
Earnings from The Energy Authority	241	-	-	241	_	_	_	241
Investment income	364	207	_	571	292	2	_	865
Net increase (decrease) in fair value of investments	71	32	_	103	302	_	_	405
Other revenue	365	34		399	208		_	607
	303	34	-	399	206	-	-	607
Other expense	(0.004)	(0.050)	-	(40.444)	(7.054)	(400)	-	-
Interest on debt	(8,291)	(3,850)	-	(12,141)	(7,051)	(120)	-,	(19,312
Debt management strategy	(1,294)	-	-	(1,294)	(321)	-	-	(1,615
Other interest, net	(1)	-	-	(1)		-	-	(1
Allowance for funds used during construction	207	-	-	207	300	2	-	509
Loss on sale of asset	- (0.230)	(3,577)	-	- (11 01E)	- (6.270)	(116)	<u> </u>	(40.204
Total nonoperating revenues (expenses), net	(8,338)	(3,577)	<u>.</u>	(11,915)	(6,270)	(116)		(18,301
Special Item	-		-	-	-	-		-
Income before contributions	(1,411)	23,575	-	22,164	2,696	65		24,925
Contributions (to) from:								
General fund, City of Jacksonville	(7,277)	-	-	(7,277)	(1,822)	-	-	(9,099
Developers and other	-	-	-	-	3,884	-	-	3,884
Reduction of plant cost through contributions	·		-	-	_	-		
Total contributions	(7,277)	-	•	(7,277)	2,062	-	-	(5,215
Change in net position	(8,688)	23,575		14,887	4,758	65		19,710
Net position - beginning of period	788,669	109,143		897,812	1,274,393	4,091		2,176,296
Effect of change in accounting	(214,784)	-	-	(214,784)	(137,321)	-		(352,105
Net position, beginning of year, as restated	573,885	109,143		683,028	1,137,072	4,091	=	1,824,191
Net position - end of period	\$ 565,197	\$ 132,718	•	\$ 697,915	£ 4 444 020	\$ 4,156	•	\$ 1,843,901

JEA
Combining Statement of Revenues, Expenses and Changes in Net Position
(in thousands - unaudited) for the twelve month(s) ended September 30, 2015

Operating revenues (net of allowances and discounts): Electric - base Electric - fuel and purchased power Water and Sewer District Energy Other, net of allowances Total operating revenues Operating expenses: Operations: Fuel Purchased power Other Maintenance Depreciation State utility taxes and franchise fees	\$ystem and Bulk Power Supply System \$ 795,384	\$JRPP \$ystem \$ 289,088 - - - 289,088 169,417 -	of Inter- company Transactions \$ - (160,613) (160,613)	Electric Enterprise Fund \$ 795,384 545,741	and Sewer Enterprise Fund \$ - 380,394 - 9,339 389,733	\$ - 8,778	\$ (3,410) (12,832) (605) - (2,496) (19,343)	Total JEA \$ 791,974 532,909 379,789 8,778 35,930 1,749,380
Electric - base Electric - fuel and purchased power Water and Sewer District Energy Other, net of allowances Total operating revenues Operating expenses: Operations: Fuel Purchased power Other Maintenance Depreciation	\$ 795,384 417,266 	\$ - 289,088 289,088	\$ - (160,613) (160,613)	Fund \$ 795,384 545,741 - 29,087	\$ - 380,394 - 9,339	\$ - - - 8,778	\$ (3,410) (12,832) (605) - (2,496)	\$ 791,974 532,909 379,789 8,778 35,930
Electric - base Electric - fuel and purchased power Water and Sewer District Energy Other, net of allowances Total operating revenues Operating expenses: Operations: Fuel Purchased power Other Maintenance Depreciation	\$ 795,384 417,266 - 29,087 1,241,737 300,565 207,870 139,714 66,258	\$ - 289,088 - - - 289,088	\$ - (160,613) - - - (160,613)	\$ 795,384 545,741 - - 29,087	\$ - - 380,394 - 9,339	\$ - - - 8,778	\$ (3,410) (12,832) (605) - (2,496)	\$ 791,974 532,909 379,789 8,778 35,930
Electric - base Electric - fuel and purchased power Water and Sewer District Energy Other, net of allowances Total operating revenues Operating expenses: Operations: Fuel Purchased power Other Maintenance Depreciation	417,266 	289,088 - - 289,088	(160,613) - - - (160,613)	545,741 - - 29,087	380,394 - 9,339	8,778 -	(12,832) (605) - (2,496)	532,909 379,789 8,778 35,930
Electric - fuel and purchased power Water and Sewer District Energy Other, net of allowances Total operating revenues Operating expenses: Operations: Fuel Purchased power Other Maintenance Depreciation	417,266 	289,088 - - 289,088	(160,613) - - - (160,613)	545,741 - - 29,087	380,394 - 9,339	8,778 -	(12,832) (605) - (2,496)	532,909 379,789 8,778 35,930
Water and Sewer District Energy Other, net of allowances Total operating revenues Operating expenses: Operations: Fuel Purchased power Other Maintenance Depreciation	29,087 1,241,737 300,565 207,870 139,714 66,258	289,088 169,417	(160,613)	- - 29,087	9,339		(605) - (2,496)	379,789 8,778 35,930
District Energy Other, net of allowances Total operating revenues Operating expenses: Operations: Fuel Purchased power Other Maintenance Depreciation	300,565 207,870 139,714 66,258	169,417 -			9,339		(2,496)	8,778 35,930
Other, net of allowances Total operating revenues Operating expenses: Operations: Fuel Purchased power Other Maintenance Depreciation	300,565 207,870 139,714 66,258	169,417 -						35,930
Other, net of allowances Total operating revenues Operating expenses: Operations: Fuel Purchased power Other Maintenance Depreciation	300,565 207,870 139,714 66,258	169,417 -						35,930
Total operating revenues Operating expenses: Operations: Fuel Purchased power Other Maintenance Depreciation	300,565 207,870 139,714 66,258	169,417 -				8,778		
Operations: Fuel Purchased power Other Maintenance Depreciation	207,870 139,714 66,258	-	_					
Operations: Fuel Purchased power Other Maintenance Depreciation	207,870 139,714 66,258	-	_					
Fuel Purchased power Other Maintenance Depreciation	207,870 139,714 66,258	-	_					
Purchased power Other Maintenance Depreciation	207,870 139,714 66,258	-		469,982	_	_	_	469,982
Other Maintenance Depreciation	139,714 66,258		(160,613)	47,257	_	_	_	47,257
Maintenance . Depreciation	66,258	29,636	(100,013)	169,350	112 515	2.052	(19,343)	267,475
Depreciation		•			113,515	3,953	(19,343)	
•	189 968	25,006	-	91,264	14,452	975		106,691
State utility taxes and franchise fees		42,644	-	232,612	131,588	2,286	-	366,486
	62,440	-	-	62,440	10,070	-	-	72,510
Recognition of deferred costs and revenues, net	(3,749)	(7,303)	-	(11,052)	(116)	-	-	(11,168
Total operating expenses	963,066	259,400	(160,613)	1,061,853	269,509	7,214	(19,343)	1,319,233
Operating income	278,671	29,688	_	308,359	120,224	1,564	_	430,147
		,	,	,				
Nonoperating revenues (expenses):								
Earnings from The Energy Authority	1,461	-	-	1,461	-	-	-	1,461
Investment income	5,954	3,693	-	9,647	2,898	5	-	12,550
Net increase (decrease) in fair value of investments	36	(109)	-	(73)	427	-	-	354
Other revenue	4,413	408	-	4,821	7,098	-	-	11,919
Other expense	(86)	-	-	(86)	-	-	-	(86
Interest on debt	(81,941)	(32,403)	-	(114,344)	(62,852)	(1,422)	-	(178,618
Debt management strategy	(15,485)		-	(15,485)	(4,096)	_	-	(19,581
Other interest, net	(67)	_	_	(67)	(1)	_	-	(68
Allowance for funds used during construction	2,723	_	_	2,723	2,986	14	_	5,723
Loss on sale of asset	(199)	_	_	(199)	2,000		_	(199
Total nonoperating revenues (expenses), net	(83,191)	(28,411)		(111,602)	(53,540)	(1,403)		(166,545
Total Horioperating Tevendes (expenses), net		(20,411)	• • •			(1,400)		
Special Item	34,667	-	-	34,667	116,823	-	-	151,490
Income before contributions	230,147	1,277	-	231,424	183,507	161	-	415,092
Contributions (to) from:								
General fund, City of Jacksonville	(90,109)	-	_	(90,109)	(21,579)	-	-	(111,688
Developers and other	(,,		_		52,709	_	_	52,709
Reduction of plant cost through contributions	_	_	_	_	(33,105)	_	_	(33,105
Total contributions	(90,109)		_	(90,109)	(1,975)		_	(92,084
, otal contributions								
Change in net position	140,038	1,277	-	141,315	181,532	161	- .	323,008
Net position - beginning of period	565,197	132,718	-	697,915	1,141,830	4,156	-	1,843,901
Effect of change in accounting	-	-	-	-	-	-	-	-
Net position, beginning of year, as restated	565,197	132,718	-	697,915	1,141,830	4,156		1,843,901
Net position - end of period	\$ 705,235	\$ 133,995	s -	\$ 839,230	\$ 1 323 362	\$ 4,317	¢	\$2,166,909

JEA Page 13
Combining Statement of Payanua, Expanses and Changes in Not Position

Combining Statement of Revenues, Expenses and Changes in Net Position	
(in thousands - unaudited) for the twelve month(s) ended Septemeber 30, 2014	

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Inter- company Transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues (net of allowances and discounts) :	A 705 400			A 705 400		_	. (0.450)	
Electric - base	\$ 785,103		\$ -	\$ 785,103	\$ -	\$ -		\$ 781,645
Electric - fuel and purchased power	502,785	426,304	(266,557)	662,532		-	(13,010)	649,522
Water and Sewer	-	-	-	-	384,329		(686)	383,643
District Energy		-	-		-	8,682	-	8,682
Other, net of allowances	31,848	<u>-</u>	· · · · · · · · · · · · · · · · · · ·	31,848	9,026	7	(2,492)	38,389
Total operating revenues	1,319,736	426,304	(266,557)	1,479,483	393,355	8,689	(19,646)	1,861,881
Operating expenses:								
Operations:								
Fuel	347,740	194,066	-	541,806	-	-	-	541,806
Purchased power	309,772	_	(266,557)	43,215	-		_	43,215
Other	137,242	39,607	-	176,849	108,871	3,889	(19,646)	269,963
Maintenance	55,957	24,899	-	80,856	13,028	917	-	94,801
Depreciation	199,944	41,774	-	241,718	131,600	2,187	_	375,50
State utility taxes and franchise fees	62,445	-	_	62,445	9,776	-,	_	72,22
Recognition of deferred costs and revenues, net	(5,663)	54,934	_	49,271	-	-	_	49,271
Total operating expenses	1,107,437	355,280	(266,557)	1,196,160	263,275	6,993	(19,646)	1,446,782
Operating income	212,299	71,024	-	283,323	130,080	1,696	-	415,099
Nonoperating revenues (expenses):								
,	3,567			3,567				2 50
Earnings from The Energy Authority Investment income	3,367 4,197	3,624	-	· ·	2 040	6	-	3,567
	•		-	7,821	2,819		-	10,646
Net increase (decrease) in fair value of investments Other revenue	4,161	2,632 409	-	6,793	3,110	(3)	- · · · · · · · · · · · · · · · · · · ·	9,900
	4,379	409	-	4,788	2,492	-	-	7,28
Other expense	(00.460)	(40.624)	-	(420.700)	(70.050)	(4.420)	-	(004.40
Interest on debt	(90,168)	(40,631)	-	(130,799)	(72,258)	(1,430)	-	(204,487
Debt management strategy	(15,485)	-	-	(15,485)	(3,764)	-	-	(19,249
Other interest, net	(47)	-	-	(47)		-	-	(38
Allowance for funds used during construction	1,396	-	-	1,396	2,481	17	-	3,894
Loss on sale of asset Total nonoperating revenues (expenses), net	(88,000)	(33,966)		(121,966)	(65,111)	(1,410)	-	(188,487
Special Item		_	_		_	_	-	
Income before contributions	124,299	37,058		161,357	64,969	286	-	226,612
Contributions (to) from:								
General fund, City of Jacksonville	(87,318)	•	-	(87,318)	(21,870)	-	-	(109,188
Developers and other	-	-	-	•	38,845	-	-	38,845
Reduction of plant cost through contributions		-	-	-	-	-	<u>-</u>	
Total contributions	(87,318)	-	-	(87,318)	16,975	-	•	(70,343
Change in net position	36,981	37,058	•	74,039	81,944	286		156,269
Net position - beginning of period	743,000	95,660	-	838,660	1,197,207	3,870		2,039,737
Effect of change in accounting	(214,784)	-	-	(214,784)	(137,321)	-	•	(352,105
Net position, beginning of year, as restated	528,216	95,660	-	623,876	1,059,886	3,870	_	1,687,632
Net position - end of period	\$ 565,197	\$ 132,718	s -	\$ 697.915	\$ 1,141,830	\$ 4,156	\$ -	\$ 1,843,90°
rrot poolition - ond or poriod	ψ 505,197	ψ 1JZ,110	· ·	ψ <i>υσι</i> ,σιο	ψ 1, 1-1,030	Ψ +,100	Ψ -	ψ 1,040,8

JEA Page 14 Statement of Cash Flows (in thousands - unaudited) for the twelve month(s) ended September 30, 2015 Operations: Receipts from customers 1,807,475 Other receipts 34,398 Payments to suppliers (734,988)Payments to employees (232,052)Net cash provided by operating activities 874,833 Noncapital and related financing activities: Contribution to General Fund, City of Jacksonville, Florida (111,491)Other revenues, net 4,586 **Build America Bonds subsidies** 7,256 Net cash used in noncapital financing activities (99,649)Capital and related financing activities: Acquisition and construction of capital assets (204,708)Proceeds from sales of property 585 Gain/(Loss) on disposal of assets (158)Proceeds from issuance of debt 198.805 Debt issue costs and discounts 12,855 Defeasance of debt (378, 782)Repayment of debt principal (257,869)Interest paid on debt (212,410)Contribution from developers and others 19,604 (822,078) Net cash used in capital and related financing activities Investing activities: Purchase of investments (1,811,962)Proceeds from sale and maturities of investments 1,890,938 Investment income 12,329 Distributions from The Energy Authority 2.041 Net cash used in investing activities 93,346 Net change in cash and cash equivalents 46,452 Cash and cash equivalents at October 1, 2014 589,622 Cash and cash equivalents at September 30, 2015 \$ 636,074 Reconciliation of operating income to net cash provided by operating activities: Operating Income: \$ 430,147 Adjustments to reconcile operating income to net cash provided by operating activities: Depreciation and amortization 367,959 Recognition of deferred costs and revenues, net (11,168)Changes in noncash assets and noncash liabilities: Decrease (increase) accounts receivable (11,845)Decrease (increase) accounts receivable, restricted (1,600)Decrease (increase) in inventories 7,314 Increase (decrease) in other assets 372 Increase (decrease) in accounts and expenses payable (15,857)Increase (decrease) in liabilities payable, restricted (1,171)Increase (decrease) in other liabilities 110,682 Net cash provided by operating activities 874,833 Non-cash activity:

\$

33,105

Contribution of capital assets from developers

JEA
Combining Statement of Cash Flows
(in thousands - unaudited) for the twelve month(s) ended September 30, 2015

	Sy Bi	Electric stem and ulk Power ply System		SJRPP System	Elimination of Inter- company Transactions	Total Electric Enterprise Fund		Water nd Sewer nterprise Fund	S	District Energy System Fund	Eliminations		Total JEA
Operations:	•	4 005 000	•	000 000	f (400,000)	6 4 444 450	•	404.450	•	0.740	f (40 0 47)	•	4 007 475
Receipts from customers	\$	1,285,090	\$	289,088	\$ (163,028)	\$ 1,411,150	\$		\$	8,713	\$ (16,847)	\$	
Other receipts		27,551		(040.405)	462,000	27,551		9,343		(4,390)	(2,496) 19,343		34,398 (734,988)
Payments to suppliers		(622,201)		(213,465)	163,028	(672,638)		(77,303)		(524)	19,343		(232,052)
Payments to employees Net cash provided by operating activities		(151,564) 538,876		(25,658) 49,965		(177,222) 588,841		(54,306) 282,193		3,799	<u>:</u>		874,833
Net cash provided by operating activities		330,070		49,903	<u>-</u>	300,041		202,193		3,199		_	074,000
Noncapital and related financing activities:													
Contribution to General Fund, City of Jacksonville, Florida		(89,877)		-	-	(89,877)		(21,614)		-	-		(111,491
Other revenues, net		(23)		_	-	(23)		4,609		-	-		4,586
Build America Bonds subsidies		4,360		408	-	4,768		2,488		-	-		7,256
Net cash used in noncapital financing activities		(85,540)		408	-	(85,132)		(14,517)		-	-		(99,649
Oit-land-stated financing activities													
Capital and related financing activities: Acquisition and construction of capital assets		(106,888)				(106,888)		(96,978)		(842)			(204,708
Proceeds from sales of property		(100,000)		-	-	(100,000)		(96,976)		(042)	-		585
		(158)		-	-	(158)		363		-	-		(158
Gain/(Loss) on disposal of assets Proceeds from issuance of debt		125,680		73,125	-	198,805		-		-	-		198.805
Debt issue costs and discounts		2,769		10,344	-	13,113		(258)					12.855
Defeasance of debt		(194,130)		(110,976)	-	(305,106)		(73,676)			_		(378,782
		(79,854)		(132,085)	-	(211,939)		(44,325)		(1,605)			(257,869
Repayment of debt principal Interest paid on debt		(112,082)		(27,787)	-	(139,869)		(71,128)		(1,413)	·		(212,410
		(112,002)		(21,101)	-	(139,669)		19,604		(1,413)	_		19,604
Contribution from developers and others Net cash used in capital and related financing activities		(364.663)		(187,379)		(552,042)		(266,176)		(3,860)			(822,078
Net cash used in capital and related infancing activities	***************************************	(304,003)		(107,073)		(002,042)		(200,170)		(0,000)			(022,010
Investing activities:													
Purchase of investments		(713,897)		(621,356)	-	(1,335,253)		(476,709)		-	-		1,811,962
Proceeds from sale and maturities of investments		755,908		626,770	-	1,382,678		508,260		-	-		1,890,938
Investment income		5,922		3,570	-	9,492		2,832		5	-		12,329
Distributions from The Energy Authority		2,041				2,041				-			2,041
Net cash used in investing activities		49,974		8,984	-	58,958		34,383		5	-		93,346
Net change in cash and cash equivalents		138,647		(128,022)	_	10,625		35,883		(56)			46,452
Cash and cash equivalents at October 1, 2014		177,432		267,940	_	445,372		135,920		8,330	_		589,622
Cash and cash equivalents at September 30, 2015	\$	316,079	\$		\$ -	\$ 455,997	\$	171,803	\$	8,274	\$ -	\$	636,074
Reconciliation of operating income to net cash provided by operating activities:													
Operating Income:	\$	278,671	\$	29,688	\$ -	\$ 308,359	\$	120,224	\$	1,564	\$ -	\$	430,147
Adjustments to reconcile operating income to net cash provided by operating activities:													
Depreciation and amortization		189,968		42,644		232,612		133,061		2,286	-		367,959
Recognition of deferred costs and revenues, net		(3,749)		(7,303)	-	(11,052)		(116)		-	-		(11,168
Changes in noncash assets and noncash liabilities:													
Decrease (increase) accounts receivable		(4,954)		(8,720)	-	(13,674)		1,893		(64)	-		(11,845
Decrease (increase) accounts receivable, restricted		(1,545)		-	-	(1,545)		(55)		-	-		(1,600
Decrease (increase) in inventories		2,771		1,537	-	4,308		3,006		-	-		7,314
Increase (decrease) in other assets		183		-	-	183		189		-	-		372
Increase (decrease) in accounts and expenses payable		(10,095)		(6,713)	-	(16,808)		948		3	-		(15,85
Increase (decrease) in liabilities payable, restricted		-		(1,171)	-	(1,171)		-		-	-		(1,17
Increase (decrease) in other liabilities		87,626		3	· -	87,629		23,043		10	<u> </u>		110,682
Net cash provided by operating activities	\$	538,876	\$	49,965	\$ -	\$ 588,841	\$	282,193	\$	3,799	\$ -	\$	874,83

Non-cash activity:

Contribution of capital assets from developers

\$ 33,105

JEA

Statement of Cash Flows		Page 16
(in thousands - unaudited) for the twelve month(s) ended Septer	neber 30, :	2014
Operations:		
Receipts from customers	\$	1,833,716
Other receipts		40,444
Payments to suppliers		(834,879
Payments to employees		(214,514
Net cash provided by operating activities		824,767
Noncapital and related financing activities:		
Contribution to General Fund, City of Jacksonville, Florida		(108,965
Other revenues, net		
Build America Bonds subsidies		7,279
Net cash used in noncapital financing activities		(101,686
Capital and related financing activities:		
Acquisition and construction of capital assets		(158,392
Proceeds from sales of property		1,723
Gain/(Loss) on disposal of assets		-
Proceeds from issuance of debt		813,295
Debt issue costs and discounts		41,965
Defeasance of debt		(947,055
Repayment of debt principal		(239,939
Interest paid on debt		(232,990
Contribution from developers and others		18,298
Net cash used in capital and related financing activities		(703,095
nvesting activities:		(4.004.000
Purchase of investments		(1,831,070
Proceeds from sale and maturities of investments		1,802,942
Investment income		10,090
Distributions from The Energy Authority		1,785
Net cash used in investing activities	· · · · · · · · · · · · · · · · · · ·	(16,253
Net change in cash and cash equivalents		3,733
Cash and cash equivalents at October 1, 2013		585,889
Cash and cash equivalents at Septemeber 30, 2014	\$	589,622
Reconciliation of operating income to net cash provided by operating activities:		
Operating Income:	\$	415,099
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization		377,115
Recognition of deferred costs and revenues, net		49,271
Changes in noncash assets and noncash liabilities:		
Decrease (increase) accounts receivable		6,331
Decrease (increase) accounts receivable, restricted		2,056
Decrease (increase) in inventories		5,133
Increase (decrease) in other assets		(7,975
Increase (decrease) in accounts and expenses payable		(13,311
Increase (decrease) in liabilities payable, restricted		(6,815
Increase (decrease) in other liabilities		(2,137
Net cash provided by operating activities	\$	824,767
Non-cash activity:		
Contribution of capital assets from developers	\$	20,546
p		

JEA
Combining Statement of Cash Flows
(in thousands - unaudited) for the twelve month(s) ended Septemeber 30, 2014

	Sys: Bull	ectric tem and k Power ly System	SJRI Syste		CC	mination of Inter- ompany nsactions	Total Electri Enterpr Fund	c ise	Water and Sewer Enterprise Fund	S	istrict nergy system Fund	Elin	ninations		Total JEA
Operations:	_													_	
Receipts from customers	\$ 1		\$ 426	,304	\$	(263,688)			\$ 386,077	\$	8,604	\$	(17,154)	\$ 1	
Other receipts		33,029		-		-		029	9,900		7		(2,492)		40,444
Payments to suppliers		(796,506)	(233			263,688	(766,		(83,761)		(4,314)		19,646		(834,879)
Payments to employees		(138,432) 391,664		,541)			(165,		(48,043)		(498) 3,799		-		(214,514) 824,767
Net cash provided by operating activities		391,664	165	,131		-	556,	195	264,173		3,799				624,767
Noncapital and related financing activities:		(07.020)					(07	U30)	(24.027)						(108,965)
Contribution to General Fund, City of Jacksonville, Florida		(87,038)		•		•	(07,	038)	(21,927)		•		-		(100,300
Other revenues, net Build America Bonds subsidies		4,378		409		-	4	- 787	2,492		_				7,279
Net cash used in noncapital financing activities		(82,660)		409		<u>-</u> -		251)	(19,435)						(101,686
Net cash used in noncapital imancing activities		(02,000)		403			(02,	201)	(10,400)						(101,000
Capital and related financing activities: Acquisition and construction of capital assets		(78,891)		_		_	(78	891)	(78,417)		(1,084)		_		(158.392
Proceeds from sales of property		1,295		-		-		295	428		(1,004)		-		1,723
Gain/(Loss) on disposal of assets		1,295		-		-	1,	- 253	420		-		-		1,723
Proceeds from issuance of debt		360,380	152	,715		-	513.	095	300,200		-		-		813,295
Debt issue costs and discounts		19,552		(149)		_		403	22,562				_		41,965
Defeasance of debt		(417,243)		,418)		-	(569,		(377,394)		-		_		(947,055
Repayment of debt principal		(65,450)		,390)		_	(192		(46,734)		(365)	,	_		(239,939
Interest paid on debt		(112,227)		,910)			(150,		(81,742)		(1,111)		_		(232,990
Contribution from developers and others		(112,227)	(0.	,0.0,		_	(100,	,	18,298		(1,111)				18,298
Net cash used in capital and related financing activities		(292,584)	(165	,152)		_	(457	736)	(242,799)		(2,560))	-		(703,095
Investing activities: Purchase of investments Proceeds from sale and maturities of investments Investment income Distributions from The Energy Authority Net cash used in investing activities		(609,292) 603,223 3,790 1,785 (494)	`686 3	,340) i,612 i,699 -		- - -	1,		(540,438) 513,085 2,595 - (24,758)		22 6 -		- - -		1,831,070 1,802,942 10,090 1,785 (16,253
		45.000		250			25	205	(22.040)		1,267				3,733
Net change in cash and cash equivalents		15,926 161,506		,359 ,581		•	420	285	(22,819) 158,739	'	7.063		•		585,889
Cash and cash equivalents at October 1, 2013 Cash and cash equivalents at Septemeber 30, 2014	\$	177,432		,940	\$	<u>-</u>		372	\$ 135,920	\$	8,330	\$		\$	589,622
Reconciliation of operating income to net cash provided by operating activities:	•		<u>,</u>	,	- Л.							· · ·		•	
Operating Income:	\$	212,299	\$ 71	,024	\$	-	\$ 283	323	\$ 130,080	\$	1,696	\$	-	\$	415,099
Adjustments to reconcile operating income to net cash provided by operating activities:															
Depreciation and amortization		199,944		,774		-	241		133,210		2,187		-		377,115
Recognition of deferred costs and revenues, net		(5,663)	54	,934		-	49	271	-		-		-		49,271
Changes in noncash assets and noncash liabilities:															
Decrease (increase) accounts receivable		5,685	(1	,024)		-		661	1,748		(78))	-		6,331
Decrease (increase) accounts receivable, restricted		1,181	_	-				181	875		-		-		2,056
Decrease (increase) in inventories		1,069	2	,958		-		027	1,106		-		-		5,133
Increase (decrease) in other assets		(7,975)	_			-		975)			-		-		(7,975
Increase (decrease) in accounts and expenses payable		(13,234)		3,830		-		404)	(3,891)	١	(16))	-		(13,311
Increase (decrease) in liabilities payable, restricted		(4.040)		5,815)		-		815)	4.045		40		-		(6,815
Increase (decrease) in other liabilities	<u> </u>	(1,642)		,550)	•	<u> </u>		192)	1,045	•	10	_		•	(2,137
Net cash provided by operating activities	\$\$	391,664	\$ 165	5,131	\$	•	a 556	795	\$ 264,173	\$	3,799	\$	•	\$	824,767

Non-cash activity:

Contribution of capital assets from developers

\$ 20,546

JEA
Electric System
Changes in Debt Service, R & R and Construction Funds
(in thousands - unaudited) for the twelve month(s) ended September 30, 2015 and September 30, 2014

		S		mber 30, 201	5		S	neber 30, 20	14	
		Debt service funds		Renewal and placement funds	c	Construction funds	Debt service funds	Renewal and placement funds	Co	onstruction funds
Beginning balance	\$	194,776	\$	148,110	\$	43	\$ 178,886	\$ 142,868	\$	5,185
Additions:							 			
Debt issuance:										
Bonds		_		_		_	_	_		360,380
Transfer from:										
Revenue fund		188,381		110,404		_	171,965	85,639		665
Debt Service		-		_		-	· -	· -		1,619
R & R fund		_		_		37	-	_		340
Construction fund		_		_		-	_	69		-
Proceeds from property sales		_		41		_	-	1,295		_
Increase in accounts payable		_		8,258		_	_	-,		_
Debt issue premiums		_				_	-	_		21,993
Total additions		188,381		118,703		37	 171,965	 87,003		384,997
Deductions:	-	100,001		110,700			 171,000	 07,000		004,007
Increase in utility plant		_		118,318		71	_	72,771		4,416
Interest/principal payments from sinking funds		171,162		110,510			154,456	12,771		7,710
Defeasance		171,102		_		_	104,400	_		383,745
Transfer to:		_		_						000,740
Revenue fund		246		_		_	_	_		905
R & R fund		240		_			_	_		69
Construction fund		_		37		_	1,619	340		-
Deposits		_		57			1,019	7,500		_
Debt issue costs and discounts		_		_		_	_	7,000		593
Decrease in accounts payable		_		_		5	_	1,150		411
· •		-		-			-	1,150		
Loss from property sales		- 171 100					450.075	 		-
Total deductions		171,408	-	118,355		76	156,075	81,761		390,139
Ending balance	\$	211,749	\$	148,458	\$	4	\$ 194,776	\$ 148,110	\$	43
Renewal and replacement fund: Cash & investments Accounts / notes receivable: Accounts receivable Street light & other customer loans			\$	145,711 2,645 102 148,458	- =			\$ 146,910 1,042 158 148,110	- =	
Construction fund: Generation projects T& D and other capital projects Accounts receivable					\$	4 4			\$	4 38 1 43

JEA
Water and Sewer System
Changes in Debt Service, R & R and Construction Funds
(in thousands - unaudited) for the twelve month(s) ended September 30, 2015 and September 30, 2014 Page 19

Beginning balance \$ 191,848 \$ 142,417 \$ 670 \$ - \$ 200,200,200,200,200,200,200,200,200,200			· · · · · · · · · · · · · · · · · · ·		
Additions: Debt issuance: Bonds	Rep	Debt Service Funds	Renewal and Replacement Funds	Construction	Environmenta Fund
Debt issuance: Bonds	232 \$	200,232	131,128	\$ 2,305	\$
Transfer from: Revenue fund Rev					-
Revenue fund	-	-	-	-	
R & R fund Construction fund Proceeds from property sales Contribution in aid of construction Increase in accounts payable Debt issuance premiums Increase in utility plant Interest/principal payments from sinking funds Increase in utility plant Increase from sinking funds Increase in utility plant Incre	144	117 444	60 202		
Construction fund	144	117,444	69,393	1 003	
Proceeds from property sales Contribution in aid of construction Increase in accounts payable Contribution in aid of construction Increase in accounts payable Increase in utility plant Inc	-	-	172	1,893	
Contribution in aid of construction	-	-		-	
A	-	-	428	-	
Debt issuance premiums	-	-	18,298	-	
Deductions:		-	1,136 	<u> </u>	
Increase in utility plant	144	117,444	89,427	1,893	
Interest/principal payments from sinking funds					
Transfer to: Revenue fund 7,979 116 3,1 R&R fund 22,056 Construction fund 22,056 Construction fund	-	-	76,245	607	
Revenue fund 7,979	741	122,741	-	-	
R&R fund	-		-	-	
Construction fund	087	3,087	-	-	
Debt issuance costs and discounts Decrease in accounts payable Total deductions 118,067 102,612 6 22,172 125,1 Ending balance \$ 176,569 \$ 149,130 \$ 664 \$ - \$ 191,1 Recap: Renewal and replacement fund: Cash & investments Accounts / notes receivable: Accounts receivable Notes receivable Notes receivable 1,616 Notes receivable 20	-	-	-	172	
Contract	-	-	1,893	-	
Total deductions	-	-	_	48	
Total deductions		-	_	2,701	
Recap: Renewal and replacement fund: Cash & investments \$ 147,494 Accounts / notes receivable: Accounts receivable \$ 1,616 Notes receivable \$ 20	328	125,828	78,138	3,528	
Recap: Renewal and replacement fund: Cash & investments \$ 147,494 Accounts / notes receivable: Accounts receivable \$ 1,616 Notes receivable \$ 20	2 212	191,848	142,417	\$ 670	•
Renewal and replacement fund: Cash & Investments \$ 147,494 Accounts / notes receivable: Accounts receivable \$ 1,616 Notes receivable \$ 20					
	\$		910 25		
Construction fund: Construction reserves \$ - Accounts receivable -				\$ -	\$ -
				670	67
Project funds <u>664</u> \$ 664				\$ 670	\$ 67

Electric System			Month		Prior Year	/lonth
Budget vs. Actual	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
September 30, 2015 and 2014	2014-15	2014-15	2014-15	%	2013-14	%
Fuel Related Revenues & Expenses						
Fuel Rate Revenues	\$ 542,218,303 \$	48,192,592 \$	46,727,136	-3.04%	45,816,255	1.99%
Fuel Expense and Purchased Power:						
Fuel Expense - Electric System	308,686,900	27,489,142	21,441,585		27,409,500	
Fuel Expense - SJRPP	129,171,400	11,242,400	8,500,334		8,602,791	
Other Purchased Power	90,396,444	9,849,714	5,764,121		4,136,734	
Subtotal Energy Expense	528,254,744	48,581,257	35,706,040	26.50%	40,149,026	11.07%
Transfer to (from) Rate Stabilization, Net	12,879,123	12,879,123	10,946,552		5,589,796	
Fuel Related Uncollectibles	1,084,436	90,370	74,544		77,433	
Total	542,218,302	61,550,749	46,727,136	24.08%	45,816,255	-1.99%
Fuel Balance	-	(13,358,157)	(0)		(0)	
Nonfuel Related Revenues						
Base Rate Revenues	738,359,977	65,625,748	63,597,201		61,279,403	
Conservation Charge Revenue	989,059	87,908	96,984		122,732	
Environmental Charge Revenue	7,686,000	683,135	662,102		647,913	
Investment Income	2,941,782	245,149	1,883,711		358,281	
Other Revenues	39,684,121	3,307,010	2,471,994		2,980,298	
Total	789,660,939	69,948,949	68,711,992	1.77%	65,388,628	5.08%
Nonfuel Related Expenses						
Non-Fuel O&M	189,865,679	18,724,998	26,106,488		17,656,236	
DSM / Conservation O&M	9,214,100	731,222	1,309,426		1,051,249	
Environmental O&M	2,228,500	185,708	274,698		251,983	
Net Transfer to Rate Stabilization - DSM	(1,925,041)	(170,323)	(627,742)		(323,965)	
Transfer to Environmental Fund/RSF	5,457,500	454,792	387,405		395,930	
Debt Principal - Electric System	94,955,000	7,912,917	7,928,385		6,656,377	
Debt Interest - Electric System	113,174,619	9,431,218	8,892,034		9,445,727	
*** Bond Buy-Back Principal - Electric System	57,021,684	57,021,684	· · · -		35,624,998	
R&R - Electric System	67,286,054	5,607,171	5,460,179		5,258,521	
Operating Capital Outlay	45,713,946	(37,000,000)	113,530		(32,548,314)	
City Contribution Expense	90,108,598	7,509,050	7,509,050		7,276,502	
Taxes & Uncollectibles	1,697,348	141,446	117,356		120,567	
Emergency Reserve	-	-	-			
Nonfuel Purchased Power:						
* SJRPP D/S Principal	46,090,484	3,840,874	2,975,104		7,202,213	
* SJRPP D/S Interest	22,734,025	1,894,502	1,497,231		2,022,516	
** Other Non-Fuel Purchased Power	46,038,443	291,813	3,770,832		20,653,109	
Total Nonfuel Expenses	789,660,938	76,577,070	65,713,975	14.19%	70,743,648	7.11%
Non-Fuel Balance		(6,628,121)	2,998,017		(5,355,020)	
Total Balance		(19,986,278)	2,998,017		(5,355,020)	
Total Revenues	1,331,879,242	118,141,541	115,439,128	-2.29%	111,204,884	3.81%
Total Expenses	1,331,879,242	138,127,819	112,441,111	18.60%	116,559,903	3.53%
tar maporioso	.,001,010,272	.00,.27,010	,		0,000,000	0.0070
KWH Sold - Territorial	12,600,000,000	1,119,893,695	1,083,446,000	-3.25%	1,064,186,000	1.81%
KWH Sold - Off System	-		3,178,000		17,956,000	
	12,600,000,000	1,119,893,695	1,086,624,000	-2.97%	1,082,142,000	0.41%

^{*} Gross debt service

^{**} Includes transmission capacity, SJRPP and Scherer R & R, O & M and Investment Income. Includes \$26.0M to Non-Fuel Purchased Power Rate Stabilization.

^{***} Bond Buy-Back Principal of \$25.0M was defeased July 16, 2015 and \$40.8M was defeased on August 25, 2015.

Electric System			Year-To-Date		Prior Year-To-Date					
Budget vs. Actual	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance				
September 30, 2015 and 2014	2014-15	2014-15	2014-15	%	2013-14	%				
uel Related Revenues & Expenses						0.500/				
Fuel Rate Revenues	542,218,303	542,218,303	486,361,649	10.30%	498,930,135	-2.52%				
Fuel Expense and Purchased Power:										
Fuel Expense - Electric System	308,686,900	308,686,900	264,367,281		313,096,125					
Fuel Expense - SJRPP	129,171,400	129,171,400	103,722,684		124,533,335					
Other Purchased Power	90,396,444	90,396,444	72,242,919		63,368,119					
Subtotal Energy Expense	528,254,745	528,254,745	440,332,884	16.64%	500,997,579	12.11%				
Transfer to (from) Rate Stabilization, Net	12,879,123	12,879,123	45,285,726		(2,833,007)					
Fuel Related Uncollectibles	1,084,436	1,084,436	743,039		765,562					
Total	542,218,303	542,218,303	486,361,649	10.30%	498,930,135	2.52%				
Fuel Balance	-	(0)	(0)		(0)					
Ionfuel Related Revenues										
Base Rate Revenues	738,359,977	738,359,977	732,972,476		716,972,512					
Conservation Charge Revenue	989,059	989,059	851,395		835,056					
Environmental Charge Revenue	7,686,000	7,686,000	7,586,667		7,395,430					
Investment Income	2,941,782	2,941,782	5,890,188		4,123,349					
Other Revenues	39,684,121	39,684,121	32,293,499		35,447,542					
Total	789,660,939	789,660,939	779,594,225	-1.27%	764,773,890	1.94%				
onfuel Related Expenses										
Non-Fuel O&M	190,225,679	190,225,679	183,225,593		160,659,426					
DSM / Conservation O&M	8,854,100	8,854,100	7,742,540		7,249,967					
Environmental O&M	2,228,500	2,228,500	795,440		778,697					
Net Transfer to Rate Stabilization - DSM	(1,925,041)	(1,925,041)	(683,409)		(321,374)					
Transfer to Environmental Fund/RSF	5,457,500	5,457,500	6,791,227		6,616,733					
Debt Principal - Electric System	94,955,000	94,955,000	95,054,000		76,435,000					
Debt Interest - Electric System	113,174,619	113,174,619	104,297,303		109,440,502					
** Bond Buy-Back Principal - Electric System	57,021,684	57,021,684	65,800,000		35,624,998					
R&R - Electric System	67,286,054	67,286,054	65,522,150		63,102,250					
Operating Capital Outlay	45,713,946	45,713,946	44,827,476		22,536,538					
City Contribution Expense	90,108,598	90,108,598	90,108,598		87,318,021					
Taxes & Uncollectibles	1,697,348	1,697,348	1,308,904		1,303,156					
Emergency Reserve Nonfuel Purchased Power:	-	-	• -		-					
SJRPP D/S Principal	46,090,484	46,090,484	35,579,375		86,080,000					
SJRPP D/S Interest	22,734,025	22,734,025	19,874,162		25,680,897					
* Other Non-Fuel Purchased Power	46,038,443	46,038,443	59,350,865		82,269,079					
Total Nonfuel Expenses	789,660,938	789,660,939	779,594,225	1.27%	764,773,890	1.94%				
Non-Fuel Balance	<u> </u>	(0)	0		0					
Total Balance	-	(0)	(0)		(0)					
Total Revenues	1,331,879,242	1,331,879,242	1,265,955,874	-4.95%	1,263,704,025	0.18%				
Total Expenses	1,331,879,242	1,331,879,242	1,265,955,874	4.95%	1,263,704,025	-0.18%				
KWH Sold - Territorial	12,600,000,000	12,600,000,000	12,434,208,000	-1.32%	12,171,989,000	2.15%				
KWH Sold - Off System			83,367,000		136,342,000					
	12,600,000,000	12,600,000,000	12,517,575,000	-0.65%	12,308,331,000	1.70%				

^{*} Gross debt service
** Includes transmission capacity, SJRPP and Scherer R & R, O & M and Investment Income. Includes \$26.0M to Non-Fuel Purchased Power Rate Stabilization.
*** Bond Buy-Back Principal of \$25.0M was defeased July 16, 2015 and \$40.8M was defeased on August 25, 2015.

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Water and Sewer System					Month		Prior Year	Month
Budget vs. Actual	ANN	IUAL BUDGET	BUDGET		ACTUAL	Variance	ACTUAL	Variance
September 30, 2015 and 2014		2014-15	2014-15		2014-15	%	2013-14	<u>%</u>
REVENUES								
Water & Sewer Revenues	\$	401,527,942	\$ 33,782,148	9	31,769,479		\$ 31,163,352	
Capacity & Extension Fees		15,000,000	1,250,000		1,378,687		1,850,363	
Capital Contributions		-			19,030		-	
Investment Income		2,484,863	222,924		316,641		283,907	
Other Income		16,715,896	6,281,139		1,117,138		976,410	
Total		435,728,701	41,536,211	_	34,600,975		34,274,032	0.95%
EXPENSES								
O & M Expenses		127,174,473	5,433,642		16,101,734		12,720,804	
Debt Principal - Water & Sewer		49,111,097	4,092,591		3,015,000		3,730,771	
Debt Interest - Water & Sewer		80,741,791	6,728,483		5,917,055		6,572,467	
* Bond Buy-Back Principal - Water & Sewer		51,997,634	51,997,634		-		54,873,780	
R&R - Water & Sewer		20,670,050	1,722,504		1,722,504		1,711,625	
Operating Capital Outlay		42,040,916	(40,116,702))	(35,220)		(48,971,517)	
Operating Capital Outlay - Capacity/Extension		19,604,228	5,404,699		1,378,687		1,850,362	
Operating Capital Outlay - Contributions		-	-		19,030		-	
Operating Capital Outlay - Environmental		22,137,705	1,844,809		1,815,755		1,931,394	
City Contribution Expense		21,578,940	1,798,245		1,798,245		1,822,460	
Uncollectibles & Fees		671,867	(103,409))	53,000		55,000	
Interlocal Agreements		-	-		-		-	
Emergency Reserve				_				
Total Expenses		435,728,701	38,802,496		31,785,790	18.08%	36,297,146	12.43%
Total Balance	_\$_		\$ 2,733,715		2,815,185		\$ (2,023,114)	
Sales kgals								

3,104,537 2,311,664 5,416,201 2,712,004 2,146,436 4,858,440 -12.64% -7.15% -10.30% 2,749,907 2,042,985 4,792,892 -1.38% 5.06% 1.37%

36,750,000 27,012,394 63,762,394

				Year-To-Date		Prior Year	to Date
	ΔNI	NUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
	74141	2014-15	2014-15	2014-15	%	2013-14	%
REVENUES							
Water & Sewer Revenues	\$	401,527,942	\$ 401,527,942	\$ 393,167,083		\$ 375,371,783	
Capacity & Extension Fees		15,000,000	15,000,000	19,266,450		17,229,007	
Capital Contributions		•	· · · · -	337,778		1,070,955	
Investment Income		2,484,863	2,484,863	2,840,723		2,756,579	
Other Income		16,715,896	16,715,896	21,305,325		11,461,652	
Total		435,728,701	435,728,701	436,917,359	0.27%	407,889,976	7.12%
EXPENSES							
O & M Expenses		127,174,473	127,174,473	127,174,473		119,466,130	
Debt Principal - Water & Sewer		49,111,097	49,111,097	36,180,000		44,997,983	
Debt Interest - Water & Sewer		80,741,791	80,741,791	71,992,415		78,172,342	
* Bond Buy-Back Principal - Water & Sewer		51,997,634	51,997,634	73,678,107		54,873,780	
R&R - Water & Sewer		20,670,050	20,670,050	20,670,050		20,539,500	
Operating Capital Outlay		42,040,916	42,040,916	42,122,398		27,833,797	
Operating Capital Outlay - Capacity/Extension		19,604,228	19,604,228	19,266,450		17,229,007	
Operating Capital Outlay - Contributions		-	· · · · -	337,778		1,070,955	
Operating Capital Outlay - Environmental		22,137,705	22,137,705	22,056,223		21,018,417	
City Contribution Expense		21,578,940	21,578,940	21,578,940		21,869,517	
Uncollectibles & Fees		671,867	671,867	671,867		818,534	
Interlocal Agreements		-	-	-		. -	
Emergency Reserve					_		
Total Expenses		435,728,701	435,728,701	435,728,701	0.00%	407,889,962	-6.83%
Total Balance	_\$_	· · · · · · · · · · · · · · · · · · ·	\$ -	\$ 1,188,658		\$ 14	
Sales kgals							
Water		36,750,000	36,750,000	34,558,284	-5.96%	32,468,336	6.44%
Sewer		27,012,394	27,012,394	26,705,871	1.13%	24,827,814	7.56%
Total		63,762,394	63,762,394	61,264,155	-3.92%	57,296,150	6.93%

 $^{^{\}star}$ Bond Buy-Back Principal of \$73.7M was defeased August 27, 2015.

Water Sewer Total

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District Energy System				Month		Prior Year	Month
Budget vs. Actual	ANN	UAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
September 30, 2015 and 2014		2014-15	2014-15	2014-15	%	2013-14	%
REVENUES							
Revenues	\$	9,444,887	\$ 912,856	\$ 882,262		\$ 891,928	
Investment Income		-	-	422		1,638	
Total		9,444,887	912,856	882,684	-3.31%	893,566	-1.22%
EXPENSES							
O & M Expenses		5,397,311	704,875	514,927		519,154	
Debt Principal - DES		1,610,000	134,167	134,167		133,750	
Debt Interest - DES		1,409,303	117,445	117,444		117,977	
R&R - DES		449,570	37,464	36,229		32,883	
Operating Capital Outlay		578,703	48,224	406,330		480,308	
Total Expenses		9,444,887	1,042,175	1,209,097	-16.02%	1,284,072	5.84%
Total Balance	\$	-	\$ (129,319)	\$ (326,413)		\$ (390,506)	
			<u> </u>	Year-To-Date		Prior-Year-	
	ANN	UAL BUDGET 2014-15	BUDGET 2014-15	ACTUAL 2014-15	Variance %	ACTUAL 2013-14	Variance %

REVENUES		0.444.007	00 444 007	C 0 777 004		£ 0 000 040	
Revenues	\$	9,444,887	\$9,444,887	\$ 8,777,934		\$ 8,689,213	
Investment Income		0.444.007		4,940	7.040/	5,538	4.040/
Total		9,444,887	9,444,887	8,782,874	7.01%	8,694,751	1.01%
EXPENSES							
O & M Expenses		5,397,311	5,397,311	4,922,491		4,799,123	
Debt Principal - DES		1,610,000	1,610,000	1,610,000		1,605,000	
Debt Interest - DES		1,409,303	1,409,303	1,409,303		1,415,720	
R&R - DES		449,570	449,570	434,750		394,600	
Operating Capital Outlay		578,703	578,703	406,330		480,308	
Total Expenses	•	9,444,887	9,444,887	8,782,874	7.01%	8,694,751	-1.01%
Total Balance	\$	_	\$ -	\$ -		\$ -	

JEA
Electric System
Schedules of Debt Service Coverage
(in thousands - unaudited)

			nth ember	•	 Year-T Septe	
		2015		2014	2015	2014
Revenues:						
Electric	\$	106,135	\$	114,274	\$ 1,212,650	\$ 1,287,888
Investment income (1)		1,763		235	4,322	2,603
Earnings from The Energy Authority		1		241	1,461	3,567
Other, net (2)		2,188		2,674	29,055	31,848
Plus: amounts paid from the rate stabilization fund into the revenue fund		=		1,078	-	32,579
Less: amounts paid from the revenue fund into the rate stabilization fund		-		(6,740)	-	(48,042)
Total revenues		110,087		111,762	 1,247,488	1,310,443
Operating expenses (3):						
Fuel		21,441		27,409	264,367	313,096
Purchased power (4)		22,614		43,419	269,014	377,965
Other operations and maintenance		26,527		17,605	191,018	168,430
State utility taxes and franchise fees		5,845		6,044	61,485	61,348
Total operating expenses		76,427		94,477	785,884	920,839
Net revenues	\$	33,660	\$	17,285	\$ 461,604	\$ 389,604
Debt service:	\$	6,760	\$	6,202	\$ 82,704	\$ 75,190
Less: investment income on sinking fund		(125)		(129)	(1,632)	(1,594)
Less: Build America Bonds subsidy		(126)		(126)	(1,509)	 (1,511)
Debt service requirement	\$	6,509	\$	5,947	\$ 79,563	\$ 72,085
Senior debt service coverage (5), (min 1.20x)	-	5.17 ×	(2.91 x	5.80 x	5.40
Net revenues (from above):	\$	33,660	\$	17,285	\$ 461,604	\$ 389,604
Debt service requirement (from above):	\$	6,509	\$	5,947	\$ 79,563	\$ 72,085
Plus: aggregate subordinated debt service on outstanding subordinated bonds		8,187	•	7,914	98,302	91,518
Less: Build America Bonds subsidy		(174)		(174)	(2,086)	(2,094)
Total debt service requirement and aggregate subordinated debt service	\$	14,522	\$	13,687	\$ 175,779	\$ 161,509
Senior and subordinated debt service coverage (6), (min 1.15x)		2.32 ×	(1.26 x	2.63 x	2.41
Fixed charge coverage (7)		1.59 ×	(0.84 ×	1.81 ×	1.50

- (1) Excludes investment income on sinking funds.
- (2) Excludes the Build America Bonds subsidy.
- (3) Excludes depreciation.
- (4) In accordance with the requirements of the Electric System Resolution, all the contract debt payments from the Electric System to the SJRPP and Bulk Power Supply System with respect to the use by the Electric System of the capacity and output of the SJRPP and Bulk Power Systems are reflected as a purchased power expense on these schedules. These schedules do not include revenues of the SJRPP and Bulk Power Supply System, except that the purchased power expense is net of interest income on funds maintained under the SJRPP and Bulk Power Supply System resolutions.
- (5) Net revenues divided by debt service requirement. Minimum annual coverage is 1.20x.
- (6) Net revenues divided by total debt service requirement and aggregate subordinated debt service. Minimum annual coverage is 1.15x
- (7) Net revenues plus JEA's share of SJRPP's and Bulk Power Supply System's debt service less city contribution divided by the sum of the adjusted debt service requirement and JEA's share of SJRPP's and Bulk Power Supply System's debt service.

JEA **Bulk Power Supply System Schedules of Debt Service Coverage** (in thousands - unaudited)

			onth			Year-To-Date September				
		Տер ւ ն 2015	ember	2014		2015	ember	2014		
Devenue		2015		2014		2015		2014		
Revenues:	•	- 004	•		•		•			
JEA	\$	5,624	\$	5,622	\$	61,142	\$	68,192		
Investment income		14		11		114		87		
Other, net (1)		-		-		-		-		
Total revenues		5,638		5,633		61,256		68,279		
Operating expenses (2):										
Fuel		3,073		3,319		36,198		34,644		
Other operations and maintenance		1,169		1,465		13,848		16,435		
Total operating expenses		4,242		4,784	-	50,046		51,079		
Net revenues	\$	1,396	\$	849	\$	11,210	\$	17,200		
Aggregate Debt Service	\$	817	\$	682	\$	9,801	\$	8,457		
Less: Build America Bonds subsidy		(64)		(65)		(764)		(774)		
Aggregate debt service	\$	753	\$	617	\$	9,037	\$	7,683		
Debt service coverage (3)		1.85	x	1.38	×	1.24	x	2.24		

⁽¹⁾ Excludes the Build America Bonds subsidy.(2) Excludes all current expenses paid or accrued to the extent that such expenses are to be paid from revenues.

⁽³⁾ Net revenues divided by aggregate debt service. Minimum annual coverage is 1.15x.

JEA
St. Johns River Power Park System
Schedule of Debt Service Coverage - 1st Resolution
(in thousands - unaudited)

			Year-T		•			
		September				Septe	mber	
		2015		2014		2015		2014
Revenues:								
JEA	\$	13,466	\$	24,296	\$	144,607	\$	247,368
FPL		11,541		11,180		128,476		159,747
Investment income		218		181		3,693		3,083
Total revenues		25,225		35,657	-	276,776	1	410,198
Operating expenses (1):								
Fuel		14,568		14,014		169,417		194,066
Other operations and maintenance		4,155		4,078		41,612		40,420
Total operating expenses		18,723		18,092		211,029		234,486
Net revenues	\$	6,502	\$	17,565	\$	65,747	\$	175,712
Aggregate debt service	\$	4,330	\$	11,715	\$	52,601	\$	140,576
Debt service coverage (2)		1.50 ×	(1.50 x		1.25 x		1.25

(1) Excludes depreciation.

JEA St. Johns River Power Park System Schedule of Debt Service Coverage - 2nd Resolution (in thousands - unaudited)

	Month September					o-Date)
	•	ember			•	ember	
	 2015		2014		2015		2014
Revenues:							
JEA	\$ 2,614	\$	22,903	\$	26,024	\$	52,899
Investment income	-		-		-		-
Other, net (1)	-		~		-		-
Total revenues	2,614		22,903		26,024		52,899
Operating expenses (2):							
Fuel	-		~				-
Other operations and maintenance	-		-		-		-
Total operating expenses	-		-		-		-
Net revenues	\$ 2,614	\$	22,903	\$	26,024	\$	52,899
Aggregate debt service	\$ 1,800	\$	1,937	\$	22,984		24,308
Less: Build America Bonds subsidy	(34)		(34)		(408)		(409)
Aggregate debt service	\$ 1,766	\$	1,903	\$	22,576	\$	23,899
Debt service coverage (3)	 1.48 x		12.04 x		1.15 x		2.21

⁽¹⁾ Excludes the Build America Bonds subsidy.

⁽²⁾ Net revenues divided by aggregate debt service. Semiannual minimum coverage is 1.25x.

⁽²⁾ Excludes all current expenses paid or accrued to the extent that such expenses are to be paid from revenues under the 1st Resolution.

⁽³⁾ Net revenues divided by aggregate debt service. Semiannual minimum coverage is 1.15x.

JEA Water and Sewer System Schedule of Debt Service Coverage (in thousands - unaudited)

Revenues: 2015 2014 Water \$ 11,954 \$ 13,557 Water capacity fees (1) 532 696 Sewer 18,767 18,407 Sewer capacity fees (1) 847 1,155 Investment Income 326 292 Other (2) 1,075 766 Plus: amounts paid from the rate stabilization fund into the revenue fund - 1,93* Less: amounts paid from the revenue fund into the rate stabilization fund - 1,93* Total revenues 33,501 34,86* Operating & Maintenance Expenses: - 16,395 12,976 Total operating expenses 16,395 12,976 Net revenues 16,395 12,976 Net revenues 17,106 \$ 21,886 Aggregate debt service: \$ 7,360 \$ 8,687 Less: Build America Bonds subsidy (207) (206 Senior debt service coverage (4), (min 1,25x) 2.39 x 2.56 Net revenues (from above) \$ 7,153 \$ 8,475 Plus: aggregate subordinated debt service on ou				To-Dat	
Water \$ 11,954 \$ 13,557 Water capacity fees (1) 532 698 Sewer 18,767 18,407 Sewer capacity fees (1) 847 1,155 Investment Income 326 292 Other (2) 1,075 766 Plus: amounts paid from the rate stabilization fund into the revenue fund - 1,937 Less: amounts paid from the revenue fund into the rate stabilization fund - (1,932 Total revenues 33,501 34,867 Operating & Maintenance Expenses: - (1,932 Operations and maintenance (3) 16,395 12,976 Net revenues \$ 17,106 \$ 21,886 Aggregate debt service: \$ 7,360 \$ 8,687 Less: Build America Bonds subsidy (207) (206 Aggregate debt service coverage (4), (min 1.25x) 2.39 x 2.56 Net revenues (from above) \$ 7,153 \$ 8,475 Plus: aggregate subordinated debt service on outstanding subordinated debt 1,015 87 Total aggregate debt service and aggregate subordinated debt service \$ 8,168 9,35			2015		2014
Water capacity fees (1) 532 696 Sewer 18,767 18,407 Sewer capacity fees (1) 847 1,155 Investment Income 326 292 Other (2) 1,075 766 Plus: amounts paid from the rate stabilization fund into the revenue fund - 1,93° Less: amounts paid from the revenue fund into the rate stabilization fund - (1,93° Total revenues 33,501 34,86° Operating & Maintenance Expenses: - 16,395 12,97° Total operating expenses 16,395 12,97° Net revenues \$ 17,106 \$ 21,88° Aggregate debt service: \$ 7,360 \$ 8,68° Less: Build America Bonds subsidy (207) (20° Aggregate debt service coverage (4), (min 1.25x) 2.39 x 2.56° Net revenues (from above) \$ 7,153 \$ 8,47° Plus: aggregate subordinated debt service on outstanding subordinated debt 1,015 87° Total aggregate debt service and aggregate subordinated debt service \$ 8,168 9,35°					
Sewer Sewer capacity fees (1) 847 18,407 Sewer capacity fees (1) 847 1,155 Investment Income 326 292 Other (2) 1,075 760 Plus: amounts paid from the rate stabilization fund into the revenue fund - 1,93* Less: amounts paid from the revenue fund into the rate stabilization fund - (1,93* Total revenues 33,501 34,86* Operating & Maintenance Expenses: - 16,395 12,976* Total operating expenses 16,395 12,976* Net revenues \$ 17,106 \$ 21,886* Aggregate debt service: \$ 7,360 \$ 8,68* Less: Build America Bonds subsidy (207) (208 Aggregate debt service coverage (4), (min 1.25x) 2.39 x 2.56* Net revenues (from above) \$ 17,106 \$ 21,886* Aggregate debt service (from above) \$ 7,153 \$ 8,476* Plus: aggregate subordinated debt service on outstanding subordinated debt 1,015 87 Total aggregate debt service and aggregate subordinated debt service \$ 8,168 \$ 9,35*<	\$	7 \$	150,479	\$	156,422
Sewer capacity fees (1) 847 1,153 Investment Income 326 292 Other (2) 1,075 766 Plus: amounts paid from the rate stabilization fund into the revenue fund - 1,937 Less: amounts paid from the revenue fund into the rate stabilization fund - (1,937 Total revenues 33,501 34,867 Operating & Maintenance Expenses: 16,395 12,976 Operations and maintenance (3) 16,395 12,976 Net revenues 16,395 12,976 Net revenues \$ 17,106 \$ 21,886 Aggregate debt service: \$ 7,360 \$ 8,687 Less: Build America Bonds subsidy (207) (206 Aggregate debt service: \$ 7,153 \$ 8,475 Senior debt service coverage (4), (min 1.25x) 2.39 x 2.56 Net revenues (from above) \$ 7,153 \$ 8,475 Plus: aggregate subordinated debt service on outstanding subordinated debt 1,015 87 Total aggregate debt service and aggregate subordinated debt service 8,168 9,35	;	3	7,013		6,380
Investment Income 326 292	•	7	229,916		227,907
Other (2) 1,075 760 Plus: amounts paid from the rate stabilization fund into the revenue fund - 1,93° Less: amounts paid from the revenue fund into the rate stabilization fund - (1,93° Total revenues 33,501 34,86° Operating & Maintenance Expenses: - - Operations and maintenance (3) 16,395 12,97° Total operating expenses 16,395 12,97° Net revenues \$ 17,106 \$ 21,88° Aggregate debt service: \$ 7,360 \$ 8,68° Less: Build America Bonds subsidy (207) (20° Aggregate debt service: \$ 7,153 \$ 8,47° Senior debt service coverage (4), (min 1.25x) 2.39 x 2.58° Net revenues (from above) \$ 7,153 \$ 8,47° Plus: aggregate debt service (from above) \$ 7,153 \$ 8,47° Total aggregate subordinated debt service on outstanding subordinated debt 1,015 87° Total aggregate debt service and aggregate subordinated debt service \$ 8,168 \$ 9,35°	3	3	12,254		10,847
Plus: amounts paid from the rate stabilization fund into the revenue fund - 1,93° Less: amounts paid from the revenue fund into the rate stabilization fund - (1,93° Total revenues 33,501 34,86° Operating & Maintenance Expenses: - - Operations and maintenance (3) 16,395 12,97° Total operating expenses 16,395 12,97° Net revenues \$ 17,106 \$ 21,88° Aggregate debt service: \$ 7,360 \$ 8,68° Less: Build America Bonds subsidy (207) (20° Aggregate debt service: \$ 7,153 \$ 8,47° Senior debt service coverage (4), (min 1.25x) 2.39 x 2.58° Net revenues (from above) \$ 7,153 \$ 8,47° Plus: aggregate debt service (from above) \$ 7,153 \$ 8,47° Total aggregate subordinated debt service on outstanding subordinated debt 1,015 87° Total aggregate debt service and aggregate subordinated debt service \$ 8,168 \$ 9,35°	2	2	2,898		2,819
Less: amounts paid from the revenue fund into the rate stabilization fund - (1,93° Total revenues Operating & Maintenance Expenses: - (1,93° 33,501) 34,86° 34,))	13,948		9,026
Total revenues 33,501 34,867 Operating & Maintenance Expenses: 0perations and maintenance (3) 16,395 12,976 Total operating expenses 16,395 12,976 Net revenues \$ 17,106 \$ 21,886 Aggregate debt service: \$ 7,360 \$ 8,687 Less: Build America Bonds subsidy (207) (208 Aggregate debt service: \$ 7,153 \$ 8,475 Senior debt service coverage (4), (min 1.25x) 2.39 x 2.56 Net revenues (from above) \$ 17,106 \$ 21,885 Aggregate debt service (from above) \$ 7,153 \$ 8,475 Plus: aggregate subordinated debt service on outstanding subordinated debt 1,015 87 Total aggregate debt service and aggregate subordinated debt service \$ 8,168 \$ 9,35		1	-		21,018
Operating & Maintenance Expenses: Operations and maintenance (3) 16,395 12,976 Total operating expenses 16,395 12,976 Net revenues \$ 17,106 \$ 21,889 Aggregate debt service: \$ 7,360 \$ 8,681 Less: Build America Bonds subsidy (207) (208 Aggregate debt service: \$ 7,153 \$ 8,475 Senior debt service coverage (4), (min 1.25x) 2.39 x 2.58 Net revenues (from above) \$ 17,106 \$ 21,889 Aggregate debt service (from above) \$ 7,153 \$ 8,475 Plus: aggregate subordinated debt service on outstanding subordinated debt 1,015 875 Total aggregate debt service and aggregate subordinated debt service \$ 8,168 \$ 9,355)	1)	-		(21,018)
Operations and maintenance (3) 16,395 12,976 Total operating expenses 16,395 12,976 Net revenues \$ 17,106 \$ 21,886 Aggregate debt service: \$ 7,360 \$ 8,687 Less: Build America Bonds subsidy (207) (208 Aggregate debt service: \$ 7,153 \$ 8,475 Senior debt service coverage (4), (min 1.25x) 2.39 x 2.58 Net revenues (from above) \$ 17,106 \$ 21,885 Aggregate debt service (from above) \$ 7,153 \$ 8,475 Plus: aggregate subordinated debt service on outstanding subordinated debt 1,015 875 Total aggregate debt service and aggregate subordinated debt service 8,168 \$ 9,355		7	416,508		413,401
Operations and maintenance (3) 16,395 12,976 Total operating expenses 16,395 12,976 Net revenues \$ 17,106 \$ 21,886 Aggregate debt service: \$ 7,360 \$ 8,687 Less: Build America Bonds subsidy (207) (208 Aggregate debt service: \$ 7,153 \$ 8,475 Senior debt service coverage (4), (min 1.25x) 2.39 x 2.58 Net revenues (from above) \$ 17,106 \$ 21,885 Aggregate debt service (from above) \$ 7,153 \$ 8,475 Plus: aggregate subordinated debt service on outstanding subordinated debt 1,015 875 Total aggregate debt service and aggregate subordinated debt service 8,168 \$ 9,355					
Total operating expenses 16,395 12,976 Net revenues \$ 17,106 \$ 21,889 Aggregate debt service: \$ 7,360 \$ 8,687 Less: Build America Bonds subsidy (207) (208 Aggregate debt service: \$ 7,153 \$ 8,479 Senior debt service coverage (4), (min 1.25x) 2.39 x 2.58 Net revenues (from above) \$ 17,106 \$ 21,889 Aggregate debt service (from above) \$ 7,153 \$ 8,479 Plus: aggregate subordinated debt service on outstanding subordinated debt 1,015 872 Total aggregate debt service and aggregate subordinated debt service \$ 8,168 \$ 9,352)	2	138,037		131,674
Net revenues \$ 17,106 \$ 21,886 Aggregate debt service: \$ 7,360 \$ 8,681 Less: Build America Bonds subsidy (207) (208 Aggregate debt service: \$ 7,153 \$ 8,475 Senior debt service coverage (4), (min 1.25x) 2.39 x 2.58 Net revenues (from above) \$ 17,106 \$ 21,885 Aggregate debt service (from above) \$ 7,153 \$ 8,475 Plus: aggregate subordinated debt service on outstanding subordinated debt 1,015 872 Total aggregate debt service and aggregate subordinated debt service \$ 8,168 \$ 9,35			138.037		131,674
Aggregate debt service: \$ 7,360 \$ 8,687 Less: Build America Bonds subsidy (207) (208 Aggregate debt service: \$ 7,153 \$ 8,478 Senior debt service coverage (4), (min 1.25x) 2.39 x 2.56 Net revenues (from above) \$ 17,106 \$ 21,889 Aggregate debt service (from above) \$ 7,153 \$ 8,478 Plus: aggregate subordinated debt service on outstanding subordinated debt 1,015 872 Total aggregate debt service and aggregate subordinated debt service \$ 8,168 \$ 9,355			278,471	\$	281,727
Less: Build America Bonds subsidy (207) (208 Aggregate debt service: \$ 7,153 \$ 8,479 Senior debt service coverage (4), (min 1.25x) 2.39 x 2.56 Net revenues (from above) \$ 17,106 \$ 21,889 Aggregate debt service (from above) \$ 7,153 \$ 8,479 Plus: aggregate subordinated debt service on outstanding subordinated debt 1,015 877 Total aggregate debt service and aggregate subordinated debt service \$ 8,168 \$ 9,350		•	2.0,		
Less: Build America Bonds subsidy (207) (208) Aggregate debt service: \$ 7,153 \$ 8,479 Senior debt service coverage (4), (min 1.25x) 2.39 x 2.56 Net revenues (from above) \$ 17,106 \$ 21,889 Aggregate debt service (from above) \$ 7,153 \$ 8,479 Plus: aggregate subordinated debt service on outstanding subordinated debt 1,015 877 Total aggregate debt service and aggregate subordinated debt service \$ 8,168 \$ 9,350	' \$	7 \$	91,392	\$	106,386
Aggregate debt service: \$ 7,153 \$ 8,475 Senior debt service coverage (4), (min 1.25x) 2.39 x 2.58 Net revenues (from above) \$ 17,106 \$ 21,885 Aggregate debt service (from above) \$ 7,153 \$ 8,475 Plus: aggregate subordinated debt service on outstanding subordinated debt 1,015 875 Total aggregate debt service and aggregate subordinated debt service \$ 8,168 \$ 9,355	3)	3)	(2,489)		(2,492)
Net revenues (from above) \$ 17,106 \$ 21,888 Aggregate debt service (from above) \$ 7,153 \$ 8,479 Plus: aggregate subordinated debt service on outstanding subordinated debt 1,015 872 Total aggregate debt service and aggregate subordinated debt service \$ 8,168 \$ 9,352	\$	9 \$	88,903	\$	103,894
Net revenues (from above) \$ 17,106 \$ 21,888 Aggregate debt service (from above) \$ 7,153 \$ 8,479 Plus: aggregate subordinated debt service on outstanding subordinated debt 1,015 872 Total aggregate debt service and aggregate subordinated debt service \$ 8,168 \$ 9,352	R v	R x	3.13	×	2.71
Aggregate debt service (from above) \$ 7,153 \$ 8,479 Plus: aggregate subordinated debt service on outstanding subordinated debt 1,015 872 Total aggregate debt service and aggregate subordinated debt service \$ 8,168 \$ 9,352	, ,,		00		
Plus: aggregate subordinated debt service on outstanding subordinated debt 1,015 872 Total aggregate debt service and aggregate subordinated debt service \$ 8,168 \$ 9,352	\$	9 \$	278,471	\$	281,727
Plus: aggregate subordinated debt service on outstanding subordinated debt 1,015 872 Total aggregate debt service and aggregate subordinated debt service \$ 8,168 \$ 9,352) \$	9 \$	88,903	\$	103,894
Total aggregate debt service and aggregate subordinated debt service \$ 8,168 \$ 9,35			12,205	•	10,477
Senior and subordinated debt service coverage (5) 2.09 x 2.34	\$	1 \$	101,108	\$	114,371
	l x	4 x	2.75	x	2.46
Fixed charge coverage 1.87 x 2.15		5 v	2.54		2.27

⁽¹⁾ Effective October 1, 2001, the Water and Sewer Bond Resolution was amended to include capacity fees in total revenues. Had such capacity fees not been included in the calculation for the year-to-date periods ending September 2015 and 2014, then the debt service coverage would have been 2.56x and 2.31x.

⁽²⁾ Excludes the Build America Bonds subsidy.

⁽³⁾ Excludes depreciation.

⁽⁴⁾ Net revenues divided by aggregate debt service. Minimum annual coverage is 1.25x.

⁽⁵⁾ Net revenues divided by total aggregate debt service and aggregate subordinated debt service. Minimum annual coverage is either 1.00x aggregate debt service and aggregate subordinated debt service and aggregate subordinated debt service and 1.20x aggregate subordinated debt service (including capacity charges) or the sum of 1.00x aggregate debt service and 1.20x aggregate subordinated debt service (including capacity charges). Based on the first requirement, minimum annual coverage is 2.56x and 2.31x. Based on the second requirement, net revenues must exceed 100% of aggregate debt service and 120% of aggregate subordinated debt service, or \$103,549 and \$116,466 for the year-to-date period ending September 2015 and 2014.

JEA District Energy System Schedule of Debt Service Coverage (in thousands - unaudited)

	Month					o-Dat	
	-	ember			-	ember	
	2015		2014		2015		2014
Revenues:							
Service revenues	\$ 882	\$	892	\$	8,778	\$	8,682
Investment income	-		2		5		6
Other	-		-		-		7
Plus: amounts paid from the rate stabilization fund							
into the revenue fund	-		-		-		-
Less: amounts paid from the revenue fund into the							
rate stabilization fund	-				-		-
Total revenues	882		894		8,783		8,695
Operating expenses (1):	508		521		4,928		4,805
Total operating expenses	508		521		4,928		4,805
Net revenues	\$ 374	\$	373	\$	3,855	\$	3,890
Aggregate debt service (2)	\$ 252	\$	252	\$	3,019	\$	3,021
Debt service coverage (3) (min 1.15x)	1.49 x	ζ	1.48 x		1.28 x	(1.29

⁽¹⁾ Excludes depreciation.

⁽²⁾ On June 19, 2013, the closing date of the District Energy System Refunding Revenue Bonds, 2013 Series A, the JEA covenanted to deposit into the 2013 Series A Bonds Subaccount from Available Water and Sewer System Revenues an amount equal to the Aggregate DES Debt Service Deficiency that exists with respect to the 2013 Series A Bonds, in the event that the amount on deposit in the Debt Service Account in the Debt Service Fund in accordance with the District Energy System Resolution is less than Accrued Aggregate Debt Service as of the last Business Day of the then current month.

⁽³⁾ Net Revenues divided by aggregate debt service. Minimum annual coverage is 1.15x.

JEA
Electric System, St. Johns River Power Park System and Scherer
Principal Amount of Debt Outstanding and Average Interest Rates
September 30, 2015

Schedule of Outstanding Indebtedness

			Par Amount	Current
		Principal	Principal	Portion of
Issue/Average Coupon Rate	Interest Rates	Payment Dates	 Outstanding	Long-Term De
lectric System - Fixed Rate Bonds				_
Series Three 2004 A	5.000%	2039	\$ 5,000	\$ -
Series Three 2005 B	4.750%	2033	100,000	4 005 00
Series Three 2005 D	3.625%	2015	1,335,000	1,335,00
Series Three 2008 E	5.000%	2015	14,560,000	14,560,00
Series Three 2009 C	5.000%	2016-2017	15,730,000	
Series Three 2009 D	6.056%	2033-2044	45,955,000	4.755.00
Series Three 2010 A	4.000%	2015-2020	29,715,000	4,755,00
Series Three 2010 B	2.000%	2015	450,000	450,00
Series Three 2010 C	4.000 - 4.500%	2021-2031	11,420,000	F 070 00
Series Three 2010 D	4.000 - 5.000%	2015-2038	97,970,000	5,870,00
Series Three 2010 E	5.350 - 5.482%	2028-2040	34,255,000	
Series Three 2012A	4.000 - 4.500%	2023-2033	60,750,000	
Series Three 2012B	2.000 - 5.000%	2015-2039	133,990,000	600,00
Series Three 2013A	2.500 - 5.000%	2015-2026	119,080,000	7,950,00
Series Three 2013B	1.875 - 5.000%	2021-2038	7,600,000	0.000.00
Series Three 2013C	3.000 - 5.000%	2015-2030	33,170,000	2,230,00
Series Three 2014A	2.600 - 5.000%	2015-2034	49,420,000	1,855,00
Series Three 2015A	1.000 - 5.000%	2015-2041	83,325,000	1,515,00
Series Three 2015B	2.000 - 5.000%	2016-2031	 42,355,000	
Total Fixed Rate Senior Bonds			781,185,000	41,120,00
2005 Series C	3.500%	2015	875,000	875,0
2009 Series A	5.625%	2029-2032	21,140,000	
2009 Series D	5.000%	2017-2018	23,925,000	
2009 Series E	4.000%	2015-2018	4,835,000	770,0
2009 Series F	3.875 - 6.406%	2015-2034	66,600,000	1,000,0
2009 Series G	3.750 - 5.000%	2015-2021	27,675,000	4,700,0
2010 Series A	3.000 - 5.000%	2015-2017	10,830,000	5,870,0
2010 Series B	3.000 - 5.000%	2015-2024	36,210,000	830,0
2010 Series C	3.125 - 4.000%	2020-2027	15,925,000	000,0
2010 Series D	3.500 - 5.582%	2017-2027	45,575,000	
	4.000%	2015-2016	7,570,000	3,065,0
2010 Series E		2015-2016	112,645,000	1,865,0
2012 Series A	3.000 - 5.000% 2.250 - 5.000%			
2012 Series B		2015-2037	108,020,000	2,220,0
2013 Series A	2.500 - 5.000%	2017-2030	59,330,000	9,660,0
2013 Series B	2.500 - 5.000%	2015-2026	50,875,000	
2013 Series C	1.375 - 5.000%	2015-2038	88,625,000	20,0
2013 Series D	2.625 - 5.250%	2015-2035	155,670,000	10,615,0
2014 Series A	3.000 - 5.000%	2015-2039	231,950,000	8,180,0
Total Fixed Rate Subordinated Bonds			 1,068,275,000	49,670,0
Total Fixed Rate Electric System Bonds/4.543%			 1,849,460,000	90,790,0
Electric System - Variable Rate Bonds	Current Interest Rates (
Series Three 2008 A	0.010%	2027-2036	51,680,000	
Series Three 2008 B-1	0.527%	2015-2040	61,095,000	350,0
Series Three 2008 B-2	0.010%	2025-2040	41,900,000	
Series Three 2008 B-3	0.010%	2024-2036	37,000,000	
Series Three 2008 B-4	0.527%	2015-2036	50,535,000	350,0
Series Three 2008 C-1	0.012%	2024-2034	44,145,000	
Series Three 2008 C-2	0.012%	2024-2034	43,900,000	
Series Three 2008 C-3	0.060%	2030-2038	25,000,000	
Series Three 2008 D-1	0.527%	2015-2036	116,165,000	2,325,0
Total Variable Rate Senior Bonds			 471,420,000	3,025,0
Series 2000 A	0.040%	2021-2035	30,965,000	
Series 2000 F-1	0.035%	2026-2030	37,200,000	
Series 2000 F-2	0.040%	2026-2030	24,800,000	
Series 2008 D	0.010%	2024-2038	39,455,000	
Total Variable Rate Subordinated Bonds	7,535		 132,420,000	
Total Variable Rate Bonds			 603,840,000	3,025,0
Total Electric System Bonds			2,453,300,000	93,815,0
t. Johns River Power Park - Fixed Rate Bonds	****		 	
Issue 2 Series 17	4.700%	2019	100,000	
Issue 2 Series 18	4.500%	2018	50,000	
Issue 2 Series 19	4.600%	2017	100,000	
Issue 2 Series 20	4.500%	2021	100,000	
Issue 2 Series 20	5.000%	2021	5,000	
	4.000%	2019	5,000	
Issue 2 Series 22	3.000 - 5.000%	2015-2021	92,830,000	27,920,0
Issue 2 Series 23				
Issue 2 Series 24	3.000 - 4.000%	2015-2021	42,550,000	12,925,0
Issue 2 Series 25	3.000 - 5.000%	2016-2021	42,195,000	
Issue 2 Series 26	2.000 - 5.000%	2019-2021	65,970,000	
Issue 2 Series 27	0.600 - 2.505%	2015-2021	7,155,000	130,0
Issue 3 Series 1	4.500%	2037	100,000	
Issue 3 Series 2	5.000%	2034-2037	29,370,000	
Issue 3 Series 4	3.875 - 5.450%	2016-2028	25,720,000	
Issue 3 Series 5	4.000%	2015	1,595,000	1,595,0
Issue 3 Series 6	2.375 - 5.000%	2015-2037	98,485,000	7,155,0
Issue 3 Series 7	2.000 - 5.000%	2015-2033	79,720,000	220,0
Issue 3 Series 8	2.000 - 5.000%	2015-2039	58,895,000	1,000,0
Total Fixed Rate St. Johns River Power Park Bonds/4.1			544,945,000	50,945,0
ulk Power Supply System, Scherer 4 Project - Fixed Rate B			,- ,-,	,,.
Series 2010A	3.350 - 5.920%	2015-2030	45,640,000	2,855,0
	2.000 - 5.000%	2015-2038	71,280,000	2,095,0
Series 2014A Total Fixed Rate Bulk Power Supply System Bonds/4.2		2010-2000	116,920,000	4,950,0

Current month interest rate excluding variable debt fees.
 Weighted Average Cost of debt is net of BABs subsidy, original issue premiums/discounts and exlcudes variable debt liquidity/remarketing fees and interest rate swap payments.

	Electric System	Power Park Issue Three
Remaining New Money Authorization	\$ 465,160,992	\$ 103,865,000
Remaining Senior Refunding Authorization	\$ 1,239,602,381	\$ 250,810,000
Remaining Subordinated Refunding Authorization	\$ 892,378,000	n/a

JEA Water and Sewer System Principal Amount of Debt Outstanding and Average Interest Rates September 30, 2015 Page 30

Schedule of Outstanding Indebtedness

Issue/Average Coupon Rate	Interest Rates	Principal Payment Dates	Par Amount Principal Outstanding	Current Portion of Long-Term Debt
Fixed Rate Bonds				
2009 Series B	3.750 - 5.000%	2017-2019	\$ 25,565,000	\$ -
2010 Series A	6.210 - 6.310%	2026-2044	83,115,000	-
2010 Series B	3.750 - 5.700%	2015-2025	19,030,000	1,730,000
2010 Series C	3.500 - 5.000%	2015-2020	16,145,000	5,495,000
2010 Series D	3.000 - 5.000%	2015-2039	105,040,000	3,190,000
2010 Series E	4.000 - 5.000%	2021-2039	60,990,000	-
2010 Series F	3.200 - 5.887%	2017-2040	45,520,000	
2010 Series G	2.000 - 3.000%	2015-2016	1,525,000	740,000
2012 Series A	3.000 - 5.000%	2017-2041	317,935,000	-
2012 Series B	2.000 - 5.000%	2015-2041	133,425,000	1,660,000
2013 Series A	3.000 - 5.000%	2015-2027	92,385,000	1,300,000
2013 Series B	0.776 - 1.882%	2015-2017	23,205,000	6,475,000
2014 Series A	2.000 - 5.000%	2015-2040	300,200,000	10,635,000
Total Fixed Rate Senior Bonds		•	1,224,080,000	31,225,000
2010 Series A	3.000 - 5.000%	2015-2022	14,950,000	885,000
2010 Series B	3.000 - 5.000%	2020-2025	12,770,000	-
2012 Series A	3.000 - 4.000%	2021-2033	20,320,000	-
2012 Series B	3.250 - 5.000%	2030-2043	41,640,000	-
2013 Series A	2.125 - 5.000%	2015-2029	79,660,000	3,620,000
Total Fixed Rate Subordinated Bonds			169,340,000	4,505,000
Total Fixed Rate Bonds/4.610%			 1,393,420,000	35,730,000
Variable Rate Bonds	Current Interest Rates	(1)		
2006 Series B - CPI Bonds	0.867% (2)	2016-2022	38,730,000	-
2008 Series A-2	0.010%	2028-2042	51,820,000	-
2008 Series B	0.013%	2023-2041	85,290,000	-
Total Variable Rate Senior Bonds			175,840,000	-
2008 Series A-1	0.010%	2015-2038	 53,950,000	450,000
2008 Series A-2	0.010%	2030-2038	25,600,000	-
2008 Series B-1	0.020%	2030-2036	30,885,000	<u>-</u>
Total Variable Rate Subordinated Bonds			110,435,000	450,000
Total Variable Rate Bonds			 286,275,000	450,000
Weighted Average Cost(3) / Total Outs	tanding Debt	3.564%	\$ 1,679,695,000	\$ 36,180,000

⁽¹⁾ Current month interest rate excluding variable debt fees.

· Remaining New Money Authorization

\$ 218,078,023

· Remaining Refunding Authorization

\$ 1,231,973,942

⁽²⁾ Designated swap obligation. The rate shown is the weighted average of the variable CPI Index rates for the 6 month re-set period.

⁽³⁾ Weighted Average Cost of debt is net of BABs subsidy, original issue premiums/discounts and exlcudes variable debt liquidity/remarketing fees and interest rate swap payments.

JEA
District Energy System
Principal Amount of Debt Outstanding and Average Interest Rates
September 30, 2015

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Schedule of Outstanding Indebtedness

Issue/Average Coupon	Interest Rates	Principal Payment Dates	Par Amount Principal Outstanding		Current Portion of Long-Term Debt	
Fixed Rate Bonds						
2013 Series A/3.982%	0.641 - 4.538%	2015-2034	\$	41,360,000	\$	1,610,000
Weighted Average Cost(1) / Total Outstanding Debt		3.987%	\$	41,360,000	\$	1,610,000

⁽¹⁾ Weighted Average Cost of debt is net of original issue premiums/discounts.

· Remaining New Money Authorization

\$ 54,321,245

• Remaining Refunding Authorization

\$ 106,670,000

JEA
INVESTMENT PORTFOLIO REPORT
September 2015
All Funds

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11	NVESTMENT	во	OK VALUE	YIELD		% OF OTAL		AST NTH		MONTH ERAGE
* T	reasuries	\$	3,298,969	1.01%		0.22%		4.84%	-	3.95%
	gencies									
F	ederal Farm Credit Bank		249,337,033	0.76%		16.73%		15.43%		15.42%
F	ederal Home Loan Bank		268,497,600	1.12%		18.01%		31.23%		28.82%
F	ederal National Mortgage Assoc.		9,993,856	0.14%		0.67%		0.72%		0.34%
Т	otal		527,828,488	0.93%		35.41%		47.38%		44.59%
M	funicipal Bonds		277,633,063	2.06%		18.62%		20.35%		19.70%
C	Commercial Paper		161,169,400	0.22%		10.81%		17.43%		19.07%
L	J.S. Treasury Money Market Funds (1)		67,631,186	0.03%		4.54%		0.80%		1.38%
A	gency Money Market Funds (2)		40,425,000	0.04%		2.71%		2.37%		1.62%
٧	Vells Fargo Bank Accounts (3)									
	Electric, Scherer		211,754,192	0.04%		14.21 <u>%</u>		3.46%		4.92%
	SJRPP		100,962,903	0.04%		6.77%		2.19%		2.84%
	Water & Sewer, DES		99,975,684	0.04%		6.71%		1.19%		1.94%
Т	otal Portfolio	\$ 1	,490,678,885	0.91%	_1	00.00%	1	00.00%		100.00%

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

Weighted Avg. Annual Yield for September 2015, Excluding Bank & Money Market Funds: 1.14%

Weighted Avg. Annual Yield for September 2015, Including Bank & Money Market Funds: 0.91%

Some investments listed above may be classified as Cash Equivalents on the Statements of Net Position in accordance with generally accepted accounting principles.

- (1) Morgan Stanley Treasury Fund; Fidelity Treasury Fund; Federated Treasury Fund
- (2) Morgan Stanley Government Fund, Wells Fargo Government Fund
- (3) Month-end bank balances

JEA Interest Rate Swap Position Report September 2015

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JEA Debt Management Swaps Variable to Fixed

				Electric						
		Effective	Terminat'n	System	Water/Sewer	Fixed	Floating		Rate	
ID	Dealer	Date	Date	Allocation	Allocation	Rate	Rate (1)	Spread	Cap	Index
1	Goldman Sachs	9/18/2003	9/18/2033	\$ 84,800,000	\$ -	3.717	0.134	3.583	n/a	68% 1 mth Libor
3	Morgan Stanley	1/27/2005	10/1/2039	82,575,000	-	4.351	0.020	4.331	n/a	SIFMA
4	JPMorgan	1/27/2005	10/1/2035	86,725,000	, -	3.661	0.134	3.527	n/a	68% 1 mth Libor
6	JPMorgan	1/27/2005	10/1/2037	39,175,000	-	3.716	0.134	3.582	n/a	68% 1 mth Libor
7	Morgan Stanley	10/31/2006	10/1/2022	-	38,730,000	3.996	0.867	3.129	n/a	CPI
8	Morgan Stanley	1/31/2007	10/1/2031	62,980,000	-	3.907	0.020	3.887	n/a	SIFMA
9	Merrill Lynch	3/8/2007	10/1/2041	-	85,290,000	3.895	0.020	3.875	n/a	SIFMA
10	Goldman Sachs	1/31/2008	10/1/2036	51,680,000	-	3.836	0.020	3.816	n/a	SIFMA
			Total	\$ 407,935,000	\$ 124,020,000	Wtd Avg Sp	read	3.762		

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

JEA
Electric System
Operating Statistics

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	Mor Septe			Year-To-Date September				
	2015	2014	Variance	2015	2014	Variance		
Electric revenue sales (000's omitted):								
Residential	\$ 56,534	\$ 55,989	0.97%	\$ 619,897	\$ 608,983	1.79%		
Commerical	37,134	35,455	4.74%	407,580	405,846	0.43%		
Industrial	19,537	18,475	5.75%	219,967	226,275	-2.79%		
Public street lighting	1,019	1,121	-9.10%	11,982	13,943	-14.06%		
Sales for resale - territorial	2,688	2,854	-5.82%	29,638	30,232	-1.96%		
Electric revenues - territorial	116,912	113,894	2.65%	1,289,064	1,285,279	0.29%		
Sales for resale - off system	105	561	-81.28%	2,786	4,468	-37.65%		
Electric revenues	117,017	114,455	2.24%	1,291,850	1,289,747	0.16%		
Less: rate stabilization & recovery	(10,706)	_		(77,394)	-			
Less: allowance for doubtful accounts	(176)	(181)	-2.76%	(1,806)	(1,859)	-2.85%		
Electric revenues - net	106,135	114,274	-7.12%	1,212,650	1,287,888	-5.84%		
MWh sales:								
Residential	463,881	459,614	0.93%	5,243,002	5,086,866	3.07%		
Commercial	348,521	333,487	4.51%	3,960,288	3,860,657	2.58%		
Industrial	235,690	228,843	2.99%	2,807,548	2,775,788	1.14%		
Public street lighting	7,237	8,362	-13.45%	89,376	111,325	-19.72%		
Sales for resale - territorial	28,117	33,880	-17.01%	333,994	337,353	-1.00%		
Total MWh sales - territorial	1,083,446	1,064,186	1.81%	12,434,208	12,171,989	2.15%		
Sales for resale - off system	3,178	17,956	-82.30%	83,367	136,342	-38.85%		
Total MWh sales	1,086,624	1,082,142	0.41%	12,517,575	12,308,331	1.70%		
Number of accounts (1):								
Residential	392,738	385,174	1.96%	389,287	382,438	1.79%		
Commercial	50,928	50,047	1.76%	50,658	48,783	3.84%		
Industrial	207	213	-2.82%	209	216	-3.24%		
Public street lighting	3,609	3,495	3.26%	3,549	3,477	2.07%		
Sales for resale	2	2	0.00%	2	2	0.00%		
Total average accounts	447,484	438,931	1.95%	443,705	434,916	2.02%		
Residential averages:								
Residential averages: Revenue per account - \$	143.95	145.36	-0.97%	1,592.39	1,592.37	0.00%		
·				•				
kWh per account	1,181	1,193	-1.01%	13,468	13,301	1.26%		
Revenue per kWh - ¢	12.19	12.18	0.08%	11.82	11.97	-1.25%		
Degree days:								
Heating degree days	· -	-	-	1,337	1,309	28		
Cooling degree days	408	391	17	2,822	2,689	133		
Total degree days	408	391	17	4,159	3,998	161		
Degree days - 30 year average		396			4,014			

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

JEA Water and Sewer System Operating Statistics

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		Month			Year-To-Date					
		Septe 2015	mbe		Variance		Septe	embe		Variance
Motor		2015		2014	Variance		2015		2014	Variance
Water Revenues (000's omitted):										
, ,	\$	6 000	æ	7.070	-2.77%	¢	86,215	¢.	83,014	3.86%
Residential	Ф	6,882	Ф	7,078		Ф	,	Φ	•	
Commercial and industrial		3,894		3,597	8.26%		45,078		43,647	3.28%
Irrigation		2,283		2,904	-21.38%		32,681		30,088	8.62%
Water revenues		13,059		13,579	-3.83%		163,974		156,749	4.61%
Less: rate stabilization environmental		(1,084)		-	0.00%		(13,227)		-	0.00%
Less: allowance for doubtful accounts		(21)		(22)	-3.64%	_	(269)		(327)	-17.81%
Water revenues, net	\$	11,954	\$	13,557	-11.83%	\$	150,479	\$	156,422	-3.80%
Water Sales (kgals*):										
Residential		1,222,039		1,275,863	-4.22%		16,271,698		5,507,752	4.93%
Commercial and industrial		1,154,720		980,704	17.74%		12,870,984	1	2,131,400	6.10%
Irrigation		335,245		493,340	-32.05%		5,415,602		4,829,184	12.14%
Total kgals sales		2,712,004		2,749,907	-1.38%		34,558,284	3	32,468,336	6.44%
Number of accounts (1):										
Residential		268,385		261,889	2.48%		265,373		259,159	2.40%
Commercial and industrial		24,160		23,814	1.45%		23,951		23,722	0.97%
Irrigation		36,236		35,902	0.93%		36,028		35,827	0.56%
Total average accounts		328,781		321,605	2.23%		325,352		318,708	2.08%
Residential averages:										
Revenue per account - \$		25.64		27.03	-5.12%		324.88		320.32	1.429
kgals per account		4.55		4.87	-6.54%		61.32		59.84	2.479
Revenue per kgals - \$		5.63		5.55	1.51%		5.30		5.35	-1.02%
Revenues (000's omitted): Reuse revenues Pouce Sales (kgals*):	\$	573	\$	565	1.42%	\$	7,378	\$	5,533	33.35
Reuse Sales (kgals*): Reuse sales (kgals)		142,432		183,902	-22.55%		1,783,730		1,300,838	37.12%
Number of accounts:		0.504		5 407	05.070/		5 004		4.504	00.000
Reuse accounts		6,534		5,187	25.97%		5,891		4,501	30.88%
Sewer										
Revenues (000's omitted):										
Residential	\$	10,271	¢	10,346	-0.72%	¢	129,976	\$	125,526	3.55%
Commercial and industrial	Ψ	8,697	Ψ	7,529	15.51%	Ψ	101,910	Ψ	97,339	4.70%
Sewer revenues		18,968		17,875	6.11%		231,886		222,865	4.05%
Less: rate stabilization environmental		(742)		17,075	0.1176		(8,945)		222,000	4.00
Less: allowance for doubtful accounts		(32)		(33)	-3.03%		(403)		(491)	-17.92%
		18,194		. 17,842	1.97%		222,538		222,374	0.079
Sewer revenues, net		10, 194		. 17,042	1.97 70		222,336		222,374	0.07
Sewer Sales (kgals*):		4 0 40 004		4 004 075	2 200/		40.004.004		12 000 000	5.040
Residential		1,048,261		1,084,975	-3.38%		13,934,981		13,269,638	5.019
Commercial and industrial		955,743		774,108	23.46%		10,987,160		10,257,338	7.129
Total kgals sales		2,004,004		1,859,083	7.80%		24,922,141		23,526,976	5.93%
Number of accounts (1):					o =oo/				007.040	
Residential		236,130		229,799	2.76%		233,203		227,216	2.63%
Commercial and industrial		17,853		17,677	1.00%		17,771		17,620	0.86%
Total average accounts		253,983		247,476	2.63%		250,974		244,836	2.519
Residential averages:										
Revenue per account - \$		43.50		45.02	-3.39%		557.35		552.45	0.899
kgals per account		4.44		4.72	-5.97%		59.75		58.40	2.329
Revenue per kgals - \$		9.80		9.54	2.75%		9.33		9.46	-1.409
*kgals = 1000 gallons										D.W
		RALII ATIVE I	-IGI	IRE)	Diff in Inches					Diff in Inches
Rainfall (YTD IS BASED	ONCO		,,,,		Dill ill illones					
Normal	ONCO	8.19		8.19			52.39		52.39	
	ONCO		,00		(1.14)		52.39 49.43 114.00		52.39 51.17 114.00	(1.74

JEA Electric System **Production Statistics**

Fetcore
Fuel oil #2
Natural gas - simple cycle (BB & GEC) - variable
Natural gas - combined (BB) - variable
Natural gas - fixed
Total

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				Month eptember					ar-To-Date eptember		
		2015	3	eptember 2014	Variance		2015	3	2014	Variance	
Generated power:							***				
Steam:											
Fuel oil											
Fuel expense	\$	-	\$	40,171		\$	1,248,835	\$	1,658,589	-24.70%	
Barrels #6 oil consumed		-		372			11,680		15,342	-23.87%	
\$/ per barrel consumed						\$	106.92	\$	108.11	-1.10%	
kWh oil generated (1)							4,480,583		7,084,456	-36.75%	
Cost per MWh - oil						\$	278.72	\$	234.12	19.05%	
Natural gas units #1-3											
Gas expense - variable	\$	3,339,809	\$	2,135,683	56.38%	\$	33,343,441	\$	25,157,652	32.549	
MMBTU's consumed		1,053,125		471,232	123.48%		10,262,561		5,250,101	95.47%	
\$/ per MMBTU consumed	\$	3.17	\$	4.53	-30.02%	\$	3.25	\$	4.79	-32.15%	
kWh - gas generated (1)		86,416,501		35,906,493	140.67%		882,051,072		425,018,592	107.539	
Cost per MWh - gas	\$	38.65	\$	59.48	-35.02%	\$	37.80	\$	59.19	-36.149	
Coal											
Coal expense	\$	2,239,939	\$	10,453,774	-78.57%	\$	38,796,223	\$	56,043,876	-30.789	
kWh generated		84,946,456		330,560,928	-74.30%		1,287,916,569		1,597,167,180	-19.369	
Cost per MWh - coal	\$	26.37	\$	31.62	-16.60%	\$	30.12	\$	35.09	-14.169	
Pet coke and limestone	•		•								
Expense	\$	4,380,965	\$	463,745	844.69%	\$	43,504,564	\$	50,846,154	-14.449	
kWh generated	*	153,285,882	-	,,	2	-	1,469,858,575	•	1,530,053,901	-3.939	
Cost per MWh - pet coke and limestone	\$	28.58				\$	29.60	\$	33.23	-10.929	
Cost per MWh - coal & petcoke - steam	\$	27.79	\$	33.03	-15.86%	\$	29.84	\$	34.18	-12.70	
Cost per MVVII - coar & percoke - steam	Ψ	21.13	Ψ	00.00	-10.0070	Ψ	20.01	•		12.70	
Combustion turbine:											
Fuel oil											
Fuel expense	\$	60,081	\$	101,484	-40.80%	\$	648,092	\$	965,447	-32.879	
Barrels #2 oil consumed		485		825	-41.21%		4,782		7,442	-35.749	
\$/ per barrel consumed	\$	123.88	\$	123.01	0.71%	\$	135.53	\$	129.73	4.479	
kWh - oil generated	•	58,814	*	69,279	-15.11%		1,107,567		2,266,422	-51.139	
Cost per MWh - oil	\$	1,021.54	\$	1,464.86	-30.26%	\$	585.15	\$	425.98	37.379	
Natural gas (includes landfill)	_				15 500/	•	4 400 000	•	0.004.004	07.400	
Gas expense Kennedy & landfill - variable	\$	182,386	\$	157,788	15.59%	\$	1,183,888	\$	3,601,021	-67.129	
MMBTU's consumed		58,647		34,624	69.38%		350,831	_	742,501	-52.759	
\$/ per MMBTU consumed	\$	3.11	\$	4.56	-31.80%	\$	3.37	\$	4.85	-30.529	
kWh - gas generated (1)		4,616,385		2,587,238	78.43%		25,315,177		57,010,367	-55.609	
Cost per MWh - gas	\$	39.51	\$	60.99	-35.22%	\$	46.77	\$	63.16	-25.959	
Con surrose DD simula unsighta	\$	163,354	\$	234,081	-30.21%	\$	1,448,536	\$	2,173,578	-33.369	
Gas expense BB simple - variable	Φ		\$	•	-31.82%	Ψ	499,127	Ψ	519,668	-3.95	
MMBTU's consumed	•	41,605		61,021		æ		\$	4.18	-30.629	
\$/ per MMBTU consumed	\$	3.93	\$	3.84	2.34%	\$	2.90	Ф		9.34	
kWh - gas generated (1)	•	3,507,500		5,101,300	-31.24%	•	44,026,900	•	40,266,309		
Cost per MWh - gas simple	\$	46.57	\$	45.89	1.48%	\$	32.90	Ъ	53.98	-39.059	
Gas expense BB combined - variable	\$	5,835,945	\$	8,900,545	-34.43%	\$	84,382,841	\$	110,009,482	-23.299	
MMBTU's consumed	•	2,217,803	•	2,269,643	-2.28%	•	27,352,780	-	25,403,952	7.67	
\$/ per MMBTU consumed	\$	2.63	\$	3.92	-32.91%	\$	3.08	\$	4.33	-28.87	
kWh - gas generated (1)	Ψ	319,515,614	Ψ	316,868,493	0.84%	Ψ	3,848,230,086	Ψ	3,550,652,892	8.38	
Cost per MWh - gas combined	\$	18.26	\$	28.09	-34.99%	\$	21.93	\$	30.98	-29.21	
Cost per MVVIII - gas combined	Ψ	10.20	Ψ	20.00	04.0070	Ψ	21.00	۳	00.00	20.2.	
Gas expense GEC simple - variable	\$	258,002	\$	185,513	39.07%	\$	3,262,995	\$	1,855,577	75.85	
MMBTU's consumed		91,315		47,370	92.77%		1,195,419		460,827	159.419	
\$/ per MMBTU consumed	\$	2.83	\$	3.92	-27.81%	\$	2.73	\$	4.03	-32.26	
kWh - gas generated	•	7,980,550	•	3,870,740	106.18%		103,967,524		34,289,350	203.219	
Cost per MWh - gas simple	\$	32.33	\$	47.93	-32.55%	\$	31.38	\$	54.12	-42.029	
Natural gas expense - fixed	\$	2,240,131	\$	2,493,574	-10.16%	\$	31,291,137	\$	30,043,584	4.15%	
		•									
Total generated power:	\$	18,700,612	r	25,166,358	-25.69%	\$	239,110,552	Œ	282,354,960	-15.329	
Fuels expense kWh generated	<u> </u>	660,327,702	Φ	694,964,471	-4.98%	Ψ	7,666,954,053	Ψ	7,243,809,469	5.849	
Cost per MWh	\$	28.32	\$	36.21	-21.79%	\$	31.19	\$	38.98	-19.99	
(1) Allocation of kWh generated is based upon a								Ψ	00.00	10.00	
(1) A MOGGLOTT OF KITTI GOTTOLOGICO TO DASSO UPOIT A		540 140 1 0	- (al	_,							
Cost of fuels						_		_			
Fuel oil #6	\$	-	\$	40,171		\$	1,248,835	\$	1,658,589		
Natural gas units #1-3 with landfill - variable		3,339,809		2,135,683			33,343,441		25,157,652		
Coal		2,239,939		10,453,774			38,796,223		56,043,876		
Petcoke		4,380,965		463,745			43,504,564		50,846,154		
Fuel oil #2		60,081		101,484			648,092		965,447		
Natural gas - simple cycle (BB & GEC) - variable	•	603,742		577,382			5,895,419		7,630,176		
Natural gas - combined (BB) - variable		5.835.945		8.900.545			84,382,841		110,009,482		

8,900,545

2,493,574 25,166,358

110,009,482

30,043,584 282,354,960

31,291,137 239,110,552 \$

84,382,841

5,835,945 2,240,131 18,700,612

JEA Electric System Production Statistics (Con't.)

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		Month					Year-To-Date					
		2045	5	September	Variance		2045	S	eptember	Variance		
Production Statistics (Con't.)		2015		2014	Variance		2015		2014	Variance		
Purchased power:												
Southern Company												
Purchases						\$	-	\$	40,046	-100.00%		
kWh purchased												
Cost per MWh												
Plant Scherer			_			_		_				
Purchases	\$	4,871,194	\$	5,004,163	-2.66%	\$	52,105,780	\$	60,509,380	-13.89%		
kWh purchased		118,509,000	•	112,503,000	5.34%	æ	1,333,059,000	•	1,222,931,000	9.01%		
Cost per MWh TEA & other	\$	41.10	\$	44.48	-7.59%	\$	39.09	\$	49.48	-21.00%		
Purchases	\$	3,387,315	\$	2,182,028	55.24%	\$	47,257,581	\$	43,174,897	9.46%		
kWh purchased	Ψ	78,228,558	Ψ	32,127,681	143.49%	Ψ	1,027,573,940	Ψ	680,166,173	51.08%		
Cost per MWh	\$	43.30	\$	67.92	-36.25%	\$	45.99	\$	63.48	-27.55%		
SJRPP	•		•			•		•				
Purchases	\$	13,602,224	\$	35,614,231	-61.81%	\$	160,612,556	\$	266,556,731	-39.75%		
kWh purchased		270,209,000		288,260,000	-6.26%		2,949,077,000		3,593,936,000	-17.94%		
Cost per MWh	\$	50.34	\$	123.55	-59.26%	\$	54.46	\$	74.17	-26.57%		
Total purchased power:												
Purchases	\$	21,860,733	\$	42,800,422	-48.92%	\$	259,975,917	\$	370,281,054	-29.79%		
kWh purchased		466,946,558		432,890,681	7.87%		5,309,709,940		5,497,033,173	-3.41%		
Cost per MWh	\$	46.82	\$	98.87	-52.65%	\$	48.96	\$	67.36	-27.31%		
Cultistal accounts of												
Subtotal - generated and purchased power:	\$	40,561,345	\$	67,966,780	-40.32%	\$	499,086,469	\$	652,636,014	-23.53%		
Fuel interchange sales		(104,752)		(561,084)	-81.33%		(2,785,748)		(4,468,143)	-37.65%		
Earnings of The Energy Authority		(1,411)		(240,672)	-99.41%		(1,461,346)		(3,566,575)	-59.03%		
EPA Allowance Purchases		222,000		-			359,500		-			
Fuel procurement and handling		859,909		1,077,228	-20.17%		10,746,908		12,136,102	-11.45%		
By product reuse		1,659,064		1,165,914	42.30%		14,150,321		18,644,563	-24.10%		
Total generated and												
net purchased power:												
Cost, net		43,196,155		69,408,166	-37.77%		520,096,104		675,381,961	-22.99%		
kWh generated and purchased	1,	127,274,260		1,127,855,152	-0.05%		12,976,663,993		12,740,842,642	1.85%		
Cost per MWh	\$	38.32	\$	61.54	-37.73%	\$	40.08	\$	53.01	-24.39%		
Reconciliation:												
Generated and purchased power per above	\$	43,196,155	\$	38.32		\$	520,096,104	s	40.08			
	•	40,100,100	Ψ	00.02		Ψ	020,000,104	Ψ	40.00			
SJRPP operating expenses:												
SJRPP O & M		(2,583,839)		(2.29)			(25,963,244)		(2.00)			
SJRPP debt service		(4,163,564)		(3.69)			(51,194,847)		(3.95)			
SJRPP R & R		1,645,514		1.46			20,268,220		1.56			
SCHERER operating expenses:												
Scherer power production		(608,294)		(0.54)			(7,958,646)		(0.61)			
Scherer R & R		(629,326)		(0.56)			(2,059,635)		(0.16)			
Scherer transmission		(479,048)		(0.42)			(4,934,947)		(0.38)			
Scherer taxes		(81,814)		(0.07)			(954,777)		(0.07)			
Florida and other capacity		(589,743)		(0.52)			(6,965,345)		(0.54)			
Rounding		(1)		-			1		-	•		
	•	25 700 040	•	04.67		•	440 220 004	•	22.02			
		35,706,040	\$	31.67	No. 1800	\$	440,332,884	\$	33.93			

JEA Electric System Purchased Power from SJRPP

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		M Sou			Year- Septe	To-Da		
		2015	otember	2014		2015	illibei	2014
Fuel costs : (Includes fuel handling expenses)	\$	8,503,007	\$	8,605,958	\$	103,746,303	\$	124,565,321
Less interest credits: inventory bank		(2,652))	(3,188)		(23,217)		(31,728
Plus (less): true-up interest		(21	•	23		(401)		(258
Total	_	8,500,334		8,602,793		103,722,684		124,533,335
Cost per MWh	\$	31.46	\$	29.84	\$	35.17	\$	34.65
Operating and maintenance expenses:		2,584,147		2,545,619		25,969,322		25,319,180
Less: operations bank interest		(308))	(381)		(4,894)		(5,341
Less: annual variable o & m true-up		` -	•	`		(1,184)		(15,256
Total		2,583,839	_	2,545,238		25,963,243		25,298,583
Cost per MWh	\$	9.56	\$	8.83	\$	8.80	\$	7.04
Debt service contribution:	Р	2,975,104		7,202,213		35,579,375		86,080,000
	. 1	1,531,238		(2,442,742)		20,282,243		15,999,118
Less credits:		(440.055		(04.000)		(0.004.000)		(0.404.00)
Reserve units 1 & 2		(110,355		(91,366)		(2,934,036)		(2,491,235
Debt service units 1 & 2		(31,343)	•	(33,972)		(57,922)		(45,829
Bond proceeds COB		(222)	•	(5,380)		(12,607)		(16,103
General reserve		(20,016	,	(6,666)		(133,067)		(38,897
Build america bonds subsidy		(34,007)	•	(34,043)		(408,081)		(408,522
Inventory carrying costs		(57,417		(59,042)		(671,147)		(679,490
Total	_	4,252,982		4,529,002		51,644,759		98,399,042
Cost per MWh	\$	15.74	\$	15.71	\$	17.51	\$	27.38
R & R contribution:		338,308		915,207		4,109,471		10,982,489
Less: interest credit		(53,056))	(40,069)		(524,206)		(452,36)
Less: cumulative capital recovery amount		(2,020,184))	(1,937,940)		(24,303,396)		(21,204,358
Accrued transfer to jea 253203		-		-		-		
		(1,734,932	<u> </u>	(1,062,802)		(20,718,131)		(10,674,229
Cost per MWh	\$	(6.42) \$	(3.69)	\$	(7.03)	\$	(2.97
Debt service coverage: Less: rebate from sirpp gen reserve fund		2,478,000		32,585,000		10,018,000		62,710,000
Transfer to JEA		(2,478,000)	(11,585,000)		(10,018,000)		(33,710,00
		<u>-</u>		21,000,000				29,000,000
Cost per MWh		-		-		-		
Total	_\$	13,602,224	\$	35,614,231	\$	160,612,556	\$	266,556,73
kWh purchased		270,209,000		288,260,000		2,949,077,000		3,593,936,000
Cost per MWh	\$	50.34	\$	123.55	\$	54.46	\$	74.17
· p - · · · · · · · · ·	*	23.01	•	.20.00	•	55	•	

JEA Community Engagement Calendar - September - November 2015

(Events highlighted in blue are either JEA sponsored or corporate events)

	А	A B		D	E	F
1	Date	Event/Activity	Location	Time	Туре	Opportunity for Public to Attend or Participate
2	Sep-15					
3	9/1/2015	Feeding NE Florida Food Bank	Feeding NE Florida Food Bank	8:30 – 11:30 a.m. and/or 12:30 – 3:30 p.m.	Volunteer Event	Yes
4	9/1 - 4/2015	Bird Stewards at Huguneot Park	Huguneot Park	8 a.m. – 6 p.m.	Volunteer Event	Yes
5	9/4/2015	Variable Frequency Drives Workshop	JEA - Tower 19	8am - 10am	Ambassador Event	Yes
6	9/8/2015	Riverview Senior Center	Main St Lab	10:30am	Ambassador Facility Tour	No
7	9/12/2015	TEACH Conference	Hyatt Riverfront	8am - 3pm	Ambassador Event	Yes
8	9/12 2015	NE FL Community Action Agency Resource Fair	Emmett Reed Center - 1093 W 6th St	10am - 2pm	Ambassador Event	Yes
9	9/12/2015	Cars & Coffee		8am	Ambassador Event	Yes
10	9/16/2015	Field Inspectors Course Fieldtrip	Mandarin WWTP Plant Tour	2:30	Ambassador Facility Tour	No
11	9/17/2015	National Drive Electric Week	Whole Foods - San Jose	5pm	Ambassador Event	Yes
12	9/18/2015	Feeding NE Florida Food Bank	Feeding NE Florida Food Bank	8:30 – 11:30 a.m. and/or 12:30 – 3:30 p.m.	Volunteer Event	Yes
13	9/20/2015	Robotics Club	Brooks Family YMCA	11am	Ambassador Speaker	Yes
14	9/23/2015	Dignity U Wear	Dignity U Wear	9 a.m. – Noon and/or 1 – 4 p.m.	Volunteer Event	Yes
15	9/24/2015	Non-Profit Agency Appreciation Breakfast	JEA - Tower 19	7:30am	Ambassador Event	Yes
16	9/26/2015	Family Foundation Homebuyer Workshop	duPont Building	9am	Ambassador Instructor	No
17	9/26/2015	Dragon Boat Festival	Jacksonville Landing	8 a.m. – 6 p.m.	Volunteer Event	Yes
18	9/29/2015	USGBC NF Chapter	UNF	11:30am	Ambassador Speaker	No
19	Oct-15					

JEA Community Engagement Calendar - September - November 2015

(Events highlighted in blue are either JEA sponsored or corporate events)

	А	В	С	D	Е	F
20	Date	Event/Activity	Location	Time	Туре	Opportunity for Public to Attend or Participate
21	10/1 -4/2015	2015 Fall Home & Patio Show	Prime Osborn	10am - 9pm	Ambassador Event	Yes
22	10/8/2015	United Way Days of Caring	Clara White Mission	8am - 11am	Volunteer Event	Yes
23	10/14/2015	Deutsche Bank	Lunch & Learn	12noon	Ambassador Event	Yes
24	10/14 - 16/2015	2015 Florida Energy Summit	Hyatt Riverfront	All Day	Ambassador Event	Yes
25	10/15/2015	United Way Days of Caring	Pine Castle - 4933 Spring Park Road	9am - 12noon	Volunteer Event	Yes
26	10/15/2015	Web.com Benefits Fair	12808 Gran Bay Parkway	10am - 3pm	Ambassador Event	No
27	10/15/2015	Mayport Energy Awareness Event	Mayport Base - Commissary	10am - 2pm	Ambassador Event	No
28	10/15 - 18/2015	2015 Southern Women's Show	Prime Osborn	10am - 9pm	Ambassador Event	Yes
29	10/17/2015	Home Depot Customer Appreciation	Atlantic & Girvin	10am - 2pm	Ambassador Event	Yes
30	10/24/2015	2015 Black Expo	Prime Osborn	10am - 6pm	Ambassador Event	Yes
31	10/24/2015	Eco-Latina Hispanic Art Walk	Jax Landing	4pm	Ambassador Event	Yes
32	10/24/2015	TEDxJacksonville	Webb Wesconnett and University Park Libraries	9:30am - 2pm	Volunteer Event	Yes
33	Nov-15					
34	11/7/2015	Main Library Anniversary Celebration	Main Library	10am	Ambassador Event	Yes
35						
36	11/11/2015	Veterans Day Parade	Downtown Jax	11:01am	Ambassador Event	Yes
37						
38						

JEA Community Engagement Calendar - September - November 2015

(Events highlighted in blue are either JEA sponsored or corporate events)

	А	В	С	D	E	F
39						
40						
41	Date	Event/Activity	Location	Time	Туре	Opportunity for Public to Attend or Participate
42						
43						
44						

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FY15 Communications & Community Engagement August/September Update

Communications: In September we began communicating that the Fuel Credit would be coming in customers' October bills. We also updated customers on the change to terminology that occurred on their bill eliminating the Customer Charge from the electric section and the Service Availability Charge from the water and sewer sections to replace all three with a Basic Monthly Charge on each. We also continued to promote the use of jea.com as a convenient way to interact with JEA. All paid and owned messaging are supported by social media, using Twitter, Facebook, Linkedin, Google+ and YouTube to provide additional timely, relevant information. Proactive media for the period included information on the elimination of Fats, Oils and Grease, the availability of dark fiber and the upcoming fuel credit. Performance Pay, Paul's contract and the JEA Board were in the news in September.

<u>Community Engagement:</u> We set a goal for having 700 employee volunteers in the community in FY15 so we are very excited to report we actually exceeded our goal by 90 volunteers for a total number of 790. As we move into October, we are off to a good start with our volunteer activities which include Days of Caring at the Clara White Mission, Days of Caring at Pine Castle and assistance with TEDx Jacksonville.

As for our Ambassador program, our goal was to have 100 new JEA Ambassadors from around the company trained by September 30. Again we exceeded our goal and ended the year with 163 fully certified Ambassadors. Activities in September included speaking at the Robotics Club at Brooks YMCA, at the USGBC NF Chapter Meeting, participating in the Variable Frequency Drives Workshop, TEACH Conference, NE FL Community Action Agency Resource, Cars & Coffee, National Drive Electric Week, conducting facility tours at the Main Street Lab for the Riverview Senior Center and at Mandarin WWTP Plant Tour for Field Inspectors. We even conducted a First-Time Homebuyer Workshop for Family Foundation. And last but not least, we hosted a Non-Profit Agency Appreciation Breakfast for local non-profits who provide utility assistance to our customers to say thank you and increase the dialogue to provide more opportunities for collaboration.

We are very excited about the year ahead and with more volunteers and Ambassadors than ever before; we believe we will have another great year engaging our customers one-on-one to make their use of our products more efficient and safe as well as assisting local non-profits to achieve their missions.

Co	mmunications Contacts Generated Year to Date	517,049,230
•	Number of Paid Communications Contacts	130,548,737
	(Radio, Television, Out of Home, Online, Print)	
•	Number of Other Communications Contacts	357,427,956
	(Bill Insert, Bill Envelop, Brochure, Earned Media etc.)	
•	Number of E-communications Contacts	28,596,394
	(jea.com Visitors, Email, Social Media, Videos)	
•	Number of Community Engagement Communications Contacts	476,143
	(Events, Public Speaking, Presentations, Training, Workshops, etc.)	

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October 14, 2015

SUBJECT:	APPOINTME	NT OF STEVEN	I V. TUTEN, DIRECTOR,	AUDIT SERVICES
Purpose:	☐ Infor	mation Only		Advice/Direction
Director, Audit	Services to rep	olace Ms. Doris	Champ due to her retirem	cess to employ the position of nent. The JEA staff recommends for V. Tuten, CIA, CMA, CTP (resume
the opportunity the timing of th	to work with Mis appointment	ls. Champ for th , it is requested	e next several weeks to t	nce of audit services and will have ransition into this position. Due to nd this request be made directly to mittee.
Effect: The ap thirteen years			iditor to replace Doris Ch	amp due to her retirement after
Cost or Benef JEA employee		r, Audit Services	s shall be paid an annual	salary of \$135,000 plus standard
	and Audit Com			of Directors discharge this item out Ir. Steven V. Tuten to the position of
For additional	I information,	contact: Jody B	Brooks 630-1720	
Submitted by: PEI	M/TEH			
	MISSION	Nision A	VALUES	mmitments to Action Earn Customer Loyalty

Ver.2.0D 9/21/2013 jer

Deliver Business Excellence

Unbeatable Team

Develop an

- Safety - Service - Geowth² - Accountability

Integrity

Energizing our community through high-value energy and water solutions. JEA is a premier service provider, valued asset and vital partner in advancing our community.



INTER-OFFICE MEMORANDUM

October 14, 2015

SUBJECT: APPOINTMENT OF STEVEN V. TUTEN, DIRECTOR, AUDIT SERVICES

FROM: Paul E. McElroy, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

Doris Champ, JEA's Chief Auditor is retiring from JEA. She has extended her retirement to be effective on December 1, 2015. Upon knowledge of her retirement, JEA began the process to recruit for the Director's position in February of this year. After an extensive search and interview process JEA staff has selected and recommends for approval by the JEA Board of Directors, the appointment of Mr. Steven V. Tuten, CIA, CMA, CTP to the position of Director, Audit Services.

DISCUSSION:

Mr. Tuten has an extensive background in the performance of audit services and will have the opportunity to work with Ms. Champ for the next several weeks to transition into this position. Mr. Tuten will be paid a salary of \$135,000 per year along with standard JEA employee benefits.

Due to the timing of this appointment, it is requested that this item be heard and this request be made directly to the JEA Board without first being heard by the Finance and Audit Committee. One of the listed responsibilities contained in the Operating Policy of the Finance in Audit Committee is the approval of the appointment of the Director of Audit Services. For the ease of transition and the ability of Ms. Champ to impart certain strategic and institutional knowledge, it is recommended that the appointment of Mr. Tuten go directly before the JEA Board and be discharged from the Finance and Audit Committee.

RECOMMENDATION:

Staff recommends that the JEA Board of Directors discharge this item out of the Finance and Audit Committee and approve the appointment of Mr. Steven V. Tuten to the position of Director, Audit Services.

Paul E. McElroy, Managing Director/CEO

Ver 2.2 02/01/2014

STEVEN V. TUTEN

3710 Hawks Bay Court Jacksonville, FL 32224; (904) 477-5056 E-mail: ps_t@comcast.net

SUMMARY

Internal audit director, financial services consultant, and financial controller, with leadership roles directing internal control and business process improvements, risk analyses, and financial / strategic planning initiatives.

PROFESSIONAL EXPERIENCE

NEW LEAF FOUNDATION, INC., Neptune Beach, FL

2014 - Current

Secretary / Treasurer

Serving in volunteer role on Foundation's Board of Directors, fundraising board for New Leaf School, which offers dynamic learning opportunities for special needs students, including those within the autism spectrum.

EVERBANK FINANCIAL CORP. Jacksonville, FL

2003 -- 2013

Director of Internal Audit and Senior Vice President

Directed a staff of 54 professionals responsible for enterprise-wide internal audit activities; presented results to the Audit Committee of the Board of Directors and Executive/Senior Management.

- Developed inaugural internal audit function from a staff of four to fifty-four during tenure, as company grew from \$2.0B to \$17B+ in total assets, and increasing regulatory expectations.
- Expanded unit to incorporate fully-staffed financial/operational, information technology, fraud investigations and professional practices teams.
- Aligned department resources strategically across enterprise to better support internal audit clients.
- Instilled a continuous improvement discipline, including risk-based annual audit plan, management call program and periodic performance checkpoint meetings.
- Chaired for three years cross-enterprise regulatory compliance committee, overseeing business unit compliance with key laws/regulations. Company received (top) outstanding compliance rating from regulators during tenure. Developed self-assessment matrix for key laws and regulations in accordance with regulators' guidance.
- Served as Internal Audit representative for various management working committees across enterprise. As
 department grew and evolved, successfully delegated most representative roles to direct reports, based on
 strategic alignments with key divisions.
- Directed evaluation and purchase of automated audit workflow system, resulting in all-electronic workpapers, reporting and risk assessment templates.
- Founded and developed cross-enterprise corporate safety and security committee, coordinated external physical security gap analysis.

RESOURCES GLOBAL PROFESSIONALS, Jacksonville, FL / SERVICE DIMENSIONS, INC. (SDI), Spartanburg, SC

2000-2003

Senior Consultant

Directed, documented and delivered key process improvement initiatives for financial services clients.

- (Resources) Coordinated company's inaugural risk management program, in accordance with FDICIA guidelines. Developed risk assessment matrices and quarterly assessment reviews documenting key exposures, inherent and residual risks, and mitigating controls for key business processes and activities across enterprise. Directed initiative for improved company-wide general ledger account reconciliations. Served as interim Internal Audit Manager after initial manager's resignation.
- (SDI) Served as facilitator in the development and implementation of new operating procedures, enabling credit
 card, merchant and accounting operations units' personnel to perform inquiry, maintenance, billing and account
 reconciliation functions more efficiently. Prepared and delivered related formal training programs improving

STEVEN V. TUTEN

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effectiveness of work processes specific to individual job functions. All identified high and moderate-impact tasks were completed on or ahead of schedule, lowering engagement costs for clients.

BANK OF AMERICA, Charlotte, NC

1996 - 2000

Senior Finance Manager and Vice President

Served as controller for Technology & Operations and Treasury Support units; managing team of business unit controllers responsible for fiscal/strategic plans for production, programming and project units.

- Guided client groups to manage expenditures to within 1.5% of profit plan target each year. Simplified financial reporting for clients via design of monthly and year-to-date financial flash packages.
- Advised treasury product groups during assessment phase of the BankAmerica/NationsBank merger, providing key financial decision support to select best target platforms and systems.
- Coordinated rate development studies of cash management products, resulting in key adjustments of product and service billings for Treasury customers.

BB&T / SOUTHERN NATIONAL CORPORATION, Winston-Salem, NC

1994 - 1996

Financial Planning Manager and Vice President

Managed Corporation's \$20 billion annual financial plan, including profit planning, fixed asset, and salary administration systems.

• Final financial results (net income) within 0.2% of approved Plan. Developed on-line planning program, training 400+ associates, as well as guidelines for strategic planning process complementing financial plan.

General Auditor; Audit Manager

1991 - 1994

Directed a staff of 37 professionals responsible for corporate internal audit activities; presented the results to the Audit Committee of the Board of Directors.

Expanded annual audit scope, while reducing group expenses by 8%, during a period when the corporation's assets increased 40%. Developed and implemented automated system for frequency of branch audits and optimal allocation of staffing resources. Coordinated due diligence engagements for reviewing auditing, accounting and internal control processes of eight financial institutions considered for acquisition.

NCNB CORPORATION, Charlotte, NC/Tampa, FL Audit Supervisor and Assistant Vice President

1983 - 1991

CITIZENS STATE BANK, Perry, FL

1980 - 1983

Auditor and Controller

EDUCATION

Bachelor of Arts, Accounting Major, University of South Florida, 1980; Graduate, Audit Major, School of Bank Administration - University of Wisconsin, 1990

PROFESSIONAL CERTIFICATIONS & AFFILIATIONS

- Currently Secretary/Treasurer of New Leaf Foundation, Inc., Certified Internal Auditor (CIA); Certified Management Accountant (CMA); & Certified Treasury Professional (CTP).
- Member of: Institute of Internal Auditors (IIA); Association of Financial Professionals (AFP); & Institute of Management Accountants (IMA).



October 21, 2015

SUBJECT:	APPROVAL OF RESOLUTION: FY2016 BUDGETARY TRANSFERS		
Purpose:			
Issue: In the past, the Board has delegated to the Managing Director the authority to make transfers during the fiscal year between budget line items. In December 2008 a modification was made to notify the Board of line item transfers greater than \$5.0 million. Consistent with past practices and Board delegation of authority, staff recommends the board authorize the Managing Director to approve FY2016 budget transfers up to \$5.0 million.			
Significance: High. Delegates authority to Managing Director to approve budget transfers for FY2016.			
Effect: Transfers occurring within FY2016 Operating and Capital Budgets.			
Cost or Benefit: Business continuity, administrative efficiency and budget effectiveness.			
Recommended Board action: This item is submitted for information. Staff will request approval at the November 17, 2015 Board Meeting.			
For additional information, contact: Melissa Dykes			
Submitted by: DEM			

Submitted by: PEM/ MHD/ DRJ



Commitments to Action



Ver.2.0D 9/21/2013 jer



INTER-OFFICE MEMORANDUM October 21, 2015

SUBJECT:	APPROVAL OF RESOLUTION: FY2016 BUDGETARY TRANSFERS	
FROM:	Paul E. McElroy, Managing Director/CEO	
TO:	JEA Board of Directors	

BACKGROUND

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

DISCUSSION

The proposed Resolution authorizes the Managing Director to approve transfers between approved budget line items within the JEA budget for Fiscal Year 2016. Authorization is limited to \$5.0 million per transfer; however, in the event of an emergency or for year-end adjustments, the Managing Director is authorized to approve budget transfers exceeding \$5.0 million. Emergency and year-end transfers exceeding \$5.0 million will be brought to the Board for ratification. The Resolution states that the JEA staff will provide to the City Council Auditor at the end of each quarter a copy or written summary of the documentation of all transfers made between approved budget line items.

RECOMMENDATION

This item is submitted for information.	Staff will request approval at the November 17, 2015
Board Meeting.	

	Paul McElroy, Managing Director/CEO
PEM/MHD/DRJ	

Resolution No. 2015-05

A RESOLUTION AUTHORIZING THE MANAGING DIRECTOR TO AFFECT TRANSFERS WITHIN THE ACCOUNTS OF THE FISCAL YEAR 2016 OPERATING AND CAPITAL BUDGETS FOR JEA, AND PROVIDING FOR AN EFFECTIVE DATE.

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

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

BE IT RESOLVED by the JEA Board of Directors that:

- 1. The Managing Director is authorized to approve transfers between line items within the JEA budget for Fiscal Year 2016, providing the transfers are within the total budget as approved by the City Council.
- 2. This Authorization is limited to \$5.0 million per transfer except in the event of an emergency or year-end adjustments, where the Managing Director is authorized to approve budget transfers exceeding \$5.0 million. Emergency and year-end transfers exceeding \$5.0 million will be brought to the Board of Directors for ratification.
- 3. There shall be a copy or a summary of the written documentation of all transfers made between approved budget line items provided to the Council Auditor at the end of each quarter.
- 4. This Resolution shall be effective immediately upon passage.

Dated this c	lay of	_2015.	
		J	JEA
		E	By: Chair
Form Approved:			
Jody L. Brooks Assistant General 0	Counsel	_	



October 5, 2015

SUBJECT:	REVOLVING CREDIT FACILITY FOR OPERATIONAL/CAPITAL PURPOSES AND LIQUIDITY		
Purpose:			
Issue: JEA has utilized revolving credit facilities (revolvers) since 2003 to enhance liquidity metrics and to efficiently provide flexibility for operational and capital cash needs. By prior Resolutions, the Board has delegated to the Managing Director and CEO the authority to amend, renew or extend revolvers. Methods of procuring revolver providers are described in the JEA procurement code. Prior Resolutions do not address the delegation of authority for selecting replacement revolver providers or for replacing revolvers.			
Significance: High. Bank revolving credit facilities improve JEA's liquidity position, reduce financial risks and strengthen JEA's credit position with the rating agencies and bondholders.			
Effect: Permits the Managing Director and CEO, in accordance with the JEA procurement code, to select the banks or financial institutions providing JEA with revolving credit facilities and to substite new revolvers to replace existing revolvers.			
Cost or Benefit: JEA pays fees for revolving credit facility capacity, which provides an important source of liquidity, helping protect JEA's credit ratings and minimize its overall cost of debt.			
Recommended Board action: This item is submitted for information. Staff will request approval at the November 17, 2015 Board Meeting.			
For additional information, contact: Joe Orfano, 665-4541			

Submitted by: PEM/ MHD/JEO/ RLH



Commitments to Action



Ver.2.0D 9/21/2013 jer



INTER-OFFICE MEMORANDUM

October 5, 2015

SUBJECT: REVOLVING CREDIT FACILITY FOR OPERATIONAL/CAPITAL

PURPOSES AND LIQUIDITY

FROM: Paul E. McElroy, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

JEA currently has two revolving credit agreements (revolvers) totaling \$300 million with two banks to provide additional funds, as may be needed, to supplement the Debt Management Subaccounts of the Rate Stabilization Fund and to mitigate various potential risks in JEA's debt portfolio. One revolver is with Bank of Tokyo-Mitsubishi UFJ, Ltd for a commitment amount of \$200 million (the "BTMU Agreement") and the second is with Union Bank, N.A. (now named MUFG Union Bank, N.A.) for a commitment amount of \$100 million (the "Union Agreement"). Both revolvers were executed September 9, 2013 and expire September 7, 2016. These banks were procured pursuant the JEA Procurement Code, and the revolvers were executed under authority granted by the Board in the Amended and Restated Note Resolution dated August 20, 2013 ("Resolution No. 2013-14").

Historically, JEA has utilized borrowings under revolvers as bridge financings in order to advantageously time the issuances of long term debt for capital projects, to supplement long-term refunding transactions if the market pricing was not advantageous for certain maturities, or to provide short-term funding for fuel inventory. In addition, the rating agencies favorably view our revolvers as an excellent source of liquidity and reflect the facilities on our various liquidity ratios. Moody's rating criteria specifies that target number of days of liquidity for utilities with a Aa rating is 150 to 250 days; this revolving credit facility will help JEA achieve and maintain this target metric.

Note: JEA has not made any borrowings under the two revolvers and does not anticipate a need to do so.

DISCUSSION:

Staff has notified the banks of JEA's desire to request an extension beyond the current revolver expiration dates. Prior to requesting an extension and based on preliminary indicative pricing received from BTMU on behalf of itself and Union, Staff with the input of JEA's financial advisor Public Financial Management ("PFM") decided to review current pricing, as well as terms and conditions for revolvers and intends to issue a Request for Information ("RFI") in order to determine if it would be advantageous for JEA to enter into new revolvers with possibly one or more new banks or financial institutions. Consistent with the process used to procure the BTMU and Union agreements, the RFI will request proposals from banks to serve as a revolving credit provider on its own or as a lead bank in a syndicated revolving credit facility for up to \$300 million with a term of at least three years and up to five years.

Attached is an Amended and Restated Note Resolution ("Resolution No. 2015-06") amending Resolution No. 2013-14, drafted by our Bond Counsel, Nixon Peabody LLP, which authorizes the following:

 A delegation to: (a) the Managing Director and CEO, or his designee, to: (i) select one or more banks or financial institutions, from respondents to a request for information, a request for proposal or competitive bid request distributed by or on behalf of JEA as provided for in JEA's then current Procurement Code (currently Section 4-315 of the JEA Procurement Code), or (ii) if

Ver 2.2 02/01/2014

Page 2

considered by the Managing Director and CEO to be in the best interest of JEA and upon the written recommendation of JEA's financial advisor, to negotiate the terms of a Credit Agreement with one or more banks or financial institutions in accordance with JEA's then current procurement code (currently Section 4-315 of the JEA Procurement Code); and (b) certain Authorized Officers to execute one or more revolver(s) subject to the \$300 million limit. Resolution No. 2015-06 requires a certificate from JEA's financial advisor stating that the terms and conditions of the final revolver are necessary or desirable and advantageous to JEA, are in commercially reasonable form and reflect current markets terms and conditions.

• A delegation to the Managing Director and CEO, or his designee to extend, amend, renew or substitute such new credit agreement(s) with the incumbent banks or other bank(s) or financial institution(s), procured using a selection method allowed in Section 4-315 of the JEA Procurement Code, subject to a determination from the Managing Director and CEO, or his designee and a certificate from JEA's financial advisor, in each case, that any revised agreement(s) or replacement agreement(s) executed in connection with such extension, amendment, renewal or substitution contains terms that are necessary or desirable and advantageous to JEA and in commercially reasonable form and, in the case of the certificate from JEA's financial advisor, reflect current markets terms and conditions and, in the case of a negotiation with banks or financial institution(s) instead of an alternate method of selection, a recommendation from JEA's financial advisor to negotiate the terms of such revised agreement(s) or replacement agreement(s) with such bank(s) or financial institution(s).

Finally, if negotiation with the selected bank(s) or financial institution(s), take longer than anticipated, staff request the authorization to have the Managing Director and CEO, or his designee, be delegated the authority to renew the current revolvers until the new revolver(s) is executed.

RECOMMENDATION:

This item is submitted for information. Staff will request approval at the November 17, 2015 Board Meeting.

Paul E. McElroy, Managing Director/CEO

PEM/MHD/JEO/RLH

RESOLUTION NO. 2015-06

A RESOLUTION RESTATING AND AMENDING THE RESOLUTION OF JEA DATED AUGUST 19, 2003 ENTITLED "A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY BY JEA OF A REVOLVING CREDIT AGREEMENT WITH SUNTRUST BANK AND **AUTHORIZING BORROWINGS THEREUNDER** OF EXCEEDING \$50,000,000 OUTSTANDING FROM TIME TO TIME, FOR THE PURPOSE OF PROVIDING JEA WITH WORKING CAPITAL AND SHORT-TERM OR INTERIM FINANCING FOR CAPITAL PROJECTS FOR THE ELECTRIC SYSTEM, THE WATER AND SEWER SYSTEM AND SUCH OTHER UTILITY SYSTEMS AS MAY HEREAFTER BE ESTABLISHED BY JEA; AUTHORIZING THE ISSUANCE OF ELECTRIC SYSTEM REVOLVING CREDIT SUBORDINATED BANK NOTES, SERIES 2 AND WATER AND SEWER SYSTEM REVOLVING CREDIT SUBORDINATED BANK NOTES, SERIES 2 OF JEA FOR THE PURPOSE OF EVIDENCING JEA'S OBLIGATION TO REPAY AMOUNTS BORROWED UNDER SUCH CREDIT AGREEMENT RELATING TO THE ELECTRIC **SYSTEM** AND THE **WATER AND SEWER** SYSTEM. RESPECTIVELY; DETERMINING CERTAIN DETAILS OF SAID REVOLVING CREDIT SUBORDINATED BANK NOTES AND PROVIDING FOR THE SECURITY THEREFOR; AUTHORIZING THE PROPER OFFICERS OF JEA TO DO ALL OTHER THINGS DEEMED NECESSARY OR ADVISABLE IN CONNECTION WITH BORROWINGS UNDER SUCH CREDIT AGREEMENT AND THE ISSUANCE OF SAID REVOLVING CREDIT SUBORDINATED BANK NOTES; AND PROVIDING AN EFFECTIVE DATE", AS SUPPLEMENTED AND AMENDED TO THE DATE HEREOF, WHICH AUTHORIZES THE EXECUTION AND DELIVERY BY JEA OF ONE OR MORE CREDIT AGREEMENTS WITH ONE OR MORE BANKS OR FINANCIAL INSTITUTIONS SELECTED BY THE MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER AND AUTHORIZES BORROWINGS THEREUNDER OF NOT EXCEEDING \$300,000,000 OUTSTANDING FROM TIME TO TIME FOR THE PURPOSE OF PROVIDING JEA WITH WORKING CAPITAL AND SHORT-TERM OR INTERIM FINANCING FOR CAPITAL PROJECTS FOR THE ELECTRIC SYSTEM, THE WATER AND SEWER SYSTEM, THE DISTRICT ENERGY SYSTEM, THE ST. JOHNS RIVER POWER PARK SYSTEM, THE BULK POWER SUPPLY SYSTEM AND SUCH OTHER UTILITY SYSTEMS AS MAY HEREAFTER BE ESTABLISHED BY JEA; AUTHORIZING THE ISSUANCE OF ELECTRIC SYSTEM REVOLVING CREDIT SUBORDINATED BANK NOTES, WATER AND SEWER SYSTEM REVOLVING CREDIT SUBORDINATED BANK NOTES, DISTRICT ENERGY SYSTEM REVOLVING CREDIT SUBORDINATED BANK NOTES, ST. JOHNS RIVER POWER PARK SYSTEM REVOLVING

CREDIT SUBORDINATED BANK NOTES, BULK POWER SUPPLY SYSTEM REVOLVING CREDIT SUBORDINATED BANK NOTES OF JEA FOR THE PURPOSE OF EVIDENCING JEA'S OBLIGATION TO REPAY AMOUNTS BORROWED UNDER SUCH CREDIT AGREEMENT RELATING TO THE ELECTRIC SYSTEM, WATER AND SEWER SYSTEM, THE DISTRICT ENERGY SYSTEM, THE ST. JOHNS RIVER POWER PARK SYSTEM AND THE BULK POWER SUPPLY SYSTEM, RESPECTIVELY; DETERMINING **CERTAIN DETAILS** OF SAID **REVOLVING** SUBORDINATED BANK NOTES AND PROVIDING FOR THE SECURITY THEREFOR; AUTHORIZING THE PROPER OFFICERS OF JEA TO DO ALL OTHER THINGS AND TAKE SUCH ACTIONS DEEMED NECESSARY OR ADVISABLE IN CONNECTION WITH THE EXECUTION AND DELIVERY OF THE REVOLVING CREDIT AGREEMENT AND THE BORROWINGS UNDER SUCH CREDIT AGREEMENT AND THE ISSUANCE OF SAID REVOLVING CREDIT SUBORDINATED BANK NOTES, INCLUDING RENEWING OR EXTENDING THE TERM OF SUCH CREDIT AGREEMENT OR AMENDING SUCH CREDIT AGREEMENT OR PROCURING A CREDIT AGREEMENT IN SUBSTITUTION OF AN EXISTING CREDIT AGREEMENT, IN EACH CASE, UPON SUCH TERMS AND CONDITIONS AS SHALL BE DETERMINED BY THE MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER OF JEA OR SUCH DESIGNEE TO BE**ADVANTAGEOUS** TO **JEA AND COMMERCIALLY** REASONABLE; **AND PROVIDING** AN EFFECTIVE DATE.

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WHEREAS, pursuant to the provisions of Article 21 of the Charter of the City of Jacksonville, Florida (the "City"), as amended and readopted by Chapter 80-515, Laws of Florida, Special Acts of 1980, as subsequently amended by Chapter 92-341, Laws of Florida, Special Acts of 1992 and as thereafter amended in accordance with the terms thereof prior to the date hereof (the "Act"), JEA is authorized, among other things, to borrow money from lending institutions, including borrowing as part of a commercial paper or other short-term note financing program which may include provisions for payment upon demand by the purchaser or purchasers, as authorized by resolution of JEA;

WHEREAS, it is hereby determined that it is necessary and desirable and in the best financial interests of JEA that JEA establish a revolving credit facility with one or more banks or financial institutions in order to provide JEA with a mechanism for obtaining funds for working capital purposes and short-term or interim financing for capital projects for its Electric System, its Water and Sewer System, its District Energy System, its St. Johns River Power Park System, its BPSS Projects and such other utility systems as may hereafter be established by JEA (such terms, and all other capitalized terms used in these recitals without definition, having the respective meanings ascribed thereto in Section 1.02 hereof) from time to time, and that the proper officers of JEA be authorized to borrow thereunder from time to time;

WHEREAS, it is hereby determined that it is necessary and desirable and in the best financial interests of JEA that (i) JEA's obligation to repay any such borrowings made in respect of the Electric System, and interest thereon, be secured by a subordinate lien on the Revenues (as defined in the Electric System Resolution) of the Electric System in the manner provided herein, (ii) JEA's obligation to repay any such borrowings made in respect of the Water and Sewer System, and interest thereon, be secured by a subordinate lien on the amounts on deposit in the Water and Sewer System Subordinated Indebtedness Fund in the manner provided herein, (iii) JEA's obligation to repay any such borrowings made in respect of the District Energy System, and interest thereon, be secured by a subordinate lien on Revenues (as defined in the District Energy System Resolution) of the District Energy System in the manner provided herein and that JEA's obligations to repay any such borrowings, and the interest thereon, be additionally payable from Available Water and Sewer System Revenues in the manner provided herein; (iv) JEA's obligation to repay any such borrowings made in respect of the St. Johns River Power Park System, and interest thereon, be secured by the moneys on deposit in the St. Johns River Power Park System Subordinated Indebtedness Fund in the manner provided herein, and (v) JEA's obligation to repay any such borrowings made in respect of the Bulk Power Supply System, and interest thereon, be secured by the moneys on deposit in the Bulk Power Supply System Subordinated Indebtedness Fund in the manner provided herein;

WHEREAS, it is hereby determined that it is necessary and desirable and in the best financial interests of JEA that borrowing under such revolving credit facility be available for obtaining funds for working capital purposes and short-term or interim financing for capital projects for any additional utility system which may hereafter be established by JEA and that JEA increase the total amount that can be borrowed under the revolving lines of credit to \$300,000,000 and that the proper officers of JEA be authorized to borrow thereunder from time to time;

WHEREAS, in order to accomplish the foregoing, it is hereby determined that it is necessary and required that JEA adopt this Amended and Restated Bank Note Resolution (the "Bank Note Resolution"); and

WHEREAS, JEA desires to authorize the proper officers of JEA to take all necessary steps to give effect to the transactions contemplated by this Bank Note Resolution;

NOW, THEREFORE, BE IT RESOLVED BY JEA AS FOLLOWS:

ARTICLE I

DEFINITIONS AND AUTHORITY

Section 1.01 <u>Authority for this Bank Note Resolution</u>. This Bank Note Resolution is adopted pursuant to the provisions of the Act. The provisions of this Bank Note Resolution relating to the Electric System Revolving Credit Notes supplement the Electric System Resolution. The provisions of this Bank Note Resolution relating to the Water and Sewer System Revolving Credit Notes supplement the Water and Sewer System Revolving Credit Notes supplement the District Energy System Revolving Credit Notes supplement the District Energy System Revolving Credit Notes supplement the St. Johns River Power Park System Revolving Credit Notes supplement the St. Johns River Power Park System Revolving Credit Notes supplement the St. Johns River Power Park System Revenue Bond Resolution. The provisions of this Bank Note Resolution relating to the Bulk Power Supply System Revolving Credit Notes supplement the Bulk Power Supply System Revenue Bond Resolution.

Section 1.02 <u>Definitions</u>. (a) Except as provided by this Bank Note Resolution, all terms which are defined in (i) Section 2 of the Electric System Resolution shall have the same meanings, respectively, herein as such terms are given in said Section 2 of the Electric System Resolution, (ii) all terms which are defined in Section 101 of the Water and Sewer System Resolution shall have the same meanings, respectively, herein as such terms are given in said Section 101 of the Water and Sewer System Resolution, (iii) Section 101 of the District Energy System Resolution shall have the same meanings, respectively, herein as such terms are given in said Section 101 of the District Energy System Resolution, (iv) Section 101 of the St. Johns River Power Park System Second Revenue Bond Resolution shall have the same meanings, respectively, herein as such terms are given in said Section 101 of the Bulk Power Supply System Revenue Bond Resolution shall have the same meanings, respectively, herein as such terms are given in said Section 101 of the Bulk Power Supply System Revenue Bond Resolution.

In addition, terms defined in Section 1.01 of the Credit Agreement shall have the same meanings, respectively, herein as such terms are given in said Section 1.01 of the Credit Agreement.

(b) In this Bank Note Resolution, the following terms shall have the indicated meanings:

"Additional Obligations" shall have the meaning given such term in the Water and Sewer System Resolution.

"Additional Parity Obligations" shall have the meaning given such term in the Electric System Resolution.

"Additional System" shall mean such additional utility system as may hereafter be established by JEA, separate and apart from the Electric System, the Water and Sewer System, the District Energy System, the St. Johns River Power Park System or the Bulk Power Supply System.

"Additional System Bonds" shall mean all bonds authenticated and delivered pursuant to the Additional System Resolution and all additional obligations payable on a parity therewith issued in accordance with the terms of the Additional System Resolution.

"Additional System Net Revenues" shall mean the net revenues of the Additional System, determined as shall be provided in the Additional System Resolution.

"Additional System Resolution" shall mean such resolution as shall be adopted by JEA authorizing the issuance of the obligations payable from the revenues or net revenues of an Additional System, as the same may be amended and supplemented in accordance with the provisions thereof.

"Additional System Revolving Credit Notes" shall mean the Additional System Revolving Credit Subordinated Bank Note or Notes authorized to be issued pursuant to an Additional System Supplemental Resolution.

"Additional System Supplemental Resolution" means a resolution supplemental to this Bank Note Resolution adopted pursuant to Article XIV of this Bank Note Resolution authorizing borrowings under the Credit Agreement for obtaining funds for working capital purposes and short-term or interim financing for capital projects for the Additional System referred to in such supplemental resolution and authorizing the issuance of Additional System Revolving Credit Notes to evidence such borrowings.

"Authorized Officer" shall mean (1) the Chair, the Vice Chair, the Secretary or any Assistant Secretary of JEA, (2) the Managing Director/CEO, the Vice President and General Manager, Electric Systems (with respect to the Electric System, the St. Johns River Power Park System and the Bulk Power Supply System), the Vice President and General Manager, Water and Sewer Systems (with respect to the Water and Sewer and the District Energy System), the Chief Financial Officer and the Treasurer of JEA (or any officer of JEA hereafter serving in a capacity equivalent to that of any of the foregoing officers) or (3) any other officer or employee of JEA authorized to perform specific acts or duties by resolution duly adopted by JEA.

"Available Water and Sewer System Revenues" shall mean amounts on deposit in the Revenue Fund (as defined in the Water and Sewer System Resolution) established pursuant to subsection 1 of Section 502 of the Water and Sewer System Resolution and available for use by JEA in accordance with the provisions of subsection 2 of Section 507 of the Water and Sewer System Resolution.

"Bank" shall mean any bank or financial institution (and its successors and assigns) with which JEA enters into a Credit Agreement.

"Bank Note Resolution" shall mean this Amended and Restated Bank Note Resolution which amends and restates a resolution of JEA adopted on August 19, 2003 entitled "A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY BY JEA OF A REVOLVING CREDIT AGREEMENT WITH SUNTRUST BANK AND AUTHORIZING BORROWINGS THEREUNDER OF NOT EXCEEDING \$50,000,000 OUTSTANDING FROM TIME TO TIME, FOR THE PURPOSE OF PROVIDING JEA WITH WORKING CAPITAL AND SHORT-TERM OR INTERIM FINANCING FOR CAPITAL PROJECTS FOR THE ELECTRIC SYSTEM, THE WATER AND SEWER SYSTEM AND SUCH OTHER UTILITY SYSTEMS AS MAY HEREAFTER BE ESTABLISHED BY JEA: AUTHORIZING THE ISSUANCE OF ELECTRIC SYSTEM REVOLVING CREDIT SUBORDINATED BANK NOTES, SERIES 2 AND WATER AND SEWER SYSTEM REVOLVING CREDIT SUBORDINATED BANK NOTES, SERIES 2 OF JEA FOR THE PURPOSE OF EVIDENCING JEA'S OBLIGATION TO REPAY AMOUNTS BORROWED UNDER SUCH CREDIT AGREEMENT RELATING TO THE ELECTRIC SYSTEM AND THE WATER AND SEWER SYSTEM, RESPECTIVELY; DETERMINING CERTAIN DETAILS OF SAID REVOLVING CREDIT SUBORDINATED BANK NOTES AND PROVIDING FOR THE SECURITY THEREFOR; AUTHORIZING THE PROPER OFFICERS OF JEA TO DO ALL OTHER THINGS DEEMED NECESSARY OR ADVISABLE IN CONNECTION WITH BORROWINGS UNDER SUCH CREDIT AGREEMENT AND THE ISSUANCE OF SAID REVOLVING CREDIT SUBORDINATED BANK NOTES; AND PROVIDING AN EFFECTIVE DATE", as amended and supplemented to the date hereof, and as may be further amended and supplemented in accordance with the terms hereof.

"BPSS Projects" shall have the same meaning as the term "Project" is defined in the Bulk Power Supply System Revenue Bond Resolution.

"Bulk Power Supply System" shall mean JEA's Bulk Power Supply System and shall have the same meaning as the term "System" as defined in the Bulk Power Supply System Revenue Bond Resolution.

"Bulk Power Supply System Bonds" shall mean all bonds authenticated and delivered pursuant to the Bulk Power Supply System Revenue Bond Resolution, other than Bulk Power Supply System Subordinated Indebtedness.

"Bulk Power Supply System Net Revenues" shall mean the Net Revenues (as defined in the Bulk Power Supply System Revenue Bond Resolution).

"Bulk Power Supply System Revenue Bond Resolution" shall mean the resolution of JEA entitled "Restated and Amended Bulk Power Supply System Reserve Bond Resolution" adopted September 18, 2007, authorizing the issuance of the Bulk Power Supply System Revenue Bonds, as the same has been or hereafter may be amended, restated and supplemented in accordance with the provisions thereof.

"Bulk Power Supply System Revolving Credit Notes" shall mean the Bulk Power Supply System Revolving Credit Subordinated Bank Note, Series T-X and the Bulk Power Supply System Revolving Credit Subordinated Bank Note, Series TE-X of JEA authorized to be issued pursuant to Article XI of this Bank Note Resolution.

"Bulk Power Supply System Subordinated Indebtedness" shall mean the Subordinated Indebtedness of the Bulk Power Supply System issued under (and as defined in) the Bulk Power Supply System Resolution.

"Bulk Power Supply System Subordinated Indebtedness Fund" shall mean the Subordinated Indebtedness Fund established in subsection 1(d) of Section 502 of the Bulk Power Supply System Revenue Bond Resolution.

"Bulk Power Supply System Supplemental Resolution" shall mean the Bulk Power Supply System Supplemental Resolution adopted by JEA on February 19, 2008 which supplemental resolution was adopted pursuant to the provisions of the Act and Article VIII of the Original Bank Note Resolution.

"Credit Agreement" shall mean a Credit Agreement authorized by JEA pursuant to Section 2.01 of this Bank Note Resolution and entered into between JEA and a Bank, as amended from time to time.

"Designee" shall mean an officer or employee of JEA authorized by written instrument of an Authorized Officer of JEA to make borrowings or take such other actions under the Credit Agreement on behalf of such Authorized Officer in accordance with the provisions hereof.

"District Energy System" shall mean JEA's District Energy System and shall have the same meaning as the term "System" as defined in the District Energy System Resolution.

"District Energy System Bonds" shall mean all bonds authenticated and delivered pursuant to the District Energy System Resolution, other than District Energy System Subordinated Indebtedness.

"District Energy System Net Revenues" shall mean the Net Revenues (as defined in the District Energy System Resolution) of the District Energy System.

"District Energy System Resolution" shall mean the resolution of JEA adopted June 15, 2004, authorizing the issuance of the District Energy System Bonds, as the same has been or hereafter may be amended, restated and supplemented in accordance with the provisions thereof.

"District Energy System Revolving Credit Notes" shall mean the District Energy System Revolving Credit Subordinated Bank Note, Series T-X and the District Energy System Revolving Credit Subordinated Bank Note, Series TE-X of JEA authorized to be issued pursuant to Article VII of this Bank Note Resolution.

"District Energy System Subordinated Indebtedness" shall mean the Subordinated Indebtedness issued under (and as defined in) the District Energy System Resolution.

"District Energy System Subordinated Indebtedness Fund" shall mean the Subordinated Indebtedness Fund established in Section 502.1(4) of the District Energy System Resolution.

"District Energy System Supplemental Resolution" means the District Energy System Supplemental Resolution adopted by JEA on August 15, 2006 which supplemental resolution

was adopted pursuant to the provisions of the Act and Article VIII of the Original Bank Note Resolution.

"Effective Date" shall mean the date on which the Bank's commitment under a Credit Agreement shall become effective in accordance with the terms of a Credit Agreement.

"Electric System" shall mean JEA's Electric System and shall have the same meaning as the term "Electric System" as defined in the Electric System Resolution

"Electric System Bonds" shall mean all bonds authenticated and delivered pursuant to the Electric System Resolution and all Additional Parity Obligations issued in accordance with the terms of the Electric System Resolution.

"Electric System Net Revenues" shall mean the Net Revenues (as defined in the Electric System Resolution) of the Electric System.

"Electric System Resolution" shall mean the resolution of JEA adopted March 30, 1982 authorizing the issuance of the Electric System Bonds, as the same has been or hereafter may be amended and supplemented in accordance with the provisions thereof.

"Electric System Revenue Fund" shall mean the Revenue Fund as defined in the Electric System Resolution.

"Electric System Revolving Credit Notes" shall mean the Electric System Revolving Credit Subordinated Bank Note, Series T-X and the Electric System Revolving Credit Subordinated Bank Note, Series TE-X of JEA authorized to be issued pursuant to Article III of this Bank Note Resolution.

"Electric System Subordinated Bonds" shall mean Subordinated Bonds issued under subsection K of Section 13 of the Electric System Resolution.

"Electric System Subordinated Resolution" shall mean the resolution of JEA adopted August 16, 1988 authorizing the issuance of Electric System Subordinated Bonds, as the same has been or hereafter may be amended, restated and supplemented in accordance with the provisions thereof.

"Fiscal Year" shall have the meaning given such term in the Electric System Resolution, the Water and Sewer System Resolution, the District Energy System Resolution, St. Johns River Power Park System Second Revenue Bond Resolution or the Bulk Power Supply System Revenue Bond Resolution, as applicable.

"Original Bank Note Resolution" shall mean the resolution of JEA entitled "A RESOLUTION AUTHORIZING THE EXECUTION AND DELIVERY BY JEA OF A REVOLVING CREDIT AGREEMENT WITH SUNTRUST BANK AND AUTHORIZING BORROWINGS THEREUNDER OF NOT EXCEEDING \$50,000,000 OUTSTANDING FROM TIME TO TIME, FOR THE PURPOSE OF PROVIDING JEA WITH WORKING CAPITAL AND SHORT-TERM OR INTERIM FINANCING FOR CAPITAL PROJECTS FOR THE ELECTRIC SYSTEM, THE WATER AND SEWER SYSTEM AND SUCH OTHER

UTILITY SYSTEMS AS MAY HEREAFTER BE ESTABLISHED BY JEA; AUTHORIZING THE ISSUANCE OF ELECTRIC SYSTEM REVOLVING CREDIT SUBORDINATED BANK NOTES, SERIES 2 AND WATER AND SEWER SYSTEM REVOLVING CREDIT SUBORDINATED BANK NOTES, SERIES 2 OF JEA FOR THE PURPOSE OF EVIDENCING JEA'S OBLIGATION TO REPAY AMOUNTS BORROWED UNDER SUCH CREDIT AGREEMENT RELATING TO THE ELECTRIC SYSTEM AND THE WATER AND SEWER SYSTEM, RESPECTIVELY; DETERMINING CERTAIN DETAILS OF SAID REVOLVING CREDIT SUBORDINATED BANK NOTES AND PROVIDING FOR THE SECURITY THEREFOR; AUTHORIZING THE PROPER OFFICERS OF JEA TO DO ALL OTHER THINGS DEEMED NECESSARY OR ADVISABLE IN CONNECTION WITH BORROWINGS UNDER SUCH CREDIT AGREEMENT AND THE ISSUANCE OF SAID REVOLVING CREDIT SUBORDINATED BANK NOTES; AND PROVIDING AN EFFECTIVE DATE," dated August 19, 2003.

"Prior Lien BPSS Projects Subordinated Obligations" shall mean any Subordinated Indebtedness hereafter issued under (and as defined in) the Bulk Power Supply System Revenue Bond Resolution and designated by JEA as Prior Lien BPSS Projects Subordinated Obligations.

"Prior Lien District Energy System Subordinated Obligations" shall mean any Subordinated Indebtedness hereafter issued under (and as defined in) the District Energy System Resolution and designated by JEA as Prior Lien District Energy System Subordinated Obligations.

"Prior Lien Electric System Subordinated Bonds" shall mean the Subordinated Bonds issued under (and as defined in) the Electric System Subordinated Resolution.

"Prior Lien St. Johns River Power Park System Subordinated Obligations" shall mean any Subordinated Indebtedness hereafter issued under (and as defined in) the St. Johns River Power Park System Second Revenue Bond Resolution and designated by JEA as Prior Lien St. Johns River Power Park System Subordinated Obligations.

"Prior Lien Water and Sewer System Subordinated Obligations" shall mean the Subordinated Bonds issued under (and as defined in) the Water and Sewer System Subordinated Resolution and the Water and Sewer System Parity Subordinated Indebtedness.

"Revolving Credit Notes" shall mean the Electric System Revolving Credit Notes, the Water and Sewer System Revolving Credit Notes, the District Energy System Revolving Credit Notes, the St. Johns River Power Park System Revolving Credit Notes, the Bulk Power Supply System Revolving Credit Notes, and, if hereafter authorized by a supplemental resolution adopted pursuant to Article XIV of this Bank Note Resolution, the Additional System Revolving Credit Notes.

"St. Johns River Power Park System" shall mean JEA's St. Johns River Power Park System and shall have the same meaning as the term "System" as defined in the St. Johns River Power Park System Second Revenue Bond Resolution.

- "St Johns River Power Park System Bonds" shall mean all bonds authenticated and delivered pursuant to the St. Johns River Power Park System Second Revenue Bond Resolution, other than St. Johns River Power Park System Subordinated Indebtedness.
- "St. Johns River Power Park System Net Revenues" shall mean the Net Revenues (as defined in the St. Johns River Power Park System Second Revenue Bond Resolution) of the St. Johns River Power Park System.
- "St. Johns River Power Park System Revolving Credit Notes" shall mean the St. Johns River Power Park System Revolving Credit Subordinated Bank Note, Series T-X and the St. Johns River Power Park System Revolving Credit Subordinated Bank Note, Series TE-X of JEA authorized to be issued pursuant to Article IX of this Bank Note Resolution.
- "St. Johns River Power Park System Second Revenue Bond Resolution" shall mean the resolution of JEA adopted February 20, 2007, authorizing the issuance of the St. Johns River Power Park System Bonds, as the same has been or hereafter may be amended, restated and supplemented in accordance with the provisions thereof.
- "St. Johns River Power Park System Subordinated Indebtedness" shall mean the Subordinated Indebtedness issued under (and as defined in) the St. Johns River Power Park System Resolution.
- "St. Johns River Power Park System Subordinated Indebtedness Fund" shall mean the Subordinated Indebtedness Fund established in subsection 1(d) of Section 502 of the St. Johns River Power Park System Second Revenue Bond Resolution.
- "Water and Sewer System" shall mean JEA's Water and Sewer System and shall have the same meaning as the term "System" as defined in the Water and Sewer System Resolution.
- "Water and Sewer System Revolving Credit Notes" shall mean the Water and Sewer System Revolving Credit Subordinated Bank Note, Series T-X and the Water and Sewer System Revolving Credit Subordinated Bank Note, Series TE-X of JEA authorized to be issued pursuant to Article V of this Bank Note Resolution.
- "Water and Sewer System Subordinated Revenue Bonds" shall mean all bonds authenticated and delivered pursuant to the Water and Sewer System Subordinated Resolution.
- "Water and Sewer System Subordinated Indebtedness" shall mean Subordinated Indebtedness as (as defined in the Water and Sewer System Resolution) of the Water and Sewer System.
- "Water and Sewer System Net Revenues" shall mean the Net Revenues (as defined in the Water and Sewer System Resolution) of the Water and Sewer System.
- "Water and Sewer System Parity Subordinated Indebtedness" shall mean Existing Parity Subordinated Indebtedness and Additional Parity Subordinated Indebtedness (each as defined in the Water and Sewer System Subordinated Resolution).

"Water and Sewer System Subordinated Indebtedness Fund" shall mean the Subordinated Indebtedness Fund established under the Water and Sewer System Resolution.

"Water and Sewer System Bonds" shall mean all bonds authenticated and delivered pursuant to the Water and Sewer System Resolution, and all Additional Obligations issued in accordance with the terms of the Water and Sewer System Resolution.

"Water and Sewer System Resolution" shall mean the resolution of JEA adopted January 17, 1997 authorizing the issuance of the Water and Sewer System Bonds, as the same has been or hereafter may be amended, restated and supplemented in accordance with the provisions thereof.

"Water and Sewer System Subordinated Resolution" shall mean the resolution of JEA adopted May 15, 2003 authorizing the issuance of Water and Sewer System Subordinated Revenue Bonds, as the same has been or hereafter may be amended and supplemented in accordance with the provisions thereof.

Section 1.03 Bank Note Resolution to Constitute Contract. In consideration of the execution and delivery by the Bank of the Credit Agreement, this Bank Note Resolution shall be deemed to be and shall constitute a contract between JEA and the Bank; and the pledges made in this Bank Note Resolution and the covenants and agreements set forth in this Bank Note Resolution to be performed on behalf of JEA shall be for the benefit, protection and security of the Bank.

ARTICLE II

AUTHORIZATION AND APPROVAL OF CREDIT AGREEMENT

Section 2.01 <u>Authorization and Approval of Credit Agreement</u>. JEA hereby approves, in substantially the form of that Revolving Credit Agreement, dated as of September 9, 2013, between JEA and The Bank of Tokyo-Mitsubishi UFJ, LTD., acting through its New York Branch (the "Bank of Tokyo Revolving Credit Agreement"), the form of Credit Agreement and authorizes the officers of JEA hereinafter authorized pursuant to Section 2.03 hereof, and each of them, to execute and deliver one or more Credit Agreements on behalf of JEA, subject to completion thereof, and with such changes therein as the officer executing the same may approve as necessary or desirable and in the best interests of JEA, such approval and acceptance to be evidenced conclusively by the execution and delivery of such agreement by such officer.

Section 2.02 <u>Authorization to Borrow Pursuant to the Credit Agreement</u>. Each Authorized Officer of JEA (and any Designee thereof) is hereby authorized to perform JEA's obligations under the Credit Agreement, including borrowing and repaying and reborrowing and repaying of loans (and, in the case of any repayment, the payment of accrued interest thereon) pursuant to the Credit Agreement for the purpose of obtaining working capital and short-term or interim financing for capital projects for the Electric System, the Water and Sewer System, the District Energy System, the St. Johns River Power Park System, the BPSS Projects, and, if so authorized by one or more Additional System Supplemental Resolutions, for Additional

Systems, provided that the aggregate principal amount of such loans outstanding at any time shall not exceed \$300,000,000.

Section 2.03 Officers Authorized to Execute and Deliver Credit Agreement. The Chair, Vice-Chair, Managing Director and Chief Executive Officer, and Chief Financial Officer are hereby authorized to execute the Credit Agreement on behalf of JEA, subject to completion thereof, and with such changes therein as such officer may approve as necessary and desirable and in the best interest of JEA, such approval to be conclusively evidenced by the execution and delivery thereof. The form of each such Credit Agreement shall be approved by the Office of General Counsel of the City prior to the execution thereof by the Chair, Vice-Chair, Managing Director and Chief Executive Officer or Chief Financial Officer, as applicable.

Section 2.04 Authorization to Select One or More Banks or Financial Institutions. The Managing Director and Chief Executive Officer or his Designee is hereby authorized to select one or more banks or financial institutions from among the banks and financial institutions that submit a response to a request for information, request for proposal or competitive bid request distributed by or on behalf of JEA in accordance with JEA's then current procurement code; such selection shall be based upon a review of the proposed pricing levels, the proposed commitment amount, the proposed terms and conditions and the current ratings of each bank or financial institution. Alternatively, the Managing Director and Chief Executive Officer or his Designee is additionally hereby authorized, if considered by the Managing Director and Chief Executive Officer to be in the best interest of JEA and upon the written recommendation of JEA's financial advisor, to negotiate the terms of a Credit Agreement with one or more banks or financial institutions in accordance with JEA's then current procurement code. Such selection or negotiation shall be evidenced by the execution and delivery of the Credit Agreement or Agreements as provided in Section 2.03 hereof and the Managing Director and Chief Executive Officer may rely on a certificate from JEA's financial advisor that the terms of such Credit Agreement or Agreements are necessary or desirable and advantageous to JEA, are in commercially reasonable form and reflect current market terms and conditions and, in the case of a negotiation, a recommendation to negotiate the terms of such Credit Agreement or Agreements with such bank(s) or financial institution(s).

Section 2.05 <u>Authorization to Extend the Term or Renew the Credit Agreement;</u> <u>Authorization to Amend the Credit Agreement;</u> <u>Authorization to Procure a Credit Agreement in Substitution for an existing Credit Agreement.</u>

(a) The Managing Director and Chief Executive Officer of JEA or his Designee is hereby authorized, from time to time, to extend or renew the term of the Credit Agreement, upon such terms and conditions as shall be determined by the Managing Director and Chief Executive Officer of JEA or such Designee to be advantageous to JEA and commercially reasonable (which terms and conditions (including, without limitation, the amounts of the "commitment fee" and other fees payable by JEA thereunder and the specification of the interest rates payable on loans or advances thereunder) may differ from the terms and conditions then in effect pursuant to the Credit Agreement then in effect), such determination to be confirmed in writing by the firm serving at that time as JEA's financial advisor to the extent provided below.

In connection with any such extension or renewal of the term of the Credit Agreement, the Managing Director and Chief Executive Officer of JEA or his Designee is hereby further authorized to execute and deliver, on behalf of JEA, such documents and instruments (including, without limitation, an amendment to such Credit Agreement) as shall be determined by the Managing Director and Chief Executive Officer of JEA or such Designee to be (a) necessary or desirable and advantageous to JEA and (b) in commercially reasonable form; provided, however, that if any such extension shall be on terms and conditions different from the terms and conditions of the Credit Agreement as then in effect, then (x) such determination of the Managing Director and Chief Executive Officer of JEA or such Designee shall be confirmed in writing by the firm serving at that time as JEA's financial advisor and (y) the form of each such document or instrument shall be approved by the Office of General Counsel of the City prior to the execution thereof by the Managing Director and Chief Executive Officer of JEA or such Designee.

(b) The Managing Director and Chief Executive Officer of JEA or his Designee is hereby authorized, from time to time, to amend the Credit Agreement, upon such terms and conditions as shall be determined by the Managing Director and Chief Executive Officer of JEA or such Designee to be advantageous to JEA and commercially reasonable (which terms and conditions (including, without limitation, the amounts of the "commitment fee" and other fees payable by JEA thereunder and the specification of the interest rates payable on loans or advances thereunder) may differ from the terms and conditions then in effect pursuant to such Credit Agreement then in effect), such determination to be confirmed in writing by the firm serving at that time as JEA's financial advisor to the extent provided below.

In connection with any such amendment to a Credit Agreement then in effect with respect thereto, the Managing Director and Chief Executive Officer of JEA or his Designee is hereby further authorized to execute and deliver, on behalf of JEA, such documents and instruments to amend the terms of the particular Credit Agreement as shall be determined by the Managing Director and Chief Executive Officer of JEA or such Designee to be (a) necessary or desirable and advantageous to JEA and (b) in commercially reasonable form, such determination to be confirmed in writing by the firm serving at that time as JEA's financial advisor; *provided, however*, that the form of each such document or instrument shall be approved by the Office of General Counsel of the City prior to the execution thereof by the Managing Director and Chief Executive Officer of JEA or such Designee.

(c) The Managing Director and Chief Executive Officer of JEA or his Designee is hereby authorized, from time to time, to procure a Credit Agreement in substitution of an existing Credit Agreement, upon such terms and conditions as shall be determined by the Managing Director and Chief Executive Officer of JEA or such Designee to be advantageous to JEA and commercially reasonable (which terms and conditions (including, without limitation, the amounts of the "commitment fee" and other fees payable by JEA thereunder and the specification of the interest rates payable on loans or advances thereunder) may differ from the terms and conditions then in effect pursuant to such Credit Agreement then in effect), such determination to be confirmed in writing by the firm serving at that time as JEA's financial advisor to the extent provided below.

In connection with any such procurement of a Credit Agreement in substitution of an existing Credit Agreement then in effect, the Managing Director and Chief Executive Officer of JEA or his Designee is hereby further authorized to execute and deliver, on behalf of JEA, such documents and instruments (including, without limitation, a Credit Agreement) as shall be determined by the Managing Director and Chief Executive Officer of JEA or such Designee to be (a) necessary or desirable and advantageous to JEA and (b) in commercially reasonable form, such determination to be confirmed in writing by the firm serving at that time as JEA's financial advisor; *provided, however*, that the form of each such document or instrument shall be approved by the Office of General Counsel of the City prior to the execution thereof by the Managing Director and Chief Executive Officer of JEA or such Designee and provided further that the procedures utilized in connection with any such procurement shall be consistent with the applicable requirements of JEA's procurement code then in effect.

(d) The terms of the renewal, extension, amendment or substitution of a Credit Agreement as specified in clauses (a), (b) and (c) above shall not change the terms of Section 2.02 hereof.

Section 2.06 Further Actions. Each Authorized Officer of JEA is hereby authorized and empowered to execute and deliver or cause to be executed and delivered such documents, instruments, papers and opinions and to do all such other acts and things as may be necessary or desirable in connection with the adoption of this resolution and the approval, execution and delivery of the Credit Agreement and the Revolving Credit Notes. In the absence of the Managing Director/CEO of JEA for any reason, the authority granted to him in this resolution is hereby delegated to the Chair of JEA's governing board and the Chair of the Finance and Audit Committee of JEA's governing board, in that order.

ARTICLE III

AUTHORIZATION OF ELECTRIC SYSTEM REVOLVING CREDIT NOTES

Section 3.01 Principal Amount and Designation; Medium of Payment. (a) In accordance with the provisions of the Electric System Resolution, an issue of indebtedness of JEA is hereby authorized in a maximum aggregate principal amount outstanding at any one time of up to \$300,000,000. Such indebtedness shall be designated as, and shall be distinguished from all other indebtedness of JEA by the title, "Electric System Revolving Credit Subordinated Bank Note, Series X" and shall be further designated as the "Electric System Revolving Credit Subordinated Bank Note, Series T-X," which shall evidence Taxable Loans relating to the Electric System, and as the "Electric System Revolving Credit Subordinated Bank Note, Series TE-X," which shall evidence Tax-exempt Loans relating to the Electric System; provided, that the Managing Director and Chief Executive Officer also may alter the designation of the Electric System Revolving Credit Subordinated Bank Notes as he deems appropriate to reflect the designation of Revolving Credit Notes previously issued and JEA's custom in identifying Revolving Credit Notes or as he otherwise deems desirable, such determination to be set forth in the Credit Agreement relating to the Revolving Credit Notes.

- (b) The Electric System Revolving Credit Notes shall be payable, with respect to interest and principal, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.
- **Section 3.02** Purpose. The Electric System Revolving Credit Notes are authorized for the purpose of evidencing JEA's obligation to repay amounts borrowed under the Credit Agreement for the Electric System, and interest thereon.
- Section 3.03 Execution and Delivery of Electric System Revolving Credit Notes. (a) On or before the Effective Date, JEA shall execute, authenticate and deliver to the Bank the Electric System Revolving Credit Notes as hereinafter in this Section provided. The Electric System Revolving Credit Notes shall be in fully registered form, without coupons, and shall be dated the date of its execution and delivery. The Electric System Revolving Credit Notes shall have a stated maximum aggregate principal amount equal to \$300,000,000, provided that the amount outstanding thereunder shall not be greater than \$300,000,000 less the amount then outstanding under the Water and Sewer System Revolving Credit Notes, the District Energy System Revolving Credit Notes, the St. Johns River Power Park System Revolving Credit Notes, Bulk Power Supply System Revolving Credit Notes and any Additional System Revolving Credit Notes.
- (b) The Electric System Revolving Credit Notes shall be executed in the name of JEA by the manual or facsimile signature of its Chair or Vice-Chair, and its corporate seal (or a facsimile thereof) shall be impressed, imprinted, engraved or otherwise reproduced thereon and attested by the manual signature of the Secretary or Assistant Secretary of JEA, or in such other manner as may be required or permitted by law. In case any one or more of the officers who shall have signed or sealed the Electric System Revolving Credit Notes shall cease to be such officer before the Electric System Revolving Credit Notes shall have been authenticated and delivered, the Electric System Revolving Credit Notes may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed or sealed the Electric System Revolving Credit Notes had not ceased to hold such offices. The Electric System Revolving Credit Notes may be signed and sealed on behalf of JEA by such persons as at the time of the execution of the Electric System Revolving Credit Notes shall be duly authorized or hold the proper office in JEA, although at the date borne by the Electric System Revolving Credit Notes such persons may not have been so authorized or have held such office.
- Section 3.04 Outstanding Principal Amount of Electric System Revolving Credit
 Notes, Interest on Electric System Revolving Credit Notes, Payment of Electric System
 Revolving Credit Notes and Optional Tender for Payment. (a) The principal amount outstanding with respect to the Electric System Revolving Credit Notes at any time shall equal the amount borrowed by JEA under the Credit Agreement with respect to the Electric System, less any prior principal repayments thereof.
- (b) The Electric System Revolving Credit Notes shall bear interest during the same periods and at the same rates as are applicable to the respective loans evidenced by the Electric System Revolving Credit Notes made by the Bank under and pursuant to the Credit Agreement, determined as provided in the Credit Agreement.

- (c) The principal of the Electric System Revolving Credit Notes, and interest thereon, shalt be payable (and prepayable) at the same times and in the same amounts as are applicable to the respective loans evidenced by the Electric System Revolving Credit Notes made by the Bank under and pursuant to the Credit Agreement, determined as provided in the Credit Agreement.
- (d) As provided in the Credit Agreement, and subject to the conditions and limitations set forth therein, the Electric System Revolving Credit Notes may be tendered (or deemed tendered) for payment by JEA prior to the due date of the outstanding principal amount thereof, whereupon JEA shall be obligated to pay the outstanding principal amount of the Electric System Revolving Credit Notes (together with accrued interest thereon) so tendered (or deemed tendered) without presentment, demand, protest or other notice of any kind, all of which are hereby waived by JEA. The Electric System Revolving Credit Notes immediately shall be due and payable upon its becoming subject to payment by JEA pursuant to this Section.
- Section 3.05 Form of Electric System Revolving Credit Notes and Schedule of Loans and Repayments, Completion of Such Schedule. (a) The Electric System Revolving Credit Notes, including the schedule of loans and repayments attached thereto, shall be substantially in the form set forth in Section 13.01 hereof with such appropriate variations, omissions and insertions as are permitted or required by this Bank Note Resolution or the Credit Agreement.
- (b) The Bank is authorized to record on the schedule of loans and repayments attached to the respective Electric System Revolving Credit Notes, or a continuation thereof, each loan made by the Bank to JEA for the Electric System evidenced thereby, the respective dates, types, amounts and maturities thereof and all repayments of the principal thereof and, prior to any transfer thereof, appropriate notations to evidence the foregoing information shall be endorsed by the Bank on such schedule, or a continuation thereof; provided, however, that the failure of the Bank to make any such recordation or endorsement or any error therein shall not affect the obligations of JEA under the Electric System Revolving Credit Notes or under the Credit Agreement.

Section 3.06 <u>Limitations on Transfer and Exchange of Electric System Revolving Credit Notes</u>. (a) Except as hereinafter provided in this Section, the Electric System Revolving Credit Notes shall not be transferable by the holder thereof.

(b) Notwithstanding the provisions of subsection (a) of this Section, the holder of the Electric System Revolving Credit Notes may assign its rights with respect to the Electric System Revolving Credit Notes and its commitment under the Credit Agreement in accordance with the provisions of the Credit Agreement. Upon such assignment, and upon presentation and surrender of the Electric System Revolving Credit Notes, JEA shall execute and deliver to the appropriate person(s), in substitution for the Electric System Revolving Credit Notes so surrendered, one or more Electric System Revolving Credit Notes in an aggregate principal amount equal to the principal amount of the Electric System Revolving Credit Notes so surrendered, so as to give effect to such assignment.

ARTICLE IV

SOURCE OF PAYMENT AND SECURITY FOR ELECTRIC SYSTEM REVOLVING CREDIT NOTES

Section 4.01 Source of Payment and Security for the Electric System Revolving Credit Notes. (a) There is hereby pledged for the payment of the principal of, and interest on, the Electric System Revolving Credit Notes in accordance with the terms and provisions of this Bank Note Resolution, the Electric System Resolution and the Credit Agreement the amounts on deposit in the Revenue Fund (as defined in the Electric System Resolution) as may from time to time be available therefor, including the investments, if any, thereof; *provided, however*, that such pledge shall be junior and subordinate in all respects to the Electric System Bonds and the Prior Lien Electric System Subordinated Bonds as to lien on and source and security for payment from the Revenues.

- (b) Such amounts on deposit in the Electric System Revenue Fund shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against JEA, irrespective of whether such parties have notice thereof.
- (c) In accordance with the provisions of Section 13(K) of the Electric System Resolution, the Electric System Revolving Credit Notes shall be, and shall be deemed to be, and are hereby expressed to be, obligations payable from and secured by a lien on the Revenues (as defined in the Electric System Resolution) junior and subordinate in all respects to the lien thereon and pledge thereof in favor of the Electric System Bonds. In addition, the Electric System Revolving Credit Notes shall be and be deemed to be, and shall constitute, "Subordinated Bonds" within the meaning of such term contained in the Electric System Resolution.
- (d) The Electric System Revolving Credit Notes shall not be or constitute a general obligation or indebtedness of the City or JEA as a "bond" within the meaning of the Constitution of Florida, but shall be payable solely from and secured by a lien upon and a pledge of the amounts as herein provided. No holder of the Electric System Revolving Credit Notes shall ever have the right to compel the exercise of the ad valorem taxing power of the City or JEA, if any, or taxation in any form of any real property in the City to pay the Electric System Revolving Credit Notes or interest thereon or be entitled to payment of such principal and interest from any other funds of the City or JEA except from the special funds in the manner provided herein.
- Section 4.02 Payment of the Electric System Revolving Credit Notes. Subject to (i) the prior payments from the Electric System Revenue Fund as required by clauses (1), (2) and (3) of Section 13B of the Electric System Resolution and (ii) the prior payment of all amounts due with respect to the Prior Lien Electric System Subordinated Bonds, amounts on deposit in the Electric System Revenue Fund and available therefor shall be applied to the payment of the principal of, and interest on, the Electric System Revolving Credit Notes when due.
- Section 4.03 <u>Issuance of Additional Debt</u>. Nothing herein shall be deemed to limit JEA's ability to issue Additional Parity Obligations and additional Prior Lien Electric System Subordinated Bonds payable prior to the payment of the Electric System Revolving Credit Notes, nor to issue additional Electric System Subordinated Bonds payable on a parity with the Electric System Revolving Credit Notes, and JEA hereby reserves the right to issue such Additional

Parity Obligations, such additional Prior Lien Electric System Subordinated Bonds and such additional Electric System Subordinated Bonds.

Section 4.04 Rate Covenant with respect to Electric System Revolving Credit Notes. JEA covenants to fix, establish, revise from time to time whenever necessary, maintain and collect always such fees, rates, rentals and other charges for the use or the sale of the products, services and facilities of the Electric System which will always provide Electric System Net Revenues in each Fiscal Year, together with other available funds, sufficient to make all payments required to be made in such Fiscal Year (i) by the Electric System Resolution and the Electric System Subordinated Resolution, and (ii) with respect to the Electric System Revolving Credit Notes, by this Bank Note Resolution.

ARTICLE V

AUTHORIZATION OF WATER AND SEWER SYSTEM REVOLVING CREDIT NOTES

Section 5.01 Principal Amount and Designation; Medium of Payment. (a) In accordance with the provisions of the Water and Sewer System Resolution, an issue of indebtedness of JEA is hereby authorized in a maximum aggregate principal amount outstanding at any one time of up to \$300,000,000. Such indebtedness shall be designated as, and shall be distinguished from all other indebtedness of JEA by the title, "Water and Sewer System Revolving Credit Subordinated Bank Notes, Series X" and shall be further designated as the "Water and Sewer System Revolving Credit Subordinated Bank Note, Series T-X" which shall evidence Taxable Loans relating to the Water and Sewer System and as the "Water and Sewer System Revolving Credit Subordinated Bank Note, Series TE-X" which shall evidence Taxexempt Loans relating to the Water and Sewer System; provided, that the Managing Director and Chief Executive Officer also may alter the designation of the Water and Sewer System Revolving Credit Subordinated Bank Notes as he deems appropriate to reflect the designation of Revolving Credit Notes previously issued and JEA's custom in identifying Revolving Credit Notes or as he otherwise deems desirable, such determination to be set forth in the Credit Agreement relating to the Revolving Credit Notes.

- (b) The Water and Sewer System Revolving Credit Notes shall be payable, with respect to interest and principal, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.
- **Section 5.02** <u>Purpose</u>. The Water and Sewer System Revolving Credit Notes are authorized for the purpose of evidencing JEA's obligation to repay amounts borrowed under the Credit Agreement for the Water and Sewer System, and interest thereon.

Section 5.03 Execution and Delivery of Water and Sewer System Revolving Credit Notes. (a) On or before the Effective Date, JEA shall execute, authenticate and deliver to the Bank the Water and Sewer System Revolving Credit Notes as hereinafter in this Section provided. The Water and Sewer System Revolving Credit Notes shall be in fully registered form, without coupons, and shall be dated the date of its execution and delivery. The Water and Sewer System Revolving Credit Notes shall have a stated maximum aggregate

principal amount equal to \$300,000,000, provided that the amount outstanding thereunder shall not be greater than \$300,000,000 less the amount then outstanding under the Electric System Revolving Credit Notes, District Energy System Revolving Credit Notes, St. Johns River Power Park System Revolving Credit Notes, Bulk Power Supply System Revolving Credit Notes and any Additional System Revolving Credit Notes.

The Water and Sewer System Revolving Credit Notes shall be executed in the (b) name of JEA by the manual or facsimile signature of its Chair or Vice-Chair, and its corporate seal (or a facsimile thereof) shall be impressed, imprinted, engraved or otherwise reproduced thereon and attested by the manual signature of the Secretary or Assistant Secretary of JEA, or in such other manner as may be required or permitted by law. In case any one or more of the officers who shall have signed or sealed the Water and Sewer System Revolving Credit Notes shall cease to be such officer before the Water and Sewer System Revolving Credit Notes shall have been authenticated and delivered, the Water and Sewer System Revolving Credit Notes may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed or sealed the Water and Sewer System Revolving Credit Notes had not ceased to hold such offices. The Water and Sewer System Revolving Credit Notes may be signed and sealed on behalf of JEA by such persons as at the time of the execution of the Water and Sewer System Revolving Credit Notes shall be duly authorized or hold the proper office in JEA, although at the date borne by the Water and Sewer System Revolving Credit Notes such persons may not have been so authorized or have held such office.

Section 5.04 Outstanding Principal Amount of Water and Sewer System Revolving Credit Notes, Interest on Water and Sewer System Revolving Credit Notes, Payment of Water and Sewer System Revolving Credit Notes and Optional Tender for Payment.

- (a) The principal amount outstanding with respect to the Water and Sewer System Revolving Credit Notes at any time shall equal the amount borrowed by JEA under the Credit Agreement with respect to the Water and Sewer System, less any prior principal repayments thereof.
- (b) The Water and Sewer System Revolving Credit Notes shall bear interest during the same periods and at the same rates as are applicable to the loans evidenced by the Water and Sewer System Revolving Credit Notes made by the Bank under and pursuant to the Credit Agreement, determined as provided in the Credit Agreement.
- (c) The principal of the Water and Sewer System Revolving Credit Notes, and interest thereon, shall be payable (and prepayable) at the same times and in the same amounts as are applicable to the respective loans evidenced by the Water and Sewer System Revolving Credit Notes made by the Bank under and pursuant to the Credit Agreement, determined as provided in the Credit Agreement.
- (d) As provided in the Credit Agreement, and subject to the conditions and limitations set forth therein, the Water and Sewer System Revolving Credit Notes may be tendered (or deemed tendered) for payment by JEA prior to the due date of the outstanding principal amount thereof, whereupon JEA shall be obligated to pay the outstanding principal amount of the Water and Sewer System Revolving Credit Notes (together with accrued interest

thereon) so tendered (or deemed tendered) without presentment, demand, protest or other notice of any kind, all of which are hereby waived by JEA. The Water and Sewer System Revolving Credit Notes immediately shall be due and payable upon its becoming subject to payment by JEA pursuant to this Section.

- Section 5.05 Form of Water and Sewer System Revolving Credit Notes and Schedule of Loans and Repayments, Completion of Such Schedule. (a) The Water and Sewer System Revolving Credit Notes, including the schedule of loans and repayments attached thereto, shall be substantially in the form set forth in Section 13.02 hereof with such appropriate variations, omissions and insertions as are permitted or required by this Bank Note Resolution or the Credit Agreement.
- (b) The Bank is authorized to record on the schedule of loans and repayments attached to the respective Water and Sewer System Revolving Credit Notes, or a continuation thereof, each loan made by the Bank to JEA for the Water and Sewer System evidenced thereby, the respective dates, types, amounts and maturities thereof and all repayments of the principal thereof and, prior to any transfer thereof, appropriate notations to evidence the foregoing information shall be endorsed by the Bank on such schedule, or a continuation thereof; provided, however, that the failure of the Bank to make any such recordation or endorsement or any error therein shall not affect the obligations of JEA under the Water and Sewer System Revolving Credit Notes or under the Credit Agreement.
- Section 5.06 <u>Limitations on Transfer and Exchange of Water and Sewer System</u>

 Revolving Credit Notes. (a) Except as hereinafter provided in this Section, the Water and Sewer System Revolving Credit Notes shall not be transferable by the holder thereof.
- (b) Notwithstanding the provisions of subsection (a) of this Section, the holder of the Water and Sewer System Revolving Credit Notes may assign its rights with respect to the Water and Sewer System Revolving Credit Notes and its commitment under the Credit Agreement in accordance with the provisions of the Credit Agreement. Upon such assignment, and upon presentation and surrender of the Water and Sewer System Revolving Credit Note, JEA shall execute and deliver to the appropriate person(s), in substitution for the Water and Sewer System Revolving Credit Notes in an aggregate principal amount equal to the principal amount of the Water and Sewer System Revolving Credit Notes so surrendered, so as to give effect to such assignment.

ARTICLE VI

SOURCE OF PAYMENT AND SECURITY FOR WATER AND SEWER SYSTEM REVOLVING CREDIT NOTES

Section 6.01 Source of Payment and Security for the Water and Sewer System Revolving Credit Notes. (a) There is hereby pledged for the payment of the principal of, and interest on, the Water and Sewer System Revolving Credit Notes in accordance with the terms and provisions of this Bank Note Resolution, the Water and Sewer System Resolution and the Credit Agreement, the amounts on deposit in the Water and Sewer System Subordinated Indebtedness Fund as may from time to time be available therefor, including the investments, if

any, thereof; provided, however, that such pledge shall be junior and subordinate in all respects to the Water and Sewer System Bonds and the Prior Lien Water and Sewer System Subordinated Obligations as to lien on and pledge of the Trust Estate (as defined in the Water and Sewer System Resolution) created by the Water and Sewer System Resolution and as to lien on and pledge of amounts in the Water and Sewer System Subordinated Indebtedness Fund created by the Water and Sewer System Subordinated Resolution.

- (b) Such amounts on deposit in the Water and Sewer System Subordinated Indebtedness Fund shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against JEA, irrespective of whether such parties have notice thereof.
- (c) In accordance with the provisions of Section 515 of the Water and Sewer System Resolution, the Water and Sewer System Revolving Credit Notes shall be, and shall be deemed to be, and are hereby expressed to be, obligations payable from and secured by a lien on the Trust Estate (as defined in the Water and Sewer System Resolution) junior and subordinate in all respects to the lien thereon and pledge thereof in favor of the Water and Sewer System Bonds. The Water and Sewer System Revolving Credit Notes shall be and be deemed to be, and shall constitute, "Subordinated Bonds" within the meaning of such term contained in the Water and Sewer System Resolution. In addition, in accordance with the provisions of Section 7.06 of the Water and Sewer System Subordinated Resolution, the Water and Sewer System Revolving Credit Notes shall be, and shall be deemed to be, and are hereby expressed to be, obligations payable from and secured by a lien on amounts in the Water and Sewer System Subordinated Indebtedness Fund junior and subordinate in all respects to the lien thereon and pledge thereof in favor of the Prior Lien Water and Sewer System Subordinated Obligations.
- (d) The Water and Sewer System Revolving Credit Notes shall not be or constitute a general obligation or indebtedness of the City or JEA as a "bond" within the meaning of the Constitution of Florida, but shall be payable solely from and secured by a lien upon and a pledge of the amounts as herein provided. No holder of the Water and Sewer System Revolving Credit Notes shall ever have the right to compel the exercise of the ad valorem taxing power of the City or JEA, if any, or taxation in any form of any real property in the City to pay the Water and Sewer System Revolving Credit Notes or interest thereon or be entitled to payment of such principal and interest from any other funds of the City or JEA except from the special funds in the manner provided herein.

Section 6.02 Payment of the Water and Sewer System Revolving Credit Notes. Subject to (a) the prior payments from the Water and Sewer System Subordinated Indebtedness Fund as required by subsection 3 of Section 510 of the Water and Sewer System Resolution and (b) the prior payment of all amounts due with respect to the Prior Lien Water and Sewer System Subordinated Obligations, amounts on deposit in the Water and Sewer System Subordinated Indebtedness Fund and available therefor shall be applied to the payment of the principal of, and interest on, the Water and Sewer System Revolving Credit Notes when due.

Section 6.03 <u>Issuance of Additional Debt</u>. Nothing herein shall be deemed to limit JEA's ability to issue Additional Obligations under the Water and Sewer System Resolution and

additional Prior Lien Water and Sewer System Subordinated Obligations payable prior to the payment of the Water and Sewer System Revolving Credit Notes, nor to issue additional Water and Sewer System Subordinated Indebtedness payable on a parity with the Water and Sewer System Revolving Credit Notes, and JEA hereby reserves the right to issue such Additional Obligations, such additional Prior Lien Water and Sewer System Subordinated Obligations and such additional Water and Sewer System Subordinated Indebtedness.

Section 6.04 Rate Covenant with respect to Water and Sewer System Revolving Credit Notes. JEA covenants to fix, establish, revise from time to time whenever necessary, maintain and collect always such fees, rates, rentals and other charges for the use or the sale of the products, services and facilities of the Water and Sewer System which will always provide Water and Sewer System Net Revenues in each Fiscal Year, together with other available funds, sufficient to make all payments required to be made in such Fiscal Year (i) by the Water and Sewer System Resolution and the Water and Sewer System Subordinated Resolution, and (ii) with respect to the Water and Sewer System Revolving Credit Notes, by this Bank Note Resolution.

ARTICLE VII

AUTHORIZATION OF DISTRICT ENERGY SYSTEM REVOLVING CREDIT NOTES

Section 7.01 Principal Amount and Designation; Medium of Payment. (a) In accordance with the provisions of the District Energy System Resolution, an issue of indebtedness of JEA is hereby authorized in a maximum aggregate principal amount outstanding at any one time of up to \$300,000,000. Such indebtedness shall be designated as, and shall be distinguished from all other indebtedness of JEA by the title, "District Energy System Revolving Credit Subordinated Bank Notes, Series X" and shall be further designated as the "District Energy System Revolving Credit Subordinated Bank Notes, Series T-X" which shall evidence Taxable Loans relating to the District Energy System and as the "District Energy System Revolving Credit Subordinated Bank Note, Series TE-X" which shall evidence Tax-exempt Loans relating to the District Energy System; provided, that the Managing Director and Chief Executive Officer also may alter the designation of the District Energy System Revolving Credit Subordinated Bank Notes as he deems appropriate to reflect the designation of Revolving Credit Notes previously issued and JEA's custom in identifying Revolving Credit Notes or as he otherwise deems desirable, such determination to be set forth in the Credit Agreement relating to the Revolving Credit Notes.

(b) The District Energy System Revolving Credit Notes shall be payable, with respect to interest and principal, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

Section 7.02 Purpose. The District Energy System Revolving Credit Notes are authorized for the purpose of evidencing JEA's obligation to repay amounts borrowed under the Credit Agreement for the District Energy System and interest thereon.

Notes. (a) On or before the Effective Date, JEA shall execute, authenticate and deliver to the Bank the District Energy System Revolving Credit Notes as hereinafter in this Section provided.

Section 7.03 Execution and Delivery of District Energy System Revolving Credit

The District Energy System Revolving Credit Notes shall be in fully registered form, without coupons, and shall be dated the date of its execution and delivery. The District Energy System Revolving Credit Notes shall have a stated maximum aggregate principal amount equal to \$300,000,000, provided that the amount outstanding thereunder shall not be greater than \$300,000,000 less the amount then outstanding under the Electric System Revolving Credit Notes, the Water and Sewer System Revolving Credit Notes, the St. Johns River Power Park System Revolving Credit Notes, the Bulk Power Supply System Revolving Credit Notes and any other Additional System Revolving Credit Notes.

The District Energy System Revolving Credit Notes shall be executed in the name of JEA by the manual or facsimile signature of its Chair or Vice-Chair, and its corporate seal (or a facsimile thereof) shall be impressed, imprinted, or otherwise reproduced thereon and attested by the manual signature of the Secretary or Assistant Secretary of JEA, or in such other manner as may be required or permitted by law. In case any one or more of the officers who shall have signed or sealed the District Energy System Revolving Credit Notes shall cease to be such officer before the District Energy System Revolving Credit Notes shall have been authenticated and delivered, the District Energy System Revolving Credit Notes may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed or sealed the District Energy System Revolving Credit Notes had not ceased to hold such offices. The District Energy System Revolving Credit Notes may be signed and sealed on behalf of JEA by such persons as at the time of the execution of the District Energy System Revolving Credit Notes shall be duly authorized or hold the proper office in JEA, although at the date borne by the District Energy System Revolving Credit Notes such persons may not have been so authorized or have held such office.

Section 7.04 Outstanding Principal Amount of District Energy System Revolving Credit Notes, Interest on District Energy System Revolving Credit Notes, _Payment of District Energy System Revolving Credit Notes and Optional Tender for Payment.

- The principal amount outstanding with respect to the District Energy System (a) Revolving Credit Notes at any time shall equal the amount borrowed by JEA under the Credit Agreement with respect to the District Energy System, less any prior principal repayments thereof.
- The District Energy System Revolving Credit Notes shall bear interest during the same periods and at the same rates as are applicable to the loans evidenced by the District Energy System Revolving Credit Notes made by the Bank under and pursuant to the Credit Agreement, determined as provided in the Credit Agreement.
- The principal of the District Energy System Revolving Credit Notes, and interest thereon, shall be payable (and prepayable) at the same times and in the same amounts as are applicable to the respective loans evidenced by the District Energy System Revolving Credit Notes made by the Bank under and pursuant to the Credit Agreement, determined as provided in the Credit Agreement.

(d) As provided in the Credit Agreement, and subject to the conditions and limitations set forth therein, the District Energy System Revolving Credit Notes may be tendered (or deemed tendered) for payment by JEA prior to the due date of the outstanding principal amount thereof, whereupon JEA shall be obligated to pay the outstanding principal amount of the District Energy System Revolving Credit Notes (together with accrued interest thereon) so tendered (or deemed tendered) without presentment, demand, protest or other notice of any kind, all of which are hereby waived by JEA. The District Energy System Revolving Credit Notes immediately shall be due and payable upon its becoming subject to payment by JEA pursuant to this Section.

Section 7.05 Form of District Energy System Revolving Credit Notes and Schedule of Loans and Repayments, Completion of Such Schedule. (a) The District Energy System Revolving Credit Notes, including the schedule of loans and repayments attached thereto, shall be substantially in the form set forth in Section 13.03 hereof with such appropriate variations, omissions and insertions as are permitted or required by this Bank Note Resolution or the Credit Agreement.

(b) The Bank is authorized to record on the schedule of loans and repayments attached to the respective District Energy System Revolving Credit Notes, or a continuation thereof, each loan made by the Bank to JEA for the District Energy System evidenced thereby, the respective dates, types, amounts and maturities thereof and all repayments of the principal thereof and, prior to any transfer thereof, appropriate notations to evidence the foregoing information shall be endorsed by the Bank on such schedule, or a continuation thereof, *provided*, *however*, that the failure of the Bank to make any such recordation or endorsement or any error therein shall not affect the obligations of JEA under the District Energy System Revolving Credit Notes or under the Credit Agreement.

Section 7.06 <u>Limitations on Transfer and Exchange of District Energy System</u>
Revolving Credit Notes. (a) Except as hereinafter provided in this Section, the District Energy System Revolving Credit Notes shall not be transferable by the holder thereof.

(b) Notwithstanding the provisions of subsection (a) of this Section, the holder of the District Energy System Revolving Credit Notes may assign its rights with respect to the District Energy System Revolving Credit Notes and its commitment under the Credit Agreement in accordance with the provisions of the Credit Agreement. Upon such assignment, and upon presentation and surrender of the District Energy System Revolving Credit Note, JEA shall execute and deliver to the appropriate person(s), in substitution for the District Energy System Revolving Credit Notes so surrendered, one or more District Energy System Revolving Credit Notes in an aggregate principal amount equal to the principal amount of the District Energy System Revolving Credit Notes so surrendered, so as to give effect to such assignment.

ARTICLE VIII

SOURCE OF PAYMENT AND SECURITY FOR DISTRICT ENERGY SYSTEM REVOLVING CREDIT NOTES

Revolving Credit Notes. (a) There is hereby pledged for the payment of the principal of, and interest on, the District Energy System Revolving Credit Notes in accordance with the terms and provisions of this Bank Note Resolution, the District Energy System Resolution and the Credit Agreement, the amounts on deposit in the District Energy System Subordinated Indebtedness Fund as may from time to time be available therefor, including the investments, if any, thereof provided, however, that such pledge shall be junior and subordinate in all respects to the District Energy System Bonds and to the Prior Lien District Energy System Subordinated Obligations as to lien on and pledge of the Trust Estate (as defined in the District Energy System Resolution) created by the District Energy System Resolution.

- (b) Such amounts on deposit in the District Energy System Subordinated Indebtedness Fund shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against JEA, irrespective of whether such parties have notice thereof.
- (c) In accordance with the provisions of Section 515 of the District Energy System Resolution, the District Energy System Revolving Credit Notes shall be, and shall be deemed to be, and are hereby expressed to be, obligations payable from and secured by a lien on the Trust Estate (as defined in the District Energy System Resolution) junior and subordinate in all respects to the lien thereon and pledge thereof in favor of the District Energy System Bonds. The District Energy System Revolving Credit Notes shall be and be deemed to be, and shall constitute, "Subordinated Indebtedness" within the meaning of such term contained in the District Energy System Resolution. In addition, in accordance with the provisions of Section 515 of the District Energy System Resolution, the District Energy System Revolving Credit Notes shall be, and shall be deemed to be, and are hereby expressed to be, obligations payable from and secured by a lien on amounts in the District Energy System Subordinated Indebtedness Fund junior and subordinate in all respects to the lien thereon and pledge thereof in favor of the Prior Lien District Energy System Subordinated Obligations.
- (d) The District Energy System Revolving Credit Notes shall not be or constitute a general obligation or indebtedness of the City or JEA as a "bond" within the meaning of the Constitution of Florida, but shall be payable solely from and secured by a lien upon and a pledge of the amounts as herein provided. No holder of the District Energy System Revolving Credit Notes shall ever have the right to compel the exercise of the ad valorem taxing power of the City or JEA, if any, or taxation in any form of any real property in the City to pay the District Energy System Revolving Credit Notes or interest thereon or be entitled to payment of such principal and interest from any other funds of the City or JEA except from the special funds in the manner provided herein.

Subject to (a) the prior payments from the District Energy System Revolving Credit Notes. Subject to (a) the prior payments from the District Energy System Subordinated Indebtedness Fund as required by subsection 3 of Section 510 of the District Energy System Resolution, and (b) the prior payment of all amounts due with respect to the Prior Lien District Energy System Subordinated Subordinated Obligations, amounts on deposit in the District Energy System Subordinated Indebtedness Fund and available therefor shall be applied to the payment of the principal of, and interest on, the District Energy System Revolving Credit Notes when due.

Section 8.03 <u>Issuance of Additional Debt</u>. Nothing herein shall be deemed to limit JEA's ability to issue additional District Energy System under the District Energy System Resolution and Prior Lien District Energy System Subordinated Obligations payable prior to the payment of the District Energy System Revolving Credit Notes, nor to issue additional District Energy System Subordinated Indebtedness payable on a parity with the District Energy System Revolving Credit Notes, and JEA hereby reserves the right to issue such additional Bonds, such additional Prior Lien District Energy System Subordinated Obligations and such additional District Energy System Subordinated Indebtedness.

Section 8.04 Rate Covenant with respect to District Energy System Revolving Credit Notes. JEA covenants and agrees to include the amount of any District Energy System Revolving Credit Note Deficiency (as defined in Section 8.05 below) in the amounts payable out of Revenues (as defined in the Water and Sewer System Resolution) for purposes of clause (f) of subsection 1 of Section 711, Rates, Fees and Charges, of the Water and Sewer System Resolution.

Section 8.05 Covenant to Fund Payment on District Energy System Revolving Credit Notes.

JEA shall, on each date upon which a payment is due under Section 7.04 hereof on the District Energy System Revolving Credit Notes, apply Available Water and Sewer System Revenues, in an amount sufficient to cure any deficiency in amounts on deposit in the District Energy System Subordinated Indebtedness Fund that exists with respect to the District Energy System Revolving Credit Notes (a "District Energy System Revolving Credit Note Deficiency"), to such payment.

Section 8.06 <u>Certain Provisions</u> of the <u>District Energy System Resolution</u>

<u>Excluded.</u> Amounts due or to become due on the District Energy System Revolving Credit

Notes under Section 7.04 hereof shall be excluded from the calculation of rates, fees and charges
for the District Energy System pursuant to Section 710 of the District Energy System Resolution.

ARTICLE IX

AUTHORIZATION OF ST. JOHNS RIVER POWER PARK SYSTEM REVOLVING CREDIT NOTES

Section 9.01 <u>Principal Amount and Designation; Medium of Payment</u>. (a) In accordance with the provisions of the St. Johns River Power Park System Second Revenue Bond Resolution, an issue of indebtedness of JEA is hereby authorized in a maximum aggregate

principal amount outstanding at any one time of up to \$300,000,000. Such indebtedness shall be designated as, and shall be distinguished from all other indebtedness of JEA by the title, "St. Johns River Power Park System Revolving Credit Subordinated Bank Notes, Series X" and shall be further designated as the "St. Johns River Power Park System Revolving Credit Subordinated Bank Note, Series T-X" which shall evidence Taxable Loans relating to the St. Johns River Power Park System and as the "St. Johns River Power Park System Revolving Credit Subordinated Bank Note, Series TE-X" which shall evidence Tax-exempt Loans relating to the St. Johns River Power Park System; *provided*, that the Managing Director and Chief Executive Officer also may alter the designation of the St. Johns River Power Park System Revolving Credit Subordinated Bank Notes as he deems appropriate to reflect the designation of Revolving Credit Notes previously issued and JEA's custom in identifying Revolving Credit Notes or as he otherwise deems desirable, such determination to be set forth in the Credit Agreement relating to the Revolving Credit Notes.

(b) The St. Johns River Power Park System Revolving Credit Notes shall be payable, with respect to interest and principal, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

Section 9.02 Purpose. The St. Johns River Power Park System Revolving Credit Notes are authorized for the purpose of evidencing JEA's obligation to repay amounts borrowed under the Credit Agreement for the St. Johns River Power Park System and interest thereon.

Revolving Credit Notes. (a) On or before the Effective Date, JEA shall execute, authenticate and deliver to the Bank the St. Johns River Power Park System Revolving Credit Notes as hereinafter in this Section provided. The St. Johns River Power Park System Revolving Credit Notes shall be in fully registered form, without coupons, and shall be dated the date of its execution and delivery. The St. Johns River Power Park System Revolving Credit Notes shall have a stated maximum aggregate principal amount equal to \$300,000,000, provided that the amount outstanding thereunder shall not be greater than \$300,000,000,000 less the amount then outstanding under the Electric System Revolving Credit Notes, the Water and Sewer System Revolving Credit Notes, the District Energy System Revolving Credit Notes, the Bulk Power Supply System Revolving Credit Notes and any other Additional System Revolving Credit Notes.

(b) The St. Johns River Power Park System Revolving Credit Notes shall be executed in the name of JEA by the manual or facsimile signatures of its Chair or Vice-Chair, and its corporate seal (or a facsimile thereof) shall be impressed, imprinted, or otherwise reproduced thereon and attested by the manual signature of the Secretary or Assistant Secretary of JEA, or in such other manner or as may be required or permitted by law. In case any one or more of the officers who shall have signed or sealed the St. Johns River Power Park System Revolving Credit Notes shall cease to be such officer before the St. Johns River Power Park System Revolving Credit Notes shall have been authenticated and delivered, the St. Johns River Power Park System Revolving Credit Notes may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed or sealed the St. Johns River Power Park System Revolving Credit Notes had not ceased to hold such offices. The St. Johns River Power Park System Revolving Credit Notes may be signed and sealed on behalf of JEA by such

persons as at the time of the execution of the St. Johns River Power Park System Revolving Credit Notes shall be duly authorized or hold the proper office in JEA, although at the date borne by the St. Johns River Power Park System Revolving Credit Notes such persons may not have been so authorized or have held such office.

Section 9.04 Outstanding Principal Amount of St. Johns River Power Park System Revolving Credit Notes, Interest on St. Johns River Power Park System Revolving Credit Notes, Payment of St. Johns River Power Park System Revolving Credit Notes and Optional Tender for Payment.

- (a) The principal amount outstanding with respect to the St. Johns River Power Park System Revolving Credit Notes at any time shall equal the amount borrowed by JEA under the Credit Agreement with respect to the St. Johns River Power Park System, less any prior principal repayments thereof.
- (b) The St. Johns River Power Park System Revolving Credit Notes shall bear interest during the same periods and at the same rates as are applicable to the loans evidenced by the St. Johns River Power Park System Revolving Credit Notes made by the Bank under and pursuant to the Credit Agreement, determined as provided in the Credit Agreement.
- (c) The principal of the St. Johns River Power Park System Revolving Credit Notes, and interest thereon, shall be payable (and prepayable) at the same times and in the same amounts as are applicable to the respective loans evidenced by the St. Johns River Power Park System Revolving Credit Notes made by the Bank under and pursuant to the Credit Agreement, determined as provided in the Credit Agreement.
- (d) As provided in the Credit Agreement, and subject to the conditions and limitations set forth therein, the St. Johns River Power Park System Revolving Credit Notes may be tendered (or deemed tendered) for payment by JEA prior to the due date of the outstanding principal amount thereof whereupon JEA shall be obligated to pay the outstanding principal amount of the St. Johns River Power Park System Revolving Credit Notes (together with accrued interest thereon) so tendered (or deemed tendered) without presentment, demand, protest or other notice of any kind, all of which are hereby waived by JEA. The St. Johns River Power Park System Revolving Credit Notes immediately shall be due and payable upon its becoming subject to payment by JEA pursuant to this Section.
- Section 9.05 Form of St. Johns River Power Park System Revolving Credit Notes and Schedule of Loans and Repayments, Completion of Such Schedule. (a) The St. Johns River Power Park System Revolving Credit Notes, including the schedule of loans and repayments attached thereto, shall be substantially in the form set forth in Section 13.04 hereof with such appropriate variations, omissions and insertions as are permitted or required by this Bank Note Resolution or the Credit Agreement.
- (b) The Bank is authorized to record on the schedule of loans and repayments attached to the respective St. Johns River Power Park System Revolving Credit Notes, or a continuation thereof, each loan made by the Bank to JEA for the St. Johns River Power Park System evidenced thereby, the respective dates, types, amounts and maturities thereof and all

repayments of the principal thereof and, prior to any transfer thereof, appropriate notations to evidence the foregoing information shall be endorsed by the Bank on such schedule, or a continuation thereof, *provided*, *however*, that the failure of the Bank to make any such recordation or endorsement or any error therein shall not affect the obligations of JEA under the St. Johns River Power Park System Revolving Credit Notes or under the Credit Agreement.

Section 9.06 <u>Limitations on Transfer and Exchange of St. Johns River Power Park</u>

System Revolving Credit Notes. (a) Except as hereinafter provided in this Section, the St. Johns River Power Park System Revolving Credit Notes shall not be transferable by the holder thereof.

(b) Notwithstanding the provisions of subsection (a) of this Section, the holder of the St. Johns River Power Park System Revolving Credit Notes may assign its rights with respect to the St. Johns River Power Park System Revolving Credit Notes and its commitment under the Credit Agreement in accordance with the provisions of the Credit Agreement. Upon such assignment, and upon presentation and surrender of the St. Johns River Power Park System Revolving Credit Note, JEA shall execute and deliver to the appropriate person(s), in substitution for the St. Johns River Power Park System Revolving Credit Notes so surrendered, one or more St. Johns River Power Park System Revolving Credit Notes in an aggregate principal amount equal to the principal amount of the St. Johns River Power Park System Revolving Credit Notes so surrendered, so as to give effect to such assignment.

ARTICLE X

SOURCE OF PAYMENT AND SECURITY FOR ST. JOHNS RIVER POWER PARK SYSTEM REVOLVING CREDIT NOTES

System Revolving Credit Notes. (a) There is hereby pledged for the payment of the principal of, and interest on, the St. Johns River Power Park System Revolving Credit Notes in accordance with the terms and provisions of this Bank Note Resolution, the St. Johns River Power Park System Second Revenue Bond Resolution and the Credit Agreement, the amounts on deposit in the St. Johns River Power Park System Subordinated Indebtedness Fund as may from time to time be available therefor, including the investments, if any, thereof; *provided, however*, that such pledge shall be junior and subordinate in all respects to the St. Johns River Power Park System Bonds and to the Prior Lien St. Johns River Power Park System Subordinated Obligations as to lien on and pledge of the Trust Estate (as defined in the St. Johns River Power Park System Second Revenue Bond Resolution) created by the St. Johns River Power Park System Second Revenue Bond Resolution.

(b) Such amounts on deposit in the St. Johns River Power Park System Subordinated Indebtedness Fund shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against JEA, irrespective of whether such parties have notice thereof.

- (c) In accordance with the provisions of Section 515 of the St. Johns River Power Park System Second Revenue Bond Resolution, the St. Johns River Power Park System Revolving Credit Notes shall be, and shall be deemed to be, and are hereby expressed to be, obligations payable from and secured by a lien on the Trust Estate (as defined in the St. Johns River Power Park System Second Revenue Bond Resolution) junior and subordinate in all respects to the lien thereon and pledge thereof in favor of the St. Johns River Power Park System Bonds. The St. Johns River Power Park System Revolving Credit Notes shall be and be deemed to be, and shall constitute Subordinated Indebtedness within the meaning of such term contained in the St. Johns River Power Park System Second Revenue Bond Resolution. In addition, in accordance with the provisions of Section 515 of the St. Johns River Power Park System Second Revenue Bond Resolution, the St. Johns River Power Park System Revolving Credit Notes shall be, and shall be deemed to be, and are hereby expressed to be, obligations payable from and secured by a lien on amounts in the St. Johns River Power Park System Subordinated Indebtedness Fund junior and subordinate in all respects to the lien thereon and pledge thereof in favor of the Prior Lien St. Johns River Power Park System Subordinated Obligations.
- (d) The St. Johns River Power Park System Revolving Credit Notes shall not be or constitute a general obligation or indebtedness of the City or JEA as a "bond" within the meaning of the Constitution of Florida, but shall be payable solely from and secured by a lien upon and a pledge of the amounts as herein provided. No holder of the St. Johns River Power Park System Revolving Credit Notes shall ever have the right to compel the exercise of the ad valorem taxing power of the City or JEA, if any, or taxation in any form of any real property in the City to pay the St. Johns River Power Park System Revolving Credit Notes or interest thereon or be entitled to payment of such principal and interest from any other funds of the City or JEA except from the special funds in the manner provided herein.

Section 10.02 Payment of the St. Johns River Power Park System Revolving Credit Notes. Subject to (a) the prior payments from the St. Johns River Power Park System Subordinated Indebtedness Fund as required by subsection 2 of Section 510 of the St. Johns River Power Park System Second Revenue Bond Resolution, and (b) the prior payment of all amounts due with respect to the Prior Lien St. Johns River Power Park System Subordinated Obligations, amounts on deposit in the St. Johns River Power Park System Subordinated Indebtedness Fund and available therefor shall be applied to the payment of the principal of, and interest on, the St. Johns River Power Park System Revolving Credit Notes when due.

Section 10.03 <u>Issuance of Additional Debt</u>. Nothing herein shall be deemed to limit JEA's ability to issue additional St. Johns River Power Park System Bonds under the St. Johns River Power Park System Second Revenue Bond Resolution and Prior Lien St. Johns River Power Park System Subordinated Obligations payable prior to the payment of the St. Johns River Power Park System Revolving Credit Notes, nor to issue additional St. Johns River Power Park System Subordinated Indebtedness payable on a parity with the St. Johns River Power Park System Revolving Credit Notes, and JEA hereby reserves the right to issue such additional St. Johns River Power Park System Subordinated Obligations and such additional St. Johns River Power Park System Subordinated Obligations and such additional St. Johns River Power Park System Subordinated Indebtedness.

Section 10.04 Rate Covenant with respect to the St. Johns River Power Park System. JEA covenants to fix, establish, revise from time to time whenever necessary, maintain and collect always such fees, rates, rentals and other charges for the use or the sale of the products, services and facilities of the St. Johns River Power Park System which will always provide St. Johns River Power Park System Net Revenues in each Fiscal Year, together with other available funds, sufficient to make all payments required to be made in such Fiscal Year (i) by the St. Johns River Power Park System Second Revenue Bond Resolution, (ii) with respect to any Prior Lien St. Johns River Power Park System Subordinated Obligations, by the resolution or other instrument pursuant to which such Prior Lien St. Johns River Power Park System Subordinated Obligations were incurred, and (iii) with respect to the St. Johns River Power Park System Revolving Credit Notes and by this Bank Note Resolution.

ARTICLE XI

AUTHORIZATION OF BULK POWER SUPPLY SYSTEM REVOLVING CREDIT NOTES

Section 11.01 Principal Amount and Designation; Medium of Payment. (a) In accordance with the provisions of the Bulk Power Supply System Revenue Bond Resolution, an issue of indebtedness of JEA is hereby authorized in a maximum aggregate principal amount outstanding at any one time of up to \$300,000,000. Such indebtedness shall be designated as, and shall be distinguished from all other indebtedness of JEA by the title, "Bulk Power Supply System Revolving Credit Subordinated Bank Notes, Series X" and shall be further designated as the "Bulk Power Supply System Revolving Credit Subordinated Bank Note, Series T-X" which shall evidence Taxable Loans relating to the BPSS Projects and as the "Bulk Power Supply System Revolving Credit Subordinated Bank Note, Series TE-X" which shall evidence Taxexempt Loans relating to the BPSS Projects; provided, that the Managing Director and Chief Executive Officer may alter the designation of the Bulk Power Supply System Revolving Credit Subordinated Bank Notes as he deems appropriate to reflect the designation of Revolving Credit Notes previously issued and JEA's custom in identifying Revolving Credit Notes or as he otherwise deems desirable, such determination to be set forth in the Credit Agreement relating to the Revolving Credit Notes.

(b) The Bulk Power Supply System Revolving Credit Notes shall be payable, with respect to interest and principal, in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

Section 11.02 <u>Purpose</u>. The Bulk Power Supply System Revolving Credit Notes are authorized for the purpose of evidencing JEA's obligation to repay amounts borrowed under the Credit Agreement for the BPSS Projects and interest thereon.

Section 11.03 Execution and Delivery of Bulk Power Supply System Revolving Credit Notes. (a) On or before the Effective Date, JEA shall execute, authenticate and deliver to the Bank the Bulk Power Supply System Revolving Credit Notes as hereinafter in this Section provided. The Bulk Power Supply System Revolving Credit Notes shall be in fully registered form, without coupons, and shall be dated the date of its execution and delivery. The Bulk Power Supply System Revolving Credit Notes shall have a stated maximum aggregate principal

amount equal to \$300,000,000, provided that the amount outstanding thereunder shall not be greater than \$300,000,000 less the amount then outstanding under the Electric System Revolving Credit Notes, the Water and Sewer System Revolving Credit Notes, the District Energy System Revolving Credit Notes, the St. Johns River Power Park System Revolving Credit Notes and any other Additional System Revolving Credit Notes.

The Bulk Power Supply System Revolving Credit Notes shall be executed in the (b) name of JEA by the manual or facsimile signature of its Chair or Vice-Chair, and its corporate seal (or a facsimile thereof) shall be impressed, imprinted, or otherwise reproduced thereon and attested by the manual signature of the Secretary or Assistant Secretary of JEA, or in such other manner as may be required or permitted by law. In case any one or more of the officers who shall have signed or sealed the Bulk Power Supply System Revolving Credit Notes shall cease to be such officer before the Bulk Power Supply System Revolving Credit Notes shall have been authenticated and delivered, the Bulk Power Supply System Revolving Credit Notes may, nevertheless, be authenticated and delivered as herein provided, and may be issued as if the persons who signed or sealed the Bulk Power Supply System Revolving Credit Notes had not ceased to hold such offices. The Bulk Power Supply System Revolving Credit Notes may be signed and sealed on behalf of JEA by such persons as at the time of the execution of the Bulk Power Supply System Revolving Credit Notes shall be duly authorized or hold the proper office in JEA, although at the date borne by the Bulk Power Supply System Revolving Credit Notes such persons may not have been so authorized or have held such office.

Section 11.04 <u>Outstanding Principal Amount of Bulk Power Supply System</u> Revolving Credit Notes, Interest on Bulk Power Supply System Revolving Credit Notes, <u>Payment of Bulk Power Supply System Revolving Credit Notes and Optional Tender for Payment.</u>

- (a) The principal amount outstanding with respect to the Bulk Power Supply System Revolving Credit Notes at any time shall equal the amount borrowed by JEA under the Credit Agreement with respect to the BPSS Projects, less any prior principal repayments thereof.
- (b) The Bulk Power Supply System Revolving Credit Notes shall bear interest during the same periods and at the same rates as are applicable to the loans evidenced by the Bulk Power Supply System Revolving Credit Notes made by the Bank under and pursuant to the Credit Agreement, determined as provided in the Credit Agreement.
- (c) The principal of the Bulk Power Supply System Revolving Credit Notes, and interest thereon, shall be payable (and prepayable) at the same times and in the same amounts as are applicable to the respective loans evidenced by the Bulk Power Supply System Revolving Credit Notes made by the Bank under and pursuant to the Credit Agreement, determined as provided in the Credit Agreement.
- (d) As provided in the Credit Agreement, and subject to the conditions and limitations set forth therein, the Bulk Power Supply System Revolving Credit Notes may be tendered (or deemed tendered) for payment by JEA prior to the due date of the outstanding principal amount thereof, whereupon JEA shall be obligated to pay the outstanding principal amount of the Bulk Power Supply System Revolving Credit Notes (together with accrued

interest thereon) so tendered (or deemed tendered) without presentment, demand, protest or other notice of any kind, all of which are hereby waived by JEA. The Bulk Power Supply System Revolving Credit Notes immediately shall be due and payable upon its becoming subject to payment by JEA pursuant to this Section.

Schedule of Loans and Repayments, Completion of Such Schedule. (a) The Bulk Power Supply System Revolving Credit Notes, including the schedule of loans and repayments attached thereto, shall be substantially in the form set forth in Section 13.05 hereof with such appropriate variations, omissions and insertions as are permitted or required by this Bank Note Resolution or the Credit Agreement.

(b) The Bank is authorized to record on the schedule of loans and repayments attached to the respective Bulk Power Supply System Revolving Credit Notes, or a continuation thereof; each loan made by the Bank to JEA for the BPSS Projects evidenced thereby, the respective dates, types, amounts and maturities thereof and all repayments of the principal thereof and, prior to any transfer thereof; appropriate notations to evidence the foregoing information shall be endorsed by the Bank on such schedule, or a continuation thereof; *provided, however*, that the failure of the Bank to make any such recordation or endorsement or any error therein shall not affect the obligations of JEA under the Bulk Power Supply System Revolving Credit Notes or under the Credit Agreement.

Section 11.06 <u>Limitations on Transfer and Exchange of Bulk Power Supply System</u> <u>Revolving Credit Notes</u>. (a) Except as hereinafter provided in this Section, the Bulk Power Supply System Revolving Credit Notes shall not be transferable by the holder thereof.

(b) Notwithstanding the provisions of subsection (a) of this Section, the holder of the Bulk Power Supply System Revolving Credit Notes may assign its rights with respect to the Bulk Power Supply System Revolving Credit Notes and its commitment under the Credit Agreement in accordance with the provisions of the Credit Agreement. Upon such assignment, and upon presentation and surrender of the Bulk Power Supply System Revolving Credit Note, JEA shall execute and deliver to the appropriate person(s), in substitution for the Bulk Power Supply System Revolving Credit Note so surrendered, one or more Bulk Power Supply System Revolving Credit Notes in an aggregate principal amount equal to the principal amount of the Bulk Power Supply System Revolving Credit Notes so surrendered, so as to give effect to such assignment.

ARTICLE XII

SOURCE OF PAYMENT AND SECURITY FOR BULK POWER SUPPLY SYSTEM REVOLVING CREDIT NOTES

Section 12.01 Source of Payment and Security for the Bulk Power Supply System Revolving Credit Notes. (a) There is hereby pledged for the payment of the principal of, and interest on, the Bulk Power Supply System Revolving Credit Notes in accordance with the terms and provisions of this Bank Note Resolution, the Bulk Power Supply System Revenue Bond Resolution and the Credit Agreement, the amounts on deposit in the Bulk Power Supply System

Subordinated Indebtedness Fund as may from time to time be available therefor, including the investments, if any, thereof, *provided*, *however*, that such pledge shall be junior and subordinate in all respects to the Bulk Power Supply System Bonds and to the Prior Lien BPSS Projects Subordinated Obligations as to lien on and pledge of the Trust Estate (as defined in the Bulk Power Supply System Revenue Bond Resolution) created by the Bulk Power Supply System Revenue Bond Resolution.

- (b) Such amounts on deposit in the Bulk Power Supply System Subordinated Indebtedness Fund shall immediately be subject to the lien of this pledge without any physical delivery thereof or further act, and the lien of this pledge shall be valid and binding as against all parties having claims of any kind in tort, contact or otherwise against JEA, irrespective of whether such parties have notice thereof.
- (c) In accordance with the provisions of Section 516 of the Bulk Power Supply System Revenue Bond Resolution, the Bulk Power Supply System Revolving Credit Notes shall be, and shall be deemed to be, and are hereby expressed to be, obligations payable from and secured by a lien on the Trust Estate (as defined in the Bulk Power Supply System Revenue Bond Resolution) junior and subordinate in all respects to the lien thereon and pledge thereof in favor of the Bulk Power Supply System Bonds. The Bulk Power Supply System Revolving Credit Notes shall be and be deemed to be, and shall constitute, "Subordinated Indebtedness" within the meaning of such term contained in the Bulk Power Supply System Revenue Bond Resolution. In addition, in accordance with the provisions of Section 516 of the Bulk Power Supply System Revenue Bond Resolution, the Bulk Power Supply System Revolving Credit Notes shall be, and shall be deemed to be, and are hereby expressed to be, obligations payable from and secured by a lien on amounts in the Bulk Power Supply System Subordinated Indebtedness Fund junior and subordinate in all respects to the lien thereon and pledge thereof in favor of the Prior Lien BPSS Projects Subordinated Obligations.
- (d) The Bulk Power Supply System Revolving Credit Notes shall not be or constitute a general obligation or indebtedness of the City or JEA as a "bond" within the meaning of the Constitution of Florida, but shall be payable solely from and secured by a lien upon and a pledge of the amounts as herein provided. No holder of the Bulk Power Supply System Revolving Credit Notes shall ever have the right to compel the exercise of the ad valorem taxing power of the City or JEA, if any, or taxation in any form of any real property in the City to pay the Bulk Power Supply System Revolving Credit Notes or interest thereon or be entitled to payment of such principal and interest from any other funds of the City or JEA except from the special funds in the manner provided herein.

Section 12.02 Payment of the Bulk Power Supply System Revolving Credit Notes. Subject to (a) the prior payments from the Bulk Power Supply System Subordinated Indebtedness Fund as required by subsection 3 of Section 510 of the Bulk Power Supply System Revenue Bond Resolution, and (b) the prior payment of all amounts due with respect to the Prior Lien BPSS Projects Subordinated Obligations, amounts on deposit in the Bulk Power Supply System Subordinated Indebtedness Fund and available therefor shall be applied to the payment of the principal of, and interest on, the Bulk Power Supply System Revolving Credit Notes when due.

Section 12.03 <u>Issuance of Additional Debt</u>. Nothing herein shall be deemed to limit JEA's ability to issue additional Bulk Power Supply System Bonds under the Bulk Power Supply System Revenue Bond Resolution and Prior Lien BPSS Projects Subordinated Obligations payable prior to the payment of the Bulk Power Supply System Revolving Credit Notes, nor to issue additional Bulk Power Supply System Subordinated Indebtedness payable on a parity with the Bulk Power Supply System Revolving Credit Notes, and JEA hereby reserves the right to issue such additional Bonds, such additional Prior Lien BPSS Projects Subordinated Obligations and such additional Bulk Power Supply System Subordinated Indebtedness.

Section 12.04 Rate Covenant with respect to Bulk Power Supply System. JEA covenants to fix, establish, revise from time to time whenever necessary, maintain and collect always such fees, rates, rentals and other charges for the use or the sale of the products, services and facilities of the BPSS Projects which will always provide Bulk Power Supply System Net Revenues in each Fiscal Year, together with other available funds, sufficient to make all payments required to be made in such Fiscal Year (i) by the Bulk Power Supply System Revenue Bond Resolution, (ii) with respect to any Prior Lien BPSS Projects Subordinated Obligations, by the resolution or other instrument pursuant to which such Prior Lien BPSS Projects Subordinated Obligations were incurred, and (iii) with respect to the Bulk Power Supply System Revolving Credit Notes and by this Bank Note Resolution.

ARTICLE XIII

FORM OF REVOLVING CREDIT NOTES

Section 13.01 Form of Electric System Revolving Credit Notes. The form of the Electric System Revolving Credit Notes shall be of substantially the following tenor with such variations, omissions and insertions as are required or permitted by this Bank Note Resolution:

[ELECTRIC SYSTEM REVOLVING CREDIT NOTE FORM]

UNITED STATES OF AMERICA
STATE OF FLORIDA
JEA
ELECTRIC SYSTEM REVOLVING CREDIT
SUBORDINATED BANK NOTE, SERIES [T-/TE-]

No	NOT EXCEEDING \$300,000,000
	,
For value received, JEA, a body politic and corporate organized a	nd existing under the
laws of the State of Florida, and an independent agency of the City of Jack	ssonville, Florida (the
"City"), promises to pay to the order of (the	"Bank") the lesser of
(a) THREE HUNDRED MILLION DOLLARS (\$300,000,000) and (b)	the unpaid principal
amount of each [Taxable/Tax-exempt] Electric System Loan (as defined in	the Credit Agreement
referred to below) made by the Bank to JEA pursuant to the Credit Agre	ement, at the time or
times and in the amounts required by the Bank Note Resolution referred to	below and the Credit

Agreement. JEA promises to pay interest on the unpaid principal amount of each such [Taxable/Tax-exempt] Electric System Loan on the dates and at the rate or rates provided for in the Credit Agreement. All such payments of principal and interest shall be made in lawful money of the United States in federal or other immediately available funds at the office of the Bank.

ALL [Taxable/Tax-exempt] Electric System Loans made by the Bank, the respective dates, types, amounts and maturities thereof and all repayments of the principal thereof shall be recorded by the Bank and, prior to any transfer hereof, appropriate notations to evidence the foregoing information with respect to each such [Taxable/Tax-exempt] Electric System Loan then outstanding shall be endorsed by the Bank on the schedule attached hereto, or on a continuation of such schedule attached to and made a part hereof; provided, however, that the failure of the Bank to make any such recordation or endorsement or any error therein shall not affect the obligations of JEA hereunder or under the Credit Agreement. The aggregate principal amount outstanding under this Note, together with the aggregate principal amount outstanding under the Electric System Revolving Credit Subordinated Note, Series [E -T/E -TE], the Water and Sewer System Revolving Credit Notes, the District Energy System Revolving Credit Notes, the St. Johns River Power Park System Revolving Credit Notes, the Bulk Power Supply System Revolving Credit Notes and any Additional System Revolving Credit Notes (each as defined in the Bank Note Resolution referred to below) shall not exceed \$300,000,000. Subject to such limitation, the principal amount of the Electric System Loans evidenced by this Note may be advanced, repaid and advanced again from time to time as provided in the Credit Agreement.

This Note (a) is the Note of JEA known as Electric System Revolving Credit Subordinated Bank Note, Series [T-_] [TE-_] (the "Note"), issued pursuant to a resolution of JEA adopted on August 19, 2003, as amended and restated in its entirety on August 20, 2013 and as further amended and restated in its entirety on October 20, 2015 (the "Bank Note Resolution"), and (b) is the Note referred to in the Revolving Credit Agreement, dated as of , between JEA and the Bank (as the same may be amended from time to time, the "Credit Agreement"). This Note is issued pursuant to the authority of and in full compliance with the Constitution and statutes of the State of Florida, including particularly Article 21 of the Charter of the City, as amended and readopted by Chapter 80-515, Laws of Florida, Special Acts of 1980, as subsequently amended by Chapter 92-341, Laws of Florida, Special Acts of 1992 and as thereafter amended in accordance with the terms thereof, and other applicable provisions of law, to evidence JEA's obligation to repay the [Taxable/Tax-exempt] Electric System Loans. Reference is made to the Electric System Resolution (as defined in the Bank Note Resolution), the Bank Note Resolution and the Credit Agreement for a description of the rights, limitations on rights, obligations and duties thereunder of JEA and the Bank. Capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Bank Note Resolution.

This Note is payable from and secured by a pledge of amounts on deposit in the Electric System Revenue Fund as may from time to time be available therefor, including the investments, if any, thereof, subject only to the provisions of the Electric System Resolution and the Bank Note Resolution permitting the application thereof for the purposes and on the terms and conditions set forth therein, *provided*, *however*, that such pledge shall be junior and subordinate in all respects to the Electric System Bonds and the Prior Lien Electric System Subordinated Bonds as to lien on and source of security for payment from the Revenues. In accordance with

the provisions of the Bank Note Resolution, JEA reserves the right to issue additional indebtedness payable from and secured, prior to or on a parity with this Note, by a pledge of the amounts described above.

This Note does not constitute a general obligation or indebtedness of the City or JEA as a "bond" within the meaning of the Constitution of Florida, but shall be payable solely from and secured by a lien upon and a pledge of amounts as provided in the Bank Note Resolution. No holder of this Note shall ever have the right to compel the exercise of the ad valorem taxing power of the City or JEA, if any, or taxation in any form of any real property in the City to pay this Note or interest hereon or be entitled to payment of such principal and interest from any other funds of the City or JEA except from the special funds in the manner provided in the Bank Note Resolution.

Reference is made to the Bank Note Resolution and the Credit Agreement for provisions relating to the prepayment and tender (or deemed tender) for payment hereof.

This Note is transferable only upon the terms and conditions, and subject to the limitations, set forth in the Bank Note Resolution and the Credit Agreement.

To the extent and in the manner permitted by the terms of the Bank Note Resolution, the provisions of the Bank Note Resolution may be modified or amended by JEA.

This Note shall not be entitled to any benefit under the Bank Note Resolution or be valid or become obligatory for any purpose until this Note shall have been authenticated by the manual signature of an authorized officer of JEA.

IN WITNESS WHEREOF, JEA has issued this Note and caused the same to be signed by its Chair or Vice-Chair and attested by its Secretary or an Assistant Secretary and its corporate seal or a facsimile thereof to be impressed, imprinted, engraved or reproduced hereon.

JEA OFFICIAL SEAL	JEA	
Attested and Countersigned for Authorization:		
Secretary or Assistant Secretary	Chair or Vice-Chair	

ELECTRIC SYSTEM SUBORDINATED BANK NOTE, SERIES __ (cont'd)

ELECTRIC SYSTEM LOANS AND PAYMENTS OF PRINCIPAL

AMOUNT OF ELECTRIC SYSTEM [TAXABLE/ TAX- EXEMPT]	TYPE OF ELECTRIC SYSTEM	AMOUNT OF PRINCIPAL	MATURITY	NOTATION
LOAN	LOAN	REPAID	DATE	MADE BY
	OF ELECTRIC SYSTEM [TAXABLE/ TAX-	OF ELECTRIC SYSTEM [TAXABLE/ TYPE OF TAX- ELECTRIC EXEMPT] SYSTEM	OF ELECTRIC SYSTEM [TAXABLE/ TYPE OF AMOUNT TAX- ELECTRIC OF EXEMPT] SYSTEM PRINCIPAL	OF ELECTRIC SYSTEM [TAXABLE/ TYPE OF AMOUNT TAX- ELECTRIC OF EXEMPT] SYSTEM PRINCIPAL MATURITY

Section 13.02 Form of Water and Sewer System Revolving Credit Notes. The form of the Water and Sewer System Revolving Credit Notes shall be of substantially the following tenor with such variations, omissions and insertions as are required or permitted by this Bank Note Resolution:

[WATER AND SEWER SYSTEM REVOLVING CREDIT NOTE FORM]

No. ____

UNITED STATES OF AMERICA STATE OF FLORIDA JEA WATER AND SEWER SYSTEM REVOLVING CREDIT SUBORDINATED BANK NOTE, SERIES [T-__] [TE-__]

NOT EXCEEDING

	\$300,000,000
For value received, JEA, a body politic and corporate organized	and existing under the
laws of the State of Florida, and an independent agency of the City of Ja-	cksonville, Florida (the
"City"), promises to pay to the order of (th	e "Bank") the lesser of
(a) THREE HUNDRED MILLION DOLLARS (\$300,000,000) and (b) the unpaid principal
amount of each [Taxable/Tax-exempt] Water and Sewer System Loan (a	s defined in the Credit
Agreement referred to below) made by the Bank to JEA pursuant to the C	redit Agreement, at the
time or times and in the amounts required by the Bank Note Resolution re	ferred to below and the
Credit Agreement. JEA promises to pay interest on the unpaid principal	al amount of each such
[Taxable/Tax-exempt] Water and Sewer System Loan on the dates ar	nd at the rate or rates
provided for in the Credit Agreement. All such payments of principal and	d interest shall be made
in lawful money of the United States in federal or other immediately avail	lable funds at the office
of the Bank.	

All [Taxable/Tax-exempt] Water and Sewer System Loans made by the Bank, the respective dates, types, amounts and maturities thereof and all repayments of the principal thereof shall be recorded by the Bank and, prior to any transfer hereof appropriate notations to evidence the foregoing information with respect to each such [Taxable/Tax-exempt] Water and Sewer System Loan then outstanding shall be endorsed by the Bank on the schedule attached hereto, or on a continuation of such schedule attached to and made a part hereof; *provided*, *however*, that the failure of the Bank to make any such recordation or endorsement or any error therein shall not affect the obligations of JEA hereunder or under the Credit Agreement. The aggregate principal amount outstanding under this Note at any time, together with the aggregate principal amount outstanding under the Water and Sewer System Revolving Credit Note, Series [W_-T/W_-TE], the Electric System Revolving Credit Notes, the District Energy System Revolving Credit Notes, the St. Johns River Power Park System Revolving Credit Notes, the Bulk Power Supply System Revolving Credit Notes and any Additional System Revolving Credit Notes (each as defined in the Bank Note Resolution referred to below) shall not exceed \$300,000,000. Subject to such limitation, the principal amount of the Water and Sewer System

Loans evidenced by this Note may be advanced, repaid and advanced again from time to time as provided in the Credit Agreement.

This Note (a) is the Note of JEA known as Water and Sewer System Revolving Credit Subordinated Bank Note, Series [T-_] [TE-_] (the "Note"), issued pursuant to a resolution of JEA adopted on August 19, 2003, as amended and restated in its entirety on August 20, 2013 and as further amended and restated in its entirety on October 20, 2015 (the "Bank Note Resolution"), and (b) is the Note referred to in the Revolving Credit Agreement, dated as of _, between JEA and the Bank (as the same may be amended from time to time, the "Credit Agreement"). This Note is issued pursuant to the authority of and in full compliance with the Constitution and statutes of the State of Florida, including particularly Article 21 of the Charter of the City, as amended and readopted by Chapter 80-515, Laws of Florida, Special Acts of 1980, as subsequently amended by Chapter 92-341, Laws of Florida, Special Acts of 1992 and as thereafter amended in accordance with the terms thereof, and other applicable provisions of law, to evidence JEA's obligation to repay the [Taxable/Tax-exempt] Water and Sewer System Loans. Reference is made to the Water and Sewer System Resolution (as defined in the Bank Note Resolution), the Bank Note Resolution and the Credit Agreement for a description of the rights, limitations on rights, obligations and duties thereunder of JEA and the Bank. Capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Bank Note Resolution.

This Note is payable from and secured by a pledge of amounts on deposit in the Water and Sewer System Subordinated Indebtedness Fund as may from time to time be available therefor, including the investments, if any, thereof, subject only to the provisions of the Water and Sewer System Resolution and the Bank Note Resolution permitting the application thereof for the purposes and on the terms and conditions set forth therein, *provided*, *however*, that such pledge shall be junior and subordinate in all respects to the Water and Sewer System Bonds and the Prior Lien Water and Sewer System Subordinated Obligations as to lien on and source of security for payment from such amounts. In accordance with the provisions of the Bank Note Resolution, JEA reserves the right to issue additional indebtedness payable from and secured, prior to or on a parity with this Note, by a pledge of the amounts described above.

This Note does not constitute a general obligation or indebtedness of the City or JEA as a "bond" within the meaning of the Constitution of Florida, but shall be payable solely from and secured by a lien upon and a pledge of amounts as provided in the Bank Note Resolution. No holder of this Note shall ever have the right to compel the exercise of the ad valorem taxing power of the City or JEA, if any, or taxation in any form of any real property in the City to pay this Note or interest hereon or be entitled to payment of such principal and interest from any other funds of the City or JEA except from the special funds in the manner provided in the Bank Note Resolution.

Reference is made to the Bank Note Resolution and the Credit Agreement for provisions relating to the prepayment and tender (or deemed tender) for payment hereof.

This Note is transferable only upon the terms and conditions, and subject to the limitations, set forth in the Bank Note Resolution and the Credit Agreement.

To the extent and in the manner permitted by the terms of the Bank Note Resolution, the provisions of the Bank Note Resolution may be modified or amended by JEA.

This Note shall not be entitled to any benefit under the Bank Note Resolution or be valid or become obligatory for any purpose until this Note shall have been authenticated by the manual signature of an authorized officer of JEA.

IN WITNESS WHEREOF, JEA has issued this Note and caused the same to be signed by its Chair or Vice-Chair and attested by its Secretary or an Assistant Secretary and its corporate seal or a facsimile thereof to be impressed, imprinted, engraved or reproduced hereon.

SEAL STATE OF THE	JEA	
Attested and Countersigned for Authorization:		
Secretary or Assistant Secretary	Chair or Vice-Chair	

WATER AND SEWER SYSTEM SUBORDINATED BANK NOTE, SERIES _ (cont'd) WATER AND SEWER SYSTEM LOANS AND PAYMENTS OF PRINCIPAL

DATE	AMOUNT OF WATER AND SEWER SYSTEM [TAXABLE/ TAX- EXEMPT] LOAN	TYPE OF WATER AND SEWER SYSTEM LOAN	AMOUNT OF PRINCIPAL REPAID	MATURITY DATE	NOTATION MADE BY
-					
		_			

Section 13.03 Form of District Energy System Revolving Credit Notes. The form of the District Energy System Revolving Credit Notes shall be of substantially the following tenor with such variations, omissions and insertions as are required or permitted by this Bank Note Resolution:

[DISTRICT ENERGY SYSTEM REVOLVING CREDIT NOTE FORM]

UNITED STATES OF AMERICA STATE OF FLORIDA JEA DISTRICT ENERGY SYSTEM REVOLVING CREDIT SUBORDINATED BANK NOTE, SERIES [T-__] [TE-__]

No.	NOT EXCEEDING
	\$300,000,000

All [Taxable/Tax-exempt] District Energy System Loans made by the Bank, the respective dates, types, amounts and maturities thereof and all repayments of the principal thereof shall be recorded by the Bank and, prior to any transfer hereof, appropriate notations to evidence the foregoing information with respect to each such [Taxable/Tax-exempt] District Energy System Loan then outstanding shall be endorsed by the Bank on the schedule attached hereto, or on a continuation of such schedule attached to and made a part hereof; provided, however, that the failure of the Bank to make any such recordation or endorsement or any error therein shall not affect the obligations of JEA hereunder or under the Credit Agreement. The aggregate principal amount outstanding under this Note at any time, together with the aggregate principal amount outstanding under the District Energy System Revolving Credit Note, Series [T- /TE-], the Electric System Revolving Credit Notes, the Water and Sewer System Revolving Credit Notes, the St. Johns River Power Park System Revolving Credit Notes, the Bulk Power Supply System Revolving Credit Notes and any other Additional System Revolving Credit Notes (each as defined in the Bank Note Resolution referred to below) shall not exceed \$300,000,000. Subject to such limitation, the principal amount of the District Energy System Loans evidenced by this Note may be advanced, repaid and advanced again from time to time as provided in the Credit Agreement.

This Note (a) is the Note of JEA known as District Energy System Revolving Credit Subordinated Bank Note, Series [T-_] [TE-_] (the "Note"), issued pursuant to a resolution of JEA adopted on August 19, 2003, as amended and supplemented, including as amended and supplemented by the supplemental resolution of JEA adopted on August 16, 2005, as amended and restated in its entirety on August 20, 2013 and as further amended and restated in its entirety on October 20, 2015 (the "Bank Note Resolution"), and (b) is the Note referred to in the Revolving Credit Agreement, dated as of ______, between JEA and the Bank (as the same may be amended from time to time, the "Credit Agreement"). This Note is issued pursuant to the authority of and in full compliance with the Constitution and statutes of the State of Florida, including particularly Article 21 of the Charter of the City, as amended and readopted by Chapter 80-515, Laws of Florida, Special Acts of 1980, as subsequently amended by Chapter 92-341, Laws of Florida, Special Acts of 1992 and as thereafter amended in accordance with the terms thereof, and other applicable provisions of law, to evidence JEA's obligation to repay the [Taxable/Tax-exempt] District Energy System Loans. Reference is made to the District Energy System Resolution (as defined in the Bank Note Resolution), the Bank Note Resolution and the Credit Agreement for a description of the rights, limitations on rights, obligations and duties thereunder of JEA and the Bank. Capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Bank Note Resolution.

This Note is payable from and secured by a pledge of amounts on deposit in the District Energy System Subordinated Indebtedness Fund as may from time to time be available therefor, including the investments, if any, thereof, subject only to the provisions of the District Energy System Resolution and the Bank Note Resolution permitting the application thereof for the purposes and on the terms and conditions set forth therein, provided, however, that such pledge shall be junior and subordinate in all respects to the District Energy System Bonds and the Prior Lien District Energy Subordinated Bonds as to lien on and source of security for payment from such amounts. In accordance with the provisions of the Bank Note Resolution, JEA reserves the right to issue additional indebtedness payable from and secured, prior to or on a parity with this Note, by a pledge of the amounts described above.

This Note does not constitute a general obligation or indebtedness of the City or JEA as a "bond" within the meaning of the Constitution of Florida, but shall be payable solely from and secured by a lien upon and a pledge of amounts as provided in the Bank Note Resolution. No holder of this Note shall ever have the right to compel the exercise of the ad valorem taxing power of the City or JEA, if any, or taxation in any form of any real property in the City to pay this Note or interest hereon or be entitled to payment of such principal and interest from any other funds of the City or JEA except from the special funds in the manner provided in the Bank Note Resolution.

Reference is made to the Bank Note Resolution and the Credit Agreement for provisions relating to the prepayment and tender (or deemed tender) for payment hereof.

This Note is transferable only upon the terms and conditions, and subject to the limitations, set forth in the Bank Note Resolution and the Credit Agreement.

To the extent and in the manner permitted by the terms of the Bank Note Resolution, the provisions of the Bank Note Resolution may be modified or amended by JEA.

This Note shall not be entitled to any benefit under the Bank Note Resolution or be valid or become obligatory for any purpose until this Note shall have been authenticated by the manual signature of an authorized officer of JEA.

IN WITNESS WHEREOF, JEA has issued this Note and caused the same to be signed by its Chair or Vice-Chair and attested by its Secretary or an Assistant Secretary and its corporate seal or a facsimile thereof to be impressed, imprinted, engraved or reproduced hereon.

SEAL SEAL	JEA	
Attested and Countersigned for Authorization:		
Secretary or Assistant Secretary	Chair or Vice-Chair	

DISTRICT ENERGY SYSTEM SUBORDINATED BANK NOTE, SERIES __ (cont'd) DISTRICT ENERGY SYSTEM LOANS AND PAYMENTS OF PRINCIPAL

DATE	AMOUNT OF DISTRICT ENERGY SYSTEM [TAXABLE/ TAX- EXEMPT] LOAN	TYPE OF DISTRICT ENERGY SYSTEM LOAN	AMOUNT OF PRINCIPAL REPAID	MATURITY DATE	NOTATION MADE BY

Section 13.04 Form of St. Johns River Power Park System Revolving Credit Notes.

The form of the St. Johns River Power Park System Revolving Credit Notes shall be of substantially the following tenor with such variations, omissions and insertions as are required or permitted by this Bank Note Resolution:

[ST. JOHNS RIVER POWER PARK SYSTEM REVOLVING CREDIT NOTE FORM]

UNITED STATES OF AMERICA STATE OF FLORIDA JEA RIVER POWER PARK SYSTEM REVOLVIN

ST. JOHNS RIVER POWER PARK SYSTEM REVOLVING CREDIT SUBORDINATED BANK NOTE, SERIES [T-_] [TE-_]

NOT EXCEEDING

No. ____

	\$300,000,000
For value received, JEA, a body politic and corporate organize	d and existing under the
laws of the State of Florida, and an independent agency of the City of J	acksonville, Florida (the
"City"), promises to pay to the order of	(the
"Bank") the lesser of (a) THREE HUNDRED MILLION DOLLARS (\$	300,000,000) and (b) the
unpaid principal amount of each [Taxable/Tax-exempt] St. Johns River I	Power Park System Loan
(as defined in the Credit Agreement referred to below) made by the Ban	k to JEA pursuant to the
Credit Agreement, at the time or times and in the amounts required by the	ne Bank Note Resolution
referred to below and the Credit Agreement. JEA promises to pay	interest on the unpaid
principal amount of each such [Taxable/Tax-exempt] St. Johns River P	ower Park System Loan
on the dates and at the rate or rates provided for in the Credit Agreemer	nt. All such payments of
principal and interest shall be made in lawful money of the United S	tates in federal or other
immediately available funds at the office of the Bank.	

All [Taxable/Tax-exempt] St. Johns River Power Park System Loans made by the Bank, the respective dates, types, amounts and maturities thereof and all repayments of the principal thereof shall be recorded by the Bank and, prior to any transfer hereof, appropriate notations to evidence the foregoing information with respect to each such [Taxable/Tax-exempt] St. Johns River Power Park System Loan then outstanding shall be endorsed by the Bank on the schedule attached hereto, or on a continuation of such schedule attached to and made a part hereof; provided, however, that the failure of the Bank to make any such recordation or endorsement or any error therein shall not affect the obligations of JEA hereunder or under the Credit Agreement. The aggregate principal amount outstanding under this Note at any time, together with the aggregate principal amount outstanding under the St. Johns River Power Park System Revolving Credit Note, Series [T-_/TE-_], the Electric System Revolving Credit Notes, the Water and Sewer System Revolving Credit Notes, the District Energy System Revolving Credit Notes, the Bulk Power Supply System Revolving Credit Notes and any other Additional System

Revolving Credit Notes (each as defined in the Bank Note Resolution referred to below) shall not exceed \$300,000,000. Subject to such limitation, the principal amount of the St. Johns River Power Park System Loans evidenced by this Note may be advanced, repaid and advanced again from time to time as provided in the Credit Agreement.

This Note (a) is the Note of JEA known as St. Johns River Power Park System Revolving Credit Subordinated Bank Note, Series [T-__] [TE-__] (the "Note"), issued pursuant to a resolution of JEA adopted on August 19, 2003, as amended and supplemented, including as amended and supplemented by the supplemental resolution of JEA adopted on March 20, 2007, as amended and restated in its entirety on August 20, 2013 and as further amended and restated in its entirety on October 20, 2015 (the "Bank Note Resolution"), and (b) is the Note referred to in the Revolving Credit Agreement, dated as of ______, between JEA and the Bank (as the same may be amended from time to time, the "Credit Agreement"). This note is issued pursuant to the authority of and in full compliance with the Constitution and statutes of the State of Florida, including particularly Article 21 of the Charter of the City, as amended and readopted by Chapter 80-515, Laws of Florida, Special Acts of 1980, as subsequently amended by Chapter 92-341, Laws of Florida, Special Acts of 1992 and as thereafter amended in accordance with the terms thereof, and other applicable provisions of law, to evidence JEA's obligation to repay the [Taxable/Tax-exempt] St. Johns River Power Park System Loans. Reference is made to the St. Johns River Power Park System Second Revenue Bond Resolution (as defined in the Bank Note Resolution), the Bank Note Resolution and the Credit Agreement for a description of the rights, limitations on rights, obligations and duties thereunder of JEA and the Bank. Capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Bank Note Resolution.

This Note is payable from and secured by a pledge of amounts on deposit in the St. Johns River Power Park System Subordinated Indebtedness Fund as may from time to time be available therefor, including the investments, if any, thereof, subject only to the provisions of the St. Johns River Power Park System Second Revenue Bond Resolution and the Bank Note Resolution permitting the application thereof for the purposes and on the terms and conditions set forth therein, *provided*, *however*, that such pledge shall be junior and subordinate in all respects to the St. Johns River Power Park System Bonds and the Prior Lien St. Johns River Power Park System Subordinated Obligations as to lien on and source of security for payment from such amounts. In accordance with the provisions of the Bank Note Resolution, JEA reserves the right to issue additional indebtedness payable from and secured, prior to or on a parity with this Note, by a pledge of the amount described above.

This Note does not constitute a general obligation or indebtedness of the City or JEA as a "bond" within the meaning of the Constitution of Florida, but shall be payable solely from and secured by a lien upon and a pledge of amounts as provided in the Bank Note Resolution. No holder of this Note shall ever have the right to compel the exercise of the ad valorem taxing power of the City or JEA, if any, or taxation in any form of any real property in the City to pay this Note or interest hereon or be entitled to payment of such principal and interest from any other funds of the City or JEA except from the special funds in the manner provided in the Bank Note Resolution.

Reference is made to the Bank Note Resolution and the Credit Agreement for provisions relating to the prepayment and tender (or deemed tender) for payment hereof.

This Note is transferable only upon the terms and conditions, and subject to the limitations, set forth in the Bank Note Resolution and the Credit Agreement.

To the extent and in the manner permitted by the terms of the Bank Note Resolution, the provisions of the Bank Note Resolution may be modified or amended by JEA.

This Note shall not be entitled to any benefit under the Bank Note Resolution or be valid or become obligatory for any purpose, until this Note shall have been authenticated by the manual signature of an authorized officer of JEA.

IN WITNESS WHEREOF, JEA has issued this Note and caused the same to be signed by its Chair or Vice-Chair and attested by its Secretary or an Assistant Secretary and its corporate seal or a facsimile thereof to be impressed, imprinted, engraved or reproduced hereon.



Attested and Countersigned for Authorization:

Secretary or Chair or Vice-Chair Assistant Secretary

ST. JOHNS RIVER POWER PARK SYSTEM SUBORDINATED BANK NOTE, SERIES $_$ (cont'd)

ST. JOHNS RIVER POWER PARK SYSTEM LOANS AND PAYMENTS OF PRINCIPAL

Y NOTATION MADE BY

Section 13.05 Form of Bulk Power Supply System Revolving Credit Notes. The form of the Bulk Power Supply System Revolving Credit Notes shall be of substantially the following tenor with such variations, omissions and insertions as are required or permitted by this Bank Note Resolution:

[BULK POWER SUPPLY SYSTEM REVOLVING CREDIT NOTE FORM]

UNITED STATES OF AMERICA STATE OF FLORIDA JEA BULK POWER SUPPLY SYSTEM REVOLVING CREDIT SUBORDINATED BANK NOTE, SERIES [T-_] [TE-_]

NOT EXCEEDING

\$300,000,000

For value received, JEA, a body politic and c	orporate organized and existing under the
laws of the State of Florida, and an independent agend	1 0
"City"), promises to pay to the order of	(the "Bank") the lesser of (a)
THREE HUNDRED MILLION DOLLARS (\$300,000	0,000) and (b) the unpaid principal amount
of each [Taxable/Tax-exempt] BPSS Projects Loan (as	s defined in the Credit Agreement referred
to below) made by the Bank to JEA pursuant to the Cr	edit Agreement, at the time or times and in
the amounts required by the Bank Note Resolution ref	ferred to below and the Credit Agreement.
JEA promises to pay interest on the unpaid principal a	mount of each such [Taxable/Tax-exempt]
BPSS Projects Loan on the dates and at the rate or ra	ites provided for in the Credit Agreement.

All such payments of principal and interest shall be made in lawful money of the United States in

federal or other immediately available funds at the office of the Bank.

No. _____

All [Taxable/Tax-exempt] BPSS Projects Loans made by the Bank, the respective dates, types, amounts and maturities thereof and all repayments of the principal thereof shall be recorded by the Bank and, prior to any transfer hereof; appropriate notations to evidence the foregoing information with respect to each such [Taxable/Tax-exempt] BPSS Projects Loan then outstanding shall be endorsed by the Bank on the schedule attached hereto, or on a continuation of such schedule attached to and made a part hereof; provided, however, that the failure of the Bank to make any such recordation or endorsement or any error therein shall not affect the obligations of JEA hereunder or under the Credit Agreement. The aggregate principal amount outstanding under this Note at any time, together with the aggregate principal amount outstanding under the Bulk Power Supply System Revolving Credit Note, Series [T-__/TE-__], the Electric System Revolving Credit Notes, the Water and Sewer System Revolving Credit Notes, the District Energy System Revolving Credit Notes, the St. Johns River Power Park System Revolving Credit Notes and any other Additional System Revolving Credit Notes (each as defined in the Bank Note Resolution referred to below) shall not exceed \$300,000,000. Subject to such limitation, the principal amount of the BPSS Projects Loans evidenced by this Note may be advanced, repaid and advanced again from time to time as provided in the Credit Agreement.

This Note (a) is the Note of JEA known as Bulk Power Supply System Revolving Credit Subordinated Bank Note, Series [T-_] [TE-_] (the "Note"), issued pursuant to a resolution of JEA adopted on August 19, 2003, as amended and supplemented, including as amended and supplemented by the supplemental resolution of JEA adopted on February 19, 2008, as amended and restated in its entirety on August 20, 2013 and as further amended and restated in its entirety on October 20, 2015 (the "Bank Note Resolution"), and (b) is the Note referred to in the Revolving Credit Agreement, dated as of ______, between JEA and the Bank (as the same may be amended from time to time, the "Credit Agreement"). This Note is issued pursuant to the authority of and in full compliance with the Constitution and statutes of the State of Florida, including particularly Article 21 of the Charter of the City, as amended and readopted by Chapter 80-515, Laws of Florida, Special Acts of 1980, as subsequently amended by Chapter 92-341, Laws of Florida, Special Acts of 1992 and as thereafter amended in accordance with the terms thereof, and other applicable provisions of law, to evidence JEA's obligation to repay the [Taxable/Tax-exempt] BPSS Projects Loans. Reference is made to the Bulk Power Supply System Revenue Bond Resolution (as defined in the Bank Note Resolution), the Bank Note Resolution and the Credit Agreement for a description of the rights, limitations on rights, obligations and duties thereunder of JEA and the Bank. Capitalized terms not otherwise defined herein shall have the meanings given to such terms in the Bank Note Resolution.

This Note is payable from and secured by a pledge of amounts on deposit in the Bulk Power Supply System Subordinated Indebtedness Fund as may from time to time be available therefor, including the investments, if any, thereof, subject only to the provisions of the Bulk Power Supply System Revenue Bond Resolution and the Bank Note Resolution permitting the application thereof for the purposes and on the terms and conditions set forth therein; *provided, however*, that such pledge shall be junior and subordinate in all respects to the Bulk Power Supply System Bonds and the Prior Lien BPSS Projects Subordinated Obligations as to lien on and source of security for payment from such amounts. In accordance with the provisions of the Bank Note Resolution, JEA reserves the right to issue additional indebtedness payable from and secured, prior to or on a parity with this Note, by a pledge of the amounts described above.

This Note does not constitute a general obligation or indebtedness of the City or JEA as a "bond" within the meaning of the Constitution of Florida, but shall be payable solely from and secured by a lien upon and a pledge of amounts as provided in the Bank Note Resolution. No holder of this Note shall ever have the right to compel the exercise of the ad valorem taxing power of the City or JEA, if any, or taxation in any form of any real property in the City to pay this Note or interest hereon or be entitled to payment of such principal and interest from any other funds of the City or JEA except from the special funds in the manner provided in the Bank Note Resolution.

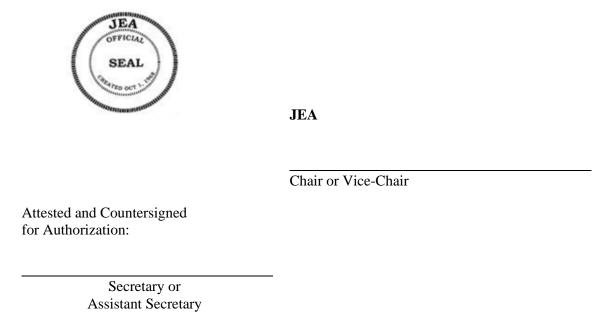
Reference is made to the Bank Note Resolution and the Credit Agreement for provisions relating to the prepayment and tender (or deemed tender) for payment hereof.

This Note is transferable only upon the terms and conditions, and subject to the limitations, set forth in the Bank Note Resolution and the Credit Agreement.

To the extent and in the manner permitted by the terms of the Bank Note Resolution, the provisions of the Bank Note Resolution may be modified or amended by JEA.

This Note shall not be entitled to any benefit under the Bank Note Resolution or be valid or become obligatory for any purpose until this Note shall have been authenticated by the manual signature of an authorized officer of JEA.

IN WITNESS WHEREOF, JEA has issued this Note and caused the same to be signed by its Chair or Vice-Chair and attested by its Secretary or an Assistant Secretary and its corporate seal or a facsimile thereof to be impressed, imprinted, engraved or reproduced hereon.



BULK POWER SUPPLY SYSTEM SUBORDINATED BANK NOTE, SERIES _ (cont'd)

BULK POWER SUPPLY SYSTEM LOANS AND PAYMENTS OF PRINCIPAL

DATE	AMOUNT OF BULK POWER SUPPLY SYSTEM [TAXABLE/ TAX- EXEMPT]	TYPE OF BULK POWER SUPPLY SYSTEM	AMOUNT OF PRINCIPAL	MATURITY	NOTATION
DATE	LOAN	LOAN	REPAID	DATE	MADE BY

ARTICLE XIV

ADDITIONAL SYSTEMS

Section 14.01 <u>Supplemental Resolutions Authorizing Borrowings for Additional Systems.</u> If JEA shall establish one or more Additional Systems, JEA may by adoption of a resolution supplemental to this Bank Note Resolution authorize borrowings under the Credit Agreement for the purpose of obtaining funds for working capital purposes and short-term or interim financing for capital projects for such Additional System.

Section 14.02 <u>Additional System Revolving Credit Notes</u>. Such Additional System Supplemental Resolution shall authorize the issuance of Additional System Revolving Credit Notes to evidence such borrowings and shall set forth the principal amount and designation, medium for payment and purpose of such Additional System Revolving Credit Notes; the manner of execution and delivery thereof; the manner of determining the outstanding principal amount of and interest on such Additional System Revolving Credit Notes; the form and transfer and exchange provisions of such Additional System Revolving Credit Notes; and shall specify the source of payment and security for such Additional System Revolving Credit Notes, which shall be a pledge of and lien on the Additional System Net Revenues subordinate to the pledge thereof and lien thereon for the benefit on the Additional System Bonds, all in the manner provided in such Additional System Supplemental Resolution and in the Additional System Bond Resolution.

Section 14.03 <u>Bank Consent.</u> As provided in the Credit Agreement, no borrowing for an Additional System shall be made thereunder until and unless the Bank shall have consented to such borrowings.

ARTICLE XV

MISCELLANEOUS

Section 15.01 Severability. If any one or more of the covenants, agreements or provisions of this Bank Note Resolution or the Revolving Credit Notes should be held contrary to any express provision of law or contrary to the policy of any such provision of law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separate from the remaining covenants, agreements and provisions of this Bank Note Resolution or the Revolving Credit Notes issued hereunder, as the case may be.

Section 15.02 <u>Amendments to this Bank Note Resolution</u>. Until such time as the Revolving Credit Notes shall be paid in full, this Bank Note Resolution shall not be amended or modified in any respect except upon the written consent thereto of the Bank.

Section 15.03 <u>Effect of this Resolution; Effective Date</u>. This Bank Note Resolution shall take effect upon the earlier to occur of (A) (i) the receipt by JEA of the written consent of The Bank of Tokyo-Mitsubishi UFJ, Ltd., acting through its New York Branch in its capacity as

"Bank" under that certain Bank of Tokyo Revolving Credit Agreement and (ii) the receipt by JEA of the written consent of MUFG Union Bank, N.A., formerly Union Bank, N.A., in its capacity as "Bank" under that certain Revolving Credit Agreement, dated as of September 9, 2013, (the "Union Bank Revolving Credit Agreement") or (B) the date on which both the Bank of Tokyo Revolving Credit Agreement and the Union Bank Revolving Credit Agreement are terminated in accordance with their respective terms.

ADOPTED THIS THIRTIETH DAY OF OCTOBER, 2015.

JEA

	Chair or Vice-Chair
JEA OFFICIAL SEAL	
ATTEST:	
Secretary	
APPROVED AS TO FORM:	
Office of General Counsel	



September 25, 2015

SUBJECT:	JEA EARLY DEBT RETIREMENT UPDATE					
Purpose:						
Issue: The Board previously delegated to the Managing Director & CEO and the Chief Financial Officer the authority to approve and execute early retirements of debt subject to the Annual Budget and related City Budget Ordinance. Staff is providing the Board an Early Debt Retirement Schedule summarizing such early retirements completed in fiscal year 2015.						
	Staff is reporting to the Board the completed early debt retirement transactions for fiscal sistent with the JEA Early Debt Retirement Strategy agenda item approved by the Board on					
Effect: Lowered outstanding Electric System, St. Johns River Power Park System and Water and Sewer System debt recorded on JEA's books as of September 30, 2015 and lowers debt service for those systems in subsequent fiscal years.						
Cost or Benefit: The ability to early retire debt allows for flexibility in managing debt service.						
Recommended Board action: No Board action is required. For information only.						
For additional	I information, contact: Joe Orfano, 665-4541					
Submitted by: PEI	M/ MHD/ rib					

Submitted by: PEM/ MHD/ rlh



Commitments to Action



Ver.2.0D 9/21/2013 jer



INTER-OFFICE MEMORANDUM

September 25, 2015

SUBJECT: JEA EARLY DEBT RETIREMENT UPDATE

FROM: Paul E. McElroy, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

As part of JEA's ongoing debt management program, when desiring to retire debt early, JEA has historically utilized various sources of funds for defeasing debt, calling bonds for early redemption or purchasing bonds on the secondary market. Typically, an escrow is used when calling bonds or defeasing debt prior to maturity.

On June 15, 2004, the Board approved a defeasance agenda item that delegated to the Managing Director & CEO, the Vice President & COO and the Vice President Financial Services the authority, in regard to a specific defeasance transaction in 2004 and future defeasance transactions for the Water and Sewer System and the Electric System. At its May 21, 2013 meeting the Board broadened the 2004 authorization to i) expand the Systems to include St. Johns River Power Park System ("SJRPP System"), the Bulk Power Supply System and District Energy System, ii) clarify that early debt retirement is defined as defeasing debt, calling bonds for early redemption and purchasing bonds on the secondary market and iii) delegate to the Managing Director & CEO and the Chief Financial Officer the authority to approve and execute all related actions necessary for the early retirement of debt for the Electric System, SJRPP System, Bulk Power Supply System, Water and Sewer System and District Energy System, subject to the Annual Budget and related Budget Ordinance.

At that meeting staff indicated it would to provide the Board at least annually with an Early Debt Retirement Schedule showing completed transactions for the fiscal year beginning with fiscal year 2013. The Schedule will not be provided in any year where no transactions occurred. Consistent with the May 21, 2013 agenda item, this agenda item and attached Schedule provide a summary of early debt retirements in the fiscal year ended September 30, 2015.

DISCUSSION:

In fiscal year 2015, staff utilized Electric System Revenue Funds to defease \$25,000,000 in Electric System bonds and \$40,800,000 in Subordinated Electric System bonds, St. Johns River Power Park General Reserve Funds (2nd Resolution) to defease \$30,205,000 in SJRPP System bonds and Water and Sewer Revenue Funds and Debt Service Reserve Funds to defease \$73,365,000 in Water and Sewer System bonds for combined early debt retirements totaling \$169,370,000.

RECOMMENDATION:

No Board action is required: for information only as part of staff's responsibility to periodically report early debt retirement activities to the Board.

Paul E. McElroy, Managing Director/CEO

PEM/MHD/rlh

Ver 2.2 02/01/2014

JEA Early Debt Retirement Summary - FY2015

Date	System	Par/Principal	Туре	Primary Purpose	Impacts	Source of Funds
7/16/2015	Electric	\$25,000,000	Cash Defeasance ⁽¹⁾	Debt Reduction	Lower future debt service, lower unrestricted cash	Electric Revenue Funds
8/25/2015	Electric	40,800,000	Cash Defeasance	Debt Reduction	Lower future debt service, lower unrestricted cash	Electric Revenue Funds
8/27/2015	SJRPP	30,205,000	Cash Defeasance	Debt Reduction	Lower future Electric System non-fuel purchased power, lower unrestricted cash	SJRPP General Reserve 2nd Resolution
8/27/2015	W&S	73,365,000	Cash Defeasance	Debt Reduction	Lower future debt service, lower unrestricted cash	W&S Revenue Funds and Debt Service Reserve Funds
		\$169,370,000				

^{(1) \$25,000,000} of Revenue Funds used to reduce the Electric System Series Three 2015B refunding transaction.

Debt Ratio Percentages as of August 31, 2015

	% With Early Debt Retirements	% Without Early Debt Retirements	-
Electric*	68.9%	69.6%	*including JEA, Scherer 4 Project and JEA's share of SJRPP
W&S	52.1%	53.2%	



October 1, 2015

SUBJECT:	JEA FIVE-YEAR FINANCIA	L ASSUMPTIONS AND PRO	JECTIONS FY2016 - FY2020
Purpose:	☐ Information Only	☐ Action Required	
funding, and de		cial Assumptions including unit Projections are an essential co	
Significance: rates.	High. Credibility in the credit n	narkets and long-term financia	al planning for JEA customer
Effect: Bond ra	atings and efficient access to	capital markets and JEA custo	omer rates.
Cost or Benef	it: N/A		
		eceive the presentation for co 6 - FY2020 Financial Assumpt	
For additional	information, contact: Meliss	sa Dykes	
Submitted by: PEI	M/MHD/JEC		



Commitments to Action



Ver.2.0D 9/21/2013 jer



Five-Year Financial Assumptions

JEA Board of Directors Meeting October 30, 2015

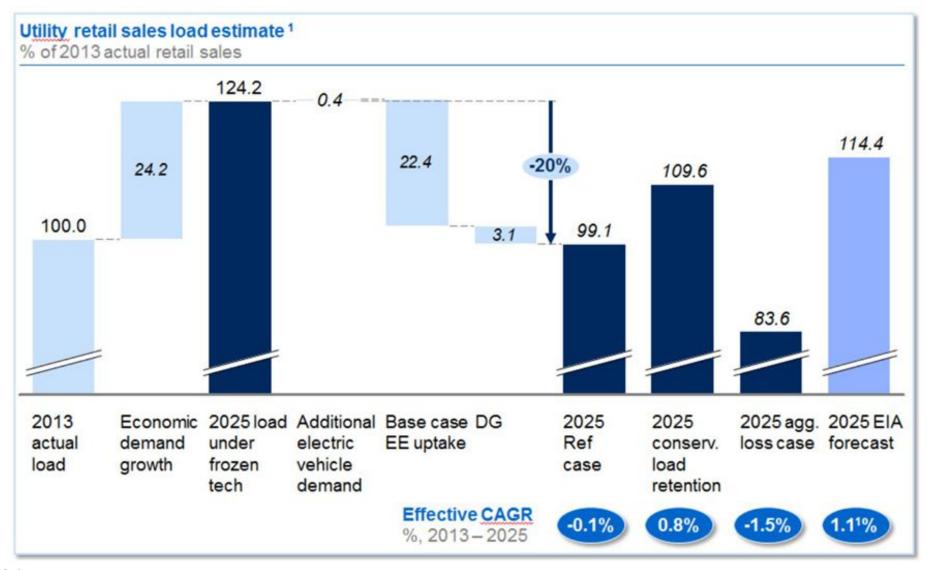
Assumptions/Projections

- 1. Unit Sales Growth
- 2. Residential Rates
- 3. Total Debt and Variable Debt
- 4. Summary





U.S. Electric Load Forecast Still Flat



1 US view

SOURCE: McKinsey PowerIQ electricity demand model



Unit Sales Growth

FY2016 – FY2020 Financial Assumptions

Electric System

• Trends: 3.6%, 2.0%, (0.7%)

• FY16: 12,000,000 MWh

• FY16-20: 0% annual growth

Unit Sales Driver

FY13 FY14 FY15 Avg¹
Growth (0.4%) 2.0% 2.0%

Deg Days 3,830 3,998 4,259 4,014

Water and Sewer System

• Trends: 3.4%, 5.0%, (1.29%)

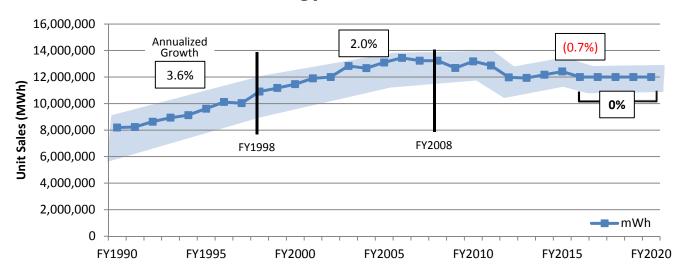
• FY16: 35,000,000 kgal

• FY16-20: 1% annual growth

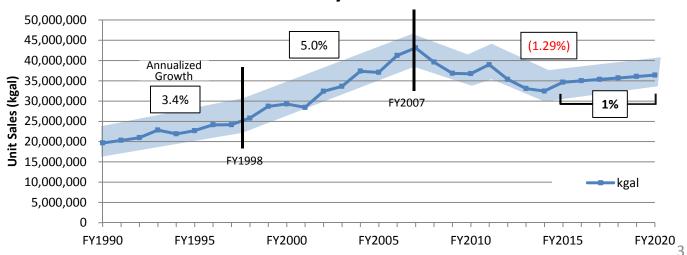
Unit Sales Driver

FY13FY14FY15Avg¹Growth(6.3%) (1.9%)6.7%Rainfall "45.551.249.452.4Rain Days121114114115

Energy Unit Sales



Water & Sewer System Unit Sales



¹ 30 Year Average



Residential Customer Rates

FY2016 - FY2020 Financial Assumptions

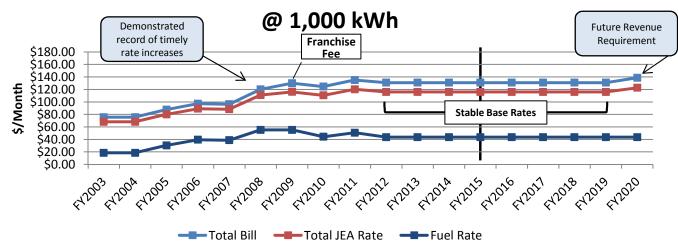
Electric System

- Demonstrated record of timely rate increases
- Stable base rates in FY12 FY19
- Fuel Reserve FY15 balance higher than 15% target
- Fuel Rate adjusts up or down according to fuel expenses
- Environmental regulations, if material, will be recovered via the Environmental Charge

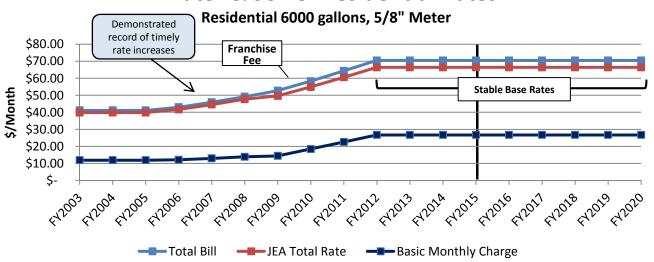
Water and Sewer System

- Demonstrated record of timely rate increases
- Stable rates in FY12 FY20
- Environmental regulations, if material, will be recovered via the Environmental Charge

Electric Residential Rates



Water & Sewer Residential Rates





Total Debt and Variable Debt

FY2016 – FY2020 Financial Assumptions

Electric System

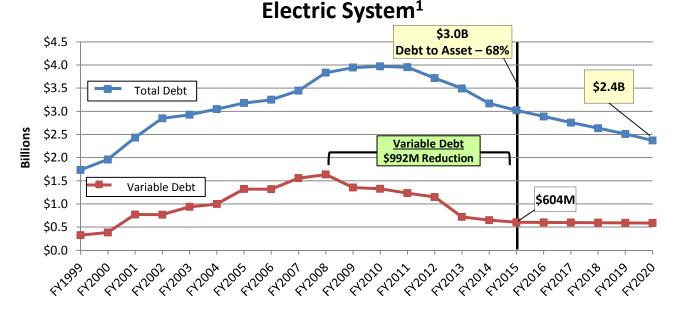
- No New Debt!
- FY2015-FY2020: Projected \$650M in debt reduction
- Variable Debt exposure reduced by \$995M, current balance of \$604M

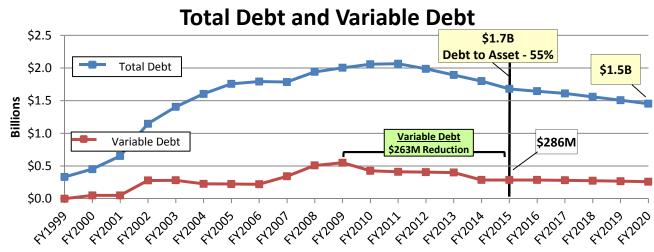
Water and Sewer System

- No New Debt!
- FY2015-FY2020: Projected \$228M in debt reduction
- Variable Debt exposure reduced by \$263M, current balance of \$286M

Variable Interest Rates²

FY15 FY16 FY17 FY18 0.72% 2.00% 3.00% 4.00%





¹ Includes JEA's portion of SJRPP and Plant Scherer Debt.

² All-in interest cost; Debt Management Reserve will mitigate possible "spikes"



Summary

FY2016 – FY2020 Financial Assumptions

Assumptions and Projections

1. Unit Sales Growth

2. Residential Base Rates

- 3. Capital Expenditures and Internal Funding
- 4. Total Debt and Variable Debt
- 5. Other O&M, Debt Service, and City Contribution
- 6. Financial Metrics Coverage, Liquidity, and Debt

Projected Results

Electric 0%, Water 1%



Stable Base, with Variable Fuel



PAY-GO with No New Debt!



\$0.9 Billion Reduction



Stable with Year-to-Year Variances



Stable Liquidity and Coverage



- JEA's Five Year Financial Plan is centered on flat growth, stable rates, no new debt, scheduled principal repayments of \$0.9 billion, stable with year-to-year variances in O&M, Debt Service and City Contribution expenditures, and stable Liquidity and Debt financial metrics to support JEA's strong AA/Aa2 Credit Ratings.
- The resulting objectives are to maintain long-term Competitive Rates, Operational Excellence, and Environmental Stewardship, while improving the overall Customer Experience.



FY2015 Year End Financial Summary

Board of Directors October 30, 2015



Key Financial Metrics

Year End Financial Metrics

Electric System	FY2015	FY2014	Target	Result
Debt Service Coverage	2.6x	2.4x	≥ 2.2x	1
Days Liquidity	303	228	150 to 250 days ¹	1
Days Cash on Hand	182	123		1
Debt to Asset %	68%	74%	72 %²	1

Water and Sewer System	FY2015	FY2014	Target	Result
Debt Service Coverage	2.8x	2.5x	≥ 1.8x	1
Days Liquidity	269	224	≥ 100 days	1
Days Cash on Hand	149	118		1
Debt to Asset %	55%	56%	55% ³	1

¹ Moody's Aa benchmark: 150 to 250 days

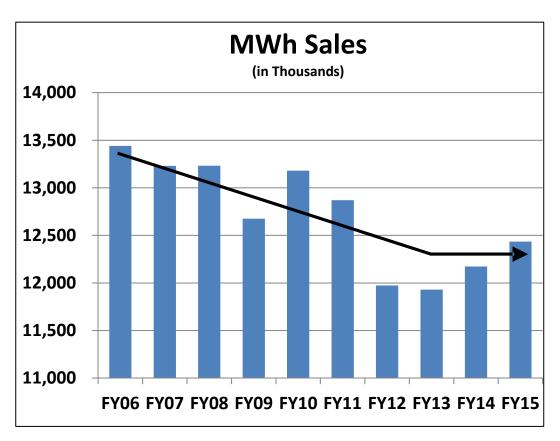
² Long-term target is 60%

³ Long-term target is 50%: calculated peer group from Moody's large Aa rated public water-sewer utilities



JEA Electric System

MWh Sales



Month	FY14	FY15	% Change
Oct	959,319	971,595	1.3%
Nov	835,344	895,617	7.2%
Dec	914,615	943,753	3.2%
Jan	1,104,547	1,035,621	(6.2%)
Feb	843,507	934,102	10.7%
Mar	933,671	898,524	(3.8%)
Apr	900,972	954,803	6.0%
May	1,028,801	1,062,459	3.3%
Jun	1,124,764	1,187,741	5.6%
Jul	1,207,001	1,254,252	3.9%
Aug	1,255,262	1,212,295	(3.4%)
Sep	1,064,186	1,083,446	1.8%
Total	12,171,989	12,434,208	2.2%

Unit Sales Driver: Degree days were 4% higher than last year.

Degree Days					
30-yr. Avg. FY14 FY15					
4,014	3,998	4,159			

Total System	2.2%
Residential	3.1%
Comm./Industrial	1.1%
Interruptible	4.8%
Wholesale (FPU)	(1.0%)



JEA Electric System

Financial Results and Cost Metrics

(\$ in thousands)

Revenues	FY15 Actual	FY14 Actual	FY15 Budget	FY15 vs FY14 (\$)	Variance (%)
Fuel Revenue	\$ 486,362 ¹	\$ 498,930 ²	\$ 516,398	\$ (12,568)	-2.5%
Base Revenue	741,411	725,203	711,462	16,208	2.2%
Other Revenue	38,183	39,571	42,626	(1,388)	-3.5%
Total Revenues	\$ 1,265,956	\$ 1,263,704	\$ 1,270,486	\$ 2,252	0.2%
	1	\$(5M)	1		
Select Expenses					_
Fuel Expense	\$ 441,076	\$ 501,763	\$ 503,519	\$ 60,687	12.1%
Fuel Fund Transfers	45,286	(2,833)	12,879	(48,119)	
O & M Expense	191,764	168,688	207,337	(23,076)	- 13.7%
Non-fuel Purchased Power	114,804	194,030	123,663	79,226	40.8%
Net Revenues	\$ 461,604	\$ 389,604	\$ 414,571	\$ 72,000	18.5%
	^	\$47M	^		
Capital Expenditures	\$ 116,728	\$ 86,155	\$ 129,000 ³	\$ (30,573)	-35.5%
Debt Service	\$ 175,779	\$ 161,509	\$ 196,591	\$ (14,270)	-8.8%

Electric Costs / MWh	Non-Fuel
Target	\$ 54.73
Actual ⁴	49.69
Difference	\$ 5.04

¹ Net of \$50 million fuel credit in April bill

Fuel Fund (\$ in m	nillions)
Beginning Balance	\$ 105
Surplus/(Deficit)	96
Fuel Credit	(50)
Ending Balance	\$ 151

² Net of \$26 million fuel credit in FY14

³ Council approved limit for capital expenditures in FY15 is \$150 million

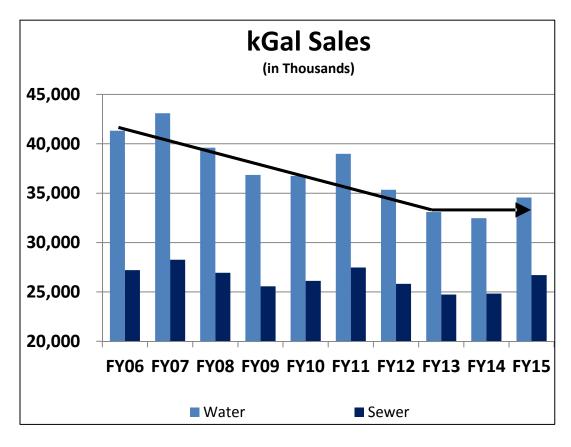
⁴ Preliminary numbers



JEA Water and Sewer System

kGal Sales

(in Thousands)



FY14	FY15	% Change
2,793	3,051	9.2%
2,381	2,597	9.1%
2,662	2,708	1.7%
2,475	2,502	1.1%
2,130	2,238	5.1%
2,387	2,732	14.4%
2,691	2,765	2.7%
3,088	3,509	13.7%
2,897	3,382	16.8%
2,993	3,300	10.3%
3,221	3,062	(4.9%)
2,750	2,712	(1.4%)
32,468	34,558	6.4%
	2,793 2,381 2,662 2,475 2,130 2,387 2,691 3,088 2,897 2,993 3,221 2,750	2,793 3,051 2,381 2,597 2,662 2,708 2,475 2,502 2,130 2,238 2,387 2,732 2,691 2,765 3,088 3,509 2,897 3,382 2,993 3,300 3,221 3,062 2,750 2,712

Unit Sales Driver: Rainfall was down 2 inches; rain days were same as prior year.

Rain				
	30-Yr. Avg. FY14 FY15			
Inches	52	51	49	
Days	114	114	114	

Total System	6.4%
Residential	4.9%
Comm./Industrial	6.1%
Irrigation	12.1%



JEA Water and Sewer System

Financial Results and Cost Metrics

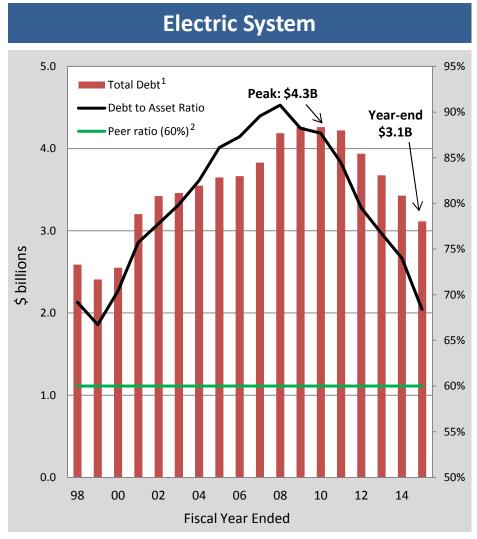
(\$ in thousands)

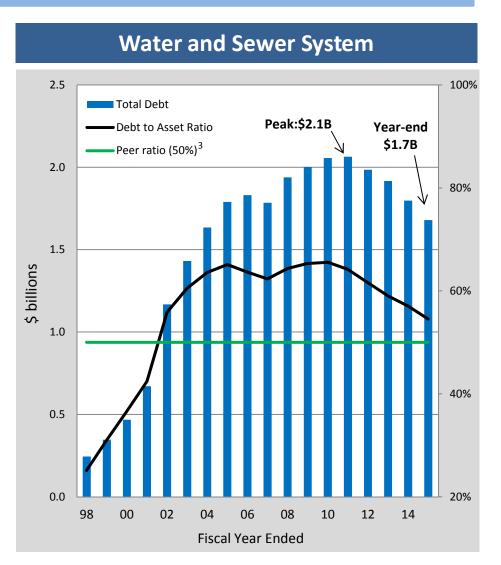
Revenues	FY15 Actual	FY14 Actual	FY15 Budget	FY15 vs FY14 (\$)	Variance (%)
Water & Sewer Revenues	\$ 393,167	\$ 375,372	\$ 390,392	\$ 17,795	4.7%
Other Revenue	43,750	32,518	28,868	11,232	34.5%
Total Revenues	\$ 436,917	\$ 407,890	\$ 419,260	\$ 29,027	7.1%
	1	\$18M	†		
Select Expenses					
O & M Expense	\$ 127,174	\$ 119,466	\$ 136,523	\$ (7,708)	-6.5%
Net Revenues	\$ 278,471	\$ 281,727	\$ 279,426	\$ (3,256)	-1.2%
	1	\$(1M)	1		
Capital Expenditures	\$ 100,806	\$ 76,852	\$ 130,900	\$ (23,954)	-31.2%
Debt Service	\$ 101,108	\$ 114,372	\$ 124,443	\$ 13,264	11.6%

Cost / KGal	Water	Sewer
Target	\$ 4.47	\$ 7.96
Actual ¹	4.01	7.26
Difference	\$ 0.46	\$ 0.70



JEA Debt and Debt to Asset Ratios





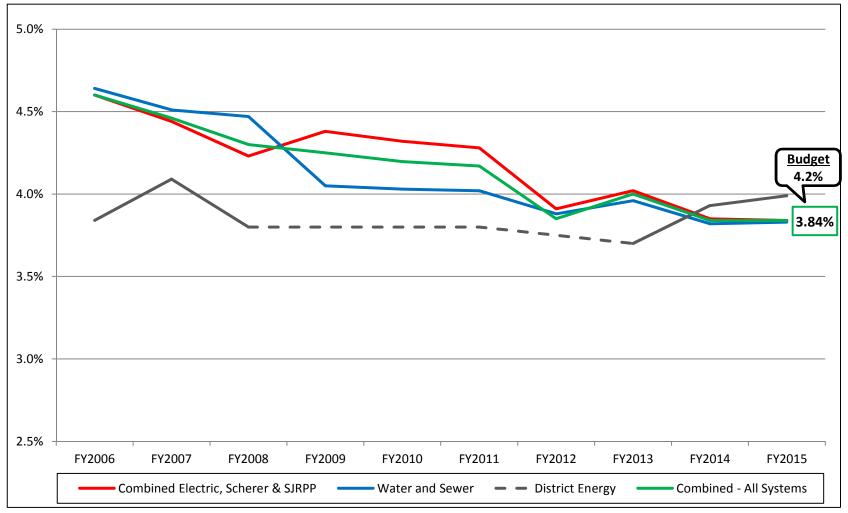
¹ Includes JEA, Scherer and SJRPP

² Per Moody's Special Comment, June 2014

³ As calculated from Moody's data for large Aa rated public water-sewer utilities



Combined Debt Outstanding Weighted Average Interest Rates*

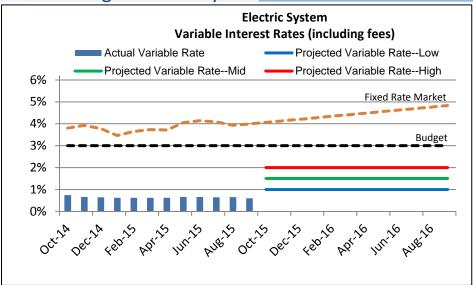


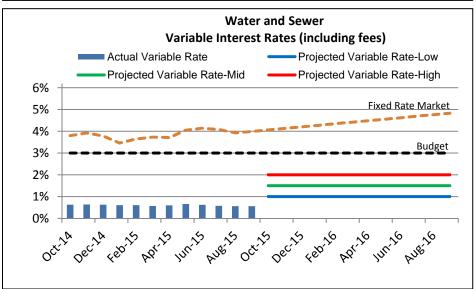
- Fiscal year end interest rates are net of BABs subsidy, original issue premiums / discounts and includes variable debt liquidity / remarketing fees and interest rate swap payments.
- − − During FY2008 − FY2013 DES was funded with variable rate debt at an average of 1 percent.



Variable Rate Debt Risk Analysis

(\$ in millions)





Total variable rate debt of \$890 with \$532 swapped to fixed rate

Liquidity Facilities and Direct Purchase Bonds (DPBs)				
Bank	Long-Term Ratings Moody's/S&P/Fitch	\$ (in millions)	%	
Wells Fargo Bank N.A. (100% DPBs)	Aa2/AA-/AA	\$ 228	27	
JP Morgan Chase Bank N.A.	Aa3/A+/AA-	199	23	
Royal Bank of Canada	Aa3/AA-/AA	193	23	
US Bank, N.A.	A1/AA-/AA	149	17	
Sumitomo	A1/A/A-	52	6	
State Street Bank	A1/AA-/AA	31	4	
Total		\$852		

Swap Providers			
Bank	Long-Term Ratings Moody's/S&P/Fitch	\$ (in millions)	%
Morgan Stanley Capital Services	A3/A-/A	\$184	35
Goldman Sachs Mitsui Marine Derivative Products	Aa2/AAA /NR	136	25
JP Morgan Chase Bank N.A.	Aa3/A+/AA-	127	24
Merrill Lynch	Baa1/A-/A	85	16
Total		\$532	

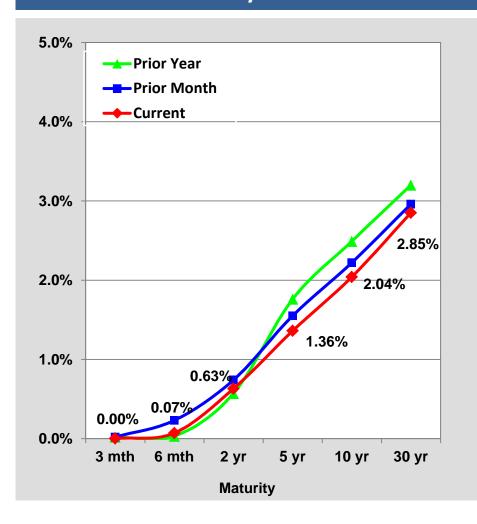
Items of Interest

- Variable debt as a percentage of total debt:
 - Unhedged variable at 6% for Electric and 10% for Water and Sewer.
 - Hedged variable at 13% for Electric and 7% for Water and Sewer.
- Liquidity facilities / direct purchase bonds are with highly rated providers.
- No change in swap counterparty credit quality.
- Wells Fargo direct purchase bonds three year renewal in Sep 2015.
- State Street liquidity facility renewed in Feb 2015 through March 2018.
- Variable rate reserve to mitigate risk of higher rates \$62 million.

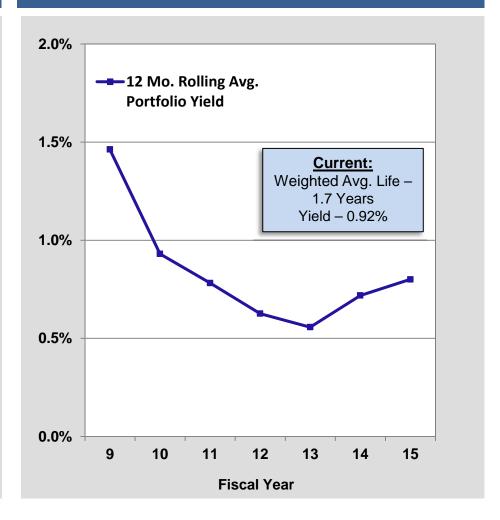


JEA Combined Investments Outstanding

U. S. Treasury Yield Curve

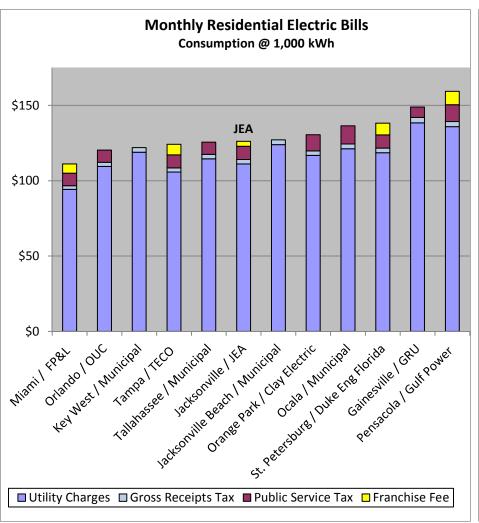


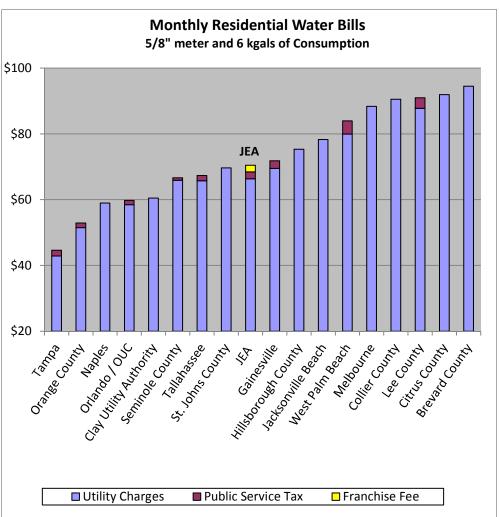
Investment Portfolio Yield





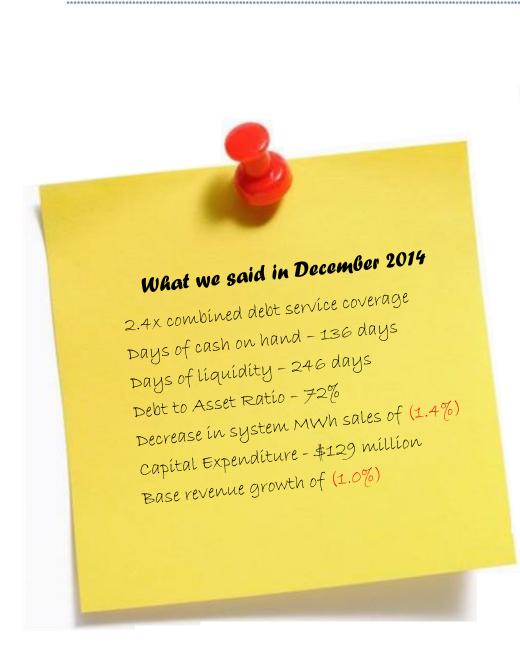
Florida Utilities Monthly Bill Comparison





2014/2015 RATING AGENCY PRESENTATION

FY2015 KEY ELECTRIC FINANCIAL METRICS







2015/2016 RATING AGENCY PRESENTATION

FY2015 KEY WATER AND SEWER FINANCIAL METRICS









October 6, 2015

SUBJECT:	SOLE SOURCE & EMERGE REPORT	NCY PROCUREMENT/PRO	CUREMENT APPEALS BOARD		
Purpose:		☐ Action Required	Advice/Direction		
submit a report	is 1-113 and 1-114 of the JEA I t on all Sole Source and Emerg e JEA Board on a quarterly bas	gency procurements and all F			
	Full transparency of these proo g process and to ensure comp		y to maintain public confidence EA's best interest.		
Effect: JEA's F JEA Board.	Procurement Department is res	sponsible for maintaining thes	e records and reporting to the		
Cost or Benefit: To maintain public confidence in JEA's bidding process and to ensure competition is achieved when in JEA's best interest.					
Recommende	ed Board action: Provided for i	nformation; no action require	ed.		
For additional	l information, contact: John N	AcCarthy, Director Supply Ch	ain Management, 665-5544		

Submitted by: PEM/MHD/JPM/RMS



Commitments to Action



Ver.2.0D 9/21/2013 jer



INTER-OFFICE MEMORANDUM

October 6, 2015

SUBJECT: SOLE SOURCE & EMERGENCY PROCUREMENT/PROCUREMENT

APPEALS BOARD REPORT

FROM: Paul E. McElroy, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

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

DISCUSSION:

This report is submitted for the quarter ending September 30, 2015. Summary information for all awards is provided below. A detailed listing for the Formal Sole Source and Emergency Awards is attached. Detailed back-up information for all other awards is retained by the Chief Procurement Officer and is available upon request. There were two (2) Procurement Appeals Board actions.

Quarter Ending September 30, 2015

Formal Awards	Number	%	Dollar Amount		%
Total	45		\$	86,663,556	
Sole Source Awards	0	0%	\$	0	0%
Emergency Awards	0	0%	\$	0	0%
Informal Awards	Number	%	Dollar Amount		%
Total	1,994		\$	15,780,280	
Sole Source Awards	0	0%	\$	0	0%
Emergency Awards		0.60%	\$	373,788	2.37%

RECOMMENDATION:

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

Paul E. McElroy, Managing Director/CEO

PEM/MHD/JPM/RMS



Sole Source & Emergency Procurement/Procurement Appeals Board Report

Board of Directors Meeting October 30, 2015

John McCarthy, Director Supply Chain Management



Sole Source & Emergency Procurement Report

Background

- Quarterly report required by JEA Purchasing Code to provide added transparency for Sole Source and Emergency procurements
- Informational item for JEA Board
- Memorandum cover page provides information for most recent quarter broken out by formal and informal awards
- Supporting documentation provides consolidated summary for past year with detailed information on all formal awards



Sole Source & Emergency Procurement Report

Procurement Actions Over Last 4 Quarters

	FY15 Q1	FY15 Q2	FY15 Q3	FY15 Q4
Total Awards	\$115.5M	\$121.54M	\$133.47M	\$102.44M
Sole Source (\$)	\$0.17M	\$1.86M	\$3.92M	\$0M
Sole Source (%)	0.15%	1.53%	2.94%	0%
Emergency (\$)	\$1.21M	\$0.27M	\$0.43M	\$0.37M
Emergency (%)	1.05%	0.22%	0.32%	0.37%
Combined SS/E (%)	1.2%	1.75%	3.26%	0.37%

JEA's ~ 2% Sole Source and Emergency Procurement award percentage compares very favorably to other public utilities



Sole Source & Emergency Procurement Report

Sole Source/Emergency Procurements during the past year

Current Quarter

o **None**

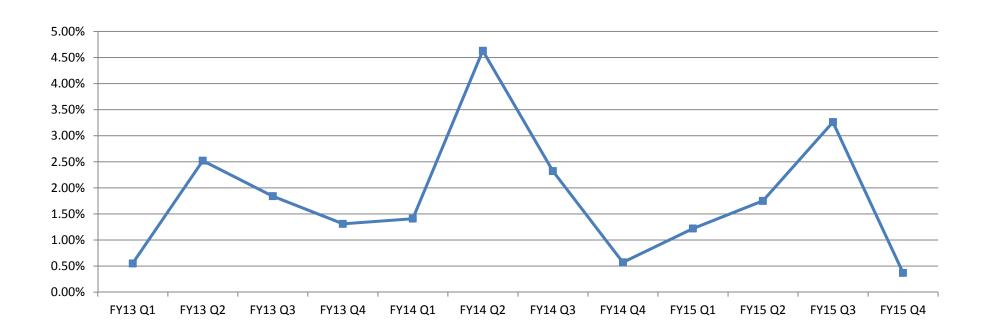
Previous Quarters

- \$1.26M Sole Source to Hewlett-Packard for IT Infrastructure (HP internal bidding policy)
- \$2.18M Sole Source to Evoqua Water Technologies, LLC for Blacks Ford and Ponce de Leon Treatment Plant (Opportunity to procure a used water treatment "package" plant)
- \$1.5M Sole Source to Liquid Solutions Group, LLC for Program Manager (Continuity of CUP permitting professional services)
- \$706K Emergency to Riley Power to provide fabrication and delivery of pivot bracket assemblies for Foster Wheeler MBF22.5 pulverizers (Outage inspection discovery)



Sole Source & Emergency Procurement Report

Combined Sole Source & Emergency Awards (prior three years)





Procurement Appeals Board Report

Background

- JEA's Purchasing Code designates a Procurement Appeals Board to review and make a final determination for any appeal by a protesting vendor, initiated from a written decision by JEA's Chief Procurement Officer.
- JEA's Purchasing Code also requires a record of Procurement Appeals Board decisions be submitted to the JEA Board on a quarterly basis.

Procurement Appeals Board (PAB) Actions

There were two (2) PAB hearings held during Q4.



Procurement Appeals Board Report

Procurement Appeals Board Actions during the past year

Current Quarter

- Project: 054-15 Ponce de Leon Water Treatment Plant Pump Building and Reservoir Replacement (Low bidder did not meet JSEB sub-contracting requirement)
 - o PAB upheld CPO decision
- Project: 075-15 Mandarin WRF Projects Bio Filter Bed Replacement Headworks Rehabilitation Bar Screen Replacement and Grit System Removal (Low bidder did not meet specialty sub-contractor requirement)
 - PAB upheld CPO decision

Previous Quarters

o None

Formal Sole Source and Emergency Awards by Department - Summary

12 months ending September 30, 2015

Sole Source Awards (3 Items totaling \$4,942,142.26)

Requesting Dept	Number of Awards	Amount	Description	
P. Cosgrave (TS)	1	\$1,260,953.26	IT Infrastructure (Citrix Servers, SQL Database Servers and Storage Arrays)	
B. Roche (W/WW)	1	\$2,181,189.00	Blacks Ford and Ponce de Leon Treatment Plant Purchase and Construction	
B. Para (PA)	1	\$1,500,000.00	Program Manager - Water Supply Planning and Advocacy	
Total	3	\$4,942,142.26		

Emergency Awards (1 Item totaling \$705,600.00)

Requesting Dept	Number of Awards	Amount	Description
M. Brost (Electric Systems)	1	\$705,600.00	Twelve (12) pivot bracket assemblies for Foster Wheeler MBF22.5 pulverizers
Total	1	\$705,600.00	

Formal Sole Source Awards by Department -- Detail

12 months ending September 30, 2015

Sole Source	Sole Source Awards (3 Items totaling \$4,942,142.26)					
Award Date	Amount	Requesting Dept	Vendor	Description	Sourcing Basis	
3/26/2015	\$1,260,953.26	P. Cosgrave (TS)	Hewlett-Packard Company ("HP")	IT Infrastructure: Citrix Servers, SQL Database Servers, Virtual Host Hardware, Server Enclosure Uplinks and Storage Arrays	Sole Source - New hardware as part of a planned refresh cycle to replace legacy server and storage hardware already in place or soon to be out of support for the following JEA systems: VMWare Host Servers, Enterprise MS SQL, Legacy server enclosures, Citrix and 3PAR storage arrays. All hardware refresh will align with JEA's virtualization strategy in addition to adhering to JEA's hardware standards. HP's partners and resellers also provide these services, however, HP pricing is below the pricing offered through its partners and resellers. HP would not have bid against their partners and resellers if this had been bid out.	
4/24/2015	\$2,181,189.00	B. Roche (W/WW)	Evoqua Water Technologies, LLC	Blacks Ford and Ponce de Leon Treatment Plant Purchase and Construction	Sole Source - JEA had an opportunity to procure a used Water Treatment "Package" plant to provide additional capacity to the Blacks Ford WRF where it is immediately needed, and for future use in the Ponce de Leon wastewater service territory upon completion of the Blacks Ford expansion project. The equipment cost of a used plant is approximately fifty percent (50%) that of a new plant (\$2.1 M versus \$4.0M), and because the physical condition of the used plant had to be assessed prior to purchase, and the limited number of these types of plants, there is no common ground for the bidding process.	
5/21/2015	\$1,500,000.00	B. Para (PA)	Liquid Solutions Group, LLC	Program Manager - Water Supply Planning and Advocacy	Sole Source - Under the Continuing Service Agreement Contract 98124, Jones Edmunds and Associates has been providing CUP Permitting support to JEA and to a utility consortium of which JEA is a member, the Northeast Florida Utility Coordinating Group. Because the core Jones Edmunds project leader and lead modeler have left for other jobs, their work as been subsumed by a subcontractor - Liquid Solutions Group - who had been supporting the team in recent years under this same contract. Because of the confidential nature of this work, and the resources invested to date in this team on a long-term water supply plan and MFL issues, it remains in JEA's best interest to pursue this sole source opportunity with Liquid Solutions Group, LLC.	
Total	\$4,942,142.26					

Formal Emergency Awards by Department -- Detail

12 months ending September 30, 2015

Emergency Awards (1 Item totaling \$705,600.00)

Emergency Awards (1 Item totaling \$705,600.00)					
Award Date	Amount	Requesting Dept	Vendor	Description	Sourcing Basis
11/6/2014	\$705,600.00	M. Brost (Electric Systems)	Riley Power	Fabrication and delivery of twelve (12) pivot bracket assemblies for Foster Wheeler MBF22.5 pulverizers.	Emergency - This is an emergency procurement to contract with Riley Power to provide fabrication and delivery of twelve (12) pivot bracket assemblies for Foster Wheeler MBF22.5 pulverizers to be utilized in support of SJRPP's Spring Outage. JEA used its informal bidding process to expedite issuance of a purchase order for this requirement, SJRPP reached out to Riley Power (low bidder) to determine if they could decrease their lead time to fit the outage timeframe. They indicated they could have all brackets onsite before April 1, 2015, at no additional cost, if JEA issued the PO by November 1, 2014.
Total	\$705,600.00				

Written Order from August 12, 2015 Hearing Before the JEA Procurement Appeals Board (PAB)

Protestor:

Sawcross, Inc.

Solicitation: JEA Solicitation No. 075-15 Mandarin WRF Bio Filter Bed Replacement, Headworks Rehab, and Bar Screen Replacement/Grit System Removal

WHEREAS, by letter dated July 22, 2015, WPC Industrial Contractors, LLC filed a formal protest (the "Protest") with respect to JEA's Awards Committee agenda posted to the JEA website on July 21, 2015;

WHEREAS, on July 31, 2015, JEA's Chief Procurement Officer announced his intention to rescind the Solicitation, reject all bids and re-bid the project with amended technical specifications after taking into consideration the Protest and information presented at the Chief Procurement Officer's informal protest meeting held on July 27, 2015;

WHEREAS, by letter dated August 3, 2015, Protestor filed an Appeal with respect to JEA's Chief Procurement Officer's decision to rescind the Solicitation and re-bid the project (the "Appeal");

WHEREAS, on August 12, 2015, the PAB (consisting of Ted Hobson, Chair, Monica Whiting and Paul Cosgrave) conducted a public hearing on the Appeal, beginning at approximately 2:00 pm and ending at approximately 3:30 pm;

WHEREAS, the PAB heard arguments and testimony from (i) the Protestor, through its attorney Mark Bryan and its representatives Mark Hickinbotham and Barry Milam, (ii) WPC Industrial Contractors, LLC, through its attorney TJ Fraser and its representative Javier Cintron, (iii) John McCarthy, JEA's Chief Procurement Officer and Jody Brooks, the attorney representing JEA's Chief Procurement Officer; and

WHEREAS, written information was provided prior to the hearing to the PAB members by JEA, the Protestor and WPC Industrial Contractors, LLC.

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

 On a motion by Monica Whiting, seconded by Paul Cosgrave, and unanimously approved by the PAB, the PAB held that the decision of JEA's Chief Procurement Officer to rescind the Solicitation No. 075-15, reject all bids and re-bid the project with amended technical specifications should be upheld.

Entered this 12th day of August, 2015, in Jacksonville, Florida.

Jel & Holson Ted Hobson, Chair

Order of PAB Page 1 of 1



July 31, 2015

Mr. Javier J. Cintron WPC Industrial Contractors LLC 11651 Philips Highway Jacksonville, FL 32256

RE:

CHIEF PROCUREMENT OFFICER DECISION

Bid Solicitation: 075-15

Mandarin WRF Projects Bio Filter Bed Replacement Headworks Rehabilitation Bar

Screen Replacement and Grit System Removal

Dear Mr. Cintron:

This letter is written in accordance with Article 5-305 of JEA's Procurement Code in response to your July 22, 2015, letter which protested the intent to award the above referenced contract to Sawcross Incorporated Contractors and Engineers ("Sawcross"). After taking into consideration your protest letter and the information presented at the Chief Procurement Officer (CPO) informal protest meeting on July 27, 2015, it is JEA's intention to rescind the Bid Solicitation, reject all bids, and re-bid this project with amended technical specifications.

The relevant facts are as follows:

- On May 26, 2015, JEA published Bid Solicitation 075-15 for the Mandarin WRF Projects Bio Filter Bed Replacement Headworks Rehabilitation Bar Screen Replacement and Grit System Removal.
- 2) On June 30, 2015, JEA received three (3) bids from Sawcross, WPC Industrial Contractors, LLC ("WPC") and Williams Industrial Services. Sawcross was the apparent low bidder, and WPC was the apparent 2nd low bidder.
- 3) JEA published its Awards Committee agenda on July 21, 2015, with its intent to award this contract to Sawcross.
- 4) On July 22, 2015, WPC submitted a timely protest letter requesting the Sawcross bid be disqualified and the contract be awarded to WPC for the following reasons:
 - a. Sawcross did not list a qualified Jacksonville Small & Emerging Business (JSEB) subcontractor in its bid submission.
 - b. The dollar amount subcontracted in the Sawcross bid to meet the JSEB requirement would not meet the 3% requirement when factoring in only the amount of fees.
 - c. Sawcross did not list major subcontractors for bypass pumping and integrator services as required by the bid specification.
- 5) On July 27, 2015, a CPO informal protest meeting was held where both WPC and Sawcross were present and the following discussion points are highlighted:

WPC alleged the Sawcross JSEB subcontractor would not be performing a commercially useful function as a materials broker and that only the fees should be counted toward the 3% JSEB participation goal. On this issue, it was verified the JSEB subcontractor listed by Sawcross is a certified JSEB Company through the City of Jacksonville, and the City

Ordinance allows for the total amount subcontracted to be counted toward JSEB participation goals.

On the listing of major subcontractors, Sawcross stated they would "self-perform" these services. WPC stated this would provide an unfair economic advantage to Sawcross since WPC and the other bidder on this project, Williams Industrial Services, both understood they were required to use a subcontractor. One of the references from the technical specification to support this understanding is provided as follows:

Bypass piping necessary for the construction of the Project is considered specialty work and shall be performed by subcontractors specializing in this type of work.

JEA verified its intent for this project was not to require the use of specialty subcontractors, and that making this a requirement would add unnecessary costs to this project.

JEA's determination to rescind this solicitation, reject all bids, and re-bid this project with clear technical specifications will provide an equal footing for all bidders and the best value to JEA's customers.

You may appeal this decision in accordance with JEA's Administrative Remedies provisions as set out in the JEA Procurement Code which can be found at www.JEA.com. If you have any further questions related to this matter, please feel free to contact me at mccajp@jea.com or at (904) 665-5544.

Sincerely,

John McCarthy

Director, Supply Chain Management/Chief Procurement Officer

Attachments

cc:

Heather Beard, JEA, Manager, Procurement Contracts Administration
Jenny McCollum, Manager, Procurement Services
Nadine Carswell, JEA, Manager, Jacksonville Small Emerging Business Programs
Jody Brooks, City of Jacksonville, Office of General Counsel
Jonathan Belloit, WPC Industrial Contractors, LLC.
Rodney Lovgren, JEA, Senior Purchasing Agent

21 West Church Street
Jacksonville, Florida 32202-3139



ELECTREC

WATER

SEWER

Written Order from August 3, 2015 Hearing Before the JEA Procurement Appeals Board (PAB)

Protestor:

WPC Industrial Contractors, LLC

Solicitation: JEA Solicitation No. 054-15 Ponce De Leon Water Treatment Plant

Pump Building and Reservoir Replacement

WHEREAS, on June 18, 2015, JEA's Awards Committee made an Award under the Solicitation to the Protestor (the "Award");

WHEREAS, on June 18, 2015, Sawcross Incorporated filed a formal protest (the "Sawcross Protest") with respect to the Award;

WHEREAS, on July 23, 2015, JEA's Chief Procurement Officer rescinded the Award after taking into consideration the Sawcross Protest and information presented at the Chief Procurement Officer's informal protest meeting held on July 20, 2015;

WHEREAS, on July 24, 2015, Protestor filed an Appeal with respect to JEA's Chief Procurement Officer's decision to rescind the Award (the "Appeal");

WHEREAS, on August 3, 2015, the PAB (consisting of Mike Brost, Chair, Ted Hobson and Paul Cosgrave) conducted a public hearing on the appeal, beginning at approximately 1:00 pm and ending at approximately 2:30 pm;

WHEREAS, the PAB heard arguments and testimony from (i) the Protestor, through its attorney TJ Fraser and its representatives Jonathan Belloit and Donnie Belloit, (ii) Sawcross Incorporated, through its attorney Mark Bryan and its representatives Mark Hickinbotham and Barry Milam, (iii) John McCarthy, JEA's Chief Procurement Officer, (iii) Jody Brooks, the attorney representing JEA's Chief Procurement Officer, and (iv) JEA representative Hai Vu; and

WHEREAS, written information was provided prior to the hearing to the PAB members by JEA, the Protestor and Sawcross Incorporated.

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

 On a motion by Ted Hobson, seconded by Paul Cosgrave, and unanimously approved by the PAB, the PAB held that the decision of JEA's Chief Procurement Officer to rescind the Award should be upheld.

> Order of PAB Page 1 of 2

1. On a motion by Ted Hobson, seconded by Paul Cosgrave, and unanimously approved by the PAB, the PAB held that the decision of JEA's Chief Procurement Officer to rescind the Award should be upheld.

Entered this 3rd day of August, 2015, in Jacksonville, Florida.

Mike Brost, Chair

Order of PAB Page 2 of 2



21 West Church Street

Jacksonville, Florida 32202-3139

July 23, 2015



Mr. Mark Higginbotham Sawcross Incorporated 10970 New Berlin Road Jacksonville, FL 32226-2270

ELECTRIC

RE:

CHIEF PROCUREMENT OFFICER DECISION

WATER

Bid Solicitation 054-15 Ponce De Leon Water Plant

SEWER Dear Mr. Hickinbotham:

This letter is written in accordance with Article 5-305 of JEA's Procurement Code in response to your June 18, 2015, letter which protested the award of the above referenced contract to WPC Industrial Contractors, LLC. ("WPC") After taking in to consideration your protest letter and the information presented at the Chief Procurement Officer (CPO) informal protest meeting on July 20, 2015, it is JEA's decision to rescind the Award to WPC Industrial.

The relevant facts are as follows:

- 1) On April 20, 2015, JEA published Bid Solicitation 054-15 for the Ponce De Leon Water Treatment Plant Pump Building and Reservoir Replacement.
- 2) On May 19, 2015, JEA received five (5) bids from WPC, Ortega Industrial Contractors, TLC Diversified Inc., Sawcross, Inc ("Sawcross"), and Williams Industrial Services LLC. WPC was the apparent low bidder, and Sawcross was the apparent 2nd low bidder.
- 3) On May 29, 2015, JEA sent an email to WPC stating that its bid was disqualified because it did not comply with the JSEB requirements as stated in the Solicitation.
- 4) On June 1, 2015, WPC communicated that its bid met JEA's JSEB requirements since it listed a subcontractor, ITG, which WPC claimed is a JSEB company, and that WPC inadvertently did not mark them as a JSEB on the bid form. JEA reviewed this information and verified that a company named ITG Global, LLC is a certified JSEB Company.
- 5) On June 2, 2015, JEA received information that appeared to confirm via email from ITG Global, LLC that the employee listed on WPC's subcontractor bid form for ITG was in fact an employee of ITG Global, LLC.

- 6) Based on the information provided by WPC and ITG Global, LLC to JEA, it was determined that WPC did in fact satisfy the JSEB requirement and an Award was made to WPC on June 18, 2015.
- 7) On June 18, 2015, Sawcross submitted a timely protest letter regarding the Award to WPC stating that WPC failed to meet the JSEB reporting requirements. Additionally, Sawcross stated WPC's subcontractor form was unclear due to WPC circling the names of subcontractors.
- 8) On June 20, 2015, in a subsequent email, Sawcross alleged that WPC also submitted a noncompliant bid bond form and did not submit the correct JEA Bid Bond form which provided WPC a competitive advantage over the other bidders.
- 9) On July 20, 2015, a CPO informal protest meeting was held, and both WPC and Sawcross were provided an opportunity to discuss the issues. During the meeting, it was confirmed by all parties that ITG and ITG Global, LLC are two separate companies. It was also confirmed that ITG is not a certified JSEB company and the employee listed on WPC's subcontractor bid form is not an employee of ITG Global, LLC..

After review of all the information submitted by the parties, JEA has determined WPC did not meet the JSEB requirements since it did not list a JSEB company and did not provide any good faith efforts documentation in lieu of meeting the JSEB goal in its original bid submittal. Accordingly, WPC's bid should be rejected.

You may appeal this decision in accordance with JEA's Administrative Remedies provisions as set out in the JEA Procurement Code which can be found at www.JEA.com. If you have any further questions related to this matter, please feel free to contact me at mccaip@jea.com or at (904) 665-5544.

Sincerely,

Director, Supply Chain Management/Chief Procurement Officer

cc: Heather Beard, JEA, Manager, Procurement Contracts Administration
Jenny McCollum, Manager, Procurement Services
Nadine Carswell, JEA, Manager, Jacksonville Small Emerging Business Programs
Jody Brooks, City of Jacksonville, Office of General Counsel
Jonathan Beloit, WPC Industrial Contractors, LLC.
Nathan Woyak, JEA, Senior Purchasing Agent



October 23, 2015

SUBJECT:	FISCAL YEAR 2016 ORGAN	IIZATIONAL GOALS	
Purpose:	☐ Information Only		Advice/Direction
Issue: N/A			
Significance:	N/A		
Effect: The JE	A employee population.		
Cost or Benef organizations.	it: Clearly defined goals and o	bjectives drive behaviors that o	create "best in class"
organizational (Electric, Wate	d Board action: Staff is offering goals for FY2016 using the five r & Wastewater). Recommend approval at the November 17, 2	e metrics for Customer Satisfa ed changes will be incorporate	ction, Safety, Cost Control
For additional	information, contact: Angeli	a R. Hiers 665-4747	

Submitted by: PEM/ARH/PLM



Commitments to Action



Ver.2.0D 9/21/2013 jer



INTER-OFFICE MEMORANDUM

October 23, 2015

SUBJECT: FISCAL YEAR 2016 ORGANIZATIONAL GOALS

FROM: Paul E. McElroy, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

Clearly defined and communicated organizational goals have successfully served to focus employees and managers on key corporate measures and objectives, as well as to push the organization toward a continuous improvement culture with resulting operational excellence.

DISCUSSION:

In FY2016, JEA will continue to focus on the company's strategic initiatives and areas of focus. It is, therefore, recommended that the company continues to focus on five key metrics: Customer Satisfaction, Safety, and Cost per unit of Electricity delivered (Kwh), Cost per unit of Water delivered (Kgal) and Cost per unit of Wastewater (Kgal). Exceptional performance in these five metrics clearly furthers JEA's business objectives: keeping employees safe, while delivering essential utility services to our customers in a cost effective and customer friendly manner.

The attached document outlines organizational goals and levels of achievement which should be considered for FY2016.

RECOMMENDATION:

Staff is offering for consideration, feedback and direction of the organizational goals for FY2016 using the five metrics for Customer Satisfaction, Safety, Cost Control (Electric, Water & Wastewater). Recommendations will be incorporated into a final document and submitted for approval at the November 17, 2015 Board Meeting.

Paul E. McElroy, Managing Director/CEO

PEM/ARH

FY 2016 JEA Pay for Performance Program Summary



Summary of Corporate Performance Factors

Safety

OSHA Recordable Incident Rate (RIR)

FY13 Results: 1.78 RIR FY14 Results: 2.4 RIR FY15 Goal: 1.2 RIR

Results: FY15 1.56 RIR

RIR GOAL FOR FY2016	
1.2 ≥ RIR	

Customer Satisfaction

JD Power Residential Electric Industry Customer Satisfaction Survey: Total Industry FY13 Results: Top of the Third Quartile FY14 Results: Top 25% of the Third Quartile

FY15 Goal: Second Quartile

Results: FY15 Bottom 25% of First Quartile

SURVEY RANKING GOAL FOR FY2016	
Bottom 25% of first	
quartile > 2015	
Bottom 26% - 49% of	
first quartile	
Top 26% - 50% of first	
quartile	

Cost Control: Electric Kwh

Cost per Kwh

FY13 Results: \$53.92 FY14 Results: \$49.81 FY15 Goal: \$49.81

Results: FY15 \$49.69

COST/Kwh GOAL FOR FY2016	
cost > \$49.81	
\$49.81 > cost ≥ \$49.31	
\$49.30 > cost ≥ \$48.80	_
\$48.80 > cost	

Cost Control: Water Kgal

Cost per Kgal FY13 Results: \$4.49 FY14 Results: \$4.06 FY15 Goal: \$4.06

Results: FY1 \$4.01

COST/KGL GOAL FOR FY2016	
cost > \$4.01	
\$4.00 > cost ≥ \$3.90	
\$3.89 > cost ≥ \$3.80	
\$3.80 > cost	

Cost Control: Wastewater Kgal

Cost per Kgal

FY13 Results: \$7.53 FY14 Results: \$7.34 FY15 Goal: \$7.34

Results: FY15 \$7.26

COST/KGL GOAL FOR FY2016	
cost > \$7.26	
\$7.26 > cost ≥ \$7.15	
\$7.14> cost ≥ \$7.00	
\$7.00 > cost	

1 of 2

JEA Board of Directors Meeting - III. B. Strategic Discussions/Action

2 of 2 10/26/2015



October 22, 2015

SUBJECT:	FY2016 CEO GOALS		
Purpose:		Action Required	Advice/Direction
meetings for re	eview and feedback. The Boa	oals were provided to prior Boa rd Member's comments have be nt is being presented to the Boa	een incorporated into the
JEA's strategic	plan. In addition to providing	ne FY2016 CEO goals are prima g leadership for JEA to achieve nue efforts to foster a cultural sh	its mission, strive for its vision,
		sured by the organization's perfection is perfection to the team, earn customer loyalty, a	formance in the strategic plan's and deliver business excellence.
Cost or Benef	it: The CEO goals provide a	framework for the overall goals	of the organization.
2015 Board Me	eeting, the CEO will provide a	a item is provided for information revised set of goals incorporation and appropriate turther discussion and appropriate the control of the c	ing feedback received at the
For additional	information, contact: Melis	sa Charleroy 904-665-7313	

Submitted by: PEM/MMC



Commitments to Action



Ver.2.0D 9/21/2013 jer

FY2016 CEO Goals

	Goals	Weight
•	Exceed budgeted combined ¹ annual net revenues (excluding weather contingency), per the "Schedules of Debt Service Coverage", this is a proxy for EBITDA (schedules and example attached)	
	<u>or</u>	2%
•	Exceed budgeted change in net position, per the "Statements of Revenues, Expenses and Changes in Net Position", this is a proxy for net income (schedules and example attached)	
•	Effectively execute the Capital Investment Plan or Capital Budget	2%
•	Improve utility reliability and environmental metrics, per the attached schedule and reported to the Board monthly	3%
•	Achieve first quartile rankings for Residential and Commercial J.D. Power Customer Satisfaction Ratings	2%
•	Improve employee satisfaction and engagement, as measured by an independent employee survey	2%
•	Maintain positive and constructive relationships with all key stakeholders	2%
•	Electric System revenue stabilization plan	<u>2%</u>
	Total	15%

 $^{^{1}\,\,}$ Combined = Electric System plus Water and Sewer System plus District Energy

FY2016 JEA Net Revenues Goal												
FY2016 FY2015 FY2014 FY2013												
\$ in Millions	<u>Actual</u>	Goal	Budget	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>						
Electric System		\$415.6	\$440.0	\$461.6	\$389.6	\$397.0						
Water and Sewer System		\$288.7	\$286.5	\$278.5	\$281.7	\$276.8						
District Energy System		\$3.7	\$3.9	\$3.9	\$3.9	\$3.4						

	Change in Net Position											
	Statements of Revenues, Expenses and Changes in Net Position											
		FY	/2016	FY2015	FY2014	FY2013						
	\$ in Millions	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>						
JEA				\$323.0	\$156.3	\$79.4						

FY2016 JEA Capital Investment Plan/Budget Execution										
FY2016 FY2015 FY2014										
\$ in Millions	<u>Actual</u>	<u>Budget</u>	<u>Actual</u>	<u>Actual</u>						
Electric System		\$153.2	\$116.7	\$86.2						
Water and Sewer System		\$175.0	\$100.8	\$76.9						
District Energy System		\$3.7	\$0.9	\$0.5						

FY2016 JEA Net Revenues Goal - Excluding Weather Contingency												
	FY2016 FY2015 FY2014 FY2013											
\$ in Millions	<u>Actual</u>	Goal	Budget	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>						
Electric System		\$415.6	\$405.3	\$461.6	\$389.6	\$397.0						
Water and Sewer System		\$288.7	\$273.8	\$278.5	\$281.7	\$276.8						
District Energy System		\$3.7	\$3.5	\$3.9	\$3.9	\$3.4						

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

Page 9

·			onth gust		Y	ear-T	o-Da	ate
	2015	Au	gust	2014	 2015	Aug	lnæt	2014
Operating revenues (net of allowances and discounts):								
Electric - base	\$ 77	,513	\$	80,534	\$ 728,	323	\$	714,014
Electric - fuel and purchased power	63	963		65,264	547,	044		593,253
Water and Sewer	35,	048		35,043	369,	489		351,726
District Energy		927		816	7,	895		7,791
Other, net of allowances	3.	792		3,253	33,	086		35,161
Total operating revenues	181	,243		184,910	1,685,	837		1,701,945
Operating expenses:								
Operations:								
Fuel	45	340		54,764	430,	899		497,064
Purchased power	3,	475		4,418	43,	871		41,033
Other	19	,885		25,638	224,	545		245,282
Maintenance	6	799		7,023	95,	901		85,382
Depreciation	30.	367		31,021	336.	167		344,419
State utility taxes and franchise fees	7.	139		6,944	65,	753		65,236
Recognition of deferred costs and revenues, net		(913)		5,379	(10,	099)		51,652
Total operating expenses	112	092		135,187	 1,187,			1,330,068
Operating income	69	,151		49,723	 498,	800		371,877
Nonoperating revenues (expenses):								
Earnings from The Energy Authority		136		(228)	4	460		3,326
Investment income	4	138		902	•	118		9,780
Net increase (decrease) in fair value of investments	''	, 130		302	•	578)		9,495
Other revenue	1	428		607	•	084		6,671
Other expense	•,	, -2 0 (23)		007	,	(67)		0,071
Interest on debt	/46	(23) (565,		(1E C74)	(165,			/10E 17E
		-		(15,674)	•			(185,176
Debt management strategy Other interest, net	(1,	,668) (5)		(1,611)	(17,	914) (65)		(17,634
-		(5) 656		(6) 454				(36
Allowance for funds used during construction Loss on sale of asset		(120)		404		970 199)		3,384
Total nonoperating revenues (expenses), net		023)		(15,556)	(156,			(170,190
Income before contributions	54,	128		34,167	 341,	910		201,687
Contributions (to) from:								
General fund, City of Jacksonville	-	,307)		(9,099)	(102,			(100,089
Developers and other	2,	722		4,231	48,	539		34,960
Total contributions	(6,	585)		(4,868)	(53,	842)		(65,129
Change in net position	47,	543		29,299	288,	068		136,558
Net position - beginning of period	2,436,	531		2,146,996	2,196,	006		2,039,737
Net position - end of period	\$ 2 <u>,484</u> ,		\$	2,176,295	\$ 2,484,		\$	2,176,295

JEA Electric System Schedules of Debt Service Coverage (In thousands - unaudited) Page 24

			nth aust			Year-T	o-Da ust	te
		2015	Juor	2014		2015	Juor	2014
Revenues:								
Electric	\$	130,316	\$	132,538	\$	1,173,202	\$	1,173,613
Investment income (1)		376		237		2,559		2,368
Earnings from The Energy Authority		136		(228)		1,460		3,326
Other, net (2)		3,010		2,655		26,868		29,174
Plus: amounts paid from the rate stabilization fund into the revenue fund		520		4,004		56,371		31,501
Less: amounts paid from the revenue fund into the rate stabilization fund		(39,579)		(6,348)		(123,058)		(41,302)
Total revenues		94,779		132,858		1,137,402		1,198,680
Operating expenses (3):								
Fuel		24,099		30,626		242,926		285,686
Purchased power (4)		23,470		41,674		246,399		334,546
Other operations and maintenance		13,281		11,455		164,491		150,826
State utility taxes and franchise fees		6,185		6,001		55,640		55,303
Total operating expenses		67,035		89,756		709,456		826,361
Net revenues	\$	27,744	\$	43,102	\$	427,946	\$	372,319
Debt service:	\$	6,783	\$	6,289	\$	75,944	\$	68,988
Less: investment income on sinking fund		(152)		(134)		(1,507)		(1,465)
Less: Build America Bonds subsidy		(126)		(126)		(1,384)		(1,385)
Debt service requirement	\$	6,505	\$	6,029	\$	73,053	\$	66,138
Senior debt service coverage (5), (min 1.20x)		4.27 x		7.15 x		5.86 x		5.63
Net revenues (from above):	\$	27,744	\$	43,102	\$	427,946	\$	372,319
Debt service requirement (from above):	\$	6,505	\$	6,029	\$	73,053	\$	66,138
Plus: aggregate subordinated debt service on outstanding subordinated bonds	•	8,190		7,927	·	90,114		83,603
Less: Build America Bonds subsidy		(174)		(174)		(1,912)		(1,919)
Total debt service requirement and aggregate subordinated debt service	\$	14,521	\$_	13,782	\$	161,255	\$	147,822
Senior and subordinated debt service coverage (6), (min 1.15x)		1.91 x	-	3.13 x		2.65 x		2.52
Fixed charge coverage (7)		1.29 x		1.93 x		1.83 x		1.56

- (1) Excludes investment income on sinking funds.
- (2) Excludes the Build America Bonds subsidy.
- (3) Excludes depreciation.
- (4) In accordance with the requirements of the Electric System Resolution, all the contract debt payments from the Electric System to the SJRPP and Bulk Power Supply System with respect to the use by the Electric System of the capacity and output of the SJRPP and Bulk Power Systems are reflected as a purchased power expense on these schedules. These schedules do not include revenues of the SJRPP and Bulk Power Supply System, except that the purchased power expense is net of interest income on funds maintained under the SJRPP and Bulk Power Supply System resolutions.
- (5) Net revenues divided by debt service requirement. Minimum annual coverage is 1.20x.
- (6) Net revenues divided by total debt service requirement and aggregate subordinated debt service. Minimum annual coverage is 1.15x
- (7) Net revenues plus JEA's share of SJRPP's and Bulk Power Supply System's debt service less city contribution divided by the sum of the adjusted debt service requirement and JEA's share of SJRPP's and Bulk Power Supply System's debt service.

JEA Water and Sewer System Schedule of Debt Service Coverage (in thousands - unaudited) Page 27

			nth gust			Year-T Au	o-Dat gust	ie.
·		2015		2014		2015		2014
Revenues:								
Water	\$	14,223	\$	14,544	\$	150,667	5	142,866
Water capacity fees (1)		606		540		6,481		5,682
Sewer		20,908		20,573		219,352		209,499
Sewer capacity fees (1)		1,058		794		11,407		9,695
Investment Income		264		243		2,572		2,526
Other (2)		1,790		805		12,873		8,266
Plus: amounts paid from the rate stabilization fund into the revenue fund		1,974		1,923		20,240		19,087
Less: amounts paid from the revenue fund into the rate stabilization fund		(1,974)		(1,923)		(20,240)		(19,087
Total revenues		38,849		37,499		403,352		378,534
Operating & Maintenance Expenses:								
Operations and maintenance (3)		10.813		9.433		121.642		118,698
Total operating expenses		10.813		9,433		121,642		118,698
Net revenues	\$	28,036	\$	28,066	\$	281,710	\$	259,836
Aggregate debt service:	s	7,602	ŝ	8.727	s	84,032	s	97.699
Less: Build America Bonds subsidy	*	(207)		(208)	Ψ.	(2,281)	Ψ	(2,284
Aggregate debt service:	\$	7,395	\$	8,519	\$	81,751	\$	95,415
Senior debt service coverage (4), (min 1.25x)		3.79 x	3.79 x 3.29 x		3.45 x		<u> </u>	
		0.10		0.20		0.70 K		2.72
Net revenues (from above)	\$	28,036	\$	28,066	\$	281,710	\$	259,836
Aggregate debt service (from above)	S	7.395	s	8,519	s	81,751	s	95.415
Plus: aggregate subordinated debt service on outstanding subordinated debt	•	1,015	•	873	•	11,191	*	9,605
Total aggregate debt service and aggregate subordinated debt service	\$	8,410	\$	9,392	\$	92,942	\$	105,020
Senior and subordinated debt service coverage (5)		3.33 x		2.99 x		3.03 x		2.47
Parad Alexander		2.40		0.70				
Fixed charge coverage		3.12 x		2.79 x		2.82 x		2.28

⁽¹⁾ Effective October 1, 2001, the Water and Sewer Bond Resolution was amended to include capacity fees in total revenues. Had such capacity fees not been included in the calculation for the year-to-date periods ending August 2015 and 2014, then the debt service coverage would have been 2.84x and 2.33x,

(2) Excludes the Build America Bonds subsidy.

(3) Excludes depreciation.

(4) Net revenues divided by aggregate debt service. Minimum annual coverage is 1.25x.

⁽⁵⁾ Net revenues divided by total aggregate debt service and aggregate subordinated debt service. Minimum annual coverage is either 1.00x aggregate debt service and aggregate subordinated debt service (excluding capacity charges) or the sum of 1.00x aggregate debt service and 1.20x aggregate subordinated debt service (including capacity charges). Based on the first requirement, minimum annual coverage is 2.84x and 2.33x. Based on the second requirement, net revenues must exceed 100% of aggregate debt service and 120% of aggregate subordinated debt service, or \$95,180 and \$106,941 for the year-to-date period ending August 2015 and 2014.

FY2016 JEA Reliability and Environmental Metrics Goal									
<u>Improvement</u> <u>Improvement</u>									
Electric System	Yes	No	Water and Sewer System	Yes	No				
Outage Frequency CEMI ₅ Service Reliability Transmission Fault Frequency Forced Outage Rate Reportable Environmental Events			Unplanned Water Main Outages Water Distribution System Pressure Customer Response Time Consumptive Use Permits Total Nitrogen Discharge Sanitary Sewer Overflows						