

**JEA  
BOARD AGENDA**

**DATE:** November 30, 2015

**TIME:** 10:00 AM

**PLACE:** JEA  
21 West Church Street  
8<sup>th</sup> Floor, Board Room

Description of the process to select a Chair, Vice Chair and Secretary (Officers), followed by the election of Officers

**I. WELCOME**

- A. Call to Order
- B. Time of Reflection
- C. Pledge to Flag
- D. Adoption of the Agenda
- E. Safety Briefing

**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
- D. Sunshine Law/Public Records Statement – Jody Brooks, Office of General Counsel (OGC)

**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 October 30, 2015 – action](#)
  - 2. [Resolution Honoring Doris Champ, Director Audit Services – information](#)

3. Monthly JEA Financial Review & Statements – information
4. Monthly FY16 Communications & Engagement Calendar and Plan Update – information

B. Strategic Discussions/Action

1. American Federation of State, County and Municipal Employees (AFSCME) Collective Bargaining Agreement (October 1, 2015 to September 30, 2016) – Angie Hiers, Chief Human Resources Officer – 5 minutes – presentation/action
2. Approval of Resolution: FY2016 Budgetary Transfers – Melissa Dykes, Chief Financial Officer – 5 minutes – presentation/action
3. Revolving Credit Facility for Operational/Capital Purposes and Liquidity – Melissa Dykes, Chief Financial Officer – 5 minutes – presentation/action
4. Pay For Performance
  - a. FY2015 Pay For Performance – Angie Hiers, Chief Human Resources Officer – 10 minutes – presentation/action
  - b. FY2016 Pay For Performance Plan – Angie Hiers, Chief Human Resources Officer – 10 minutes – presentation/action
5. Managing Director/CEO
  - a. FY2015 CEO Performance – Jody Brooks, OGC – presentation/action
  - b. FY2016 Goals – Paul McElroy, Chief Executive Officer – presentation/action
6. Sole Source & Emergency Procurement/Procurement Appeals Board Report – John McCarthy, Director, Supply Chain Management – 5 minutes – presentation/information
7. Bi-Monthly Operations Presentation – Mike Brost, Vice President/General Manager, Electric Systems, Brian Roche, Vice President/General Manager Water/Wastewater Systems, and Monica Whiting, Chief Customer Officer –30 minutes – presentation/information
8. Annual Financial and Operating Review with the Rating Agencies – Melissa Dykes, Chief Financial Officer – 5 minutes – presentation/information

C. Other New Business

D. Old Business – none

**IV. REPORTS**

A. Managing Director/CEO's Report

B. Chair's Report

**V. CLOSING CONSIDERATIONS**

- A. Announcements
- B. Adjournment

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A. If you have a disability that requires reasonable accommodations to participate in the above meeting, please call **665-7550** by **8:30 AM** the day before the meeting and we will provide reasonable assistance for you.

B. If a person decides to appeal any decision made by the JEA Board with respect to any matter considered at this meeting, that person will need a record of the proceedings, and, for such purpose needs to ensure that verbatim record of the proceedings is made, which record includes the evidence and testimony upon which the appeal is to be based.

**JEA**  
**BOARD MINUTES**  
October 30, 2015

The JEA Board met in regular session on Friday, October 30, 2015, in the 8<sup>th</sup> Floor Board Conference Room, 21 W. Church Street, Jacksonville, Florida. Present were Husein Cumber, Robert Heekin, Tom Petway, and Delores Kesler. Kelly Flanagan attended in observance.

**Agenda Item I – Welcome**

- A. The meeting was **called to order** at 11:03 AM by Chair Pro Tem Cumber.
- B. A **Moment of Reflection** was observed by all.
- C. The **Pledge of Allegiance** was led by Ms. Kesler.

*At the direction of Jody Brooks, Office of General Counsel, Chair Pro Tem Cumber called for a motion to appoint the Secretary Pro Tem for today's meeting. On motion by Mr. Petway and second by Mr. Heekin, the Board unanimously approved Ms. Kesler as the Secretary Pro Tem for the October 30, 2015 Board Meeting.*

- D. **Adoption of Agenda** – The agenda was approved on **motion** by Mr. Heekin and second by Ms. Kesler. Chair Pro Tem Cumber motioned for the agenda to be amended to include two new Board agenda items regarding the CEO Scorecard and the CEO Scorecard Process. Chair Pro Tem Cumber requested the Board to hold discussions regarding these topics, which will be placed on the November 2015 Board Meeting agenda for approval. Following the **motion** by Chair Pro Tem Cumber and second by Mr. Heekin, the Board unanimously approved the amended agenda.
- E. The **Safety Briefing** was given by Ted Hobson, Chief Compliance Officer.

**Agenda Item II – Presentations and Comments**

- A. **Comments from the Public** – Mr. Wayne Dunn, 3730 Harbor Acres Lane, Jacksonville, FL 32257 addressed the Board with a request for a report outlining JEA's performance efficiency and parasitic losses.
- B. **Council Liaison's Comments** – The Honorable Bill Gulliford was not in attendance.
- C. **Office of the Mayor Liaison's Comments** – Dr. Johnny Gaffney stated that he is honored to be in attendance representing Mayor Curry. As Board Liaison, Dr. Gaffney stated he will ensure the concerns of Boards and its members are heard. Dr. Gaffney conveyed Mayor Curry's interest for the JEA Board.

**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 Mr. Petway and second by Ms. Kesler, item 1 on the Consent Agenda was unanimously approved and items 2 through 7 were received for information.
  - 1. Approval of Board Meeting Minutes September 15, 2015 – approved
  - 2. Directors' & Officers' Liability Insurance – received for information

3. Real Estate Acquisition Status Report – received for information
4. Customer Escalation Summary – received for information
5. Monthly JEA Operations Report – received for information
6. Monthly JEA Financial Statements – received for information
7. Monthly FY15/16 Communications & Engagement Calendar and Plan Update – received for information

**B. Strategic Discussions/Action**

1. Appointment of Steven V. Tuten, Director, Audit Services – Ted Hobson, Chief Compliance Officer – Board Chair Pro Tem Cumber stated that the appointment of the Director, Audit Services is normally brought before the Finance & Audit Committee for approval. Due to the December 1, 2015 retirement of Ms. Doris Champ, it was necessary to bring this appointment before the Board for review and approval. Mr. Hobson stated the recruiting process began in February 2015. After an extensive search and interview process, JEA staff selected and recommends Mr. Steven V. Tuten, CIA, CMA, CTP to the position of Director, Audit Services. On **motion** by Mr. Heekin and second by Ms. Kesler, the Board unanimously approved to 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.
2. Approval of Resolution: FY2016 Budgetary Transfers – Melissa Dykes, Chief Financial Officer, presented that the Board, in the past, 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 require Board authorization for line item transfers greater than \$5.0 million. The proposed Resolution 2015-05 authorizes the Managing Director to approve transfers between approved budget line items within the JEA budget for Fiscal Year 2016. Ms. Dykes stated the authorization is limited to \$5.0 million per transfer; however, in the event of an emergency or for year-end adjustments, budget transfers exceeding \$5.0 million will be brought back to the Board for ratification. This item was received for information and will be brought to the Board at the November 2015 meeting for approval.
3. Revolving Credit Facility for Operational/Capital Purposes and Liquidity – Melissa Dykes, Chief Financial Officer, presented that JEA 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. Ms. Dykes stated JEA has not made any borrowings under the two revolvers and does not anticipate a need to do so. Staff has notified the banks of JEA's desire to request an extension beyond the current revolver expiration dates, as well as issued 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. This item was received for information and will be presented to the Board at the November 2015 meeting for approval.
4. JEA Early Debt Retirement Update – Melissa Dykes, Chief Financial Officer, presented that JEA completed early debt retirement transactions in the amount of \$169,370,000 for fiscal year 2015. Ms. Dykes stated retiring debt early advances

- JEA's objective to improve its balance sheet position, which provides for greater flexibility in dealing with future challenges. This item was received for information.
5. JEA Five-Year Financial Assumptions and Projections FY2016-FY2020 – Melissa Dykes, Chief Financial Officer, provided a presentation on the FY2016-FY2020 Financial Assumptions and Projections including unit sales, base rates, capital funding, and debt. The Board received this presentation for consideration and agreed to provide staff feedback and direction regarding the FY2016-FY2020 Financial Assumptions and Projections.
  6. Bi-Monthly Finance Presentation – Melissa Dykes, Chief Financial Officer, provided a presentation highlighting key financial metrics and results of JEA's Electric and Water and Sewer systems ending September 30, 2015.
  7. Sole Source & Emergency Procurement Report – John McCarthy, Director, Supply Chain Management – In the interest of time, this presentation was deferred to the November 2015 Board Meeting.
  8. FY16 Organizational Performance Goals – Paul McElroy, Chief Executive Officer presented an overview of the FY16 Organizational Performance Goals highlighting the five key metrics: Customer Satisfaction, Safety, Cost per Unit of Electricity delivered (Kwh), Cost per Unit of Water delivered (Kgal), and Cost per Unit of Wastewater delivered (Kgal). This presentation was provided for consideration, feedback, and direction. Recommendations provided by Board Members will be incorporated into a final document and will be submitted at the November 2015 Board Meeting for approval.
  9. FY16 CEO Goals – Paul McElroy, Chief Executive Officer presented Board Members with a draft of the FY16 CEO Goals. This item was received for information. Recommendations provided by Board Members will be incorporated into the final document and will be presented at the November 2015 Board Meeting for approval.
  10. FY15 CEO Scorecard – Paul McElroy, Chief Executive Officer stated Board Members were provided a draft scorecard several months ago. A final scorecard will be provided to Board Members in the November Board Meeting package.
  11. FY15 CEO Scorecard Evaluation Process – Paul McElroy, Chief Executive Officer provided Board Members with the process for submitting the FY15 CEO Scorecard results. Board Members will be provided the final FY15 CEO Scorecard in the November 2015 Board Meeting package. Board Members will conduct an individual evaluation and submit that information, in confidence, to Jody Brooks, OGC. Ms. Brooks will combine the scores and provide at the November Board Meeting for discussion. Ms. Brooks provided Board Members with guidance related to the Sunshine laws regarding communication among Board Members.
- C. Other New Business** – At the request of Mr. Petway, Jody Brooks, OGC, provided the Board with the process for the election of Officers. Ms. Brooks presented that the Bylaws state when there is a vacancy of an Officer position, that position may be filled at the next Board Meeting. From a process perspective, Ms. Brooks stated the Board may either vote to elect a new slate of Officers or postpone to the next Board Meeting and continue appointing a Pro Tem Chair and Secretary for each meeting. Ms. Brooks suggested Board Members wait until the November 2015 Board Meeting to elect

Officers when there will be potentially five Board Members seated. Mr. Petway stated it is imperative to appoint a slate of Officers prior to the December Rating Agency presentations. Ms. Brooks stated a Nominating Committee will not select the slate of Officers; nominations will be taken from the floor.

**D. Old Business – None**

**Agenda Item IV – Reports**

- A.** Managing Director/CEO’s Report – Mr. McElroy thanked Ms. Kesler and Mr. Petway for joining the JEA Board and Ms. Flanagan for attending today’s meeting. Mr. McElroy stated JEA will work hard to exceed the Board’s expectation and will look to them for direction. Mr. McElroy stated the next Board Meeting will begin with a presentation from two experts in the electric and water and wastewater industry. Board Members will be provided with an overview of the industry, trends, and the future outlook for the electric, water, and wastewater industry. Mr. McElroy thanked Dr. Gaffney for attending the meeting and stated he looked forward to working with him.
- B.** Chair’s Report – Pro Tem Chair Cumber welcomed Ms. Kesler and Mr. Petway to the Board, and to Ms. Flanagan for joining the meeting. Mr. Cumber recognized the five Board Members that have recently transitioned off of the Board and thanked them for their service. Mr. Cumber requested guidance from OGC regarding the January 6, 2016 Finance and Audit Committee Meeting. Ms. Brooks stated the Finance and Audit Committee Operating Policy requires the Committee to meet four times per year. The requirement for 2015 has been met; therefore, it is acceptable to postpone the regularly scheduled December meeting to January 6, 2016.

**Agenda Item V – Closing Considerations**

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

*With no further business claiming the attention of the Board, Chair Albee adjourned the meeting at 12:41 PM.*

APPROVED BY:

\_\_\_\_\_  
SECRETARY  
DATE: \_\_\_\_\_

Board Meeting recorded by:

\_\_\_\_\_  
Melissa M. Charleroy  
Executive Assistant

**BOARD OF DIRECTORS RESOLUTION  
OF  
JEA**

**November 30, 2015**

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**RE: HONORING DORIS CHAMP**

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WHEREAS, Doris Champ has provided the board of directors of JEA with outstanding audit and risk counsel for more than thirteen years and,

WHEREAS, she has served under three chief executive officers and multiple board members, and,

WHEREAS, she personally demonstrates and models the highest standards of ethics and integrity, and,

WHEREAS, she is well respected by industry peers and leaders, and,

WHEREAS, she has developed JEA's internal audit department and brought it into top tier compliance with the Institute of Internal Auditors (IIA) standards, and,

WHEREAS, she developed and implemented the JEA Ethics Hotline and Fraud investigation program, and,

WHEREAS, she developed JEA's Enterprise Risk Management process and department, which has earned recognition as an industry leader in Enterprise Risk Management, and,

WHEREAS, her focus and professionalism, along with her calm, organized, confident demeanor, always delivered with a soft voice, have helped guide and strengthen JEA, and will be missed greatly by all of the JEA family,

NOW, THEREFORE, BE IT RESOLVED by the board of directors of JEA that it hereby expresses its deep gratitude and appreciation to Doris Champ for her lasting contributions to JEA and to the board of directors.

**UNANIMOUSLY ADOPTED THIS 30th DAY OF NOVEMBER, 2015**

*Chair*



# JEA Monthly Financial Summary

as of October 31, 2015

Board of Directors  
November 30, 2015



# Key Financial Metrics

Electric System	Year-to-Date		FY2016 Full Year		Result
	FY2016	FY2015	Forecast	Target	
Debt Service Coverage	2.5x	2.7x	<b>2.2x</b>	≥ 2.2x	✓
Days Liquidity	318	212	<b>317</b>	150 to 250 days <sup>1</sup>	✓
<i>Days Cash on Hand</i>	<i>197</i>	<i>165</i>	<i><b>202</b></i>		✓
Debt to Asset %	69%	73%	<b>66%</b>	72% <sup>2</sup>	✓

Water and Sewer System	Year-to-Date		FY2016 Full Year		Result
	FY2016	FY2015	Forecast	Target	
Debt Service Coverage	3.5x	3.0x	<b>2.6x</b>	≥ 1.8x	✓
Days Liquidity	268	223	<b>265</b>	≥ 100 days	✓
<i>Days Cash on Hand</i>	<i>147</i>	<i>118</i>	<i><b>150</b></i>		✓
Debt to Asset %	54%	55%	<b>53%</b>	55% <sup>3</sup>	✓

<sup>1</sup> Moody's Aa benchmark: 150 to 250 days

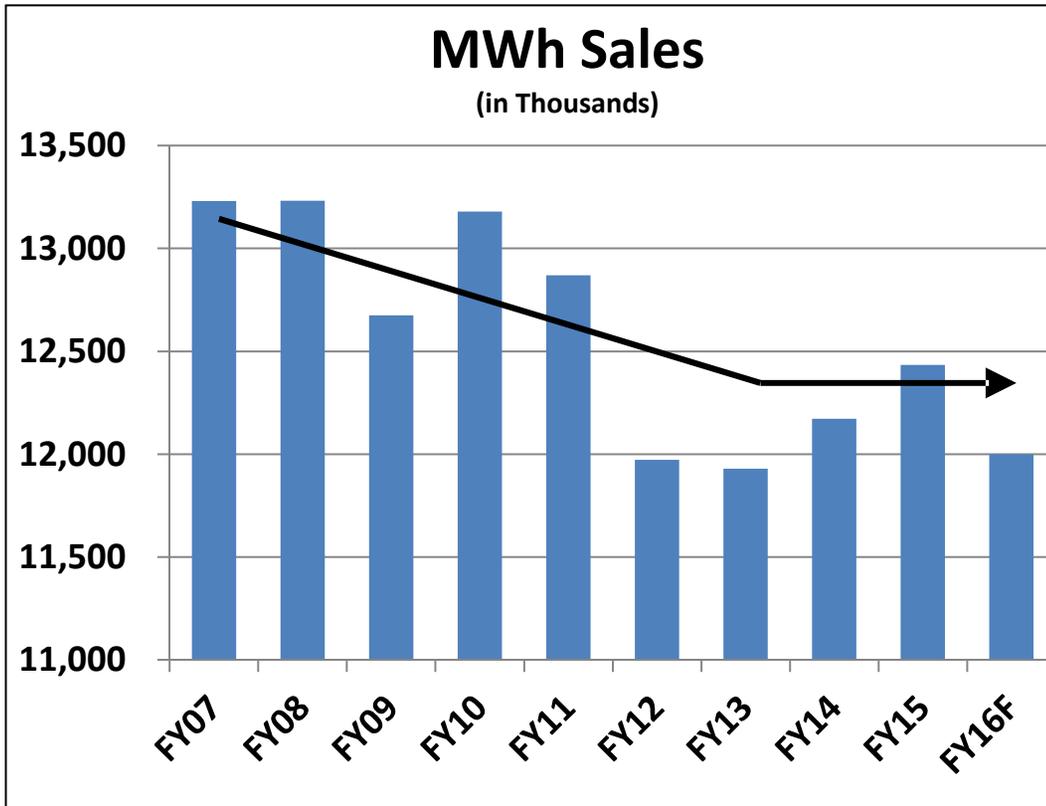
<sup>2</sup> Long-term target is 60%

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



# JEA Electric System

## MWh Sales



Month	FY15	FY16	% Change
Oct	971,595	952,515	(2.0%)
<b>Year-to-Date</b>	<b>971,595</b>	<b>952,515</b>	<b>(2.0%)</b>
Nov	895,617		
Dec	943,753		
Jan	1,035,621		
Feb	934,102		
Mar	898,524		
Apr	954,803		
May	1,062,459		
Jun	1,187,741		
Jul	1,254,252		
Aug	1,212,295		
Sep	1,083,446		
<b>Total/Forecast</b>	<b>12,434,208</b>	<b>11,999,631</b>	

**Unit Sales Driver:** Degree days 10% higher than last year.

YTD Degree Days		
30-yr. Avg.	FY15	FY16
225	190	208

<b>Total System</b>	<b>(2.0%)</b>
Residential	(3.6%)
Comm./Industrial	(0.9%)
Interruptible	3.6%
Wholesale (FPU)	(13.7%)



# JEA Electric System

## Financial Results and Cost Metrics

(\$ in thousands)

Revenues	FY16 Forecast	FY15 Actual	FY16 Budget	FY16F vs FY15 (\$)	Variance (%)
Fuel Revenue	\$ 461,502 <sup>1</sup>	\$ 486,362 <sup>2</sup>	\$ 485,631	\$ (24,860)	-5.1%
Base Revenue	710,740	741,411	711,502	(30,671)	-4.1%
Other Revenue	50,651	38,183	51,716	12,468	32.7%
<b>Total Revenues</b>	<b>\$ 1,222,893</b>	<b>\$ 1,265,956</b>	<b>\$ 1,248,849</b>	<b>\$ (43,063)</b>	<b>-3.4%</b>
<div style="border: 1px solid black; padding: 2px; display: inline-block;">\$ (26M)</div>					
Select Expenses					
Fuel Expense	\$ 410,044	\$ 441,076	\$ 460,315	\$ 31,032	7.0%
Fuel Fund Transfers	51,458	45,286	25,255	(6,172)	
O & M Expense	216,346	191,764	222,827	(24,582)	-12.8%
Non-fuel Purchased Power	112,267	114,804	113,015	2,537	2.2%
<b>Net Revenues</b>	<b>\$ 421,535</b>	<b>\$ 461,604</b>	<b>\$ 405,311</b>	<b>\$ (40,069)</b>	<b>-8.7%</b>
<div style="border: 1px solid black; padding: 2px; display: inline-block;">\$ 16M</div>					
Capital Expenditures	\$ 152,496	\$ 116,728	\$ 153,200 <sup>3</sup>	\$ (35,768)	-30.6%
Debt Service	\$ 187,296	\$ 175,779	\$ 185,614	\$ (11,517)	-6.6%

Electric Costs / MWh	Non-Fuel
Target	\$ 54.73
Forecast	55.61
Difference	\$ (0.88)

Fuel Fund (\$ in millions)	
Beginning Balance	\$ 151
Surplus/(Deficit)	106
Fuel Credit	(55)
Ending Balance	\$ 202

<sup>1</sup> Net of estimated \$55 million fuel credit in October bill

<sup>2</sup> Net of \$50 million fuel credit in FY15

<sup>3</sup> Council approved limit for capital expenditures in FY15 is \$170 million



# JEA Electric System

## Financial Results and Cost Metrics

Operations Page

(\$ in thousands)

Revenues	FY16 Forecast	FY15 Actual	FY16 Budget	FY16 vs FY15 (\$)	Variance (%)
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Base Revenue	710,740	741,411	711,502	(30,671)	-4.1%
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Debt Service	\$ 187,296	\$ 175,779	\$ 185,614	\$ (11,517)	-6.6%

Financial Metrics	FY16 Forecast
Coverage:	2.2x
Days Cash/Liquidity:	202 / 317
Debt/Asset:	66% (2% lower)
Total Debt:	\$3.0B (\$150M lower)

Electric Costs / MWh	Non-Fuel
Target	\$ 54.73
Actual	55.61
Difference	\$ (0.88)

Fuel Fund (\$ in millions)	
Beginning Balance	\$ 151
Surplus/(Deficit)	106
Fuel Credit	(55)
Ending Balance	\$ 202

<sup>1</sup> Net of estimated \$55 million fuel credit in October bill

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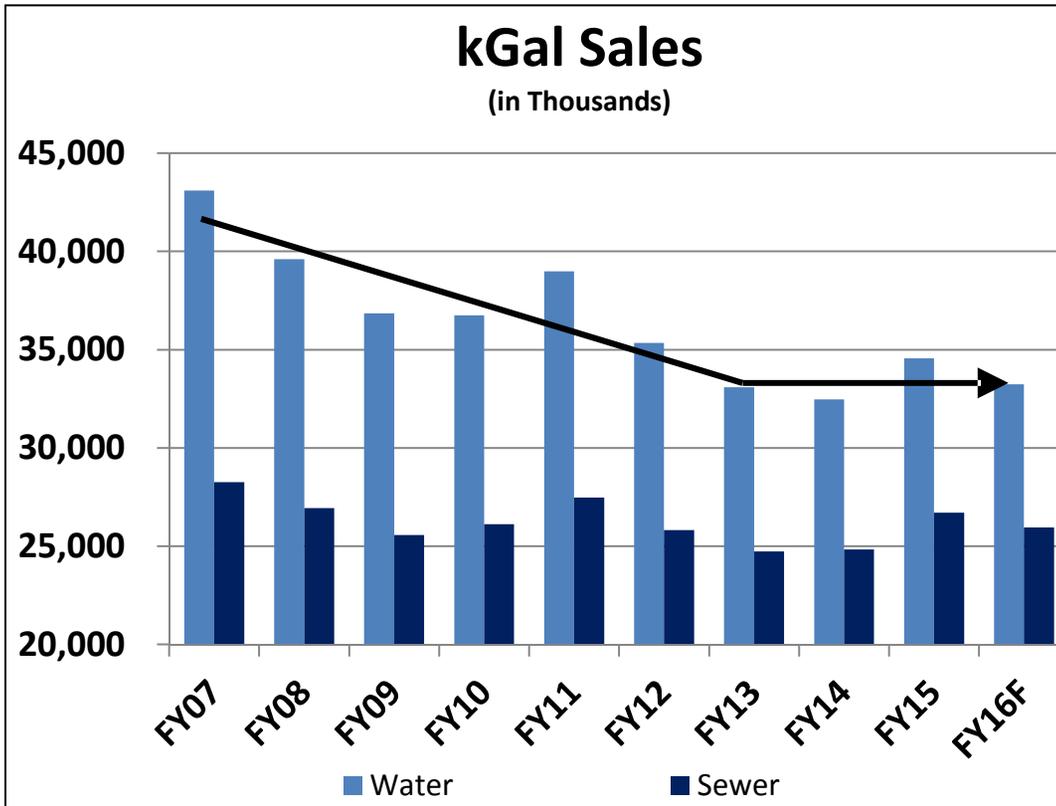
<sup>3</sup> Council approved limit for capital expenditures in FY15 is \$170 million



# JEA Water and Sewer System

## kGal Sales

(in Thousands)



Month	FY15	FY16	% Change
Oct	3,051	3,121	2.3%
<b>Year-to-Date</b>	<b>3,051</b>	<b>3,121</b>	<b>2.3%</b>
Nov	2,597		
Dec	2,708		
Jan	2,502		
Feb	2,238		
Mar	2,732		
Apr	2,765		
May	3,509		
Jun	3,382		
Jul	3,300		
Aug	3,062		
Sep	2,712		
<b>Total/Forecast</b>	<b>34,558</b>	<b>33,243</b>	

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

YTD Rain			
	30-Yr. Avg.	FY16	FY15
Inches	4	0.2	2
Days	8	5	5

<b>Total System</b>	<b>2.3%</b>
Residential	1.3%
Comm./Industrial	5.0%
Irrigation	(2.1%)



# JEA Water and Sewer System

## Financial Results and Cost Metrics

(\$ in thousands)

Revenues	FY16 Forecast	FY15 Actual	FY16 Budget	FY16F vs FY15 (\$)	Variance (%)
Water & Sewer Revenues	\$ 385,890	\$ 393,167	\$ 383,162	\$ (7,277)	-1.9%
Other Revenue	34,777	43,750	34,529	(8,973)	-20.5%
<b>Total Revenues</b>	<b>\$ 420,667</b>	<b>\$ 436,917</b>	<b>\$ 417,691</b>	<b>\$ (16,250)</b>	<b>-3.7%</b>
		\$3M			
Select Expenses					
O & M Expense	\$ 135,856	\$ 127,174	\$ 138,368	\$ (8,682)	-6.8%
<b>Net Revenues</b>	<b>\$ 259,580</b>	<b>\$ 278,471</b>	<b>\$ 275,985</b>	<b>\$ (18,891)</b>	<b>-6.8%</b>
		\$(16M)			
Capital Expenditures	\$ 173,932	\$ 100,806	\$ 175,000	\$ (73,126)	-72.5%
Debt Service	\$ 101,602	\$ 101,108	\$ 105,370	\$ (494)	-0.5%

Cost / KGal	Water	Sewer
Target	\$ 4.47	\$ 7.96
Forecast	4.95	8.29
Difference	<b>\$ (0.48)</b>	<b>\$ (0.33)</b>



# JEA Water and Sewer System

## Financial Results and Cost Metrics

Operations Page

(\$ in thousands)

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		\$3M			
Select Expenses					
O & M Expense	\$ 135,856	\$ 127,174	\$ 138,368	\$ (8,682)	-6.8%
<b>Net Revenues</b>	<b>\$ 259,580</b>	<b>\$ 278,471</b>	<b>\$ 275,985</b>	<b>\$ (18,891)</b>	<b>-6.8%</b>
		\$(16M)			
Capital Expenditures	\$ 173,932	\$ 100,806	\$ 175,000	\$ (73,126)	-72.5%
Debt Service	\$ 101,602	\$ 101,108	\$ 105,370	\$ (494)	-0.5%

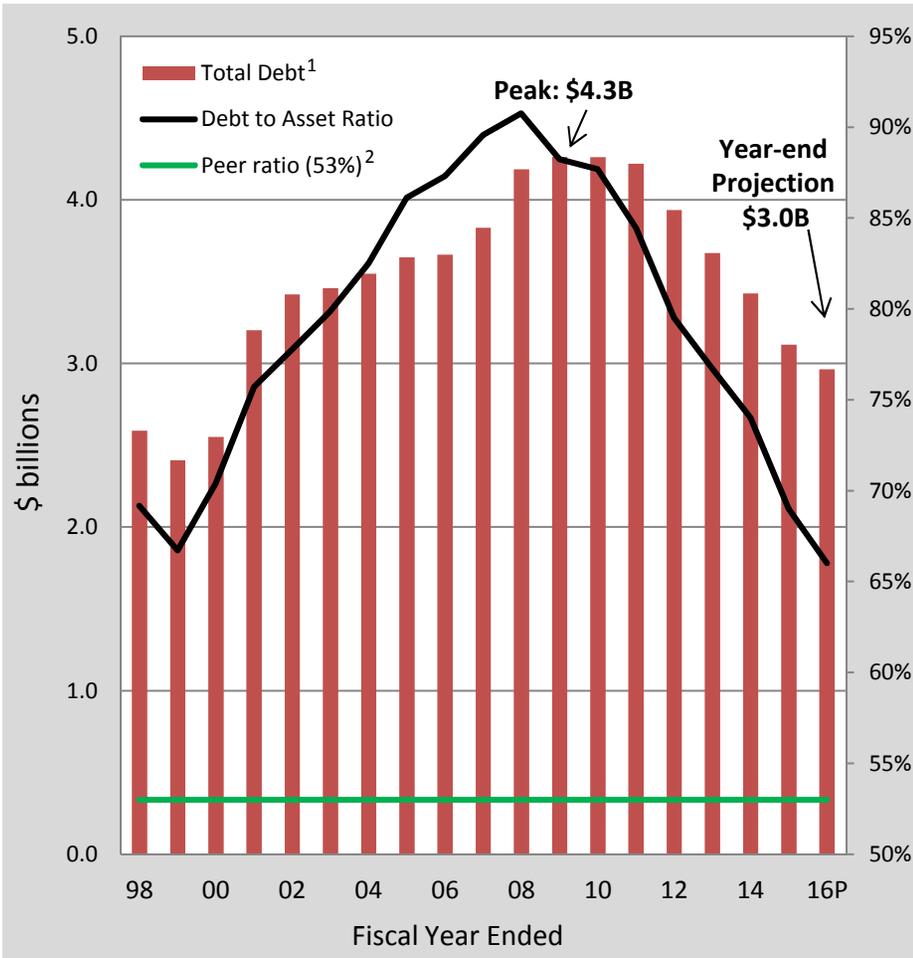
Metrics	FY16 Forecast
Coverage:	2.6x
Days Cash/Liquidity:	150 / 265
Debt/Asset:	52% (3% lower)
Total Debt:	\$1.6B (\$36M lower)

Cost / KGal	Water	Sewer
Target	\$ 4.47	\$ 7.96
Forecast	4.95	8.29
Difference	<b>\$ (0.48)</b>	<b>\$ (0.33)</b>

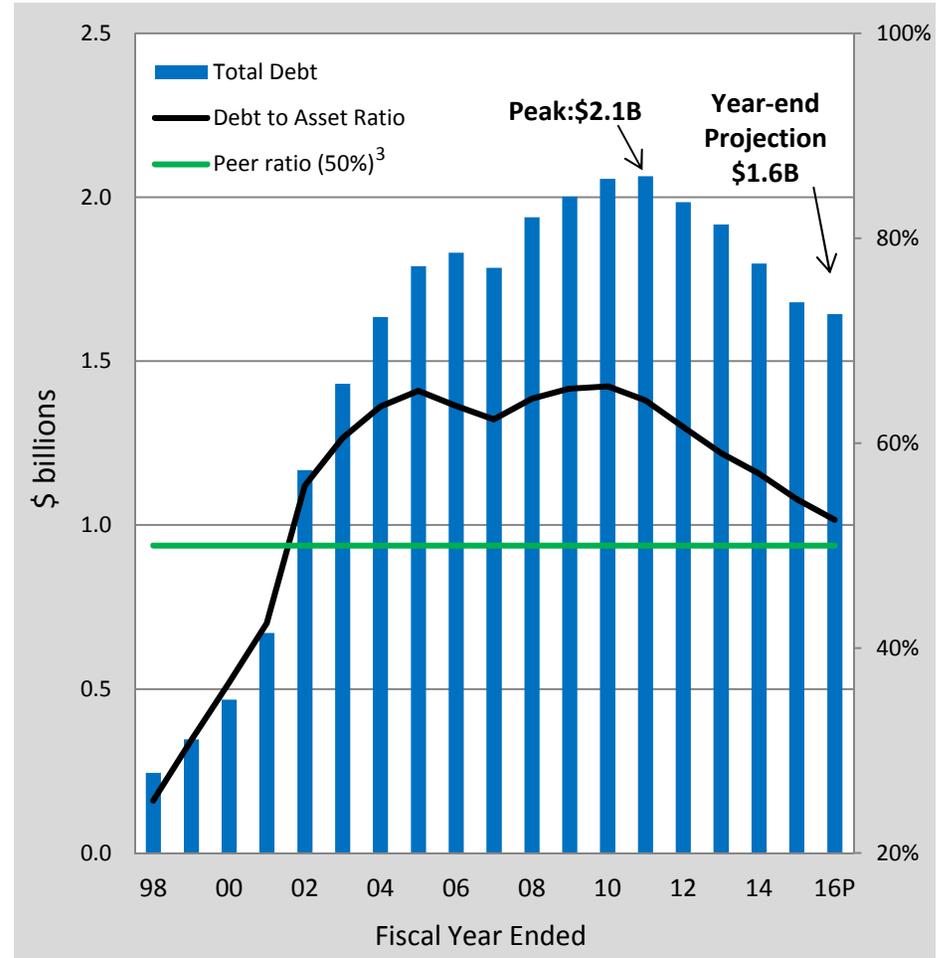


# JEA Debt and Debt to Asset Ratios

## Electric System



## Water and Sewer System



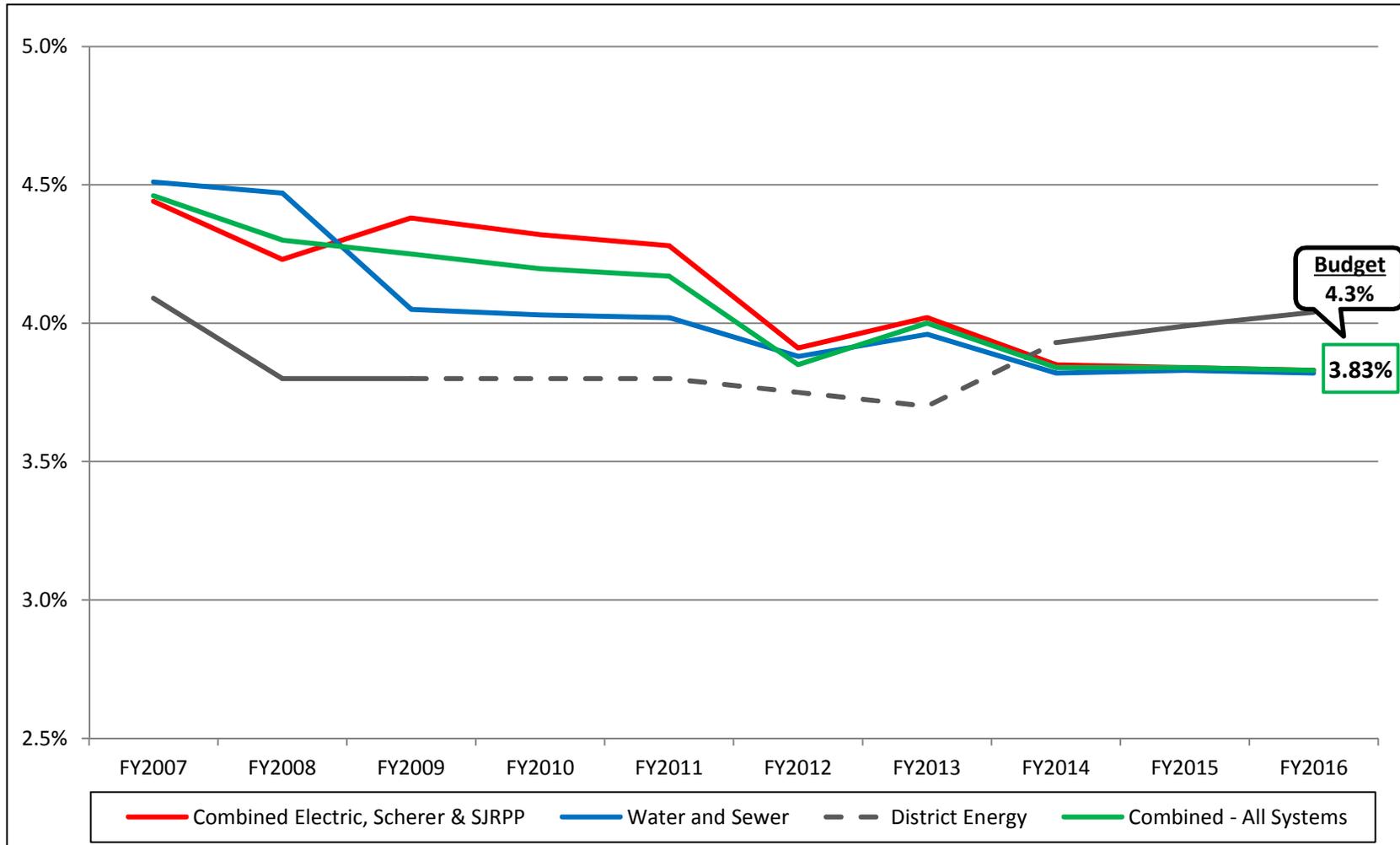
<sup>1</sup> Includes JEA, Scherer and SJRPP

<sup>2</sup> Per Moody's Special Comment, June 2014

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



# Combined Debt Outstanding Weighted Average Interest Rates\*

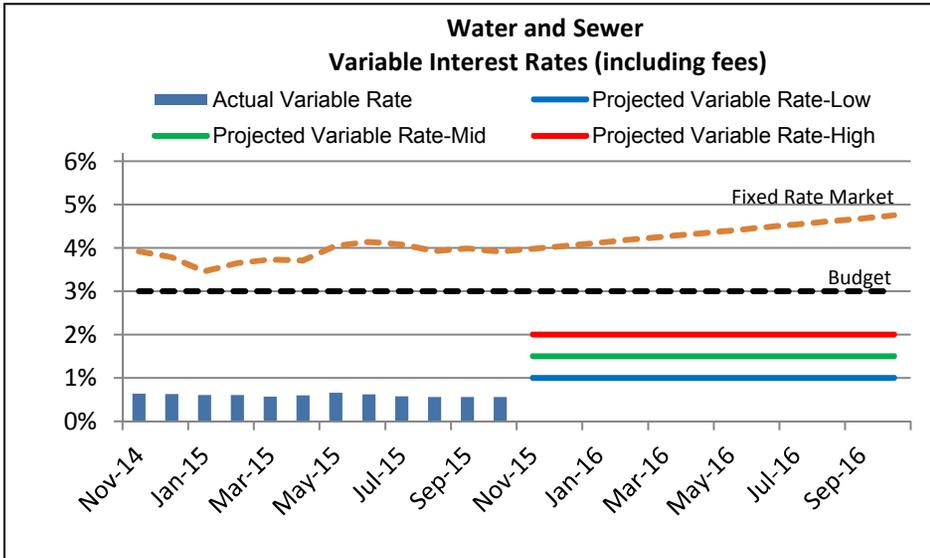
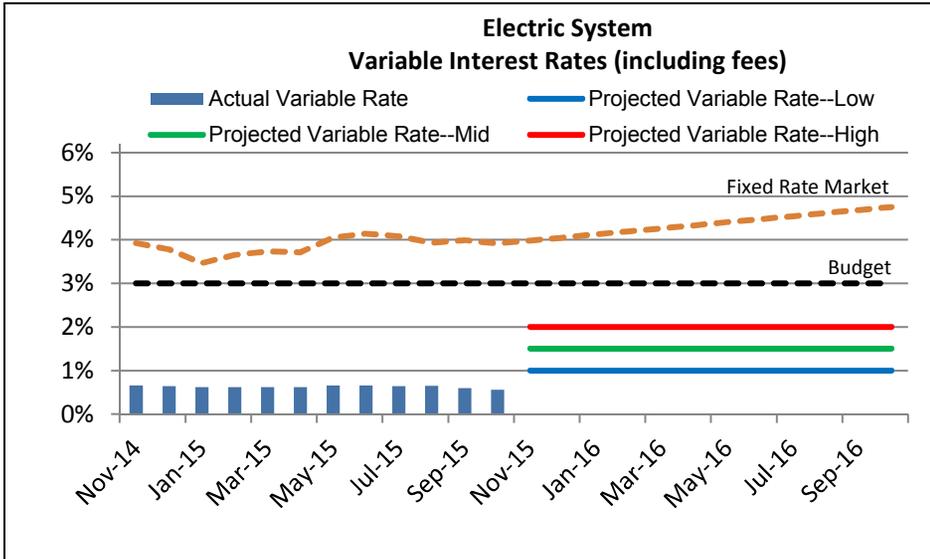


- Fiscal year end interest rates are net of BABs subsidy, original issue premiums / discounts and includes variable debt liquidity / remarketing fees and interest rate swap payments.
- - - - During FY2008 – FY2013 DES was funded with variable rate debt at an average of 1 percent.



# Variable Rate Debt Risk Analysis

(\$ in millions)



Total variable rate debt of \$887 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	\$225	26
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	18
Sumitomo	A1/A/A-	52	6
State Street Bank	A1/AA-/AA	31	4
<b>Total</b>		<b>\$849</b>	

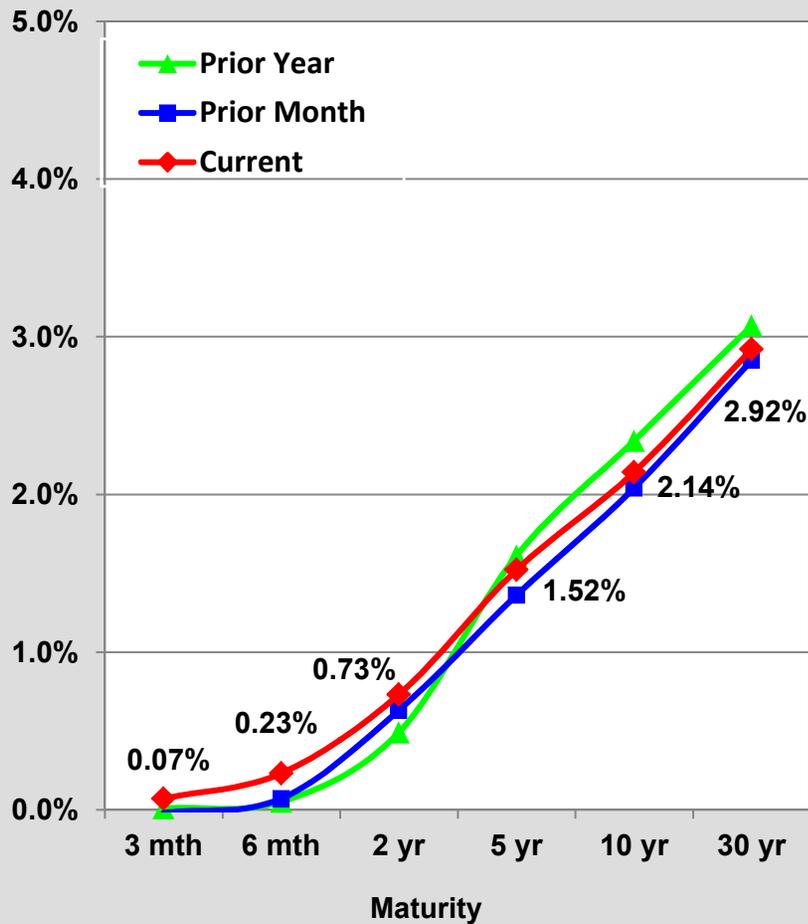
Swap Providers			
Bank	Long-Term Ratings Moody's/S&P/Fitch	\$ (in millions)	%
Morgan Stanley Capital Services	A3/A-/A	\$184	35
Goldman Sachs Mitsui Marine Derivative Products	Aa2/AAA /NR	136	25
JP Morgan Chase Bank N.A.	Aa3/A+/AA-	127	24
Merrill Lynch	Baa1/A-/A	85	16
<b>Total</b>		<b>\$532</b>	

- 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 14% 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.

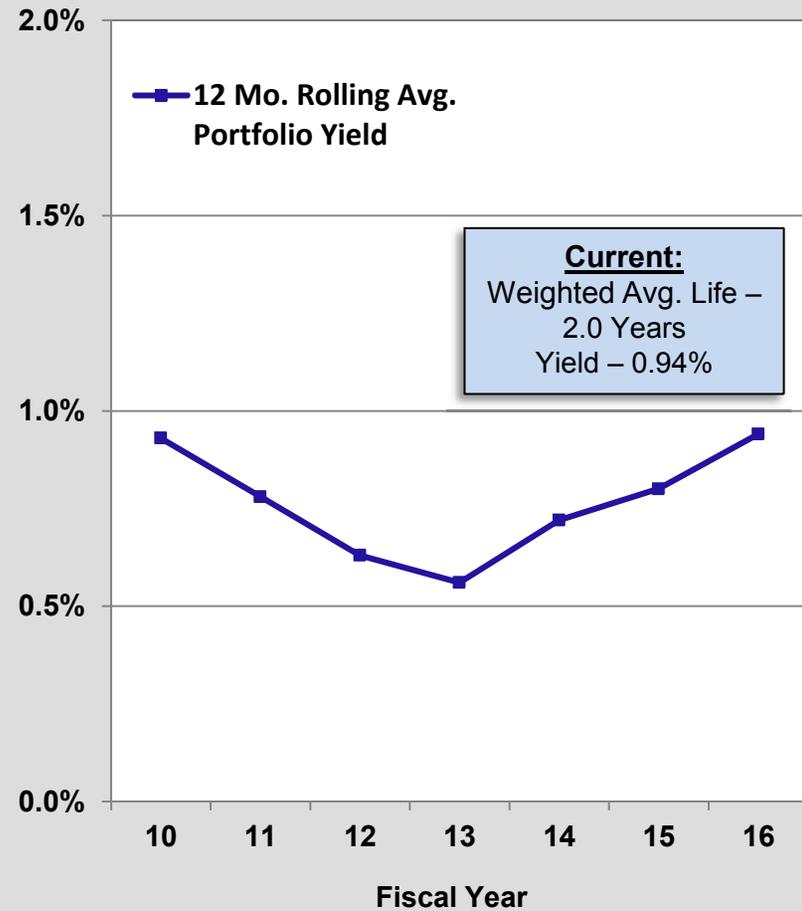


# JEA Combined Investments Outstanding

## U. S. Treasury Yield Curve



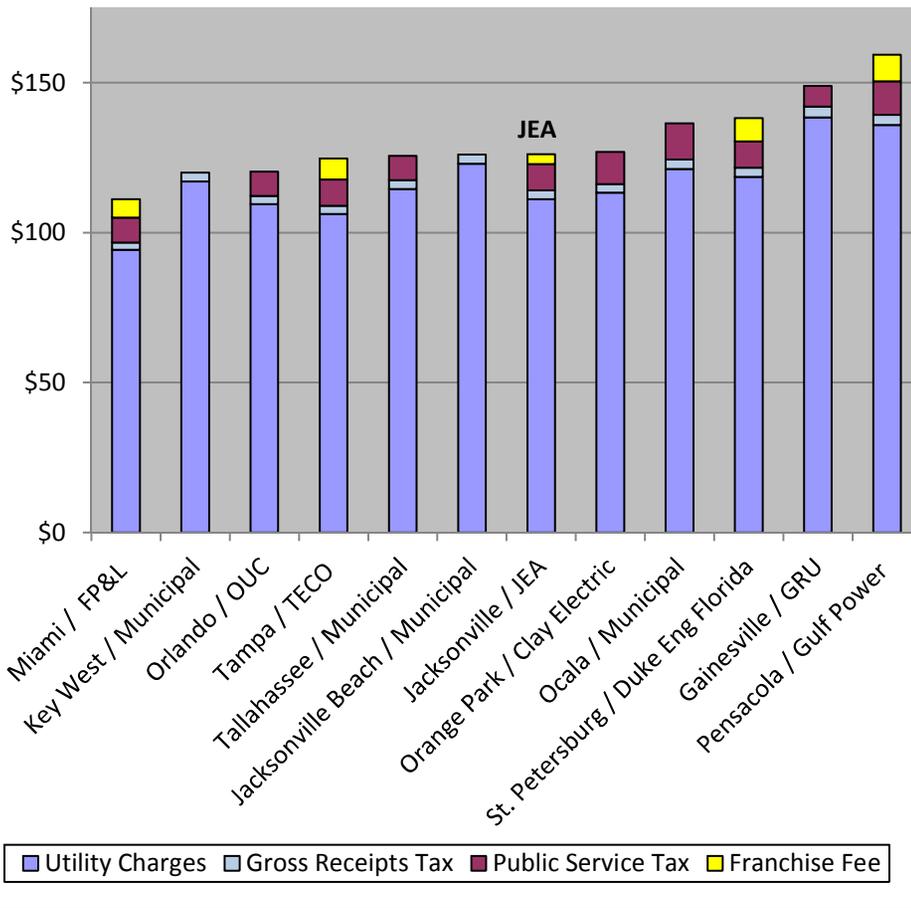
## Investment Portfolio Yield



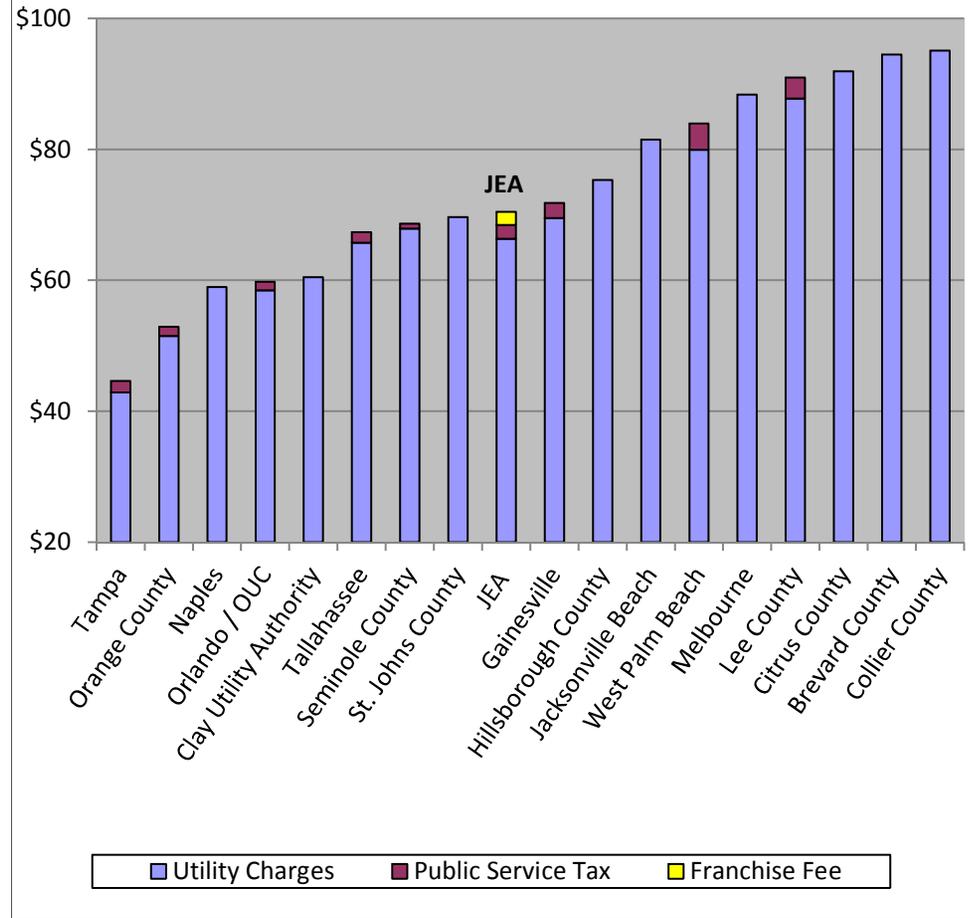


# Florida Utilities Monthly Bill Comparison

**Monthly Residential Electric Bills**  
Consumption @ 1,000 kWh



**Monthly Residential Water Bills**  
5/8" meter and 6 kgal of Consumption





Monthly Financial Statements

OCTOBER 2015

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

Monthly Financial Statements    October 31, 2015

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**Statements of Net Position****(in thousands - unaudited) October 31, 2015 and 2014**

<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>2015</b>	<b>2014 restated</b>
Current assets:		
Cash and cash equivalents	\$ 277,109	\$ 162,566
Investments	237,935	307,017
Customer accounts receivable, less allowance for doubtful accounts of \$4,395 doubtful accounts of \$4,395 in 2015 and \$4,649 in 2014	150,811	188,120
Miscellaneous accounts receivable	13,835	9,563
Interest receivable	1,516	1,494
Inventories, less reserve of \$226 in 2015 and \$1,274 in 2014:		
Fuel inventory - Electric System	65,295	54,183
Fuel inventory - Plant Scherer	5,397	3,238
Materials and supplies - Electric System	20,109	19,964
Materials and supplies - Plant Scherer	2,155	2,158
Materials and supplies - Water and Sewer	43,138	46,247
Total current assets	817,300	794,550
Restricted assets:		
Cash and cash equivalents	85,368	40,467
Investments	666,305	718,718
Accounts and interest receivable	4,843	4,667
Total restricted assets	756,516	763,852
Noncurrent assets:		
Other assets	20,237	21,535
Notes receivable - City of Jacksonville	-	189
Investment in The Energy Authority	7,402	7,986
Total noncurrent assets	27,639	29,710
Capital assets:		
Land and easements	164,023	142,355
Plant in service	10,629,468	10,558,652
Less accumulated depreciation	(5,109,172)	(4,638,208)
Plant in service, net	5,684,319	6,062,799
Construction work in progress	252,543	130,767
Capital assets, net	5,936,862	6,193,566
Total assets	7,538,317	7,781,678
Deferred outflows of resources:		
Costs to be recovered from future revenues	459,167	376,083
Pension	83,970	39,131
Unamortized losses on refundings	153,392	167,342
Accumulated decrease in fair value of fuel hedging derivatives	3,573	-
Accumulated decrease in fair value of interest swaps derivatives	148,749	105,615
Total deferred outflows of resources	848,851	688,171
Total assets and deferred outflows of resources	\$ 8,387,168	\$ 8,469,849

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**Statements of Net Position****(in thousands - unaudited) October 31, 2015 and 2014**

<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>	<b>2015</b>	<b>2014 restated</b>
Current liabilities:		
Accounts and accrued expenses payable	\$ 92,113	\$ 69,026
State utility taxes payable	1,365	2,695
City of Jacksonville payable	9,526	9,168
Compensated absences due within one year	4,534	6,152
Customer deposits	55,740	55,816
<b>Total current liabilities</b>	<b>163,278</b>	<b>142,857</b>
Current liabilities payable from restricted assets:		
Revenue bonds and line of credit due within one year	181,525	188,510
Interest payable	15,816	17,077
Construction contracts and accounts payable	16,691	6,155
Renewal and replacement reserve	83,741	89,393
<b>Total current liabilities payable from restricted assets</b>	<b>297,773</b>	<b>301,135</b>
Noncurrent liabilities:		
OPEB liability	2,150	4,542
Compensated absences due after one year	23,986	21,386
Environmental liabilities	18,662	18,662
Pension	408,629	395,990
Other liabilities	5,872	882
<b>Total noncurrent liabilities</b>	<b>459,299</b>	<b>441,462</b>
Long-term debt:		
Bonds payable, less current portion	4,467,195	4,783,425
Commercial paper notes payable	-	40,800
Unamortized premium	167,968	191,546
Fair value of debt management strategy instruments	148,749	105,615
<b>Total long-term debt</b>	<b>4,783,912</b>	<b>5,121,386</b>
<b>Total liabilities</b>	<b>5,704,262</b>	<b>6,006,840</b>
Deferred inflows of resources:		
Revenues to be used for future costs	468,070	450,337
Pension	29,796	-
<b>Total deferred inflows of resources</b>	<b>497,866</b>	<b>450,337</b>
Net position:		
Net investment in capital assets	1,501,501	1,243,619
Restricted	355,497	360,902
Unrestricted	328,042	408,151
<b>Total net position</b>	<b>2,185,040</b>	<b>2,012,672</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 8,387,168</b>	<b>\$ 8,469,849</b>

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

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Combining Statement of Net Position  
(in thousands - unaudited) October 31, 2015

	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
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>								
Current assets:								
Cash and cash equivalents	\$ 186,355	\$ 31,687	\$ -	\$ 218,042	\$ 55,194	\$ 3,873	\$ -	\$ 277,109
Investments	225,184	12,751	-	237,935	-	-	-	237,935
Customer accounts receivable, less allowance for doubtful accounts of \$4,395	113,370	-	-	113,370	36,679	762	-	150,811
Miscellaneous accounts receivable	11,297	9,915	(8,294)	12,918	917	-	-	13,835
Interest receivable	782	28	-	810	706	-	-	1,516
Inventories, less reserve of \$226:								
Fuel inventory - Electric System	35,092	30,203	-	65,295	-	-	-	65,295
Fuel inventory - Plant Scherer	5,397	-	-	5,397	-	-	-	5,397
Materials and supplies - Electric System	-	20,109	-	20,109	-	-	-	20,109
Materials and supplies - Plant Scherer	2,155	-	-	2,155	-	-	-	2,155
Materials and supplies - Water and Sewer	-	-	-	-	43,138	-	-	43,138
<b>Total current assets</b>	<b>579,632</b>	<b>104,693</b>	<b>(8,294)</b>	<b>676,031</b>	<b>136,634</b>	<b>4,635</b>	<b>-</b>	<b>817,300</b>
Restricted assets:								
Cash and cash equivalents	158	43,299	-	43,457	39,138	2,773	-	85,368
Investments	235,227	193,881	-	429,108	237,197	-	-	666,305
Accounts and interest receivable	1,277	1,173	-	2,450	2,393	-	-	4,843
<b>Total restricted assets</b>	<b>236,662</b>	<b>238,353</b>	<b>-</b>	<b>475,015</b>	<b>278,728</b>	<b>2,773</b>	<b>-</b>	<b>756,516</b>
Noncurrent assets:								
Other assets	10,315	-	-	10,315	9,922	-	-	20,237
Investment in The Energy Authority	7,402	-	-	7,402	-	-	-	7,402
<b>Total noncurrent assets</b>	<b>17,717</b>	<b>-</b>	<b>-</b>	<b>17,717</b>	<b>9,922</b>	<b>-</b>	<b>-</b>	<b>27,639</b>
Capital assets:								
Land and easements	95,177	6,660	-	101,837	59,135	3,051	-	164,023
Plant in service	5,072,476	1,363,782	-	6,436,258	4,140,619	52,591	-	10,629,468
Less accumulated depreciation	(2,514,014)	(815,323)	-	(3,329,337)	(1,760,119)	(19,716)	-	(5,109,172)
Plant in service, net	2,653,639	555,119	-	3,208,758	2,439,635	35,926	-	5,684,319
Construction work in progress	123,274	13,989	-	137,263	114,294	986	-	252,543
Capital assets, net	2,776,913	569,108	-	3,346,021	2,553,929	36,912	-	5,936,862
<b>Total assets</b>	<b>3,610,924</b>	<b>912,154</b>	<b>(8,294)</b>	<b>4,514,784</b>	<b>2,979,213</b>	<b>44,320</b>	<b>-</b>	<b>7,538,317</b>
Deferred outflows of resources:								
Costs to be recovered from future revenues	229,378	7,122	-	236,500	222,667	-	-	459,167
Pension	48,712	4,115	-	52,827	31,143	-	-	83,970
Unamortized losses on refundings	84,846	19,562	-	104,408	48,766	218	-	153,392
Accumulated decrease in fair value of fuel hedging derivatives	3,573	-	-	3,573	-	-	-	3,573
Accumulated decrease in fair value of interest swaps derivatives	120,400	-	-	120,400	28,349	-	-	148,749
<b>Total deferred outflows of resources</b>	<b>486,909</b>	<b>30,799</b>	<b>-</b>	<b>517,708</b>	<b>330,925</b>	<b>218</b>	<b>-</b>	<b>848,851</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 4,097,833</b>	<b>\$ 942,953</b>	<b>\$ (8,294)</b>	<b>\$ 5,032,492</b>	<b>\$ 3,310,138</b>	<b>\$ 44,538</b>	<b>\$ -</b>	<b>\$ 8,387,168</b>

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

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Combining Statement of Net Position  
(in thousands - unaudited) October 31, 2015

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND 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
Current liabilities:								
Accounts and accrued expenses payable	\$ 64,589	\$ 15,066	\$ (936)	\$ 78,719	\$ 13,362	\$ 32	\$ -	\$ 92,113
State utility taxes payable	1,365	-	-	1,365	-	-	-	1,365
City of Jacksonville payable	7,643	-	-	7,643	1,883	-	-	9,526
Compensated absences due within one year	1,824	1,486	-	3,310	1,217	7	-	4,534
Customer deposits	42,500	-	-	42,500	13,240	-	-	55,740
<b>Total current liabilities</b>	<b>117,921</b>	<b>16,552</b>	<b>(936)</b>	<b>133,537</b>	<b>29,702</b>	<b>39</b>	<b>-</b>	<b>163,278</b>
Current liabilities payable from restricted assets:								
Revenue bonds and line of credit due within one year	102,240	43,785	-	146,025	33,875	1,625	-	181,525
Interest payable	8,357	1,777	-	10,134	5,565	117	-	15,816
Construction contracts and accounts payable	5,783	9,786	(7,358)	8,211	8,458	22	-	16,691
Renewal and replacement reserve	-	83,741	-	83,741	-	-	-	83,741
<b>Total current liabilities payable from restricted assets</b>	<b>116,380</b>	<b>139,089</b>	<b>(7,358)</b>	<b>248,111</b>	<b>47,898</b>	<b>1,764</b>	<b>-</b>	<b>297,773</b>
Noncurrent liabilities:								
OPEB liability	1,356	-	-	1,356	794	-	-	2,150
Compensated absences due after one year	16,419	1,392	-	17,811	6,118	57	-	23,986
Environmental liabilities	18,662	-	-	18,662	-	-	-	18,662
Pension	246,724	4,163	-	250,887	157,742	-	-	408,629
Other liabilities	3,573	-	-	3,573	2,299	-	-	5,872
<b>Total noncurrent liabilities</b>	<b>286,734</b>	<b>5,555</b>	<b>-</b>	<b>292,289</b>	<b>166,953</b>	<b>57</b>	<b>-</b>	<b>459,299</b>
Long-term debt:								
Bonds payable, less current portion	2,369,215	450,215	-	2,819,430	1,609,640	38,125	-	4,467,195
Unamortized premium (discount)	82,857	23,666	-	106,523	61,493	(48)	-	167,968
Fair value of debt management strategy instruments	120,400	-	-	120,400	28,349	-	-	148,749
<b>Total long-term debt</b>	<b>2,572,472</b>	<b>473,881</b>	<b>-</b>	<b>3,046,353</b>	<b>1,699,482</b>	<b>38,077</b>	<b>-</b>	<b>4,783,912</b>
<b>Total liabilities</b>	<b>3,093,507</b>	<b>635,077</b>	<b>(8,294)</b>	<b>3,720,290</b>	<b>1,944,035</b>	<b>39,937</b>	<b>-</b>	<b>5,704,262</b>
Deferred inflows of resources:								
Revenues to be used for future costs	275,513	170,425	-	445,938	22,132	-	-	468,070
Pension	16,446	2,835	-	19,281	10,515	-	-	29,796
<b>Total deferred inflows of resources</b>	<b>291,959</b>	<b>173,260</b>	<b>-</b>	<b>465,219</b>	<b>32,647</b>	<b>-</b>	<b>-</b>	<b>497,866</b>
Net position:								
Net investment in capital assets	337,485	35,940	-	373,425	1,130,670	(2,594)	-	1,501,501
Restricted	158,858	14,810	7,358	181,026	171,815	2,656	-	355,497
Unrestricted	216,024	83,866	(7,358)	292,532	30,971	4,539	-	328,042
<b>Total net position</b>	<b>712,367</b>	<b>134,616</b>	<b>-</b>	<b>846,983</b>	<b>1,333,456</b>	<b>4,601</b>	<b>-</b>	<b>2,185,040</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 4,097,833</b>	<b>\$ 942,953</b>	<b>\$ (8,294)</b>	<b>\$ 5,032,492</b>	<b>\$ 3,310,138</b>	<b>\$ 44,538</b>	<b>\$ -</b>	<b>\$ 8,387,168</b>

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

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Combining Statement of Net Position

(in thousands - unaudited) October 31, 2014 restated

	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
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>								
Current assets:								
Cash and cash equivalents	\$ 72,812	\$ 54,215	\$ -	\$ 127,027	\$ 31,751	\$ 3,788	\$ -	\$ 162,566
Investments	265,728	30,141	-	295,869	11,148	-	-	307,017
Customer accounts receivable, less allowance for doubtful accounts of \$4,649	152,903	-	-	152,903	34,636	581	-	188,120
Miscellaneous accounts receivable	9,416	4,970	(5,443)	8,943	620	-	-	9,563
Interest receivable	813	2	-	815	679	-	-	1,494
Inventories, less reserve of \$1,274:								
Fuel inventory - Electric System	31,701	22,482	-	54,183	-	-	-	54,183
Fuel inventory - Plant Scherer	3,238	-	-	3,238	-	-	-	3,238
Materials and supplies - Electric System	-	19,964	-	19,964	-	-	-	19,964
Materials and supplies - Plant Scherer	2,158	-	-	2,158	-	-	-	2,158
Materials and supplies - Water and Sewer	-	-	-	-	46,247	-	-	46,247
<b>Total current assets</b>	<b>538,769</b>	<b>131,774</b>	<b>(5,443)</b>	<b>665,100</b>	<b>125,081</b>	<b>4,369</b>	<b>-</b>	<b>794,550</b>
Restricted assets:								
Cash and cash equivalents	140	36,603	-	36,743	861	2,863	-	40,467
Investments	237,162	205,693	-	442,855	275,863	-	-	718,718
Accounts and interest receivable	1,479	1,180	-	2,659	2,008	-	-	4,667
<b>Total restricted assets</b>	<b>238,781</b>	<b>243,476</b>	<b>-</b>	<b>482,257</b>	<b>278,732</b>	<b>2,863</b>	<b>-</b>	<b>763,852</b>
Noncurrent assets:								
Other assets	10,092	-	-	10,092	11,443	-	-	21,535
Notes receivable - City of Jacksonville	-	-	-	-	189	-	-	189
Investment in The Energy Authority	7,986	-	-	7,986	-	-	-	7,986
<b>Total noncurrent assets</b>	<b>18,078</b>	<b>-</b>	<b>-</b>	<b>18,078</b>	<b>11,632</b>	<b>-</b>	<b>-</b>	<b>29,710</b>
Capital assets:								
Land and easements	73,621	6,660	-	80,281	59,023	3,051	-	142,355
Plant in service	5,056,886	1,388,798	-	6,445,684	4,060,689	52,279	-	10,558,652
Less accumulated depreciation	(2,329,304)	(791,184)	-	(3,120,488)	(1,500,293)	(17,427)	-	(4,638,208)
Plant in service, net	2,801,203	604,274	-	3,405,477	2,619,419	37,903	-	6,062,799
Construction work in progress	44,835	16,037	-	60,872	69,566	329	-	130,767
Capital assets, net	2,846,038	620,311	-	3,466,349	2,688,985	38,232	-	6,193,566
<b>Total assets</b>	<b>3,641,666</b>	<b>995,561</b>	<b>(5,443)</b>	<b>4,631,784</b>	<b>3,104,430</b>	<b>45,464</b>	<b>-</b>	<b>7,781,678</b>
Deferred outflows of resources:								
Costs to be recovered from future revenues	228,958	9,875	-	238,833	137,250	-	-	376,083
Pension	21,157	4,447	-	25,604	13,527	-	-	39,131
Unamortized losses on refundings	90,340	25,428	-	115,768	51,349	225	-	167,342
Accumulated decrease in fair value of interest swaps derivatives	88,022	-	-	88,022	17,593	-	-	105,615
<b>Total deferred outflows of resources</b>	<b>428,477</b>	<b>39,750</b>	<b>-</b>	<b>468,227</b>	<b>219,719</b>	<b>225</b>	<b>-</b>	<b>688,171</b>
<b>Total assets and deferred outflows of resources</b>	<b>\$ 4,070,143</b>	<b>\$ 1,035,311</b>	<b>\$ (5,443)</b>	<b>\$ 5,100,011</b>	<b>\$ 3,324,149</b>	<b>\$ 45,689</b>	<b>\$ -</b>	<b>\$ 8,469,849</b>

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

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Combining Statement of Net Position

(in thousands - unaudited) October 31, 2014 restated

LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND 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
Current liabilities:								
Accounts and accrued expenses payable	\$ 48,371	\$ 10,500	\$ (170)	\$ 58,701	\$ 10,296	\$ 29	\$ -	\$ 69,026
State utility taxes payable	2,695	-	-	2,695	-	-	-	2,695
City of Jacksonville payable	7,277	-	-	7,277	1,891	-	-	9,168
Compensated absences due within one year	3,950	1,486	-	5,436	710	6	-	6,152
Customer deposits	42,989	-	-	42,989	12,827	-	-	55,816
Total current liabilities	105,282	11,986	(170)	117,098	25,724	35	-	142,857
Current liabilities payable from restricted assets:								
Revenue bonds and line of credit due within one year	99,905	50,815	-	150,720	36,180	1,610	-	188,510
Interest payable	8,930	2,111	-	11,041	5,919	117	-	17,077
Construction contracts and accounts payable	1,449	5,637	(5,273)	1,813	4,342	-	-	6,155
Renewal and replacement reserve	-	89,393	-	89,393	-	-	-	89,393
Total current liabilities payable from restricted assets	110,284	147,956	(5,273)	252,967	46,441	1,727	-	301,135
Noncurrent liabilities:								
OPEB liability	2,867	-	-	2,867	1,675	-	-	4,542
Compensated absences due after one year	13,418	1,394	-	14,812	6,524	50	-	21,386
Environmental liabilities	18,662	-	-	18,662	-	-	-	18,662
Pension	235,941	9,201	-	245,142	150,848	-	-	395,990
Other liabilities	-	-	-	-	882	-	-	882
Total noncurrent liabilities	270,888	10,595	-	281,483	159,929	50	-	441,462
Long-term debt:								
Bonds payable, less current portion	2,498,500	528,295	-	3,026,795	1,716,880	39,750	-	4,783,425
Commercial paper notes payable	40,800	-	-	40,800	-	-	-	40,800
Unamortized premium (discount)	96,931	24,950	-	121,881	69,718	(53)	-	191,546
Fair value of debt management strategy instruments	88,022	-	-	88,022	17,593	-	-	105,615
Total long-term debt	2,724,253	553,245	-	3,277,498	1,804,191	39,697	-	5,121,386
Total liabilities	3,210,707	723,782	(5,443)	3,929,046	2,036,285	41,509	-	6,006,840
Deferred inflows of resources:								
Revenues to be used for future costs	250,391	178,125	-	428,516	21,821	-	-	450,337
Total deferred inflows of resources	250,391	178,125	-	428,516	21,821	-	-	450,337
Net position:								
Net investment in capital assets	230,237	(1,496)	-	228,741	1,017,728	(2,850)	-	1,243,619
Restricted	160,159	21,259	5,273	186,691	171,465	2,746	-	360,902
Unrestricted	218,649	113,641	(5,273)	327,017	76,850	4,284	-	408,151
Total net position	609,045	133,404	-	742,449	1,266,043	4,180	-	2,012,672
Total liabilities, deferred inflows of resources, and net position	\$ 4,070,143	\$ 1,035,311	\$ (5,443)	\$ 5,100,011	\$ 3,324,149	\$ 45,689	\$ -	\$ 8,469,849

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

**JEA**  
**Schedule of Cash and Investments**  
**(in thousands - unaudited) October 31, 2015**

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	<b>Electric System and Bulk Power Supply System</b>	<b>SJRPP System</b>	<b>Total Electric Enterprise Fund</b>	<b>Water and Sewer Enterprise Fund</b>	<b>District Energy System Fund</b>	<b>Total JEA</b>
<b>Unrestricted cash and investments:</b>						
Operations	\$ 113,893	\$ 17,028	\$ 130,921	\$ 19,819	\$ 1,136	\$ 151,876
<b>Self insurance reserve funds:</b>						
Self funded health plan	10,374	-	10,374	-	-	10,374
Property insurance reserve	10,000	-	10,000	-	-	10,000
<b>Total self insurance reserve funds</b>	<b>20,374</b>	<b>-</b>	<b>20,374</b>	<b>-</b>	<b>-</b>	<b>20,374</b>
<b>Rate stabilization:</b>						
DSM/Conservation	3,348	-	3,348	-	-	3,348
Debt management	42,126	-	42,126	20,290	2,737	65,153
Environmental	24,061	-	24,061	1,845	-	25,906
Fuel	108,734	-	108,734	-	-	108,734
Purchased Power	38,000	-	38,000	-	-	38,000
<b>Total rate stabilization funds</b>	<b>216,269</b>	<b>-</b>	<b>216,269</b>	<b>22,135</b>	<b>2,737</b>	<b>241,141</b>
Environmental liability reserve	18,662	-	18,662	-	-	18,662
General reserve	-	27,410	27,410	-	-	27,410
Customer deposits	42,341	-	42,341	13,240	-	55,581
<b>Total unrestricted cash and investments</b>	<b>\$ 411,539</b>	<b>\$ 44,438</b>	<b>\$ 455,977</b>	<b>\$ 55,194</b>	<b>\$ 3,873</b>	<b>\$ 515,044</b>
<b>Restricted assets:</b>						
Debt service funds	\$ 15,586	\$ 4,021	\$ 19,607	\$ 8,019	\$ 252	\$ 27,878
Debt service reserve account	69,446	136,852	206,298	108,850	-	315,148
Water environmental funds	-	-	-	-	-	-
Renewal and replacement funds	146,960	83,665	230,625	154,774	2,521	387,920
Construction funds	-	77	77	664	-	741
<b>Subtotal</b>	<b>231,992</b>	<b>224,615</b>	<b>456,607</b>	<b>272,307</b>	<b>2,773</b>	<b>731,687</b>
Other funds	158	13,827	13,985	69	-	14,054
Unrealized holding gain (loss) on investments	3,235	(1,262)	1,973	3,959	-	5,932
<b>Total restricted cash and investments</b>	<b>\$ 235,385</b>	<b>\$ 237,180</b>	<b>\$ 472,565</b>	<b>\$ 276,335</b>	<b>\$ 2,773</b>	<b>\$ 751,673</b>

**JEA**  
**Schedule of Cash and Investments**  
**(in thousands - unaudited) October 31, 2014 restated**

	<b>Electric System and Bulk Power Supply System</b>	<b>SJRPP System</b>	<b>Total Electric Enterprise Fund</b>	<b>Water and Sewer Enterprise Fund</b>	<b>District Energy System Fund</b>	<b>Total JEA</b>
<b>Unrestricted cash and investments:</b>						
Operations	\$ 69,412	\$ 17,997	\$ 87,409	\$ 9,477	\$ 1,051	\$ 97,937
Debt management strategy reserve	-	-	-	304	-	304
<b>Self insurance reserve funds:</b>						
Self funded health plan	12,860	-	12,860	-	-	12,860
Property insurance reserve	10,000	-	10,000	-	-	10,000
<b>Total self insurance reserve funds</b>	<b>22,860</b>	<b>-</b>	<b>22,860</b>	<b>-</b>	<b>-</b>	<b>22,860</b>
<b>Rate stabilization:</b>						
DSM/Conservation	4,046	-	4,046	-	-	4,046
Debt management	42,126	-	42,126	20,290	2,737	65,153
Environmental	17,155	-	17,155	-	-	17,155
Fuel	109,456	-	109,456	-	-	109,456
Purchased Power	12,000	-	12,000	-	-	12,000
<b>Total rate stabilization funds</b>	<b>184,783</b>	<b>-</b>	<b>184,783</b>	<b>20,290</b>	<b>2,737</b>	<b>207,810</b>
Environmental liability reserve	18,662	-	18,662	-	-	18,662
General reserve	-	66,359	66,359	-	-	66,359
Customer deposits	42,823	-	42,823	12,828	-	55,651
<b>Total unrestricted cash and investments</b>	<b>\$ 338,540</b>	<b>\$ 84,356</b>	<b>\$ 422,896</b>	<b>\$ 42,899</b>	<b>\$ 3,788</b>	<b>\$ 469,583</b>
<b>Restricted assets:</b>						
Debt service funds	\$ 15,962	\$ 4,746	\$ 20,708	\$ 8,626	\$ 252	\$ 29,586
Debt service reserve account	69,692	129,496	199,188	116,829	-	316,017
Water environmental funds	-	-	-	1,854	-	1,854
Renewal and replacement funds	148,317	89,282	237,599	145,022	2,611	385,232
Construction funds	39	147	186	670	-	856
<b>Subtotal</b>	<b>234,010</b>	<b>223,671</b>	<b>457,681</b>	<b>273,001</b>	<b>2,863</b>	<b>733,545</b>
Other funds	93	19,811	19,904	191	-	20,095
Unrealized holding gain (loss) on investments	3,199	(1,186)	2,013	3,532	-	5,545
<b>Total restricted cash and investments</b>	<b>\$ 237,302</b>	<b>\$ 242,296</b>	<b>\$ 479,598</b>	<b>\$ 276,724</b>	<b>\$ 2,863</b>	<b>\$ 759,185</b>

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

	Month October		Year-To-Date October	
	2015	2014 restated	2015	2014 restated
Operating revenues (net of allowances and discounts) :				
Electric - base	\$ 57,144	\$ 62,569	\$ 57,144	\$ 62,569
Electric - fuel and purchased power	43,966	49,167	43,966	49,167
Water and Sewer	34,117	32,918	34,117	32,918
District Energy	812	840	812	840
Other, net of allowances	3,125	3,333	3,125	3,333
Total operating revenues	139,164	148,827	139,164	148,827
Operating expenses:				
Operations:				
Fuel	37,815	43,606	37,815	43,606
Purchased power	2,291	1,976	2,291	1,976
Other	21,574	20,741	21,574	20,741
Maintenance	5,997	6,642	5,997	6,642
Depreciation	30,167	31,111	30,167	31,111
State utility taxes and franchise fees	3,705	6,565	3,705	6,565
Recognition of deferred costs and revenues, net	(1,177)	(890)	(1,177)	(890)
Total operating expenses	100,372	109,751	100,372	109,751
Operating income	38,792	39,076	38,792	39,076
Nonoperating revenues (expenses):				
Earnings from The Energy Authority	(89)	165	(89)	165
Investment income	1,016	923	1,016	923
Other revenue	781	604	781	604
Other expense	(21)	-	(21)	-
Interest on debt	(13,335)	(14,645)	(13,335)	(14,645)
Debt management strategy	(1,659)	(1,601)	(1,659)	(1,601)
Other interest, net	(188)	(10)	(188)	(10)
Allowance for funds used during construction	807	456	807	456
Total nonoperating revenues (expenses), net	(12,688)	(14,108)	(12,688)	(14,108)
Special Item	-	151,490	-	151,490
Income before contributions	26,104	176,458	26,104	176,458
Contributions (to) from:				
General fund, City of Jacksonville	(9,515)	(9,307)	(9,515)	(9,307)
Developers and other	2,856	4,367	2,856	4,367
Reduction of plant cost through contributions	(1,314)	(2,747)	(1,314)	(2,747)
Total contributions	(7,973)	(7,687)	(7,973)	(7,687)
Change in net position	18,131	168,771	18,131	168,771
Net position - beginning of period	2,166,909	1,843,901	2,166,909	1,843,901
Net position - end of period	\$ 2,185,040	\$ 2,012,672	\$ 2,185,040	\$ 2,012,672

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**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**(in thousands - unaudited) for the month ended October 31, 2015**

	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) :								
Electric - base	\$ 57,327	\$ -	\$ -	\$ 57,327	\$ -	\$ -	\$ (183)	\$ 57,144
Electric - fuel and purchased power	31,887	25,320	(12,552)	44,655	-	-	(689)	43,966
Water and Sewer	-	-	-	-	34,172	-	(55)	34,117
District Energy	-	-	-	-	-	812	-	812
Other, net of allowances	2,445	-	-	2,445	997	-	(317)	3,125
<b>Total operating revenues</b>	<b>91,659</b>	<b>25,320</b>	<b>(12,552)</b>	<b>104,427</b>	<b>35,169</b>	<b>812</b>	<b>(1,244)</b>	<b>139,164</b>
Operating expenses:								
Operations:								
Fuel	21,221	16,594	-	37,815	-	-	-	37,815
Purchased power	14,843	-	(12,552)	2,291	-	-	-	2,291
Other	12,154	2,647	-	14,801	7,857	160	(1,244)	21,574
Maintenance	3,841	1,006	-	4,847	1,088	62	-	5,997
Depreciation	15,638	3,563	-	19,201	10,775	191	-	30,167
State utility taxes and franchise fees	2,845	-	-	2,845	860	-	-	3,705
Recognition of deferred costs and revenues, net	(218)	(970)	-	(1,188)	11	-	-	(1,177)
<b>Total operating expenses</b>	<b>70,324</b>	<b>22,840</b>	<b>(12,552)</b>	<b>80,612</b>	<b>20,591</b>	<b>413</b>	<b>(1,244)</b>	<b>100,372</b>
<b>Operating income</b>	<b>21,335</b>	<b>2,480</b>	<b>-</b>	<b>23,815</b>	<b>14,578</b>	<b>399</b>	<b>-</b>	<b>38,792</b>
Nonoperating revenues (expenses):								
Earnings from The Energy Authority	(89)	-	-	(89)	-	-	-	(89)
Investment income	488	318	-	806	210	-	-	1,016
Other revenue	373	34	-	407	374	-	-	781
Other expense	(21)	-	-	(21)	-	-	-	(21)
Interest on debt	(6,284)	(2,211)	-	(8,495)	(4,722)	(118)	-	(13,335)
Debt management strategy	(1,291)	-	-	(1,291)	(368)	-	-	(1,659)
Other interest, net	(146)	-	-	(146)	(42)	-	-	(188)
Allowance for funds used during construction	410	-	-	410	394	3	-	807
<b>Total nonoperating revenues (expenses), net</b>	<b>(6,560)</b>	<b>(1,859)</b>	<b>-</b>	<b>(8,419)</b>	<b>(4,154)</b>	<b>(115)</b>	<b>-</b>	<b>(12,688)</b>
<b>Income before contributions</b>	<b>14,775</b>	<b>621</b>	<b>-</b>	<b>15,396</b>	<b>10,424</b>	<b>284</b>	<b>-</b>	<b>26,104</b>
Contributions (to) from:								
General fund, City of Jacksonville	(7,643)	-	-	(7,643)	(1,872)	-	-	(9,515)
Developers and other	-	-	-	-	2,856	-	-	2,856
Reduction of plant cost through contributions	-	-	-	-	(1,314)	-	-	(1,314)
<b>Total contributions</b>	<b>(7,643)</b>	<b>-</b>	<b>-</b>	<b>(7,643)</b>	<b>(330)</b>	<b>-</b>	<b>-</b>	<b>(7,973)</b>
<b>Change in net position</b>	<b>7,132</b>	<b>621</b>	<b>-</b>	<b>7,753</b>	<b>10,094</b>	<b>284</b>	<b>-</b>	<b>18,131</b>
<b>Net position - beginning of period</b>	<b>705,235</b>	<b>133,995</b>	<b>-</b>	<b>839,230</b>	<b>1,323,362</b>	<b>4,317</b>	<b>-</b>	<b>2,166,909</b>
<b>Net position - end of period</b>	<b>\$ 712,367</b>	<b>\$ 134,616</b>	<b>\$ -</b>	<b>\$ 846,983</b>	<b>\$ 1,333,456</b>	<b>\$ 4,601</b>	<b>\$ -</b>	<b>\$ 2,185,040</b>

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**Combining Statement of Revenues, Expenses and Changes in Net Position**  
(in thousands - unaudited) for the month ended October 31, 2014 restated

	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	Eliminations	Total JEA
Operating revenues (net of allowances and discounts) :								
Electric - base	\$ 62,880	\$ -	\$ -	\$ 62,880	\$ -	\$ -	\$ (311)	\$ 62,569
Electric - fuel and purchased power	38,306	28,167	(16,137)	50,336	-	-	(1,169)	49,167
Water and Sewer	-	-	-	-	32,978	-	(60)	32,918
District Energy	-	-	-	-	-	840	-	840
Other, net of allowances	2,801	-	-	2,801	742	-	(210)	3,333
<b>Total operating revenues</b>	<b>103,987</b>	<b>28,167</b>	<b>(16,137)</b>	<b>116,017</b>	<b>33,720</b>	<b>840</b>	<b>(1,750)</b>	<b>148,827</b>
Operating expenses:								
Operations:								
Fuel	25,311	18,295	-	43,606	-	-	-	43,606
Purchased power	18,113	-	(16,137)	1,976	-	-	-	1,976
Other	10,509	2,719	-	13,228	8,849	414	(1,750)	20,741
Maintenance	4,451	1,168	-	5,619	928	95	-	6,642
Depreciation	16,560	3,563	-	20,123	10,799	189	-	31,111
State utility taxes and franchise fees	5,695	-	-	5,695	870	-	-	6,565
Recognition of deferred costs and revenues, net	(312)	(573)	-	(885)	(5)	-	-	(890)
<b>Total operating expenses</b>	<b>80,327</b>	<b>25,172</b>	<b>(16,137)</b>	<b>89,362</b>	<b>21,441</b>	<b>698</b>	<b>(1,750)</b>	<b>109,751</b>
<b>Operating income</b>	<b>23,660</b>	<b>2,995</b>	<b>-</b>	<b>26,655</b>	<b>12,279</b>	<b>142</b>	<b>-</b>	<b>39,076</b>
Nonoperating revenues (expenses):								
Earnings from The Energy Authority	165	-	-	165	-	-	-	165
Investment income	350	327	-	677	246	-	-	923
Other revenue	363	34	-	397	207	-	-	604
Interest on debt	(6,731)	(2,670)	-	(9,401)	(5,125)	(119)	-	(14,645)
Debt management strategy	(1,293)	-	-	(1,293)	(308)	-	-	(1,601)
Other interest, net	(10)	-	-	(10)	-	-	-	(10)
Allowance for funds used during construction	186	-	-	186	269	1	-	456
<b>Total nonoperating revenues (expenses), net</b>	<b>(6,970)</b>	<b>(2,309)</b>	<b>-</b>	<b>(9,279)</b>	<b>(4,711)</b>	<b>(118)</b>	<b>-</b>	<b>(14,108)</b>
<b>Special Item</b>	<b>34,667</b>	<b>-</b>	<b>-</b>	<b>34,667</b>	<b>116,823</b>	<b>-</b>	<b>-</b>	<b>151,490</b>
<b>Income before contributions</b>	<b>51,357</b>	<b>686</b>	<b>-</b>	<b>52,043</b>	<b>124,391</b>	<b>24</b>	<b>-</b>	<b>176,458</b>
Contributions (to) from:								
General fund, City of Jacksonville	(7,509)	-	-	(7,509)	(1,798)	-	-	(9,307)
Developers and other	-	-	-	-	4,367	-	-	4,367
Reduction of plant cost through contributions	-	-	-	-	(2,747)	-	-	(2,747)
<b>Total contributions</b>	<b>(7,509)</b>	<b>-</b>	<b>-</b>	<b>(7,509)</b>	<b>(178)</b>	<b>-</b>	<b>-</b>	<b>(7,687)</b>
<b>Change in net position</b>	<b>43,848</b>	<b>686</b>	<b>-</b>	<b>44,534</b>	<b>124,213</b>	<b>24</b>	<b>-</b>	<b>168,771</b>
<b>Net position - beginning of period</b>	<b>565,197</b>	<b>132,718</b>	<b>-</b>	<b>697,915</b>	<b>1,141,830</b>	<b>4,156</b>	<b>-</b>	<b>1,843,901</b>
<b>Net position - end of period</b>	<b>\$ 609,045</b>	<b>\$ 133,404</b>	<b>\$ -</b>	<b>\$ 742,449</b>	<b>\$ 1,266,043</b>	<b>\$ 4,180</b>	<b>\$ -</b>	<b>\$ 2,012,672</b>

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

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**Combining Statement of Revenues, Expenses and Changes in Net Position**  
(in thousands - unaudited) for the one month(s) ended October 31, 2015

	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) :								
Electric - base	\$ 57,327	\$ -	\$ -	\$ 57,327	\$ -	\$ -	\$ (183)	\$ 57,144
Electric - fuel and purchased power	31,887	25,320	(12,552)	44,655	-	-	(689)	43,966
Water and Sewer	-	-	-	-	34,172	-	(55)	34,117
District Energy	-	-	-	-	-	812	-	812
Other, net of allowances	2,445	-	-	2,445	997	-	(317)	3,125
<b>Total operating revenues</b>	<b>91,659</b>	<b>25,320</b>	<b>(12,552)</b>	<b>104,427</b>	<b>35,169</b>	<b>812</b>	<b>(1,244)</b>	<b>139,164</b>
Operating expenses:								
Operations:								
Fuel	21,221	16,594	-	37,815	-	-	-	37,815
Purchased power	14,843	-	(12,552)	2,291	-	-	-	2,291
Other	12,154	2,647	-	14,801	7,857	160	(1,244)	21,574
Maintenance	3,841	1,006	-	4,847	1,088	62	-	5,997
Depreciation	15,638	3,563	-	19,201	10,775	191	-	30,167
State utility taxes and franchise fees	2,845	-	-	2,845	860	-	-	3,705
Recognition of deferred costs and revenues, net	(218)	(970)	-	(1,188)	11	-	-	(1,177)
<b>Total operating expenses</b>	<b>70,324</b>	<b>22,840</b>	<b>(12,552)</b>	<b>80,612</b>	<b>20,591</b>	<b>413</b>	<b>(1,244)</b>	<b>100,372</b>
<b>Operating income</b>	<b>21,335</b>	<b>2,480</b>	<b>-</b>	<b>23,815</b>	<b>14,578</b>	<b>399</b>	<b>-</b>	<b>38,792</b>
Nonoperating revenues (expenses):								
Earnings from The Energy Authority	(89)	-	-	(89)	-	-	-	(89)
Investment income	488	318	-	806	210	-	-	1,016
Other revenue	373	34	-	407	374	-	-	781
Other expense	(21)	-	-	(21)	-	-	-	(21)
Interest on debt	(6,284)	(2,211)	-	(8,495)	(4,722)	(118)	-	(13,335)
Debt management strategy	(1,291)	-	-	(1,291)	(368)	-	-	(1,659)
Other interest, net	(146)	-	-	(146)	(42)	-	-	(188)
Allowance for funds used during construction	410	-	-	410	394	3	-	807
<b>Total nonoperating revenues (expenses), net</b>	<b>(6,560)</b>	<b>(1,859)</b>	<b>-</b>	<b>(8,419)</b>	<b>(4,154)</b>	<b>(115)</b>	<b>-</b>	<b>(12,688)</b>
<b>Income before contributions</b>	<b>14,775</b>	<b>621</b>	<b>-</b>	<b>15,396</b>	<b>10,424</b>	<b>284</b>	<b>-</b>	<b>26,104</b>
Contributions (to) from:								
General fund, City of Jacksonville	(7,643)	-	-	(7,643)	(1,872)	-	-	(9,515)
Developers and other	-	-	-	-	2,856	-	-	2,856
Reduction of plant cost through contributions	-	-	-	-	(1,314)	-	-	(1,314)
<b>Total contributions</b>	<b>(7,643)</b>	<b>-</b>	<b>-</b>	<b>(7,643)</b>	<b>(330)</b>	<b>-</b>	<b>-</b>	<b>(7,973)</b>
<b>Change in net position</b>	<b>7,132</b>	<b>621</b>	<b>-</b>	<b>7,753</b>	<b>10,094</b>	<b>284</b>	<b>-</b>	<b>18,131</b>
<b>Net position - beginning of period</b>	<b>705,235</b>	<b>133,995</b>	<b>-</b>	<b>839,230</b>	<b>1,323,362</b>	<b>4,317</b>	<b>-</b>	<b>2,166,909</b>
<b>Net position - end of period</b>	<b>\$ 712,367</b>	<b>\$ 134,616</b>	<b>\$ -</b>	<b>\$ 846,983</b>	<b>\$ 1,333,456</b>	<b>\$ 4,601</b>	<b>\$ -</b>	<b>\$ 2,185,040</b>

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**Combining Statement of Revenues, Expenses and Changes in Net Position**  
 (in thousands - unaudited) for the one month(s) ended October 31, 2014 restated

	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	Eliminations	Total JEA
Operating revenues (net of allowances and discounts) :								
Electric - base	\$ 62,880	\$ -	\$ -	\$ 62,880	\$ -	\$ -	\$ (311)	\$ 62,569
Electric - fuel and purchased power	38,306	28,167	(16,137)	50,336	-	-	(1,169)	49,167
Water and Sewer	-	-	-	-	32,978	-	(60)	32,918
District Energy	-	-	-	-	-	840	-	840
Other, net of allowances	2,801	-	-	2,801	742	-	(210)	3,333
<b>Total operating revenues</b>	<b>103,987</b>	<b>28,167</b>	<b>(16,137)</b>	<b>116,017</b>	<b>33,720</b>	<b>840</b>	<b>(1,750)</b>	<b>148,827</b>
Operating expenses:								
Operations:								
Fuel	25,311	18,295	-	43,606	-	-	-	43,606
Purchased power	18,113	-	(16,137)	1,976	-	-	-	1,976
Other	10,509	2,719	-	13,228	8,849	414	(1,750)	20,741
Maintenance	4,451	1,168	-	5,619	928	95	-	6,642
Depreciation	16,560	3,563	-	20,123	10,799	189	-	31,111
State utility taxes and franchise fees	5,695	-	-	5,695	870	-	-	6,565
Recognition of deferred costs and revenues, net	(312)	(573)	-	(885)	(5)	-	-	(890)
<b>Total operating expenses</b>	<b>80,327</b>	<b>25,172</b>	<b>(16,137)</b>	<b>89,362</b>	<b>21,441</b>	<b>698</b>	<b>(1,750)</b>	<b>109,751</b>
<b>Operating income</b>	<b>23,660</b>	<b>2,995</b>	<b>-</b>	<b>26,655</b>	<b>12,279</b>	<b>142</b>	<b>-</b>	<b>39,076</b>
Nonoperating revenues (expenses):								
Earnings from The Energy Authority	165	-	-	165	-	-	-	165
Investment income	350	327	-	677	246	-	-	923
Other revenue	363	34	-	397	207	-	-	604
Interest on debt	(6,731)	(2,670)	-	(9,401)	(5,125)	(119)	-	(14,645)
Debt management strategy	(1,293)	-	-	(1,293)	(308)	-	-	(1,601)
Other interest, net	(10)	-	-	(10)	-	-	-	(10)
Allowance for funds used during construction	186	-	-	186	269	1	-	456
<b>Total nonoperating revenues (expenses), net</b>	<b>(6,970)</b>	<b>(2,309)</b>	<b>-</b>	<b>(9,279)</b>	<b>(4,711)</b>	<b>(118)</b>	<b>-</b>	<b>(14,108)</b>
<b>Special Item</b>	<b>34,667</b>	<b>-</b>	<b>-</b>	<b>34,667</b>	<b>116,823</b>	<b>-</b>	<b>-</b>	<b>151,490</b>
<b>Income before contributions</b>	<b>51,357</b>	<b>686</b>	<b>-</b>	<b>52,043</b>	<b>124,391</b>	<b>24</b>	<b>-</b>	<b>176,458</b>
Contributions (to) from:								
General fund, City of Jacksonville	(7,509)	-	-	(7,509)	(1,798)	-	-	(9,307)
Developers and other	-	-	-	-	4,367	-	-	4,367
Reduction of plant cost through contributions	-	-	-	-	(2,747)	-	-	(2,747)
<b>Total contributions</b>	<b>(7,509)</b>	<b>-</b>	<b>-</b>	<b>(7,509)</b>	<b>(178)</b>	<b>-</b>	<b>-</b>	<b>(7,687)</b>
<b>Change in net position</b>	<b>43,848</b>	<b>686</b>	<b>-</b>	<b>44,534</b>	<b>124,213</b>	<b>24</b>	<b>-</b>	<b>168,771</b>
<b>Net position - beginning of period</b>	<b>565,197</b>	<b>132,718</b>	<b>-</b>	<b>697,915</b>	<b>1,141,830</b>	<b>4,156</b>	<b>-</b>	<b>1,843,901</b>
<b>Net position - end of period</b>	<b>\$ 609,045</b>	<b>\$ 133,404</b>	<b>\$ -</b>	<b>\$ 742,449</b>	<b>\$ 1,266,043</b>	<b>\$ 4,180</b>	<b>\$ -</b>	<b>\$ 2,012,672</b>

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**Statement of Cash Flows****(in thousands - unaudited) for the one month(s) ended October 31, 2015**

Operations:		
Receipts from customers	\$	183,535
Other receipts		4,615
Payments to suppliers		(79,735)
Payments to employees		(17,575)
Net cash provided by operating activities		90,840
Noncapital and related financing activities:		
Contribution to General Fund, City of Jacksonville, Florida		(9,335)
Other revenues, net		157
Net cash used in noncapital financing activities		(9,178)
Capital and related financing activities:		
Acquisition and construction of capital assets		(27,784)
Gain/(Loss) on disposal of assets		(181)
Repayment of debt principal		(187,500)
Interest paid on debt		(89,471)
Contribution from developers and others		1,543
Net cash used in capital and related financing activities		(303,393)
Investing activities:		
Purchase of investments		(101,653)
Proceeds from sale and maturities of investments		48,778
Investment income		1,009
Net cash used in investing activities		(51,866)
Net change in cash and cash equivalents		(273,597)
Cash and cash equivalents at October 1, 2014		636,074
Cash and cash equivalents at October 31, 2015	\$	362,477
Reconciliation of operating income to net cash provided by operating activities:		
Operating Income:	\$	38,792
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization		30,288
Recognition of deferred costs and revenues, net		(1,177)
Changes in noncash assets and noncash liabilities:		
Decrease (increase) accounts receivable		87,384
Decrease (increase) accounts receivable, restricted		1,491
Decrease (increase) in inventories		(6,519)
Increase (decrease) in other assets		(2,392)
Increase (decrease) in accounts and expenses payable		(9,785)
Increase (decrease) in liabilities payable, restricted		(10,077)
Increase (decrease) in other liabilities		(37,165)
Net cash provided by operating activities	\$	90,840
Non-cash activity:		
Contribution of capital assets from developers	\$	1,314

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**Combining Statement of Cash Flows**  
(in thousands - unaudited) for the one month(s) ended October 31, 2015

	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
<b>Operations:</b>								
Receipts from customers	\$ 127,187	\$ 25,320	\$ (2,738)	\$ 149,769	\$ 33,678	\$ 1,015	\$ (927)	\$ 183,535
Other receipts	3,915	-	-	3,915	1,017	-	(317)	4,615
Payments to suppliers	(52,765)	(26,916)	2,738	(76,943)	(3,860)	(176)	1,244	(79,735)
Payments to employees	(11,475)	(1,782)	-	(13,257)	(4,280)	(38)	-	(17,575)
Net cash provided by operating activities	66,862	(3,378)	-	63,484	26,555	801	-	90,840
<b>Noncapital and related financing activities:</b>								
Contribution to General Fund, City of Jacksonville, Florida	(7,509)	-	-	(7,509)	(1,826)	-	-	(9,335)
Other revenues, net	(8)	-	-	(8)	165	-	-	157
Net cash used in noncapital financing activities	(7,517)	-	-	(7,517)	(1,661)	-	-	(9,178)
<b>Capital and related financing activities:</b>								
Acquisition and construction of capital assets	(16,284)	-	-	(16,284)	(11,386)	(114)	-	(27,784)
Gain/(Loss) on disposal of assets	(181)	-	-	(181)	-	-	-	(181)
Repayment of debt principal	(98,765)	(50,945)	-	(149,710)	(36,180)	(1,610)	-	(187,500)
Interest paid on debt	(44,894)	(11,438)	-	(56,332)	(32,434)	(705)	-	(89,471)
Contribution from developers and others	-	-	-	-	1,543	-	-	1,543
Net cash used in capital and related financing activities	(160,124)	(62,383)	-	(222,507)	(78,457)	(2,429)	-	(303,393)
<b>Investing activities:</b>								
Purchase of investments	(65,079)	(44,115)	-	(109,194)	7,541	-	-	(101,653)
Proceeds from sale and maturities of investments	35,599	44,789	-	80,388	(31,610)	-	-	48,778
Investment income	693	155	-	848	161	-	-	1,009
Net cash used in investing activities	(28,787)	829	-	(27,958)	(23,908)	-	-	(51,866)
Net change in cash and cash equivalents	(129,566)	(64,932)	-	(194,498)	(77,471)	(1,628)	-	(273,597)
Cash and cash equivalents at October 1, 2014	316,079	139,918	-	455,997	171,803	8,274	-	636,074
Cash and cash equivalents at October 31, 2015	\$ 186,513	\$ 74,986	\$ -	\$ 261,499	\$ 94,332	\$ 6,646	\$ -	\$ 362,477
<b>Reconciliation of operating income to net cash provided by operating activities:</b>								
Operating Income:	\$ 21,335	\$ 2,480	\$ -	\$ 23,815	\$ 14,578	\$ 399	\$ -	\$ 38,792
<b>Adjustments to reconcile operating income to net cash provided by operating activities</b>								
Depreciation and amortization	15,638	3,563	-	19,201	\$ 10,896	191	-	30,288
Recognition of deferred costs and revenues, net	(218)	(970)	-	(1,188)	\$ 11	-	-	(1,177)
<b>Changes in noncash assets and noncash liabilities:</b>								
Decrease (increase) accounts receivable	78,889	10,639	-	89,528	\$ (2,346)	202	-	87,384
Decrease (increase) accounts receivable, restricted	1,470	-	-	1,470	\$ 21	-	-	1,491
Decrease (increase) in inventories	(4,240)	(1,907)	-	(6,147)	\$ (372)	-	-	(6,519)
Increase (decrease) in other assets	(1,922)	-	-	(1,922)	\$ (470)	-	-	(2,392)
Increase (decrease) in accounts and expenses payable	(5,463)	(7,169)	-	(12,632)	\$ 2,838	9	-	(9,785)
Increase (decrease) in liabilities payable, restricted	-	(10,077)	-	(10,077)	\$ -	-	-	(10,077)
Increase (decrease) in other liabilities	(38,627)	63	-	(38,564)	\$ 1,399	-	-	(37,165)
Net cash provided by operating activities	\$ 66,862	\$ (3,378)	\$ -	\$ 63,484	\$ 26,555	\$ 801	\$ -	\$ 90,840
<b>Non-cash activity:</b>								
Contribution of capital assets from developers					\$ 1,314			

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**Statement of Cash Flows**

(in thousands - unaudited) for the one month(s) ended October 31, 2014 restated

Operations:	
Receipts from customers	\$ 200,318
Other receipts	3,472
Payments to suppliers	(98,113)
Payments to employees	(16,729)
<b>Net cash provided by operating activities</b>	<b>88,948</b>
Noncapital and related financing activities:	
Contribution to General Fund, City of Jacksonville, Florida	(9,288)
<b>Net cash used in noncapital financing activities</b>	<b>(9,288)</b>
Capital and related financing activities:	
Acquisition and construction of capital assets	(21,998)
Proceeds from sales of property	67
Debt issue costs and discounts	(140)
Defeasance of debt	2
Repayment of debt principal	(256,630)
Interest paid on debt	(94,386)
Contribution from developers and others	1,620
<b>Net cash used in capital and related financing activities</b>	<b>(371,465)</b>
Investing activities:	
Purchase of investments	(144,763)
Proceeds from sale and maturities of investments	49,019
Investment income	710
Distributions from The Energy Authority	250
<b>Net cash used in investing activities</b>	<b>(94,784)</b>
Net change in cash and cash equivalents	(386,589)
Cash and cash equivalents at October 1, 2013	589,622
<b>Cash and cash equivalents at October 31, 2014</b>	<b>\$ 203,033</b>

Reconciliation of operating income to net cash provided by operating activities:

Operating Income: \$ 39,076

Adjustments to reconcile operating income to net cash provided by operating activities:

Depreciation and amortization	31,238
Recognition of deferred costs and revenues, net	(890)
Changes in noncash assets and noncash liabilities:	
Decrease (increase) accounts receivable	45,353
Decrease (increase) accounts receivable, restricted	72
Decrease (increase) in inventories	11,099
Increase (decrease) in other assets	(2,038)
Increase (decrease) in accounts and expenses payable	(33,359)
Increase (decrease) in liabilities payable, restricted	(9,469)
Increase (decrease) in other liabilities	7,866
<b>Net cash provided by operating activities</b>	<b>\$ 88,948</b>

Non-cash activity:

Contribution of capital assets from developers \$ 2,747

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**Combining Statement of Cash Flows**

(in thousands - unaudited) for the one month(s) ended October 31, 2014 restated

	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
<b>Operations:</b>								
Receipts from customers	\$ 142,462	\$ 28,167	\$ (6,653)	\$ 163,976	\$ 36,722	\$ 1,160	\$ (1,540)	\$ 200,318
Other receipts	2,532	-	-	2,532	1,150	-	(210)	3,472
Payments to suppliers	(64,803)	(33,817)	6,653	(91,967)	(7,436)	(460)	1,750	(98,113)
Payments to employees	(10,821)	(1,855)	-	(12,676)	(4,012)	(41)	-	(16,729)
Net cash provided by / (used in) operating activities	69,370	(7,505)	-	61,865	26,424	659	-	88,948
<b>Noncapital and related financing activities:</b>								
Contribution to General Fund, City of Jacksonville, Florida	(7,509)	-	-	(7,509)	(1,779)	-	-	(9,288)
Net cash used in noncapital financing activities	(7,509)	-	-	(7,509)	(1,779)	-	-	(9,288)
<b>Capital and related financing activities:</b>								
Acquisition and construction of capital assets	(10,725)	-	-	(10,725)	(11,248)	(25)	-	(21,998)
Proceeds from sales of property	54	-	-	54	13	-	-	67
Debt issue costs and discounts	-	(3)	-	(3)	(137)	-	-	(140)
Defeasance of debt	-	-	-	-	2	-	-	2
Repayment of debt principal	(78,615)	(132,085)	-	(210,700)	(44,325)	(1,605)	-	(256,630)
Interest paid on debt	(47,813)	(14,586)	-	(62,399)	(31,279)	(708)	-	(94,386)
Contribution from developers and others	-	-	-	-	1,620	-	-	1,620
Net cash used in capital and related financing activities	(137,099)	(146,674)	-	(283,773)	(85,354)	(2,338)	-	(371,465)
<b>Investing activities:</b>								
Purchase of investments	(44,972)	(40,035)	-	(85,007)	(59,756)	-	-	(144,763)
Proceeds from sale and maturities of investments	14,987	17,032	-	32,019	17,000	-	-	49,019
Investment income	493	60	-	553	157	-	-	710
Distributions from The Energy Authority	250	-	-	250	-	-	-	250
Net cash used in investing activities	(29,242)	(22,943)	-	(52,185)	(42,599)	-	-	(94,784)
Net change in cash and cash equivalents	(104,480)	(177,122)	-	(281,602)	(103,308)	(1,679)	-	(386,589)
Cash and cash equivalents at October 1, 2013	177,432	267,940	-	445,372	135,920	8,330	-	589,622
Cash and cash equivalents at October 31, 2014	\$ 72,952	\$ 90,818	\$ -	\$ 163,770	\$ 32,612	\$ 6,651	\$ -	\$ 203,033
<b>Reconciliation of operating income to net cash provided by operating activities:</b>								
Operating Income:	\$ 23,660	\$ 2,995	\$ -	\$ 26,655	\$ 12,279	\$ 142	\$ -	\$ 39,076
<b>Adjustments to reconcile operating income to net cash provided by operating activities:</b>								
Depreciation and amortization	16,560	3,563	-	20,123	10,926	189	-	31,238
Recognition of deferred costs and revenues, net	(312)	(573)	-	(885)	(5)	-	-	(890)
<b>Changes in noncash assets and noncash liabilities:</b>								
Decrease (increase) accounts receivable	36,284	6,863	-	43,147	1,886	320	-	45,353
Decrease (increase) accounts receivable, restricted	(278)	-	-	(278)	350	-	-	72
Decrease (increase) in inventories	4,078	7,496	-	11,574	(475)	-	-	11,099
Increase (decrease) in other assets	(1,514)	-	-	(1,514)	(524)	-	-	(2,038)
Increase (decrease) in accounts and expenses payable	(14,757)	(18,448)	-	(33,205)	(161)	7	-	(33,359)
Increase (decrease) in liabilities payable, restricted	-	(9,469)	-	(9,469)	-	-	-	(9,469)
Increase (decrease) in other liabilities	5,649	68	-	5,717	2,148	1	-	7,866
Net cash provided by operating activities	\$ 69,370	\$ (7,505)	\$ -	\$ 61,865	\$ 26,424	\$ 659	\$ -	\$ 88,948
<b>Non-cash activity:</b>								
Contribution of capital assets from developers					\$ 2,747			

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Electric System

Changes in Debt Service, R & R and Construction Funds

(in thousands - unaudited) for the one month(s) ended October 31, 2015 and October 31, 2014 restated

	October 31, 2015			October 31, 2014		
	Debt service funds	Renewal and replacement funds	Construction funds	Debt service funds	Renewal and replacement funds	Construction funds
Beginning balance	\$ 211,749	\$ 148,459	\$ 4	\$ 194,776	\$ 148,110	\$ 43
Transfer from:						
Revenue fund	15,586	13,226	-	15,958	12,353	-
Proceeds from property sales	-	-	-	-	54	-
Total additions	15,586	13,226	-	15,958	12,407	-
Deductions:						
Increase in utility plant	-	2,569	-	-	3,941	1
Interest/principal payments from sinking funds	142,303	-	-	125,080	-	-
Decrease in accounts payable	-	10,698	4	-	6,780	2
Loss from property sales	-	181	-	-	-	-
Total deductions	142,303	13,448	4	125,080	10,721	3
Ending balance	\$ 85,032	\$ 148,237	\$ -	\$ 85,654	\$ 149,796	\$ 40

Renewal and replacement fund:

Cash & investments	\$ 146,960	\$ 148,317
Accounts / notes receivable:		
Accounts receivable	1,175	1,321
Street light & other customer loans	102	158
	<u>\$ 148,237</u>	<u>\$ 149,796</u>

Construction fund:

Generation projects	\$ 4	\$ 4
T& D and other capital projects	(4)	35
Accounts receivable	-	1
	<u>\$ -</u>	<u>\$ 40</u>

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

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Water and Sewer System

Changes in Debt Service, R & R and Construction Funds

(in thousands - unaudited) for the one month(s) ended October 31, 2015 and October 31, 2014 restated

	October 31, 2015				October 31, 2014			
	Debt Service Funds	Renewal and Replacement Funds	Construction Funds	Environmental Fund	Debt Service Funds	Renewal and Replacement Funds	Construction Funds	Environmental Fund
Beginning balance	\$ 176,569	\$ 149,130	\$ 664	\$ -	\$ 191,848	\$ 142,417	\$ 670	\$ -
Additions:								
Debt issuance:								
Bonds	-	-	-	-	-	-	-	-
Transfer from:								
Revenue fund	8,020	15,736	-	1,872	8,626	13,151	-	1,854
R & R fund	-	-	-	-	-	-	-	-
Construction fund	-	-	-	-	-	-	-	-
Proceeds from property sales	-	-	-	-	-	13	-	-
Contribution in aid of construction	-	1,542	-	-	-	1,620	-	-
Increase in accounts payable	-	-	-	-	-	-	-	-
Debt issuance premiums	-	-	-	-	-	-	-	-
Total additions	8,020	17,278	-	1,872	8,626	14,784	-	1,854
Deductions:								
Increase in utility plant	-	500	-	-	-	1,897	-	-
Interest/principal payments from sinking funds	67,720	-	-	-	75,019	-	-	-
Transfer to:								
Revenue fund	-	-	-	1,872	-	-	-	-
R&R fund	-	-	-	-	-	-	-	-
Construction fund	-	-	-	-	-	-	-	-
Debt issuance costs and discounts	-	-	-	-	-	-	-	-
Decrease in accounts payable	-	9,518	-	-	-	9,351	-	-
Total deductions	67,720	10,018	-	1,872	75,019	11,248	-	-
Ending balance	\$ 116,869	\$ 156,390	\$ 664	\$ -	\$ 125,455	\$ 145,953	\$ 670	\$ 1,854

Recap:

Renewal and replacement fund:

Cash & investments	\$ 154,774	\$ 145,022
Accounts / notes receivable:		
Accounts receivable	1,596	906
Notes receivable	20	25
	<u>\$ 156,390</u>	<u>\$ 145,953</u>

Construction fund:

Construction reserves	\$ -	\$ -
Accounts receivable	-	-
Project funds	664	670
	<u>\$ 664</u>	<u>\$ 670</u>

Environmental fund

Cash & investments	-	1,854
	<u>\$ -</u>	<u>\$ 1,854</u>

JEA		Month			Prior Year Month	
Electric System		Month			Prior Year Month	
Budget vs. Actual	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
October 31, 2015 and 2014	2015-16	2015-16	2015-16	%	2014-15	%
<b>Fuel Related Revenues &amp; Expenses</b>						
Fuel Rate Revenues	\$ 509,884,201	\$ 40,492,907	\$ (10,273,419)	-125.37%	41,866,527	-124.54%
Fuel Expense and Purchased Power:						
Fuel Expense - Electric System	288,573,382	17,859,949	18,563,744		23,103,299	
Fuel Expense - SJRPP	114,020,023	10,883,000	8,927,505		11,435,020	
Other Purchased Power	81,016,238	8,766,704	4,264,407		2,967,876	
Subtotal Energy Expense	483,609,643	37,509,653	31,755,656	15.34%	37,506,195	15.33%
Transfer to (from) Rate Stabilization, Net	25,254,789	-	(42,007,995)		3,999,579	
Fuel Related Uncollectibles	1,019,769	84,981	(21,080)		66,402	
Total	509,884,201	37,594,633	(10,273,419)	127.33%	41,572,176	124.71%
Fuel Balance	-	2,898,274	-		294,351	
<b>Nonfuel Related Revenues</b>						
Base Rate Revenues	738,360,001	58,637,516	55,110,784		57,752,934	
Conservation Charge Revenue	989,059	78,547	37,985		39,877	
Environmental Charge Revenue	7,686,000	610,391	584,020		592,029	
Investment Income	3,776,585	314,715	483,569		340,766	
Natural Gas Revenue Pass Through	12,491,417	1,040,951	7,603		-	
Other Revenues	35,447,663	2,953,972	2,753,315		3,109,437	
Total	798,750,725	63,636,092	58,977,277	-7.32%	61,835,043	-4.62%
<b>Nonfuel Related Expenses</b>						
Non-Fuel O&M	200,567,073	16,732,531	12,103,363		13,337,860	
DSM / Conservation O&M	7,545,897	572,005	87,451		83,830	
Environmental O&M	2,442,000	203,500	(46,099)		75,900	
Net Transfer to Rate Stabilization - DSM	(256,838)	(21,403)	461,395		476,120	
Transfer to Environmental Fund/RSF	5,244,000	437,000	630,119		516,129	
Natural Gas Expense Pass Through	12,144,117	1,010,434	21,136		-	
Debt Principal - Electric System	89,845,000	7,487,083	8,016,250		7,912,917	
Debt Interest - Electric System	107,287,899	8,940,658	8,030,001		8,575,542	
R&R - Electric System	66,155,208	5,512,934	5,197,867		5,460,179	
Operating Capital Outlay	96,337,682	8,028,139	8,028,139		6,892,829	
City Contribution Expense	91,720,182	7,643,350	7,643,348		7,509,050	
Taxes & Uncollectibles	1,703,452	141,954	128,980		108,598	
Emergency Reserve	5,000,000	-	-		-	
<i>Nonfuel Purchased Power:</i>						
* SJRPP D/S Principal	37,568,750	3,130,729	2,331,563		2,958,177	
* SJRPP D/S Interest	19,174,301	1,597,858	1,430,297		1,695,584	
** Other Non-Fuel Purchased Power	56,272,002	4,689,334	4,907,670		2,729,395	
Total Nonfuel Expenses	798,750,725	66,106,106	58,971,478	10.79%	58,332,111	-1.10%
Non-Fuel Balance	-	(2,470,014)	5,799		3,502,931	
<b>Total Balance</b>	<b>-</b>	<b>428,260</b>	<b>5,799</b>		<b>3,797,283</b>	
<b>Total Revenues</b>	<b>1,308,634,926</b>	<b>104,129,000</b>	<b>48,703,857</b>	<b>-53.23%</b>	<b>103,701,570</b>	<b>-53.03%</b>
<b>Total Expenses</b>	<b>1,308,634,926</b>	<b>103,700,740</b>	<b>48,698,059</b>	<b>53.04%</b>	<b>99,904,287</b>	<b>51.26%</b>
<b>KWH Sold - Territorial</b>	<b>12,600,000,000</b>	<b>1,000,640,207</b>	<b>952,515,000</b>	<b>-4.81%</b>	<b>971,595,000</b>	<b>-1.96%</b>
<b>KWH Sold - Off System</b>	<b>-</b>	<b>-</b>	<b>6,168,000</b>		<b>16,015,000</b>	
	<b>12,600,000,000</b>	<b>1,000,640,207</b>	<b>958,683,000</b>	<b>-4.19%</b>	<b>987,610,000</b>	<b>-2.93%</b>

\* Gross debt service

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

JEA		Year-To-Date			Prior Year-To-Date		
Electric System		ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
Budget vs. Actual October 31, 2015 and 2014		2015-16	2015-16	2015-16	%	2014-15	%
<b>Fuel Related Revenues &amp; Expenses</b>							
Fuel Rate Revenues		509,884,201	40,492,907	(10,273,419)	-125.37%	41,866,527	-124.54%
Fuel Expense and Purchased Power:							
Fuel Expense - Electric System		288,573,382	17,859,949	18,563,744		23,103,299	
Fuel Expense - SJRPP		114,020,023	10,883,000	8,927,505		11,435,020	
Other Purchased Power		81,016,238	8,766,704	4,264,407		2,967,876	
Subtotal Energy Expense		483,609,643	37,509,653	31,755,656	15.34%	37,506,195	15.33%
Transfer to (from) Rate Stabilization, Net		25,254,789	-	(42,007,995)		3,999,579	
Fuel Related Uncollectibles		1,019,769	84,981	(21,080)		66,402	
Total		509,884,201	37,594,633	(10,273,419)	127.33%	41,572,176	124.71%
Fuel Balance		-	2,898,274	-		294,351	
<b>Nonfuel Related Revenues</b>							
Base Rate Revenues		738,360,001	58,637,516	55,110,784		57,752,934	
Conservation Charge Revenue		989,059	78,547	37,985		39,877	
Environmental Charge Revenue		7,686,000	610,391	584,020		592,029	
Investment Income		3,776,585	314,715	483,569		340,766	
Natural Gas Revenue Pass Through		12,491,417	1,040,951	7,603		-	
Other Revenues		35,447,663	2,953,972	2,753,315		3,109,437	
Total		798,750,725	63,636,092	58,977,277	-7.32%	61,835,043	-4.62%
<b>Nonfuel Related Expenses</b>							
Non-Fuel O&M		200,567,073	16,732,531	12,103,363		13,337,860	
DSM / Conservation O&M		7,545,897	572,005	87,451		83,830	
Environmental O&M		2,442,000	203,500	(46,099)		75,900	
Net Transfer to Rate Stabilization - DSM		(256,838)	(21,403)	461,395		476,120	
Transfer to Environmental Fund/RSF		5,244,000	437,000	630,119		516,129	
Natural Gas Expense Pass Through		12,144,117	1,010,434	21,136		-	
Debt Principal - Electric System		89,845,000	7,487,083	8,016,250		7,912,917	
Debt Interest - Electric System		107,287,899	8,940,658	8,030,001		8,575,542	
R&R - Electric System		66,155,208	5,512,934	5,197,867		5,460,179	
Operating Capital Outlay		96,337,682	8,028,139	8,028,139		6,892,829	
City Contribution Expense		91,720,182	7,643,350	7,643,348		7,509,050	
Taxes & Uncollectibles		1,703,452	141,954	128,980		108,598	
Emergency Reserve		5,000,000	-	-		-	
<i>Nonfuel Purchased Power:</i>							
* SJRPP D/S Principal		37,568,750	3,130,729	2,331,563		2,958,177	
* SJRPP D/S Interest		19,174,301	1,597,858	1,430,297		1,695,584	
** Other Non-Fuel Purchased Power		56,272,002	4,689,334	4,907,670		2,729,395	
Total Nonfuel Expenses		798,750,725	66,106,106	58,971,478	10.79%	58,332,111	-1.10%
Non-Fuel Balance		-	(2,470,014)	5,799		3,502,931	
<b>Total Balance</b>		<b>-</b>	<b>428,260</b>	<b>5,799</b>		<b>3,797,283</b>	
<b>Total Revenues</b>		<b>1,308,634,926</b>	<b>104,129,000</b>	<b>48,703,857</b>	-53.23%	<b>103,701,570</b>	-53.03%
<b>Total Expenses</b>		<b>1,308,634,926</b>	<b>103,700,740</b>	<b>48,698,059</b>	53.04%	<b>99,904,287</b>	51.26%
<b>KWH Sold - Territorial</b>		<b>12,600,000,000</b>	<b>1,000,640,207</b>	<b>952,515,000</b>	-4.81%	<b>971,595,000</b>	-1.96%
<b>KWH Sold - Off System</b>		<b>-</b>	<b>-</b>	<b>6,168,000</b>		<b>16,015,000</b>	
		<b>12,600,000,000</b>	<b>1,000,640,207</b>	<b>958,683,000</b>	-4.19%	<b>987,610,000</b>	-2.93%

\* Gross debt service

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

JEA Water and Sewer System		Month			Prior Year Month	
Budget vs. Actual October 31, 2015 and 2014	ANNUAL BUDGET 2015-16	BUDGET 2015-16	ACTUAL 2015-16	Variance %	ACTUAL 2014-15	Variance %
<b>REVENUES</b>						
Water & Sewer Revenues	\$ 393,928,271	\$ 33,164,720	\$ 35,223,614		\$ 34,021,163	
Capacity & Extension Fees	17,000,000	1,416,667	1,542,530		1,619,947	
Investment Income	2,759,926	229,994	206,925		239,911	
Other Income	14,769,077	767,307	1,374,527		955,094	
<b>Total</b>	<b>428,457,274</b>	<b>35,578,688</b>	<b>38,347,596</b>	<b>7.78%</b>	<b>36,836,115</b>	<b>4.10%</b>
<b>EXPENSES</b>						
O & M Expenses	138,367,616	11,207,859	8,677,819		9,396,218	
Debt Principal - Water & Sewer	33,875,000	2,822,917	2,822,916		3,015,000	
Debt Interest - Water & Sewer	75,780,149	6,315,012	5,578,173		5,947,657	
R&R - Water & Sewer	20,825,400	1,735,450	1,735,450		1,722,504	
Operating Capital Outlay	97,524,604	14,000,000	14,000,000		11,428,017	
Operating Capital Outlay - Capacity/Extension	17,000,000	1,416,667	1,542,530		1,619,947	
Operating Capital Outlay - Environmental	20,758,150	1,729,846	1,841,507		1,853,525	
City Contribution Expense	22,467,356	1,872,280	1,872,280		1,798,245	
Uncollectibles & Fees	858,999	71,583	59,847		55,000	
Emergency Reserve	1,000,000	-	-		-	
<b>Total Expenses</b>	<b>428,457,274</b>	<b>41,171,614</b>	<b>38,130,522</b>	<b>7.39%</b>	<b>36,836,113</b>	<b>-3.51%</b>
<b>Total Balance</b>	<b>\$ -</b>	<b>\$ (5,592,926)</b>	<b>\$ 217,074</b>		<b>\$ 2</b>	
<b>Sales kgs</b>						
<b>Water</b>	34,650,000	3,003,954	3,120,785	3.89%	3,051,122	2.28%
<b>Sewer</b>	26,985,000	2,358,377	2,547,196	8.01%	2,449,218	4.00%
<b>Total</b>	<b>61,635,000</b>	<b>5,362,331</b>	<b>5,667,981</b>	<b>5.70%</b>	<b>5,500,340</b>	<b>3.05%</b>

		Year-To-Date			Prior Year to Date	
	ANNUAL BUDGET 2015-16	BUDGET 2015-16	ACTUAL 2015-16	Variance %	ACTUAL 2014-15	Variance %
<b>REVENUES</b>						
Water & Sewer Revenues	\$ 393,928,271	\$ 33,164,720	\$ 35,223,614		\$ 34,021,163	
Capacity & Extension Fees	17,000,000	1,416,667	1,542,530		1,619,947	
Investment Income	2,759,926	229,994	206,925		239,911	
Other Income	14,769,077	767,307	1,374,527		955,094	
<b>Total</b>	<b>428,457,274</b>	<b>35,578,688</b>	<b>38,347,596</b>	<b>7.78%</b>	<b>36,836,115</b>	<b>4.10%</b>
<b>EXPENSES</b>						
O & M Expenses	138,367,616	11,207,859	8,677,819		9,396,218	
Debt Principal - Water & Sewer	33,875,000	2,822,917	2,822,916		3,015,000	
Debt Interest - Water & Sewer	75,780,149	6,315,012	5,578,173		5,947,657	
R&R - Water & Sewer	20,825,400	1,735,450	1,735,450		1,722,504	
Operating Capital Outlay	97,524,604	14,000,000	14,000,000		11,428,017	
Operating Capital Outlay - Capacity/Extension	17,000,000	1,416,667	1,542,530		1,619,947	
Operating Capital Outlay - Environmental	20,758,150	1,729,846	1,841,507		1,853,525	
City Contribution Expense	22,467,356	1,872,280	1,872,280		1,798,245	
Uncollectibles & Fees	858,999	71,583	59,847		55,000	
Emergency Reserve	1,000,000	-	-		-	
<b>Total Expenses</b>	<b>428,457,274</b>	<b>41,171,614</b>	<b>38,130,522</b>	<b>7.39%</b>	<b>36,836,113</b>	<b>-3.51%</b>
<b>Total Balance</b>	<b>\$ -</b>	<b>\$ (5,592,926)</b>	<b>\$ 217,074</b>		<b>\$ 2</b>	
<b>Sales kgs</b>						
<b>Water</b>	34,650,000	3,003,954	3,120,785	3.89%	3,051,122	2.28%
<b>Sewer</b>	26,985,000	2,358,377	2,547,196	8.01%	2,449,218	4.00%
<b>Total</b>	<b>61,635,000</b>	<b>5,362,331</b>	<b>5,667,981</b>	<b>5.70%</b>	<b>5,500,340</b>	<b>3.05%</b>

JEA District Energy System		Month			Prior Year Month	
Budget vs. Actual October 31, 2015 and 2014	ANNUAL BUDGET 2015-16	BUDGET 2015-16	ACTUAL 2015-16	Variance %	ACTUAL 2014-15	Variance %
<b>REVENUES</b>						
Revenues	\$ 9,089,118	\$ 876,181	\$ 812,168		\$ 910,477	
Investment Income	-	-	451		-	
<b>Total</b>	<b>9,089,118</b>	<b>876,181</b>	<b>812,619</b>	<b>-7.25%</b>	<b>910,477</b>	<b>-10.75%</b>
<b>EXPENSES</b>						
O & M Expenses	5,175,137	458,557	221,603		474,518	
Debt Principal - DES	1,625,000	135,417	135,417		134,167	
Debt Interest - DES	1,398,980	116,582	116,582		117,442	
R&R - DES	457,185	38,099	36,596		37,464	
Operating Capital Outlay	432,816	36,068	-		48,226	
<b>Total Expenses</b>	<b>9,089,118</b>	<b>784,723</b>	<b>510,198</b>	<b>34.98%</b>	<b>811,817</b>	<b>37.15%</b>
<b>Total Balance</b>	<b>\$ -</b>	<b>\$ 91,458</b>	<b>\$ 302,421</b>		<b>\$ 98,660</b>	
		Year-To-Date			Prior-Year-To-Date	
	ANNUAL BUDGET 2015-16	BUDGET 2015-16	ACTUAL 2015-16	Variance %	ACTUAL 2014-15	Variance %
<b>REVENUES</b>						
Revenues	\$ 9,089,118	\$ 876,181	\$ 812,168		\$ 910,477	
Investment Income	-	-	451		-	
<b>Total</b>	<b>9,089,118</b>	<b>876,181</b>	<b>812,619</b>	<b>-7.25%</b>	<b>910,477</b>	<b>-10.75%</b>
<b>EXPENSES</b>						
O & M Expenses	5,175,137	458,557	221,603		474,518	
Debt Principal - DES	1,625,000	135,417	135,417		134,167	
Debt Interest - DES	1,398,980	116,582	116,582		117,442	
R&R - DES	457,185	38,099	36,596		37,464	
Operating Capital Outlay	432,816	36,068	-		48,226	
<b>Total Expenses</b>	<b>9,089,118</b>	<b>784,723</b>	<b>510,198</b>	<b>34.98%</b>	<b>811,817</b>	<b>37.15%</b>
<b>Total Balance</b>	<b>\$ -</b>	<b>\$ 91,458</b>	<b>\$ 302,421</b>		<b>\$ 98,660</b>	

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

	Month October		Year-To-Date October	
	2015	2014 restated	2015	2014 restated
Revenues:				
Electric	\$ 89,214	\$ 101,186	\$ 89,214	\$ 101,186
Investment income (1)	362	220	362	220
Earnings from The Energy Authority	(89)	165	(89)	165
Other, net (2)	2,435	2,801	2,435	2,801
Total revenues	91,922	104,372	91,922	104,372
Operating expenses (3):				
Fuel	18,564	23,103	18,564	23,103
Purchased power (4)	21,954	22,443	21,954	22,443
Other operations and maintenance	12,458	13,676	12,458	13,676
State utility taxes and franchise fees	2,763	5,610	2,763	5,610
Total operating expenses	55,739	64,832	55,739	64,832
Net revenues	\$ 36,183	\$ 39,540	\$ 36,183	\$ 39,540
Debt service:	\$ 6,512	\$ 6,949	\$ 6,512	\$ 6,949
Less: investment income on sinking fund	(126)	(130)	(126)	(130)
Less: Build America Bonds subsidy	(126)	(126)	(126)	(126)
Debt service requirement	\$ 6,260	\$ 6,693	\$ 6,260	\$ 6,693
Senior debt service coverage (5), (min 1.20x)	5.78 x	5.91 x	5.78 x	5.91 x
Net revenues (from above):	\$ 36,183	\$ 39,540	\$ 36,183	\$ 39,540
Debt service requirement (from above):	\$ 6,260	\$ 6,693	\$ 6,260	\$ 6,693
Plus: aggregate subordinated debt service on outstanding subordinated bonds	8,177	8,193	8,177	8,193
Less: Build America Bonds subsidy	(174)	(174)	(174)	(174)
Total debt service requirement and aggregate subordinated debt service	\$ 14,263	\$ 14,712	\$ 14,263	\$ 14,712
Senior and subordinated debt service coverage (6), (min 1.15x)	2.54 x	2.69 x	2.54 x	2.69 x
Fixed charge coverage (7)	1.76 x	1.86 x	1.76 x	1.86 x

(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)**

	Month October		Year-To-Date October	
	2015	2014 restated	2015	2014 restated
Revenues:				
JEA	\$ 7,112	\$ 4,330	\$ 7,112	\$ 4,330
Investment income	10	8	10	8
Total revenues	7,122	4,338	7,122	4,338
Operating expenses (1):				
Fuel	2,657	2,208	2,657	2,208
Other operations and maintenance	1,036	1,154	1,036	1,154
Total operating expenses	3,693	3,362	3,693	3,362
Net revenues	\$ 3,429	\$ 976	\$ 3,429	\$ 976
Aggregate Debt Service	\$ 897	\$ 817	\$ 897	\$ 817
Less: Build America Bonds subsidy	(61)	(64)	(61)	(64)
Aggregate debt service	\$ 836	\$ 753	\$ 836	\$ 753
Debt service coverage (2)	4.10 x	1.30 x	4.10 x	1.30 x

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

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

JEA

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

	Month October		Year-To-Date October	
	2015	2014 restated	2015	2014 restated
Revenues:				
JEA	\$ 11,505	\$ 14,244	\$ 11,505	\$ 14,244
FPL	12,768	12,031	12,768	12,031
Investment income	318	327	318	327
<b>Total revenues</b>	<b>24,591</b>	<b>26,602</b>	<b>24,591</b>	<b>26,602</b>
Operating expenses (1):				
Fuel	16,594	18,295	16,594	18,295
Other operations and maintenance	3,110	3,335	3,110	3,335
<b>Total operating expenses</b>	<b>19,704</b>	<b>21,630</b>	<b>19,704</b>	<b>21,630</b>
<b>Net revenues</b>	<b>\$ 4,887</b>	<b>\$ 4,972</b>	<b>\$ 4,887</b>	<b>\$ 4,972</b>
<b>Aggregate debt service</b>	<b>\$ 4,344</b>	<b>\$ 4,419</b>	<b>\$ 4,344</b>	<b>\$ 4,419</b>
<b>Debt service coverage (2)</b>	<b>1.13 x</b>	<b>1.13 x</b>	<b>1.13 x</b>	<b>1.13 x</b>

(1) Excludes depreciation.

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

JEA

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

	Month October		Year-To-Date October	
	2015	2014 restated	2015	2014 restated
Revenues:				
JEA	\$ 1,047	\$ 1,892	\$ 1,047	\$ 1,892
<b>Total revenues</b>	<b>1,047</b>	<b>1,892</b>	<b>1,047</b>	<b>1,892</b>
<b>Net revenues</b>	<b>\$ 1,047</b>	<b>\$ 1,892</b>	<b>\$ 1,047</b>	<b>\$ 1,892</b>
<b>Aggregate debt service</b>	<b>\$ 1,081</b>	<b>\$ 1,926</b>	<b>\$ 1,081</b>	<b>\$ 1,926</b>
Less: Build America Bonds subsidy	(34)	(34)	(34)	(34)
<b>Aggregate debt service</b>	<b>\$ 1,047</b>	<b>\$ 1,892</b>	<b>\$ 1,047</b>	<b>\$ 1,892</b>
<b>Debt service coverage (1)</b>	<b>1.00 x</b>	<b>1.00 x</b>	<b>1.00 x</b>	<b>1.00 x</b>

(1) 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)**

	Month October		Year-To-Date October	
	2015	2014 restated	2015	2014 restated
<b>Revenues:</b>				
Water	\$ 12,890	\$ 12,651	\$ 12,890	\$ 12,651
Water capacity fees (1)	564	616	564	616
Sewer	21,281	20,327	21,281	20,327
Sewer capacity fees (1)	978	1,003	978	1,003
Investment Income	210	246	210	246
Other (2)	1,162	742	1,162	742
<b>Total revenues</b>	<b>37,085</b>	<b>35,585</b>	<b>37,085</b>	<b>35,585</b>
<b>Operating &amp; Maintenance Expenses:</b>				
Operations and maintenance (3)	9,804	10,647	9,804	10,647
<b>Total operating expenses</b>	<b>9,804</b>	<b>10,647</b>	<b>9,804</b>	<b>10,647</b>
<b>Net revenues</b>	<b>\$ 27,281</b>	<b>\$ 24,938</b>	<b>\$ 27,281</b>	<b>\$ 24,938</b>
<b>Aggregate debt service:</b>				
Aggregate debt service:	\$ 7,083	\$ 7,643	\$ 7,083	\$ 7,643
Less: Build America Bonds subsidy	(209)	(207)	(209)	(207)
<b>Aggregate debt service:</b>	<b>\$ 6,874</b>	<b>\$ 7,436</b>	<b>\$ 6,874</b>	<b>\$ 7,436</b>
<b>Senior debt service coverage (4), (min 1.25x)</b>	<b>3.97 x</b>	<b>3.35 x</b>	<b>3.97 x</b>	<b>3.35 x</b>
<b>Net revenues (from above)</b>	<b>\$ 27,281</b>	<b>\$ 24,938</b>	<b>\$ 27,281</b>	<b>\$ 24,938</b>
<b>Aggregate debt service (from above)</b>				
Aggregate debt service (from above)	\$ 6,874	\$ 7,436	\$ 6,874	\$ 7,436
Plus: aggregate subordinated debt service on outstanding subordinated debt	1,028	1,018	1,028	1,018
<b>Total aggregate debt service and aggregate subordinated debt service</b>	<b>\$ 7,902</b>	<b>\$ 8,454</b>	<b>\$ 7,902</b>	<b>\$ 8,454</b>
<b>Senior and subordinated debt service coverage (5)</b>	<b>3.45 x</b>	<b>2.95 x</b>	<b>3.45 x</b>	<b>2.95 x</b>
<b>Fixed charge coverage</b>	<b>3.22 x</b>	<b>2.74 x</b>	<b>3.22 x</b>	<b>2.74 x</b>

- (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 October 2015 and 2014, then the debt service coverage would have been 3.26x and 2.76x.
- (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 3.26x and 2.76x. Based on the second requirement, net revenues must exceed 100% of aggregate debt service and 120% of aggregate subordinated debt service, or \$8,108 and \$8,658 for the year-to-date period ending October 2015 and 2014.

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

	Month October		Year-To-Date October	
	2015	2014 restated	2015	2014 restated
Revenues:				
Service revenues	\$ 812	\$ 840	\$ 812	\$ 840
Total revenues	812	840	812	840
Operating expenses (1):				
Total operating expenses	222	509	222	509
Net revenues	\$ 590	\$ 331	\$ 590	\$ 331
Aggregate debt service (2)	\$ 252	\$ 252	\$ 252	\$ 252
Debt service coverage (3) (min 1.15x)	2.34 x	1.32 x	2.34 x	1.32 x

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

JEA  
Electric System, St. Johns River Power Park System and Scherer  
Principal Amount of Debt Outstanding and Average Interest Rates  
October 31, 2015

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Schedule of Outstanding Indebtedness

Issue/Average Coupon Rate	Interest Rates	Principal Payment Dates	Par Amount Principal Outstanding	Current Portion of Long-Term Debt
<b>Electric System - Fixed Rate Bonds</b>				
Series Three 2004 A	5.000%	2039	\$ 5,000	\$ -
Series Three 2005 B	4.750%	2033	100,000	-
Series Three 2009 C	5.000%	2016-2017	15,730,000	12,375,000
Series Three 2009 D	6.056%	2033-2044	45,955,000	-
Series Three 2010 A	4.000%	2016-2020	24,960,000	4,835,000
Series Three 2010 C	4.000 - 4.500%	2021-2031	11,420,000	-
Series Three 2010 D	4.000 - 5.000%	2016-2038	92,100,000	5,265,000
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%	2016-2039	133,390,000	620,000
Series Three 2013A	2.500 - 5.000%	2016-2026	111,130,000	7,860,000
Series Three 2013B	1.875 - 5.000%	2021-2038	7,600,000	-
Series Three 2013C	3.000 - 5.000%	2016-2030	30,940,000	2,255,000
Series Three 2014A	2.600 - 5.000%	2016-2034	47,565,000	1,855,000
Series Three 2015A	2.500 - 5.000%	2016-2041	81,810,000	135,000
Series Three 2015B	2.000 - 5.000%	2016-2031	42,355,000	6,350,000
<b>Total Fixed Rate Senior Bonds</b>			<b>740,065,000</b>	<b>41,550,000</b>
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%	2016-2018	4,065,000	1,850,000
2009 Series F	4.125 - 6.406%	2016-2034	65,600,000	930,000
2009 Series G	4.000 - 5.000%	2016-2021	22,975,000	4,675,000
2010 Series A	3.000 - 5.000%	2016-2017	4,960,000	4,250,000
2010 Series B	3.000 - 5.000%	2016-2024	35,380,000	855,000
2010 Series C	3.125 - 4.000%	2020-2027	15,925,000	-
2010 Series D	3.500 - 5.582%	2017-2027	45,575,000	-
2010 Series E	4.000%	2016	4,505,000	4,505,000
2012 Series A	3.000 - 5.000%	2016-2033	110,780,000	2,715,000
2012 Series B	2.250 - 5.000%	2016-2037	105,800,000	2,355,000
2013 Series A	2.500 - 5.000%	2017-2030	59,330,000	-
2013 Series B	2.500 - 5.000%	2016-2026	41,215,000	10,085,000
2013 Series C	1.375 - 5.000%	2016-2038	88,605,000	590,000
2013 Series D	2.625 - 5.250%	2016-2035	145,055,000	9,360,000
2014 Series A	3.000 - 5.000%	2016-2039	223,770,000	9,330,000
<b>Total Fixed Rate Subordinated Bonds</b>			<b>1,018,605,000</b>	<b>51,500,000</b>
<b>Total Fixed Rate Electric System Bonds/4.561%</b>			<b>1,758,670,000</b>	<b>93,050,000</b>
<b>Electric System - Variable Rate Bonds</b>				
	Current Interest Rates (1)			
Series Three 2008 A	0.010%	2027-2036	51,680,000	-
Series Three 2008 B-1	0.417%	2016-2040	60,745,000	350,000
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	0.417%	2016-2036	50,185,000	375,000
Series Three 2008 C-1	0.019%	2024-2034	44,145,000	-
Series Three 2008 C-2	0.019%	2024-2034	43,900,000	-
Series Three 2008 C-3	0.060%	2030-2038	25,000,000	-
Series Three 2008 D-1	0.417%	2016-2036	113,840,000	2,420,000
<b>Total Variable Rate Senior Bonds</b>			<b>468,395,000</b>	<b>3,145,000</b>
Series 2000 A	0.040%	2021-2035	30,965,000	-
Series 2000 F-1	0.030%	2026-2030	37,200,000	-
Series 2000 F-2	0.038%	2026-2030	24,800,000	-
Series 2008 D	0.010%	2024-2038	39,455,000	-
<b>Total Variable Rate Subordinated Bonds</b>			<b>132,420,000</b>	<b>-</b>
<b>Total Variable Rate Bonds</b>			<b>600,815,000</b>	<b>3,145,000</b>
<b>Total Electric System Bonds</b>			<b>2,359,485,000</b>	<b>96,195,000</b>
<b>St. Johns River Power Park - Fixed Rate Bonds</b>				
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 21	5.000%	2021	5,000	-
Issue 2 Series 22	4.000%	2019	5,000	-
Issue 2 Series 23	3.000 - 5.000%	2017-2021	64,910,000	-
Issue 2 Series 24	4.000%	2017-2021	29,625,000	-
Issue 2 Series 25	3.000 - 5.000%	2016-2021	42,195,000	42,150,000
Issue 2 Series 26	2.000 - 5.000%	2019-2021	65,970,000	-
Issue 2 Series 27	1.888 - 2.505%	2019-2021	7,025,000	-
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	1,635,000
Issue 3 Series 6	2.375 - 5.000%	2019-2037	91,330,000	-
Issue 3 Series 7	2.000 - 5.000%	2019-2033	79,500,000	-
Issue 3 Series 8	2.000 - 5.000%	2019-2039	57,895,000	-
<b>Total Fixed Rate St. Johns River Power Park Bonds/4.120%</b>			<b>494,000,000</b>	<b>43,785,000</b>
<b>Bulk Power Supply System, Scherer 4 Project - Fixed Rate Bonds</b>				
Series 2010A	3.900 - 5.920%	2016-2030	42,785,000	2,910,000
Series 2014A	2.000 - 5.000%	2016-2038	69,185,000	3,135,000
<b>Total Fixed Rate Bulk Power Supply System Bonds/4.293%</b>			<b>111,970,000</b>	<b>6,045,000</b>
<b>Weighted Average Cost(2) / Total Outstanding Debt</b>		3.256%	<b>2,965,455,000</b>	<b>146,025,000</b>

(1) Current month interest rate excluding variable debt fees.  
(2) Weighted Average Cost of debt is net of BABs subsidy, original issue premiums/discounts and excludes variable debt liquidity/restructuring 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  
 October 31, 2015

Schedule of Outstanding Indebtedness

Issue/Average Coupon Rate	Interest Rates	Principal Payment Dates	Par Amount Principal Outstanding	Current Portion of Long-Term Debt
<b>Fixed Rate Bonds</b>				
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	4.300 - 5.700%	2016-2025	17,300,000	1,730,000
2010 Series C	4.000 - 5.000%	2016-2020	10,650,000	1,105,000
2010 Series D	4.000 - 5.000%	2017-2039	101,850,000	-
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	3.000%	2016	785,000	785,000
2012 Series A	3.000 - 5.000%	2017-2041	317,935,000	-
2012 Series B	2.000 - 5.000%	2016-2041	131,765,000	1,680,000
2013 Series A	4.000 - 5.000%	2016-2027	91,085,000	1,345,000
2013 Series B	1.286 - 1.882%	2016-2017	16,730,000	12,900,000
2014 Series A	2.000 - 5.000%	2016-2040	289,565,000	4,970,000
<b>Total Fixed Rate Senior Bonds</b>			<b>1,192,855,000</b>	<b>24,515,000</b>
2010 Series A	3.000 - 5.000%	2016-2022	14,065,000	915,000
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%	2016-2029	76,040,000	3,790,000
<b>Total Fixed Rate Subordinated Bonds</b>			<b>164,835,000</b>	<b>4,705,000</b>
<b>Total Fixed Rate Bonds/4.618%</b>			<b>1,357,690,000</b>	<b>29,220,000</b>
<b>Variable Rate Bonds</b>				
	Current Interest Rates (1)			
2006 Series B - CPI Bonds	1.126% (2)	2016-2022	38,730,000	4,105,000
2008 Series A-2	0.010%	2028-2042	51,820,000	-
2008 Series B	0.019%	2023-2041	85,290,000	-
<b>Total Variable Rate Senior Bonds</b>			<b>175,840,000</b>	<b>4,105,000</b>
2008 Series A-1	0.010%	2016-2038	53,500,000	550,000
2008 Series A-2	0.010%	2030-2038	25,600,000	-
2008 Series B-1	0.020%	2030-2036	30,885,000	-
<b>Total Variable Rate Subordinated Bonds</b>			<b>109,985,000</b>	<b>550,000</b>
<b>Total Variable Rate Bonds</b>			<b>285,825,000</b>	<b>4,655,000</b>
<b>Weighted Average Cost(3) / Total Outstanding Debt</b>		<b>3.553%</b>	<b>\$ 1,643,515,000</b>	<b>\$ 33,875,000</b>

- (1) Current month interest rate excluding variable debt fees.
- (2) Designated swap obligation. The rate shown is the weighted average of the variable CPI Index rates for the 6 month re-set period.
- (3) Weighted Average Cost of debt is net of BABs subsidy, original issue premiums/discounts and excludes variable debt liquidity/remarketing fees and interest rate swap payments.

- Remaining New Money Authorization \$ 218,078,023
- Remaining Refunding Authorization \$ 1,231,973,942

JEA  
 District Energy System  
 Principal Amount of Debt Outstanding and Average Interest Rates  
 October 31, 2015

Schedule of Outstanding Indebtedness

Issue/Average Coupon	Interest Rates	Principal Payment Dates	Par Amount Principal Outstanding	Current Portion of Long-Term Debt
<b>Fixed Rate Bonds</b>				
2013 Series A/4.036%	1.017 - 4.538%	2016-2034	\$ 39,750,000	\$ 1,625,000
<b>Weighted Average Cost(1) / Total Outstanding Debt</b>		<b>4.041%</b>	<b>\$ 39,750,000</b>	<b>\$ 1,625,000</b>

(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  
October 2015  
All Funds**

<u>INVESTMENT</u>	<u>BOOK VALUE</u>	<u>YIELD</u>	<u>% OF TOTAL</u>	<u>LAST MONTH</u>	<u>6 MONTH AVERAGE</u>
* Treasuries	\$ 3,298,969	1.01%	0.26%	4.84%	3.19%
<u>Agencies</u>					
Federal Farm Credit Bank	219,186,616	0.77%	17.24%	15.43%	15.42%
Federal Home Loan Bank	319,097,256	1.04%	25.10%	31.23%	28.82%
Federal National Mortgage Assoc.	9,993,856	0.14%	0.79%	0.72%	0.34%
Total	548,277,728	0.92%	43.13%	47.38%	44.59%
Municipal Bonds	276,756,803	2.07%	21.77%	20.35%	19.70%
Commercial Paper	301,946,929	0.22%	23.75%	17.43%	19.07%
U.S. Treasury Money Market Funds (1)	16,037,731	0.03%	1.26%	0.80%	1.38%
Agency Money Market Funds (2)	20,425,000	0.04%	1.61%	2.37%	1.62%
Wells Fargo Bank Accounts (3)					
Electric, Scherer	50,026,324	0.07%	3.94%	3.46%	4.92%
SJRPP	44,580,278	0.07%	3.51%	2.19%	2.84%
Water & Sewer, DES	9,911,046	0.07%	0.78%	1.19%	1.94%
Total Portfolio	\$ 1,271,260,807	0.87%	100.00%	100.00%	100.00%

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

Weighted Avg. Annual Yield for October 2015, Excluding Bank & Money Market Funds: 1.01%

Weighted Avg. Annual Yield for October 2015, Including Bank & Money Market Funds: 0.87%

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  
October 2015**

**JEA Debt Management Swaps Variable to Fixed**

ID	Dealer	Effective Date	Terminat'n Date	Electric System Allocation	Water/Sewer Allocation	Fixed Rate	Floating Rate (1)	Spread	Rate Cap	Index
1	Goldman Sachs	9/18/2003	9/18/2033	\$ 84,800,000	\$ -	3.717	0.131	3.586	n/a	68% 1 mth Libor
3	Morgan Stanley	1/27/2005	10/1/2039	82,575,000	-	4.351	0.017	4.334	n/a	SIFMA
4	JPMorgan	1/27/2005	10/1/2035	86,375,000	-	3.661	0.131	3.530	n/a	68% 1 mth Libor
6	JPMorgan	1/27/2005	10/1/2037	39,175,000	-	3.716	0.131	3.585	n/a	68% 1 mth Libor
7	Morgan Stanley	10/31/2006	10/1/2022	-	38,730,000	3.996	1.126	2.870	n/a	CPI
8	Morgan Stanley	1/31/2007	10/1/2031	62,980,000	-	3.907	0.017	3.890	n/a	SIFMA
9	Merrill Lynch	3/8/2007	10/1/2041	-	85,290,000	3.895	0.017	3.878	n/a	SIFMA
10	Goldman Sachs	1/31/2008	10/1/2036	51,680,000	-	3.836	0.017	3.819	n/a	SIFMA
Total				<u>\$ 407,585,000</u>	<u>\$ 124,020,000</u>	Wtd Avg Spread		3.746		

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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	Month October			Year-To-Date October		
	2015	2014	Variance	2015	2014	Variance
Electric revenue sales (000's omitted):						
Residential	\$ 23,349	\$ 48,048	-51.40%	\$ 23,349	\$ 48,048	-51.40%
Commercial	18,137	35,499	-48.91%	18,137	35,499	-48.91%
Industrial	5,132	18,996	-72.98%	5,132	18,996	-72.98%
Public street lighting	800	1,031	-22.41%	800	1,031	-22.41%
Sales for resale - territorial	789	2,270	-65.24%	789	2,270	-65.24%
Electric revenues - territorial	48,207	105,844	-54.45%	48,207	105,844	-54.45%
Sales for resale - off system	183	492	-62.80%	183	492	-62.80%
Electric revenues	48,390	106,336	-54.49%	48,390	106,336	-54.49%
Less: rate stabilization & recovery	40,916	(4,992)	-919.63%	40,916	(4,992)	-919.63%
Less: allowance for doubtful accounts	(92)	(158)	-41.77%	(92)	(158)	-41.77%
Electric revenues - net	89,214	101,186	-11.83%	89,214	101,186	-11.83%
MWh sales:						
Residential	374,642	388,635	-3.60%	374,642	388,635	-3.60%
Commercial	330,364	326,759	1.10%	330,364	326,759	1.10%
Industrial	219,102	223,428	-1.94%	219,102	223,428	-1.94%
Public street lighting	6,676	7,605	-12.22%	6,676	7,605	-12.22%
Sales for resale - territorial	21,731	25,168	-13.66%	21,731	25,168	-13.66%
Total MWh sales - territorial	952,515	971,595	-1.96%	952,515	971,595	-1.96%
Sales for resale - off system	6,168	16,015	-61.49%	6,168	16,015	-61.49%
Total MWh sales	958,683	987,610	-2.93%	958,683	987,610	-2.93%
Number of accounts (1):						
Residential	393,282	385,623	1.99%	393,282	385,623	1.99%
Commercial	50,951	50,238	1.42%	50,951	50,238	1.42%
Industrial	205	213	-3.76%	205	213	-3.76%
Public street lighting	3,606	3,501	3.00%	3,606	3,501	3.00%
Sales for resale	2	2	0.00%	2	2	0.00%
Total average accounts	448,046	439,577	1.93%	448,046	439,577	1.93%
Residential averages:						
Revenue per account - \$	59.37	124.60	-52.35%	59.37	124.60	-52.35%
kWh per account	953	1,008	-5.46%	953	1,008	-5.46%
Revenue per kWh - ¢	6.23	12.36	-49.60%	6.23	12.36	-49.60%
Degree days:						
Heating degree days	7	21	(14)	7	21	(14)
Cooling degree days	201	169	32	201	169	32
Total degree days	208	190	18	208	190	18
Degree days - 30 year average		225			225	

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

**JEA  
Water and Sewer System  
Operating Statistics**

	Month October			Year-To-Date October		
	2015	2014	Variance	2015	2014	Variance
<b>Water</b>						
Revenues (000's omitted):						
Residential	\$ 7,345	\$ 7,256	1.23%	\$ 7,345	\$ 7,256	1.23%
Commercial and industrial	4,090	3,944	3.70%	4,090	3,944	3.70%
Irrigation	2,551	2,572	-0.82%	2,551	2,572	-0.82%
Water revenues	13,986	13,772	1.55%	13,986	13,772	1.55%
Less: rate stabilization environmental	(1,072)	(1,099)	-2.46%	(1,072)	(1,099)	-2.46%
Less: allowance for doubtful accounts	(24)	(22)	8.81%	(24)	(22)	8.81%
Water revenues, net	\$ 12,890	\$ 12,651	1.89%	\$ 12,890	\$ 12,651	1.89%
Water Sales (kgals*):						
Residential	1,454,287	1,435,118	1.34%	1,454,287	1,435,118	1.34%
Commercial and industrial	1,254,948	1,195,553	4.97%	1,254,948	1,195,553	4.97%
Irrigation	411,550	420,453	-2.12%	411,550	420,453	-2.12%
Total kgals sales	3,120,785	3,051,124	2.28%	3,120,785	3,051,124	2.28%
Number of accounts (1):						
Residential	268,993	262,329	2.54%	268,993	262,329	2.54%
Commercial and industrial	24,200	23,836	1.53%	24,200	23,836	1.53%
Irrigation	36,197	35,885	0.87%	36,197	35,885	0.87%
Total average accounts	329,390	322,050	2.28%	329,390	322,050	2.28%
Residential averages:						
Revenue per account - \$	27.31	27.66	-1.28%	27.31	27.66	-1.28%
kgals per account	5.41	5.47	-1.17%	5.41	5.47	-1.17%
Revenue per kgals - \$	5.05	5.06	-0.11%	5.05	5.06	-0.11%
<b>Reuse</b>						
Revenues (000's omitted):						
Reuse revenues	\$ 673	\$ 501	34.33%	\$ 673	\$ 501	34.33%
Reuse Sales (kgals*):						
Reuse sales (kgals)	156,189	166,046	-5.94%	156,189	166,046	-5.94%
Number of accounts:						
Reuse accounts	6,673	5,320	25.43%	6,673	5,320	25.43%
<b>Sewer</b>						
Revenues (000's omitted):						
Residential	\$ 11,350	\$ 11,250	0.89%	\$ 11,350	\$ 11,250	0.89%
Commercial and industrial	10,074	9,368	7.54%	10,074	9,368	7.54%
Sewer revenues	21,424	20,618	3.91%	21,424	20,618	3.91%
Less: rate stabilization environmental	(780)	(759)	2.67%	(780)	(759)	2.67%
Less: allowance for doubtful accounts	(36)	(33)	9.09%	(36)	(33)	9.09%
Sewer revenues, net	20,608	19,826	3.95%	20,608	19,826	3.95%
Sewer Sales (kgals*):						
Residential	1,228,311	1,232,459	-0.34%	1,228,311	1,232,459	-0.34%
Commercial and industrial	1,162,696	1,050,712	10.66%	1,162,696	1,050,712	10.66%
Total kgals sales	2,391,007	2,283,171	4.72%	2,391,007	2,283,171	4.72%
Number of accounts (1):						
Residential	236,726	230,197	2.84%	236,726	230,197	2.84%
Commercial and industrial	17,876	17,693	1.03%	17,876	17,693	1.03%
Total average accounts	254,602	247,890	2.71%	254,602	247,890	2.71%
Residential averages:						
Revenue per account - \$	47.95	48.87	-1.89%	47.95	48.87	-1.89%
kgals per account	5.19	5.35	-3.09%	5.19	5.35	-3.09%
Revenue per kgals - \$	9.24	9.13	1.23%	9.24	9.13	1.23%
*kgals = 1000 gallons						
Rainfall	(YTD IS BASED ON CUMULATIVE FIGURE)			Diff in Inches		
Normal	3.93	3.93		3.93	3.93	
Actual	0.20	1.87	(1.67)	0.20	1.87	(1.67)
Rain Days	5	5		5	5	

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

	Month			Year-To-Date		
	2015	October 2014	Variance	2015	October 2014	Variance
<b>Generated power:</b>						
<b>Steam:</b>						
<i>Fuel oil</i>						
Fuel expense	\$ (45,016)	\$ -		\$ (45,016)	\$ -	
Barrels #6 oil consumed						
\$/ per barrel consumed						
kWh oil generated (1)						
Cost per MWh - oil						
<i>Natural gas units #1-3</i>						
Gas expense - variable	\$ 3,403,707	\$ 649,113	424.36%	\$ 3,403,707	\$ 649,113	424.36%
MMBTU's consumed	1,212,477	140,743	761.48%	1,212,477	140,743	761.48%
\$/ per MMBTU consumed	\$ 2.81	\$ 4.61	-39.05%	\$ 2.81	\$ 4.61	-39.05%
kWh - gas generated (1)	110,426,980	9,935,713	1011.41%	110,426,980	9,935,713	1011.41%
Cost per MWh - gas	\$ 30.82	\$ 65.33	-52.82%	\$ 30.82	\$ 65.33	-52.82%
Cost per MWh - gas & oil - steam	\$ 30.42	\$ 65.33	-53.44%	\$ 30.42	\$ 65.33	-53.44%
<i>Coal</i>						
Coal expense	\$ 1,877,966	\$ 7,900,067	-76.23%	\$ 1,877,966	\$ 7,900,067	-76.23%
kWh generated	82,924,540	225,874,135	-63.29%	82,924,540	225,874,135	-63.29%
Cost per MWh - coal	\$ 22.65	\$ 34.98	-35.25%	\$ 22.65	\$ 34.98	-35.25%
<i>Pet coke and limestone</i>						
Expense	\$ 3,218,237	\$ 164,997	1850.48%	\$ 3,218,237	\$ 164,997	1850.48%
kWh generated	132,386,366	-	#DIV/0!	132,386,366	-	#DIV/0!
Cost per MWh - pet coke and limestone	\$ 24.31	#DIV/0!	#DIV/0!	\$ 24.31	#DIV/0!	#DIV/0!
Cost per MWh - coal & petcoke - steam	\$ 23.67	\$ 35.71	-33.72%	\$ 23.67	\$ 35.71	-33.72%
<b>Combustion turbine:</b>						
<i>Fuel oil</i>						
Fuel expense	\$ 27,109	\$ 41,971	-35.41%	\$ 27,109	\$ 41,971	-35.41%
Barrels #2 oil consumed	(39)	203	-119.21%	(39)	203	-119.21%
\$/ per barrel consumed	\$ (695.10)	\$ 206.75	-436.20%	\$ (695.10)	\$ 206.75	-436.20%
kWh - oil generated	(631)	44,795	-101.41%	(631)	44,795	-101.41%
Cost per MWh - oil	\$ (42,961.97)	\$ 936.96	-4685.25%	\$ (42,961.97)	\$ 936.96	-4685.25%
<i>Natural gas (includes landfill)</i>						
Gas expense Kennedy & landfill - variable	\$ 65,145	\$ 140,277	-53.56%	\$ 65,145	\$ 140,277	-53.56%
MMBTU's consumed	24,051	30,110	-20.12%	24,051	30,110	-20.12%
\$/ per MMBTU consumed	\$ 2.71	\$ 4.66	-41.85%	\$ 2.71	\$ 4.66	-41.85%
kWh - gas generated (1)	1,740,899	2,034,286	-14.42%	1,740,899	2,034,286	-14.42%
Cost per MWh - gas	\$ 37.42	\$ 68.96	-45.74%	\$ 37.42	\$ 68.96	-45.74%
Gas expense BB simple - variable	\$ 19,999	\$ 67,975	-70.58%	\$ 19,999	\$ 67,975	-70.58%
MMBTU's consumed	14,651	22,860	-35.91%	14,651	22,860	-35.91%
\$/ per MMBTU consumed	\$ 1.37	\$ 2.97	-53.87%	\$ 1.37	\$ 2.97	-53.87%
kWh - gas generated (1)	1,119,500	1,824,700	-38.65%	1,119,500	1,824,700	-38.65%
Cost per MWh - gas simple	\$ 17.86	\$ 37.25	-52.05%	\$ 17.86	\$ 37.25	-52.05%
Gas expense BB combined - variable	\$ 5,096,356	\$ 9,414,157	-45.86%	\$ 5,096,356	\$ 9,414,157	-45.86%
MMBTU's consumed	1,963,032	2,394,148	-18.01%	1,963,032	2,394,148	-18.01%
\$/ per MMBTU consumed	\$ 2.60	\$ 3.93	-33.84%	\$ 2.60	\$ 3.93	-33.84%
kWh - gas generated (1)	272,615,320	337,141,152	-19.14%	272,615,320	337,141,152	-19.14%
Cost per MWh - gas combined	\$ 18.69	\$ 27.92	-33.06%	\$ 18.69	\$ 27.92	-33.06%
Gas expense GEC simple - variable	\$ 305,999	\$ (56,811)	-638.63%	\$ 305,999	\$ (56,811)	-638.63%
MMBTU's consumed	125,288	31,718	295.01%	125,288	31,718	295.01%
\$/ per MMBTU consumed	\$ 2.44	\$ (1.79)	-236.31%	\$ 2.44	\$ (1.79)	-236.31%
kWh - gas generated	10,806,257	2,264,407	377.22%	10,806,257	2,264,407	377.22%
Cost per MWh - gas simple	\$ 28.32	\$ (25.09)	-212.87%	\$ 28.32	\$ (25.09)	-212.87%
Cost per MWh - gas & oil ct	\$ 19.26	\$ 27.99	-31.19%	\$ 19.26	\$ 27.99	-31.19%
Natural gas expense - fixed	\$ 2,305,913	\$ 2,497,315	-7.66%	\$ 2,305,913	\$ 2,497,315	-7.66%
<b>Total generated power:</b>						
Fuels expense	\$ 16,275,415	\$ 20,819,061	-21.82%	\$ 16,275,415	\$ 20,819,061	-21.82%
kWh generated	612,019,231	579,119,188	5.68%	612,019,231	579,119,188	5.68%
Cost per MWh	\$ 26.59	\$ 35.95	-26.03%	\$ 26.59	\$ 35.95	-26.03%

(1) Allocation of kWh generated is based upon a ratio of gas MBTU's (adjusted to oil equivalent - 95.5%) and oil MBTU's.

<b>Cost of fuels</b>						
Fuel oil #6	\$ (45,016)	\$ -		\$ (45,016)	\$ -	
Natural gas units #1-3 with landfill - variable	3,403,707	649,113		3,403,707	649,113	
Coal	1,877,966	7,900,067		1,877,966	7,900,067	
Petcoke	3,218,237	164,997		3,218,237	164,997	
Fuel oil #2	27,109	41,971		27,109	41,971	
Natural gas - simple cycle (BB & GEC) - variable	391,143	151,441		391,143	151,441	
Natural gas - combined (BB) - variable	5,096,356	9,414,157		5,096,356	9,414,157	
Natural gas - fixed	2,305,913	2,497,315		2,305,913	2,497,315	
<b>Total</b>	<b>\$ 16,275,415</b>	<b>\$ 20,819,061</b>		<b>\$ 16,275,415</b>	<b>\$ 20,819,061</b>	

JEA  
Electric System  
Production Statistics (Con't.)

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	Month			Year-To-Date		
	2015	October 2014	Variance	2015	October 2014	Variance
<b>Production Statistics (Con't.)</b>						
<b>Purchased power:</b>						
<i>Plant Scherer</i>						
Purchases	\$ 6,276,404	\$ 3,576,644	75.48%	\$ 6,276,404	\$ 3,576,644	75.48%
kWh purchased	102,592,000	78,086,000	31.38%	102,592,000	78,086,000	31.38%
Cost per MWh	\$ 61.18	\$ 45.80	33.57%	\$ 61.18	\$ 45.80	33.57%
<i>TEA &amp; other</i>						
Purchases	\$ 2,290,941	\$ 1,976,119	15.93%	\$ 2,290,941	\$ 1,976,119	15.93%
kWh purchased	44,539,788	24,749,220	79.96%	44,539,788	24,749,220	79.96%
Cost per MWh	\$ 51.44	\$ 79.85	-35.58%	\$ 51.44	\$ 79.85	-35.58%
<i>SJRPP</i>						
Purchases	\$ 12,551,973	\$ 16,136,581	-22.21%	\$ 12,551,973	\$ 16,136,581	-22.21%
kWh purchased	237,145,000	323,287,000	-26.65%	237,145,000	323,287,000	-26.65%
Cost per MWh	\$ 52.93	\$ 49.91	6.04%	\$ 52.93	\$ 49.91	6.04%
<b>Total purchased power:</b>						
Purchases	\$ 21,119,318	\$ 21,689,344	-2.63%	\$ 21,119,318	\$ 21,689,344	-2.63%
kWh purchased	384,276,788	426,122,220	-9.82%	384,276,788	426,122,220	-9.82%
Cost per MWh	\$ 54.96	\$ 50.90	7.98%	\$ 54.96	\$ 50.90	7.98%
Subtotal - generated and purchased power:	\$ 37,394,733	\$ 42,508,405	-12.03%	\$ 37,394,733	\$ 42,508,405	-12.03%
Fuel interchange sales	(182,891)	(491,594)	-62.80%	(182,891)	(491,594)	-62.80%
Earnings of The Energy Authority	89,316	(164,750)	-154.21%	89,316	(164,750)	-154.21%
Realized and Unrealized (Gains) Losses:	138,600	-		138,600	-	
Fuel procurement and handling	744,652	1,001,508	-25.65%	744,652	1,001,508	-25.65%
By product reuse	1,405,077	1,282,730	9.54%	1,405,077	1,282,730	9.54%
Total generated and net purchased power:						
Cost, net	39,589,487	44,136,299	-10.30%	39,589,487	44,136,299	-10.30%
kWh generated and purchased	996,296,019	1,005,241,408	-0.89%	996,296,019	1,005,241,408	-0.89%
Cost per MWh	\$ 39.74	\$ 43.91	-9.50%	\$ 39.74	\$ 43.91	-9.50%
Cost per MWh						
<b>Reconciliation:</b>						
Generated and purchased power per above	\$ 39,589,487	\$ 39.74		\$ 39,589,487	\$ 39.74	
SJRPP operating expenses:						
SJRPP O & M	(1,919,447)	(1.93)		(1,919,447)	(1.93)	
SJRPP debt service	(3,424,964)	(3.44)		(3,424,964)	(3.44)	
SJRPP R & R	1,719,943	1.73		1,719,943	1.73	
SCHERER operating expenses:						
Scherer power production	(534,844)	(0.54)		(534,844)	(0.54)	
Scherer R & R	(2,583,203)	(2.59)		(2,583,203)	(2.59)	
Scherer transmission	(419,419)	(0.42)		(419,419)	(0.42)	
Scherer taxes	(81,814)	(0.08)		(81,814)	(0.08)	
Southern capacity	(590,084)	(0.59)		(590,084)	(0.59)	
Rounding		1			1	
	\$ 31,755,656	\$ 31.87		\$ 31,755,656	\$ 31.87	

JEA  
Electric System  
Purchased Power from SJRPP

	Month		Year-To-Date	
	October		October	
	2015	2014	2015	2014
Fuel costs :	\$ 8,931,448	\$ 11,437,634	\$ 8,931,448	\$ 11,437,634
(Includes fuel handling expenses)				
Less interest credits: inventory bank	(3,863)	(2,598)	(3,863)	(2,598)
Plus (less): true-up interest	(80)	(14)	(80)	(14)
Total	<u>8,927,505</u>	<u>11,435,022</u>	<u>8,927,505</u>	<u>11,435,022</u>
Cost per MWh	\$ 37.65	\$ 35.37	\$ 37.65	\$ 35.37
Operating and maintenance expenses:	1,919,844	2,085,074	1,919,844	2,085,074
Less: operations bank interest	(397)	(378)	(397)	(378)
Total	<u>1,919,447</u>	<u>2,084,696</u>	<u>1,919,447</u>	<u>2,084,696</u>
Cost per MWh	\$ 8.09	\$ 6.45	\$ 8.09	\$ 6.45
Debt service contribution:	P 2,331,563	2,958,177	2,331,563	2,958,177
	I 1,464,488	1,729,591	1,464,488	1,729,591
Less credits:				
Reserve units 1 & 2	(253,680)	(257,077)	(253,680)	(257,077)
Debt service units 1 & 2	(58)	(16,842)	(58)	(16,842)
Bond proceeds COB	-	(1,036)	-	(1,036)
General reserve	(13,949)	(1,923)	(13,949)	(1,923)
Build america bonds subsidy	(34,190)	(34,007)	(34,190)	(34,007)
Inventory carrying costs	(57,958)	(58,639)	(57,958)	(58,639)
Total	<u>3,436,214</u>	<u>4,318,244</u>	<u>3,436,214</u>	<u>4,318,244</u>
Cost per MWh	\$ 14.49	\$ 13.36	\$ 14.49	\$ 13.36
R & R contribution:	339,343	345,221	339,343	345,221
Less: interest credit	(45,536)	(46,602)	(45,536)	(46,602)
Less: cumulative capital recovery amount	(2,025,000)	(2,000,000)	(2,025,000)	(2,000,000)
	<u>(1,731,193)</u>	<u>(1,701,381)</u>	<u>(1,731,193)</u>	<u>(1,701,381)</u>
Cost per MWh	\$ (7.30)	\$ (5.26)	\$ (7.30)	\$ (5.26)
Total	<u>\$ 12,551,973</u>	<u>\$ 16,136,581</u>	<u>\$ 12,551,973</u>	<u>\$ 16,136,581</u>
kWh purchased	237,145,000	323,287,000	237,145,000	323,287,000
Cost per MWh	\$ 52.93	\$ 49.91	\$ 52.93	\$ 49.91

**JEA Community Engagement Calendar - October - December 2015**

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

	A	B	C	D	E	F
1	Date	Event/Activity	Location	Time	Type	Opportunity for Public to Attend or Participate
2	<b>Oct-15</b>					
3	10/1 -4/2015	2015 Fall Home & Patio Show	Prime Osborn	10am - 9pm	Ambassador Event	Yes
4	10/3/2015	Alexandria Park - Tree Planting	1600 Marco Place	9am	Ambassador Event	Yes
5	10/7/2015	Julios Gunyard Park - Tree Planting	1359 Jefferson St.	9am	Ambassador Event	Yes
6	10/8/2015	United Way Days of Caring	Clara White Mission	8am - 11am	Volunteer Event	Yes
7	10/9/2015	Junior Achievement - Financial Literacy	Terry Parker High	7:15am	Ambassador Instructor	No
8	10/14/2015	FL Urban Forestry Council	Sumpter, FL	8am	Ambassador Event	Yes
9	10/14/2015	FL Energy Summit Group	SJRPP	10am	Ambassador Facility Tour	No
10	10/14/2015	Deutsche Bank	Lunch & Learn	12noon	Ambassador Speaker	Yes
11	10/14 - 16/2015	2015 Florida Energy Summit	Hyatt Riverfront	All Day	Ambassador Event	Yes
12	10/15/2015	United Way Days of Caring	Pine Castle - 4933 Spring Park Road	9am - 12noon	Volunteer Event	Yes
13	10/15/2015	Web.com Benefits Fair	12808 Gran Bay Parkway	10am - 3pm	Ambassador Event	No
14	10/15/2015	Mayport Energy Awareness Event	Mayport Base - Commissary	10am - 2pm	Ambassador Event	No
15	10/15/2015	Trail of Trees	Waterleaf Elem.	9am	Ambassador Speaker	No
16	10/15/2015	Trail of Trees	J. Allen Axon Elem.	11am	Ambassador Speaker	No
17	10/15 - 18/2015	2015 Southern Women's Show	Prime Osborn	10am - 9pm	Ambassador Event	Yes
18	10/16/2015	Trail of Trees	Bartram Springs Elem.	10am	Ambassador Speaker	No
19	10/17/2015	Home Depot Customer Appreciation	Atlantic & Girvin	10am - 2pm	Ambassador Event	Yes
20	Date	Event/Activity	Location	Time	Type	Opportunity for Public to Attend or Participate

**JEA Community Engagement Calendar - October - December 2015**

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

	A	B	C	D	E	F
21	10/17/2015	Murray Hill Tree Planting	Murray Hill Community Center	9am	Ambassador Event	Yes
22	10/21/2015	Bolles School	7400 San Jose Blvd.	9am	Ambassador Speaker	No
23	10/22/2015	EV Summit	Cocoa Bch.	8am	Ambassador Speaker	
24	10/22/2015	Greenscape Planting	1468 Hendricks Ave.	8am	Ambassador Speaker	Yes
25	10/23/2015	Junior Achievement - Financial Literacy	Raines High	12:30pm	Ambassador Instructor	No
26	10/24/2015	2015 Black Expo	Prime Osborn	10am - 7pm	Ambassador Event	Yes
27	10/24/2015	Eco-Latina Hispanic Art Walk	Jax Landing	4pm	Ambassador Event	Yes
28	10/24/2015	TEDxJacksonville	Webb Wesconnett and University Park Libraries	9:30am - 2pm	Volunteer Event	Yes
29	10/24/2015	TEDxJacksonville	WJCT	9:30am - 2pm	Ambassador Event	Yes
30	10/24/2015	United Nations of Assoc.	UNF	6pm	Ambassador Speaker	Yes
31	10/24/2015	Hollybrook Tree Planting	2840 Fitzgerald St.	9am	Ambassador Event	Yes
32	10/26/2015	UNF Drive & Ride	UNF Campus	11am - 1pm	Ambassador Event	Yes
33	10/27/2015	United Way - Leadership Conference	Atlantic Coast Bank - 4655 Salisbury Rd.	10am	Ambassador Speaker	No
34	10/27/2015	Junior Achievement - Financial Literacy	Robert E Lee High	8:50am	Ambassador Instructor	No
35	10/27/2015	jea.com Team	NGS Tour	10am	Ambassador Facility Tour	No
36	10/29/2015	Midtown Center Tree Planting	4040 Woodcock Dr.	9am	Ambassador Event	Yes
37	10/31/2015	2015 North Riverside Community Fall Festival	Riverside North Clara White Mission 2711 Edison Avenue	10am - 2pm	Ambassador Event	Yes
38	<b>Nov-15</b>					
39	11/4 - 14/2015	Annual Holiday Food Drive	JEA downtown tower and offsite locations	All Day	Volunteer Event	Yes
40	11/6/2015	UNF Engineering Students	Tour - SJRPP	12:30pm	Ambassador Facility Tour	No
41	<b>Date</b>	<b>Event/Activity</b>	<b>Location</b>	<b>Time</b>	<b>Type</b>	<b>Opportunity for Public to Attend or Participate</b>

**JEA Community Engagement Calendar - October - December 2015**

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

	A	B	C	D	E	F
42	11/7/2015	Main Library Anniversary Celebration	Main Library	10am	Ambassador Event	Yes
43	11/10/2015	Orange Park High	NGS Tour	10am	Ambassador Facility Tour	No
44	11/11/2015	Veterans Day Parade	Downtown Jax	11:01am	Ambassador Event	Yes
45	11/17/2015	Junior Achievement - Financial Literacy	Fletcher High	8:50am	Ambassador Instructor	No
46	11/24/2015	Junior Achievement - Financial Literacy	Sandlewood High	12:30pm	Ambassador Instructor	No
47	11/19/2015	Feeding NE Florida Food Bank	1116 Edgewood Avenue	8:30 – 11:30 a.m.	Volunteer Project	Yes
48	11/24/2015	Salvation Army	900 West Adams Street	8 a.m. – 12:30 p.m.	Volunteer Project	Yes
49	<b>Dec-15</b>					
50	12/9/2015	JEA Holiday Toy Drive	All Facilities	All Day	Employee	
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## **FY16 Communications & Community Engagement Overview and October/November Update**

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Overview: Each month we update the board on communications and community engagement activities for the previous and current months. We will be glad to provide you additional or different information as you prefer. The purpose is to keep you informed about these activities so that you are knowledgeable about JEA's efforts to keep our customers informed, to assist them in the management of their utility services and to be a good corporate citizen.

Communications: In October, we placed our emphasis on the Fuel Credit that customers received in their 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. Other key topics for October and November were conservation and energy efficiency tips, promotion of our online energy and water management tool—Tracker, customer alerts, the streetlight repair process, and electric safety. 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 Florida Energy Summit held in Jacksonville and a pitch for customers to not put disposable wipes down the toilet, rather to put them in the trash. The JEA Board was in the news in October.

Community Engagement: JEA employees are actively involved in our community engagement efforts. JEA Ambassadors participate in activities where we have an opportunity to help customers manage their utility services and/or to educate customers about how JEA provides critical utility services to our community. These employees are trained and certified ahead of time to help JEA deliver on our mission. On the other hand, JEA Volunteers go out into the community to assist nonprofits accomplish their goals by offering their time and talents to help the nonprofit deliver their mission. Volunteers do not have to have any special training or talent; they just have a caring heart.

Ambassador activities in October included speaking engagements at Deutsche Bank, presenting Trail of Trees for Water Leaf Elementary, J. Allen Axon Elementary, Bartram Springs Elementary and Bolles School, at the Electric Vehicle (EV) Summit, at Greenscape, at United Nations of Association, and at United Way Leadership Conference. Participation at the 2015 Fall Home & Patio Show, Alexandria Park - Tree Planting, Julios Gunyard Park - Tree Planting, 2015 Florida Energy Summit, FL Urban Forestry Council, Web.com Benefits Fair, Mayport Energy Awareness Event, 2015 Southern Women's Show, Home Depot Customer Appreciation, Murray Hill Tree Planting, 2015 Black Expo, Eco-Latina Hispanic Art Walk, TEDx Jacksonville, Hollybrook Tree Planting, UNF Drive & Ride, Midtown Center Tree Planting, and 2015 North Riverside Community Fall Festival were Ambassador events in October. We also provided facilities tours for attendees to the Florida Energy Summit held in Jacksonville in October. Ambassadors also participated as instructors in the Junior Achievement Financial Literacy program at Terry Parker, Raines High, and Fletcher High Schools.

In October our volunteer efforts included employees working at United Way Days of Caring at the Clara White Mission and DLC Nurse and Learn, Feeding NE Florida Food Bank, helping to build affordable housing with Habijax,

and helping to provide logistics for TEDx Jacksonville. In November, our volunteer projects had JEA employees assisting Hart Felt Ministries and the Salvation Army as well as Feeding NE Florida Food Bank. Internally, JEA employees participated in JEA's Annual Holiday Food Drive. In FY15, 792 JEA Volunteers participated in 62 community events.

As a community-owned utility, JEA employees take a great pride in the Ambassador and Volunteer programs and these programs go a long way to tangibly demonstrate to customers and the community the incredible "Heart of JEA."

<b>Communications Contacts* Generated Year to Date</b>	<b>29,869,238</b>
• Number of Paid Communications Contacts (Radio, Television, Out of Home, Online, Print)	24,932,433
• Number of Other Communications Contacts (Bill Insert, Bill Envelop, Brochure, Earned Media etc.)	1,464,680
• Number of E-communications Contacts (jea.com Visitors, Email, Social Media, Videos)	3,375,435
• Number of Community Engagement Communications Contacts (Events, Public Speaking, Presentations, Training, Workshops, etc.)	96,690

\*Communications Contacts are the opportunities we have to communication information to our customers.



Building Community

**AGENDA ITEM SUMMARY**

November 6, 2015

<b>SUBJECT:</b>	<b>AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES (AFSCME), COLLECTIVE BARGAINING AGREEMENT (OCTOBER 1, 2015 TO SEPTEMBER 30, 2016)</b>
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<b>Purpose:</b>	<input type="checkbox"/> Information Only	<input checked="" type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
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**Issue:** The collective bargaining agreement for the American Federation of State, County and Municipal Employees (AFSCME) is offered to the Board for approval. Negotiations concluded on September 24, 2015. AFSCME held a ratification vote on November 5, 2015, at which the membership approved the proposed agreement. The Board action will become effective in accordance with Board procedures.

**Significance:** This collective bargaining agreement represents the finalization of negotiations for a contract that will cover the period from October 1, 2015 to September 30, 2016.

**Effect:** Approximately 199 employees are covered by AFSCME.

**Cost or Benefit:** The total additional cost over the term of the agreement is approximately \$170,221.00

**Recommended Board action:** Staff recommends that the Board approve the attached ratified agreement between JEA and AFSCME.

**For additional information, contact:** Angelia Hiers, Chief Human Resources Officer, 665-7474

Submitted by: PEM/ ARH/ MDE

<b>MISSION</b>	<b>VISION</b>	<b>VALUES</b>
 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.	 <ul style="list-style-type: none"> <li>• Safety</li> <li>• Service</li> <li>• Growth</li> <li>• Accountability</li> <li>• Integrity</li> </ul>

**Commitments to Action**

- 1** Earn Customer Loyalty
- 2** Deliver Business Excellence
- 3** Develop an Unbeatable Team



**INTER-OFFICE MEMORANDUM**

November 6, 2015

**SUBJECT:** AMERICAN FEDERATION OF STATE, COUNTY AND MUNICIPAL EMPLOYEES (AFSCME), COLLECTIVE BARGAINING AGREEMENT (OCTOBER 1, 2015 TO SEPTEMBER 30, 2016)

**FROM:** Paul E. McElroy, Managing Director/CEO

**TO:** JEA Board of Directors

**BACKGROUND:**

The current agreement between JEA and AFSCME Council 79 expired on September 30, 2015. The parties have met extensively to negotiate a new agreement and the process has recently been completed. AFSCME conducted a ratification vote on November 5, 2015 and the proposed agreement was approved by the bargaining unit employees. The Agreement is subject to approval by the JEA Board of Directors. The Board action will become effective in accordance with Board procedures.

**DISCUSSION:**

Significant changes to the existing *status quo* include the following:

- Each active member at the time of ratification shall receive a one-time lump sum payment equal to 1.5% of the base salary and a ratification incentive of \$100.00
- Standardized grievance response timelines
- Added fit for duty language
- Established language for Letters of Counseling
- One year agreement effective October 1, 2015 through September 30, 2016

**RECOMMENDATION:**

Staff recommends that the Board approve the attached ratified agreement between JEA and AFSCME.

\_\_\_\_\_  
Paul E. McElroy, Managing Director/CEO

PEM/MDE/ARH

**AGREEMENT BETWEEN**

**JEA**

**and the**

**American Federation of State, County  
and Municipal Employees (AFSCME)**

**Florida Council 79  
Local 429**

**October 1, ~~2012~~2015 – September 30, ~~2015~~2016**

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**PREAMBLE**

This Agreement is entered into between JEA (**the Employer**), and AFSCME Florida Council 79, (**the Union**). The intent of the parties and purpose of this Agreement is to assure sound and mutually beneficial working and economic relationships between the parties, to provide an orderly and peaceful means of resolving any misunderstandings or differences which may arise, and to set forth basic and full agreement between the parties concerning rates of pay, wages, hours, and other terms and conditions of employment. There are and shall be no individual arrangements contrary to the terms herein provided. It is mutually understood and declared to be the public policy of the **Employer** and the **Union** to promote harmonious and cooperative relationships between the **Employer** and its employees and to protect the public by assuring at all times, the orderly and uninterrupted operations and functions of government.

The **Employer** and the **Union** recognize the moral principles involved in the area of civil rights and affirm by this Agreement their commitment not to discriminate because of race, religion, color, age, sex, disability, or national origin.

The **Union** agrees to support federal, state and local laws requiring affirmative action to ensure equal employment opportunity.

**ARTICLE 1: UNION RECOGNITION**

- 1.1** (a) Pursuant to and in accordance with all applicable provisions of Chapter 447, Part II, Florida Statutes, the **Employer** recognizes that the Union is the exclusive collective bargaining representative for those employees in the defined bargaining unit (PERC Certification Number 1190 as it may be amended from time to time) for the purpose of bargaining collectively in the determination of wages, hours, and terms and conditions of employment of the public employees within the unit. "Employee" shall be defined to include all classified employees who are employed by JEA, whose classifications appear in Appendix A of this Agreement.
- (b) The term "employee" in 1.1 (a) shall also refer to those employees designated as temporary employees who hold the same classification and work the same hours under common supervision as the employees listed in Appendix A. The temporary, grant, or contract employees referred to in this section are subject to the same terms and conditions of employment set out in Appendix B of this Agreement. The term "temporary employee" as used in this section is not the same as the labor law term of art "temporary employee" which traditionally refers to employees who have no reasonable expectation of continued employment, usually receive no benefits other than hourly wage, and are traditionally excluded from bargaining units of regular employees.
- 1.2** It is further understood and agreed that the President of AFSCME, Florida Council 79, or an alternate officially designated in writing, will be the official spokesperson for the **Union** in any matter between the **Union** and the **Employer**.
- 1.3** (a) The Employer will notify the Union when a classification is created in which the Employer believes should not be included in the Bargaining Unit.
- (b) When the **Employer** establishes a new classification that would be included within a bargaining unit, the **Union** will be given notice in writing as to the **Employer's** determination of the unit to which the new classification will be assigned and whether the classification is competitive or non-competitive.

The **Employer** shall notify the **Union** of the class specification and pay range revisions to any classification that is presently in the certified bargaining unit for which the **Union** is the **representative**, prior to the implementation of those revisions. The **Employer** will provide this notice to the Regional Director and **President** of the **Union** in Jacksonville, Florida. The **Union** shall submit intent to comment about the revisions within ten (10) calendar days of the date of the **Employer's** notice and may submit comments about the revision within thirty (30) calendar days of the date the **Employer's** notice.

**ARTICLE 2: UNION SECURITY**

2.1 In accordance with Chapter 447.301 of the Florida Statutes, employees shall have the right to ~~to~~ ~~form~~ to form, join or assist labor unions or labor organizations or to refrain from such activity; to bargain collectively through representatives of their own choosing; and to engage in concerted activities for the purpose of collective bargaining or other mutual aid or protection.

2.2 (a) A copy of this Agreement shall be provided to all members of the bargaining unit in the following manner:

- (1) When the Agreement has been ratified by all parties, the Agreement will be reproduced by JEA in a quantity sufficient for all bargaining unit members. The **Union** will reimburse the **Employer** for one-half (1/2) of the cost of reproduction. The **Union** shall be responsible for distributing the agreement to all members of the bargaining unit.
- (2) The **Employer** agrees to have an electronic version with any amendments, Memorandum of Agreements and Memorandum of Understandings available, for reference by bargaining unit employees.
- (3) The **Employer** agrees to provide all persons hired into a job classification represented by the **Union** a copy of the current Agreement.

(b) The **Employer** will notify all persons hired into job classifications that are represented by the AFSCME bargaining unit that their job classification is within the bargaining unit and that their job is governed by a collective bargaining agreement between the Employer and the Union. The Employer will also give the employee the name, address, and phone number of the Union and notify the employee that he or she may call the Union for additional information.

(c) The Employer will make available to the employee's information as provided by the Union.

The information packet will contain the following:

- Brief explanation of AFSCME Structure with point of contact numbers-
- AFSCME Public Employee Magazine
- Business card of appropriate Representatives-
- Notification of collective bargaining agreement on the JEA intranet-

Any changes to the packet will be made by mutual agreement of AFSCME and JEA.

- 2.3 (a) Upon receipt of a written authorization from an employee covered by this Agreement, the **Employer** will deduct from the employee's pay the amount owed to the **Union** by such employee. This provision will provide for at least twenty-six (26) deductions per year from those employees. **The Employer** will remit to the **Union** such sums no later than the tenth (10th) day of each month following such deductions. A charge not to exceed the cost of six (6) cents per deduction per pay period will be assessed. Changes in the **Union** membership dues rate will be certified to the **Employer** in writing over the signature of the authorized officer(s) of the **Union**, and shall be done at least thirty (30) calendar days in advance of the effective date of such change. The **Employer's** remittance will be deemed correct if the **Union** does not give written notice to the **Employer** within two (2) calendar weeks after a remittance is received, of its belief, which the remittance is incorrect, with reason(s) stated therefore.
- (b) Deductions for **Union** dues and/or uniform assessments shall continue until either: (1) the employee revokes his/her authorization for dues deduction by submitting a signed form to the Paymaster revoking such authorization, with a copy to the **Union** with advance notice as provided by law; (2) authorization for dues deduction on is revoked pursuant to Section 447.507, Florida Statutes; (3) the termination of employment; or (4) the transfer, promotion or demotion of the employee out of the bargaining unit. The Employer will notify AFSCME Council 79 of all additions to and deletions from the dues deduction roster within two weeks following the close of each pay period.
- (c) No deduction shall be made from the pay of any employee for any payroll period in which the employee's net earnings for that payroll period are less than the amount of dues to be deducted. Net earnings shall mean earnings after required deductions are made for Federal Taxes, Social Security, Pensions, Credit Union, and Health and Life Insurance.
- (d) The **Union** will indemnify, defend, and hold the **Employer** harmless, against any claim made and against any suit instituted against the **Employer** on account of any deductions for **Union** dues or uniform assessments deductions.
- 2.4 Upon request of the **Union** the **Employer** will, on a quarterly basis, provide the **Union** with a list of all employees in the bargaining unit. The list will include the name, home address, and employee number, and occupational code, date of birth, home telephone, and gross salary of each employee. The list will be provided at no cost to the **Union**.

#### ARTICLE 3: UNION RIGHTS

- 3.1 The **Employer** and the **Union** recognize that it is in the best interest of both parties, the employees, and the public for all dealings between them to be characterized by mutual responsibility and respect, and acknowledge with this Agreement that a bond of common interest exists and is a basis for the development of sound **Union-Management** cooperation to promote the business of government and the welfare of its employees. The **Union** recognizes that in consideration of the commitments undertaken by the **Employer** in this Agreement, every employee is obligated to give honest, efficient, and economical service in the performance of his/her duties. To insure that this relationship continues and improves, the **Employer** and the **Union** and their respective representatives at all levels will apply the terms of this Agreement fairly in accordance with its intent and meaning and consistent with the **Union's** status as exclusive bargaining representative of all employees as defined in Article 1 of this Agreement. Each party shall bring to the attention of all employees in the unit, including new employees, their duty to conduct themselves in a spirit of responsibility and respect. To ensure adherence to this purpose, the parties shall also make all employees aware of the measures to which they have agreed.

**ARTICLE 4: MANAGEMENT SECURITY**

- 4.1** Subject to the specific provisions of this Agreement and Chapter 447, Florida Statutes, the **Union** and its officers, agents, and members agree that they shall have no right to instigate, promote, sponsor, engage in, or condone any strike, slow-down, concerted stoppage of work, intentional interruption of **Employer** operations, or similar activities during the term of this Agreement, for any reason.

Management shall have the right to discharge or otherwise discipline any or all employees who violate the provision of this paragraph. The only question that may be raised in any proceeding (grievance, judicial or other) contesting such action is whether the provision preventing strikes, slow-downs, concerted stoppages of work, intentional interruptions of **Employer** operations, or similar activities was violated by the employee to be discharged or otherwise disciplined.

- 4.2** (a) The **Union**, its representatives, agents, members, and any persons acting on their behalf, agree that the following "other unlawful acts" as defined in Chapter 447, Florida Statutes, are expressly prohibited:
- (1) Soliciting public employees during the working hours of any employee who is involved in the solicitation.
  - (2) Distributing literature during working hours in areas where the actual work of public employees is performed, such as offices, warehouses, and any similar public installation. This section shall not be construed to prohibit the distribution of literature during the employee's lunch hour or in areas not specifically devoted to the performance of any employee's official duties.
- (b) No employee organization shall directly or indirectly pay any fines or penalties assessed against individuals pursuant to the provisions of this article.
- (c) Notwithstanding further provisions of any collective bargaining agreement, a public employee who is found to have violated any provision of this article may be discharged or otherwise disciplined by the **Employer**.
- 4.3** The **Employer** and the **Union** agree that the basic intent of this Agreement is to provide a fair day's pay in return for a fair day's work and to provide conditions of employment suitable to maintaining a competent work force. The **Employer** and the **Union** agree that all provisions of this Agreement shall be applied equally to all employees covered by it.
- 4.4** It is understood that the **Employer** is required to comply with the Americans with Disabilities Act and nothing in this Agreement shall be construed to prevent the **Employer** from carrying out this obligation. Any claimed violation of this provision shall not be subject to arbitration. If the parties cannot resolve the matter using the grievance procedure, the employee may refer the matter to the appropriate governmental agency.

**ARTICLE 5: MANAGEMENT RIGHTS**

- 5.1** It is the right of the Employer to determine unilaterally the purpose of each of its constituent agencies, set standards of services to be offered to the public, and exercise control and discretion over its organization and operations, including the right to sub-contract. It is also the right of the Employer to direct its employees, take disciplinary action for proper cause, and to relieve its employees from duty because of lack of work or for other legitimate reasons; provided, however, that the exercise of such rights shall not preclude employees or their representatives from raising grievances, should decisions on the above matters have the practical consequences of violating the terms and conditions of this collective bargaining agreement.

**ARTICLE 6: LABOR/MANAGEMENT SPECIAL MEETINGS**

- 6.1** The **Employer** and the **Union** agree to meet and confer on matters of interest upon the written request of either party. The written request shall state the nature of the matters to be discussed and the reason(s) for requesting the meeting. Discussion shall be limited to matters set forth in the request, or other subjects mutually agreed to, but it is understood that these special meetings shall not be used to renegotiate this Agreement. Such special meetings shall be held within ten (10) calendar days of the receipt of the written request and at a time and place mutually agreeable to the parties. The **Union** shall have the right at these special meetings to recommend to the Employer corrections of any inequities known to the **Union**. The **Employer** or the **Union** will respond to the other party concerning matter(s) discussed within thirty (30) calendar days of the meeting.
- 6.2** The **Union** recognizes that it is JEA objective to provide services to its customers and stakeholders through the most efficient and cost-effective means possible. From time to time, this may require evaluations of alternative means of providing such services, including contracting with external providers.
- JEA recognizes that the **Union** desires to make bargaining unit employees competitive with external providers of such services where possible. Accordingly, once a function has been identified as a candidate but prior to receipt of official proposals, JEA agrees to permit the **Union** an opportunity to present options for more efficient and/or cost-effective service provision by bargaining unit employees prior to reaching any final decision to contract with an external provider for services currently provided by bargaining unit employees.
- This provision shall not apply to situations in which funding is discontinued by an external source such as the state or federal government.
- No bargaining unit employee shall be transferred, reassigned, or demoted, have his/her work week reduced, or be laid off, as a result of the contracting out of any of its present work or services, except as provided for in the Civil Service and Personnel Rules and Regulations.
- 6.3** Should there be any proposed changes in the corporate structure that will have an impact upon the wages, hours, or terms and conditions of employment of the employees in the bargaining unit (as that term is understood in Florida public sector labor relations), the **Employer** will negotiate the impact of those proposed changes in accordance with Chapter 447, Part II, Florida Statutes.

**ARTICLE 7: UNION ACTIVITY**

- 7.1** Stewards and Representation:
- (a) The employees covered by this Agreement will be represented by stewards. A steward assigned to more than one geographical location will be considered a roving steward to function properly under the stewardship procedure. A written list of stewards and alternates will be submitted to the **Employer**, together with the specific areas in which they will function. The alternate steward will only become active in the event of the physical absence of the regular steward and upon prior notification by the **Union**. Alternate Stewards are subject to the same rules and regulations that govern the conduct of stewards.
  - (b) The Employer recognizes and shall work with the appropriate Union stewards and representative of AFSCME Florida Council 79 in matters relating to grievances and interpretation of this contract, including promoting harmonious working relationships
  - (c) **Union** stewards shall be active employees as designated by AFSCME Florida Council 79 and shall be members of the bargaining unit.

- (d) **Union** representatives and stewards are subject to the same rules of JEA as are all other JEA employees, except as specifically outlined in this Agreement.
- (e) While on leave of absence, no employee shall function as a **Union** steward without mutual consent of the **Union** and the **Employer**.
- (f) A written list of **Union** stewards and officers shall be furnished to the **Employer** prior to the effective date for their assuming duties of office. AFSCME Florida Council 79 shall notify the **Employer** promptly of any changes of such **Union** stewards. No **Union** steward shall perform any **Union** work unless the **Union** has complied with this requirement.
- (g) A **Union** steward shall be granted time off during working hours without loss of pay to investigate and settle grievances on the job site which is within his/her jurisdiction. The steward must secure approval from his/her immediate supervisor prior to performing such duty. The steward receiving time off under this provision shall record his/her time before leaving the job and upon returning. When entering the area of a supervisor other than his/her own, the steward shall notify that supervisor of his/her presence and purpose.

A steward will only be granted time off under this provision when requested by an employee in the bargaining unit for assistance with a grievance, or when requested by the **Union** in writing. Stewards may receive and discuss grievances of employees on the premises or in the field during working hours, to the extent that such discussions do not interfere with the work of other employees. **Union** Stewards shall not conduct any grievance work on overtime or holiday time except in emergency situations. It is acknowledged that only one (1) steward will work on grievances from any employee. A **Union** officer may substitute for a **Union** steward for all purposes set forth in this paragraph.

- 7.2 When an employee is questioned by management, and the employee reasonably believes that the questioning may lead to disciplinary action against him, the employee has the right to request that a union representative be present at the meeting. When an employee requests union representation pursuant to this section, a union representative is not immediately available and less than 24 hours notice of the meeting was given, the Employer shall postpone the meeting for a reasonable time (~~at least~~ **at least** 24 hours) in order for the employee to obtain union representation.
- 7.3 Nothing in this Agreement shall prevent any employee from presenting, at any time, his/her own grievances, in person or by legal counsel to the **Employer**, or from having such grievance adjusted without the intervention of the bargaining agent, if the adjustment is not inconsistent with terms of the collective bargaining agreement when in effect, and if the bargaining agent has been given reasonable opportunity to be present at any meeting called for the resolution of such grievance.
- 7.4 Employees designated in the bargaining unit shall have the right to join, or to refrain from joining, the **Union**, to engage in lawful concerted activities for the purpose of collective bargaining or negotiation or any other mutual aid and protection, and to express opinions related to the conditions of employment, all free from restraint, discrimination, intimidation, or reprisal because of that employee's membership or lack of membership in the **Union** or by virtue of that employee's holding office or not holding office in the **Union**. This provision shall be applied to all employees in this bargaining unit.
- 7.5 The **Union** shall neither actively solicit grievances nor collect **Union** monies on **Employer** property.
- 7.6 Officials of the **Union**, as designated in Section 1.2 of this Agreement may, with proper authorization, which will not be unreasonably withheld, be admitted to the property of the **Employer**. Officials as designated above shall be able to talk with employees before or after regular working hours or during lunch hours of said employees on **Employer** property in areas mutually agreed on by the **Union** and the **Employer**.
- 7.7 The Local **Union** President or one alternate officially designated by the Local **Union** President shall be granted reasonable time off during working hours without loss of pay for the purpose of attending to

appropriate **Union** activities requiring his/her presence. This shall not be interpreted to limit the **Union** to the resolution of only one issue at a time JEA wide, but is intended to limit the number of **Union** representatives being granted time off to attend to a single specific issue. The local **Union** President or alternate must secure approval from his/her immediate supervisor prior to performing such duty. An aggrieved employee shall use his/her personal leave to attend any grievance or arbitration preparatory or post hearing meetings. Should the aggrieved employee or the **Union** call JEA employees as witnesses, those witnesses shall use their personal leave to attend preparatory or post grievance and arbitration hearing meetings. If no personal leave is available, leave without pay shall be authorized. Actual time spent in a grievance or arbitration hearing shall be without loss of pay during the employee's regularly scheduled hours.

- 7.8 Arrangements will be made for officers or an accredited representative of the **Union** to be admitted to the property of the **Employer** during working hours for the purpose of ascertaining whether or not this Agreement is being observed by the parties, provided such visitation is not disruptive to the work force. When an area or building belonging to the **Employer** is not normally open for visitation, then the **Employer** shall provide a responsible escort to that **Union** Officer or accredited representative; provided, this service must be arranged by the **Union** in advance of the visitation.
- 7.9 Two (2) members of the **Union**, elected to local **Union** positions or selected by the **Union** to do **Union** work, may upon written request of the **Union**, and when approved by the **Employer**, subject to applicable Civil Service and Personnel Rules and Regulations governing employees' rights and benefits, be granted a leave of absence without pay for a period of one (1) year, which may be extended during the term of this Agreement, and upon expiration of the leave, shall be re-employed without loss of status. It is understood that employees taking leave under these conditions will only be utilized for service within the JEA service area.
- 7.10 JEA will authorize up to six (6) employees to attend, without loss of pay, as union negotiation team members for collective bargaining sessions.

#### **ARTICLE 8: BULLETIN BOARDS**

- 8.1 The **Union** shall be provided adequate space on bulletin boards, including at least one (1) at each location so designated by the **Employer**. Bulletin boards will be located in employee break rooms or other non-public areas. The **Union** may, if it so desires, provide a bulletin board of standard size for its own exclusive use, in keeping with the decor of the above locations, and with the approval of the **Employer**.
- 8.2 The **Union** agrees that it shall use its space on bulletin boards provided for in Section 8.1 above, for the following purposes:
- Notices of **Union** Meetings
  - Union** Elections
  - Reports of **Union** Committees
  - Rulings and Policies of the **Union**
  - Recreational and Social Affairs of the **Union**
  - Union** Bulletins
- Any conforming notices posted shall only be removed by a representative of the **Union** or as provided in Article 8.3 and 8.4 of this Agreement.
- 8.3 No material, notices, or announcements shall be posted by the **Union** which contains anything adversely reflecting upon JEA, its employees, or any certified labor organization among its employees. Any proven violation of this section by the **Union** shall entitle the **Employer** to cancel immediately the provisions of this section and remove that bulletin board or the partial use thereof.
- 8.4 Alleged abuse of the bulletin boards will be a matter for a special meeting or conference between the proper official of the **Union**, and Director of Employee Services, or designee. Such meeting or conference

shall be held within one (1) working day after receipt of a written complaint by either the Employer or the Union that a violation exists.

**ARTICLE 9: HOURS OF WORK AND OVERTIME PAYMENT**

9.1 The purpose of this article is to define hours of work, but nothing in this Agreement shall be a guarantee or limitation on the number of hours to be worked per day, days per week, or for any other period of time, except as specifically provided herein.

9.2 This article shall define and describe the hours of work of bargaining unit employees.

(a) The standard workweek for employees shall be from 0000 Monday through 2400 Sunday.

**(b) Shift Employees**

A shift employee is defined as an employee whose normal schedule of work changes on a regular or rotating basis. (Staggered starting times, alone do not define shift employees.) The standard work week of those activities requiring a twenty-four (24) hour per day, seven (7) day per week operation shall be eight (8) hours or twelve (12) for any twenty-four (24) hour period and that normally result in forty (40) hours per work week or at least 80 hour equivalent pay bi-weekly. Days and shifts of work shall be scheduled consecutively without alteration during the shift or work week. The Employer may alter a shift for the purpose of staffing, if a shift is demonstrated by the Employer to be understaffed to the point that additional personnel are required to work the shift to avoid suspension of production.

**(c) ~~NON-SHIFT EMPLOYEES~~Non-Shift Employees**

(1) The normal workweek for non-shift employees consists of forty (40) hours.

**(2) Eight Hour Work Schedule**

The work week assignments for employees may be scheduled five (5) consecutive eight (8) hour days, Monday through Friday.

**(3) Ten Hour Work Schedule**

The work week assignments for employees may be scheduled four (4) ten (10) hour days, Monday through Friday

**(d) ~~ODD WORK WEEK SCHEDULE~~Odd Work Week Schedule**

In those activities requiring work schedules other than the regular 8 hour work schedule [9.2 (c) 2], the ten-hour-day work schedule [9.2 (c) (3)],the eight (8) hour rotating-shift or the twelve-hour-rotating-shift schedule [9.2 (b)], the work schedule shall consist of forty (40) hours or eighty (80) hour equivalent pay bi-weekly which may begin on any day of the week. No employee assigned to this odd work week shall be required to work any hours in excess of twelve (12) hours (in any twenty-four hour period as part of the regular schedule work day. The twenty-four (24) hour period constitutes twenty-four (24) hours from the beginning of the employee's usual schedule starting time.

**(e) ~~GENERAL PROVISIONS~~General Provisions**

(1) Should JEA determine to set work schedule assignments other than as provided above, the Union shall be given the opportunity to bargain the impact of the changes. Except as provided by law, any proposed changes will not be implemented until negotiations have been completed in accordance with Chapter 447, Part II, and Florida Statutes.

(2) JEA will give employees at least seven (7) days notice before permanently changing an

employee's regular work schedule. JEA will give at least forty-eight (48) hours notice before temporarily changing an employee's regular work schedule; however, the employee may voluntarily waive the forty-eight hours notice. For temporary schedule change, JEA will first seek volunteers to accept the schedule change. If more than the required number of qualified employees volunteers, selection will be made by seniority. If less than the necessary number of qualified employees volunteer, then additional selection shall be made from the least senior qualified employees. This notice shall not be required in case of an emergency. For the purpose of this agreement, the word Seniority will be defined as the Adjusted Service Date which is the date of hire plus any time connection minus leave without pay. When two or more persons have the same length of seniority, the senior employee shall be determined by HR.

- (3) Approved leave requests will be honored to the extent practicable when changing the work schedules of employees.
- (4) Schedules showing the employees' work days and hours will be posted on the appropriate bulletin boards no less than 10 days in advance, and will reflect at least a fourteen (14) day work schedule. **JEA** will make a good faith effort to post a 28 day schedule.
- (5) Upon prior written approval by the manager, employees of the same classification working regularly-scheduled hours may exchange hours of work within the work week with one another provided no overtime is caused **JEA**, and it does not adversely affect efficient operations.

**9.3 OVERTIME COMPENSATION Overtime Compensation**

- (a) Except as otherwise specified herein, overtime will be paid at the rate of time and one-half (1-1/2) for all hours worked in excess of the employee's normal workday unless the employee has leave without pay during the work week, and for all hours worked in excess of forty (40) hours per work week for which overtime compensation has not been previously paid. Double time shall be paid as provided in 9.3(b) for continuous hours worked in excess of sixteen (16). All compensated time shall be included when calculating the forty (40) hour threshold. Compensation for overtime shall be in the form of cash. However, the employee may elect compensatory time with the approval of the department head. Requests for compensatory time in lieu of cash shall be submitted on forms provided by the **Employer**. Employees may accrue up to two hundred-forty (240) hours of compensatory time. When the maximum amount of compensatory time has been reached, compensation for additional overtime hours worked shall be in the form of cash. The **Employer** may pay off any amount of accrued compensatory time at any time, provided that any approved requests for compensatory leave time will continue to be honored.
- (b) An employee who has worked sixteen (16) hours or more continuously, or eight (8) hours or more overtime in the sixteen (16) hour period immediately preceding his/her regular workday, shall upon release be entitled to an eight (8) hour rest period, before he/she returns to work. If the rest period under the provisions of this section overlaps into the regular workday, the employee shall lose no time thereby. If an employee is called back to work without completing his/her eight (8) hour rest period, he/she shall be compensated at the rate of two (2) times ending when he/she is released for another eight (8) hour rest period. Paid rest time shall be considered as time worked for the purpose of determining overtime (one and one-half times the employee's regular rate of pay). Paid rest time shall not count towards determining eligibility for overtime double time pay.
- (c) Any employee who has left his/her normal place of work for his/her residence and is called back for overtime shall be compensated for such overtime in accordance with this article, provided that he/she shall receive compensation for a minimum of four (4) hours at time and one-half (1-1/2) his/her regular rate. If an employee is called out or assigned to more than one job before the end of the basic four (4) hour work period, it will be covered by the original minimum payment of four

(4) hours and no extra payment will be allowed. The minimum time provided herein does not apply if any early call-in period extends into the start of the employee's regular work day.

- (d) In the event that a JEA employee is required to perform work outside of and not contiguous with his/her regularly scheduled working hours, and in the event that such employee does not have to report to a JEA facility to complete such work, then the following guidelines shall apply:
  - 1. An employee who is authorized by management to do work from his/her home outside of and not contiguous with his/her regularly scheduled working hours in lieu of reporting to work at the designated time and place shall be compensated for all such authorized time worked.
  - 2. The minimum amount to be paid under this provision for an employee performing authorized work while at his/her home is one (1) hour at time and one-half (1-1/2) his/her regular rate.
- (e) No employee may authorize overtime for himself/herself, but shall be entitled to receive overtime as appropriately authorized by his/her manager.

9.4 Premium payments shall not be duplicated for the same hours under any of the terms of this Agreement.

9.5 Management shall determine the necessity for overtime work, and employees are obliged to work overtime as assigned. It is the responsibility of the **Employer** to distribute the opportunity for overtime work equally among employees in the classifications normally performing the same types of work in each assigned shift, crew, or work area. It is understood that the sharing of overtime shall not delay nor increase the **cost** of operation. The **Employer** recognizes that it may be inconvenient for individuals to work overtime and it will give due consideration to each request for relief from overtime. Overtime records of the **Employer** shall be made available to **Union** officials when requested to resolve a question involving distribution of overtime. It is understood that nothing in this article shall require overtime payment for hours not actually worked.

9.6 **LIMITED AND SYSTEM EMERGENCY** Limited and System Emergency

- (A) Definitions:
  - 1. Emergency: A situation of urgent nature or sudden occurrence that requires immediate action.
  - 2. System Emergency: A situation of urgent nature that adversely affects all or a vast majority of JEA operations.
  - 3. Limited Emergency: A situation of urgent nature that adversely affects JEA operations of specific department, section, or a facility.
  - 4. Non-essential Employees: ~~are~~ employees who may be released during any type of declared emergency and are not required to work, JEA management determines who is non-essential employee. However, they may be deemed essential at later time during the Emergency.
  - 5. Essential Employees: Employees who are assigned to work during any type of declared emergency. JEA management determines who essential employee is. However, they may be deemed non-essential at a later time during the Emergency.

(B) Declaration of System or Limited Emergency

The Managing Director of JEA, or designee, has the authority to declare either a system or limited emergency. In the event that the Managing Director or designee declares either of the emergencies, the provisions of this section take effect.

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(C) Non-Essential Employees

These employees will be subjected to the following:

1. Non-essential employees shall be released from duty and shall be granted administrative leave with pay for the balance of their normal schedule, and any additional days when they are not required by the Employer to report to work due to the emergency.
2. Non-essential employees who are already on previously approved leave with pay at the time of the emergency, or who are scheduled to take authorized leave with pay during the time of the emergency shall not be charged for the leave for that period of time when other non-essential employees are on administrative leave with pay as a result of the emergency.
3. Non-essential employees who are already on previously approved leave without pay at the time of the emergency, or who are scheduled to take authorized leave without pay during the time of the emergency shall not be paid for that period of time when other non-essential employees are on administrative leave with pay as a result of the emergency.
4. If a scheduled holiday falls within the time that non-essential employees are on administrative leave with pay due to an emergency, the employees will be paid for the holiday, but will not receive any additional holiday leave or pay for that day.

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(D) Essential Employees

Essential employees will be subjected to the following:

1. Essential employees will be required by the JEA management to work during the emergency. Management will consider volunteers.
2. To the maximum extent possible, when residents are required to evacuate their residence in anticipation of a hurricane, tropical storm, or similar situation that result in declaration of emergency, JEA will allow essential employees reasonable time, determined by JEA management to return to their residence and make plans for the safety of their family. After a reasonable time, determined by JEA management, to accomplish the security of their families essential employees shall return to work.
3. Essential employees who are required to work during the emergency shall be compensated for the time worked, as provided for in the hours of work and overtime provision of this agreement. In addition to any compensation payable under that article, essential employees will be paid straight time hourly pay unless compensatory time is mutually agreed to by the employee and his/her manager for the time that they would have been on administrative leave with pay if they had been designated a non-essential employee. The maximum amount payable under this provision is forty (40) hours per work week.
4. During an emergency, employees who are required to report for work shall be provided with a meal. If JEA is unable to provide a meal, a meal allowance will be substituted. Employees with special circumstances will be given an option of taking a meal allowance: these will be addressed on a case-by-case basis (medical condition or religious belief). The employee must notify management in writing as soon as practical.
5. Essential employees who are already on previously approved leave at the time of the

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emergency, or who are scheduled to take authorized leave during the time of the emergency may be required to work during the emergency.

(E) Alteration of Annual, Vacation, or Personal Leave Schedules JEA has the unilateral right to alter the annual, vacation, or personal leave schedule of any employee in emergencies. This right includes the right to require employees who are on leave at the time of the emergency to return to work. In such cases, the JEA will reimburse the employee for any non-refundable expenses incurred as a result of the cancellation of the employee's annual, vacation, or personal leave plans.

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(E) JEA Communication with Employees during the Emergency any employee who is released from work during an emergency is expected to resume his/her regular work schedule when directed to do so by JEA. In order to assist employees in determining when they are expected to return to work, JEA will take reasonable steps to keep employees advised about the status of JEA operations, including the dates and times that employees are expected to resume their regular work schedule. For example, JEA will release information via the JEA voice mail or email systems, through use of employee pagers, through release of information to the news media, and any other appropriate means of communication with employees. To the extent that an employee relies on information released via local news media to determine when he or she is expected to return to work, JEA employees are to follow instructions related to JEA, not those issued regarding City of Jacksonville employees.

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**ARTICLE 10: WAGES**

10.1 (a) The rates of pay for the classifications in the Unit are shown in Appendix "A" to this Agreement.

(b) **General Increases**

~~All employees in the bargaining unit shall receive a general increase as follows:~~

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~~(1) Zero percent (0%); Effective October 1, 2012~~

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~~(2) Zero percent (0%); Effective October 1, 2013~~

~~(3) One and one half percent (1.5%); Effective October 1, 2014~~

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~~The increase outlined in (3) is retroactive to October 1, 2014 and will be distributed as soon as administratively possible following Board approval.~~

~~All active employees in the bargaining unit on the date of ratification shall receive a one-time lump sum payment equal to one and a half percent (1.5%) of their base hourly wage rate times 2080 and a ratification incentive of \$100.00, less legal deductions. The actual date of payout will be as soon as administratively practical following approval by the JEA Board of Directors. Neither the lump sum payment or the ratification incentive shall be added to the base salary.~~

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(c) Performance evaluations of employees in this bargaining unit shall be in writing and shall use a standardized format and procedure. An employee who believes that his/her evaluation has not been conducted in accordance with established procedure may appeal the alleged violation beginning at step 1 through step 2 of the Grievance Procedure set forth in this Agreement.

10.2 When an employee is returned to his/her former class during the probationary period following a promotion (reverted), his/her pay shall be restored to the rate in effect prior to promotion, as though the promotion had not been granted. In such event, the employee shall be eligible for any increases the employee normally would have received had the employee not been promoted. When a reassignment is made, the base pay of the reassigned employee shall remain the same.

10.3 The following administrative procedures shall be adhered to by the **Chief Human Resources Officer** in the implementation of the pay plan for employees in the bargaining unit:

- (a) An original appointment to any classified position shall be made at the starting rate of the range for the Pay Grade.
- (b) When an employee is promoted to a classification in a higher Pay Grade, the employee's base salary shall be advanced to the next step that provides an increase that is approximately 5% or to the minimum rate of the range whichever is greater. In no circumstances shall an employee's base salary exceed the maximum of the pay range as a result of promotion. Upon satisfactory completion of the probationary period following promotion, the base salary of the employee shall be advanced one step that is approximately 5% or to the maximum of the range, whichever is less.
- (c) When an employee is demoted, except for cause or voluntary demotion, the base salary of the employee may be placed within the range of the lower Pay Grade without reduction, except that the base salary may not exceed the maximum of the range of the lower Pay Grade, in which case, the base salary will be placed at the maximum of the range. If the employee is promoted again within a 12-month period following the demotion, he/she will not receive a promotional increase or end of probation increase, unless his/her salary was reduced at the time of demotion to the maximum of the range. In such cases, upon the successful completion of the probationary period, the employee's salary shall be increased to the rate received prior to demotion.
- (d) In the case of voluntary demotions, the base salary of the employee will be placed within the range of the lower Pay Grade at a rate that results in a 5% reduction in salary, or to the maximum of the range, whichever results in the larger reduction. If the employee is promoted again within a 12-month period following the demotion, he/she will receive a promotional increase of 5% upon promotion, but will not receive an end of probation increase unless his/her salary was reduced at the time of demotion to the maximum of the range. In such cases, upon the successful completion of the probationary period, the employee's salary shall be increased to the rate received prior to demotion.
- (e) When an employee is demoted for disciplinary reasons, the rate of pay in the lower range shall be no less than that which the employee received prior to promotion. The employee shall not be eligible for a step raise for one (1) year after the demotion.
- (f) The language in Article 10.3 (c) and (d) shall apply when an employee is demoted within the line of promotion. The following language shall apply when an employee is demoted not in the line of promotion.

When any JEA employee is reclassified to a position in the AFSCME bargaining unit which is not within the line of promotion, the base pay of the reclassified employee shall be the entry level rate of pay for the new position.

- (g) Classification other than Customer Care Consultant and Customer Care Consultant Trainees
  - (1) Upon satisfactory completion of the probationary period, the base salary of the employee shall be advanced one step or to the maximum of the range, whichever is less.
  - (2) After an employee receives his/her increase upon completion of the probationary period, he/she shall be granted step increases, except for unsatisfactory performance no sooner than twelve (12) months from his/her date of last increase, until he/she reaches the maximum rate of pay for his/her classification. For the purpose of this Agreement, the date of the last increase shall be the most recent date upon which any of the following action occurred to an employee: date on which employee received his/her end of probation increase; or date on which employee received a step increase.
- (h) Customer Care Consultant Series
  - (1) Customer Care Trainees—

- A. Customer Care Trainees will be **rated** every six (6) months.
  - 1. If the employee's performance is satisfactory or higher, the employee will be moved to the next higher step of the pay plan.
  - 2. If the employee's performance is below satisfactory, the employee will not receive the step increase, may be required to take remedial training, and may be subject to termination. When a customer Care Trainee is required to take remedial training; he/she will be reevaluated after three (3) months. Customer Care Trainees will not be eligible for step increase at that time, even if their performance is rated satisfactory or above satisfactory. Instead, the Customer Care **Trainee** is required to wait until the next regularly scheduled review cycle before they are eligible for a step increase.
- B. When the Customer Care Trainee has satisfactory completed the training program, the employee will be promoted to Customer Care Consultant.

~~(2) Customer Care Consultant~~

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- A. Customer Care Consultants will be rated on April 1 of each year.
  - 1. Eligible\* Customer Care Consultants who are rated above satisfactory on the review will receive a two-step pay increase.
  - 2. Eligible\* Customer Care Consultants who are rated satisfactory on their review will receive a one-step pay increase.

\* In order to be eligible for the increases provided for in subsections 1 and 2, the Customer Care Consultant must have worked at least 1000 hours in the previous 12 month period. In addition, the Customer Care Consultants who were promoted to that position after October 1 are not eligible for any step increase on April 1. For example, an employee who has promoted from Customer Care Trainee to Customer Care Consultant on October 10, 2009 would not be eligible to receive a step increase on April 1, 2010; the employee would be eligible for a step increase on April 1, 2011 (assuming that the employee had worked at least 1000 hours from April 1, 2009 to April 1, 2010). -

- 3. Customer Care Consultants who are rated below satisfactory on their review will not receive any step increase, may be required to take remedial training and may be subject to termination. When a Customer Consultant is required to take remedial training he/she will be reevaluated after three (3) months. Customer Care Consultants will not be eligible for step increases at that time, even if their performance is rated satisfactory or above satisfactory. Instead, Customer Care Consultants are required to wait until the next scheduled annual review cycle before they are eligible for a step increase.

~~(3) Customer Care Specialists~~

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After the probationary period is complete, Customer Care Specialists will be reviewed annually.

- 1. Customer Care Specialists who are rated above satisfactory on the annual review will receive a two-step pay increase. Customer Care Specialists who are rated satisfactory on the annual review will receive

a one-step pay increase.

2. Customer Care Specialists who are rated below satisfactory on their review will not receive any step increase, may be required to take remedial training and may be subject to termination. When a Customer Care Specialist is required to take remedial training; he/she will be re-evaluated after three (3) months. Customer Care Specialists will not be eligible for step increases at that time, even if their performance is rated satisfactory, or above satisfactory. Instead, Customer Care Specialists are required to wait until the next scheduled annual review cycle before they are eligible for a step increase.

- 10.4 The parties recognize that relationships between classifications may change over time as the nature of work evolves and changes. As a result of such changes, those relationships should be reviewed periodically to determine if revisions in pay grade assignments are appropriate.

The parties agree that assignment of work to particular classifications, evaluation of classifications and resulting pay grade assignments are management prerogatives. The **Employer** recognizes the **Union's** interest in maintaining equity among classifications in the bargaining unit. Accordingly, during the life of this Agreement the **Union** may notify the Director of Employee Services, of its belief that sufficient material changes have occurred in the nature of work assigned to one or more classifications, such that the relationship of that classification(s) to other classes should be reviewed for possible realignment.

- 10.5 At its sole discretion, the **Employer** may from time to time elect to establish incentive programs for individuals or groups which may consist of cash or other awards in recognition of improved job performance, improved safety records, innovative ideas that in savings or other benefits, or other similar work-related improvements, provided the Union is informed in writing of any such programs.

- 10.6 The parties understand that during the life of this Agreement the Employer may, at its option, offer a voluntary severance plan to certain classifications of bargaining unit employees. Such plan would be on terms proposed by the Employer and any decision to accept such a plan would be made on an individual basis by each individual employee. The Union will be notified in writing of any such severance plan. In the event that execution of such a plan required a reorganization or redeployment by the Employer, the Union would have the right to request impact bargaining to the extent provided by law.

10.7 Pagers/Electronic Devices

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- (a) At its sole discretion, JEA may provide employees with a pager. The employee during their normal work shift or when the employee is on standby status must wear and respond to a page.
- (b) The employee may use the pager for personal use, as long as it does not with their assigned work duties.
- (c) The employee will exercise due caution in the care of the pager assigned to him/her, and will take appropriate action to protect them from damage or being lost or stolen. If an employee's pager is lost, stolen, or damaged through negligence of the employee, they will be replaced at the employee's expense.

10.8 Assigned Vehicles:

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The Union recognizes that AFSCME represented employees may be assigned take home vehicles. Assignment of vehicles is based upon operational needs and is subject to change from time-to-time as needed. Should a vehicle assignment be ended, the employee will be given thirty (30) calendar days' notice.

**ARTICLE 11: SUPPLEMENTAL PAY**

11.1 For each five (5) years of continuous service with the Employer, (computed from the date of initial employment) an employee shall receive an annual increase in salary of \$300.00. This increase shall be in addition to any general or special raises which may be granted from time to time.

**~~STAND-BY COMPENSATION~~ Standby Compensation**

- (a) Any employee who is required by the Employer to be on standby duty will receive standby compensation as provided in this Article.
- (b) Standby time shall be that time when an employee is required to keep the Employer advised as to his/her whereabouts and be available to report for duty no more than forty-five (45) minutes after such notification.
- (c) For the purpose of this Article, an employee is on standby if the employee has been directed to carry an Employer furnished electronic paging device or leave a telephone number so the employee can be reached, and the employee must be available to return to work within a reasonable time if called. Employees, who merely carry electronic paging devices and who are not required to be available to return to work within a reasonable time if called, are not on standby.
- (d) The standard rate of standby compensation shall be twenty-five dollars (\$25.00) for each day the employee is on standby. Standby pay shall be paid no later than the end of the first pay period after the pay period in which the standby pay is earned.
- (e) Any employee who fails to comply with the provisions of Section 11.2 of this Agreement shall not be entitled to standby compensation for that day, and shall be subject to discipline.
- (f) Employees may arrange substitution of standby duty among themselves, provided the substitution is approved by Management.

**~~SCHEDULE PREMIUM~~Schedule Premium**

- (a) A one dollar and fifty cents (\$1.50) schedule premium shall be paid for all regular hours actually worked on any schedule after 19:00 and prior 07:00 for work days other than Saturday or Sunday. (not including overtime or schedule premium of any type).
- (b) A two dollars (\$2.00) schedule premium shall be paid for all regular hours actually worked on any schedule after 00:00 on Saturday and prior 24:00 on Saturday and/or after 00:00 on Sunday and prior 24:00 on Sunday (not including overtime or schedule premium of any type). (Cash handling wage supplements stated below are not considered a schedule premium.)

**~~UPGRADE PAY~~Upgrade Pay**

- (a) When an employee is qualified for and is required by the **Employer** to accept the responsibility for work in a higher class or position for at least one (1) hour on continuous duty, unless the employee is assigned to a higher classification for the purpose of **on-the-job** training for definite advancement purposes, such employee shall be compensated at the minimum of the range of the higher classification or shall receive a 5% increase, whichever is greater, for the time actually worked in the higher class. In no case, however, can the adjusted salary level exceed the

maximum rate of the salary range of the higher position. An employee may be temporarily assigned to the work of any position of the same or lower classification without any change in pay. No on-the-job training without out-of-classification pay shall exceed twenty (20) work days.

**11.5** ~~MEAL ALLOWANCE~~ **Meal Allowance**

- (a) **The Employer will provide** a meal or meal allowance in the sum of **fifteen** dollars (\$15.00) when an employee is required to work unscheduled overtime, thereby missing a normal meal. Unscheduled overtime shall be defined as notification of less than 12 hours prior to the reporting time for the overtime work. Normal meal times shall be considered as two (2) hours before the scheduled starting time, four (4) hours after the scheduled starting time, and two (2) hours after the scheduled quitting time. Meal allowances shall be paid no later than the end of the first pay period after the pay period in which the meal allowance was earned.
- (b) A meal or meal allowance will be provided under the following conditions:
  - (1) When an employee is called out on unscheduled overtime and required to report to work two (2) hours or more before his/her scheduled starting time for that day and continues work into his/her regular schedule, he/she will qualify for a meal or meal allowance four (4) hours from the time he/she commenced work and additional meals or meal allowance at five (5) hour intervals.
  - (2) When an employee is required to work beyond his/her scheduled quitting time for two (2) hours or more on unscheduled overtime, he/she shall be entitled to a meal or meal allowance two (2) hours after his/her quitting time and at five (5) hour intervals thereafter if he/she continues to work.
  - (3) If an employee is called out to work unscheduled overtime for a period of more than four (4) consecutive hours and he/she is released prior to the starting time of his/her next regular workday, he/she will qualify for a meal allowance four (4) hours from the time he/she commenced work and at five (5) hour intervals thereafter, if he/she continues to work.
- (c) When an employee is required to work unscheduled overtime on his/her day off, and at least twelve (12) hours previous notice has been given, the hours worked shall be considered as scheduled overtime. On scheduled overtime, an employee shall provide for his/her mid-day or mid-shift meal.
- (d) **JEA** shall permit employees on emergency overtime and shift employees whose duties require them to eat while performing their work, to eat earned meals while on the clock. The time taken for such meals generally shall not exceed thirty (30) minutes. However, the time taken may extend beyond thirty (30) minutes, subject to a supervisor's prior approval.
- (e) Every reasonable effort will be made to observe the employee's normal meal time.

**11.6** In addition to their regular wages customer service employees will receive a five percent (5%) wage supplement for all time spent in a position where they are required to have their own cash drawer. Therefore, at all times this supplement shall be paid, regardless of the day or time which it is worked.

**ARTICLE 12: EMPLOYEE BENEFITS**

**12.1** The **Employer** agrees to provide comprehensive medical coverage for each employee at no expense to the

employee. In addition, the **Employer** will pay **at least** fifty percent (50%) of the actual cost of comprehensive medical coverage of eligible dependents. The employee will pay the remaining fifty percent (50%) **or less** of the actual cost.

- 12.2 The **Employer** shall, at no expense to the employee, secure and provide group term life insurance coverage in the amount of one times annual salary, with a double indemnity clause for accidental death and dismemberment for employees covered by this Agreement. It shall further allow the employee, at his/her option to purchase group term life insurance, at the expense of the employee, under the same policy, for one, two, or three times annual salary, with a double indemnity clause for accidental death and dismemberment.

Employees who have retired from classifications in this bargaining unit and who are already covered by the group term life insurance policy may purchase life insurance coverage **at the retiree's expense**. Employees under age 70, who retire after the effective date of this Agreement, may purchase additional coverage.

- 12.3 The **employer** will provide an optional group Dental Health Insurance Program at the employee's expense, through payroll deduction.
- 12.4 The **Employer** agrees to provide a payroll deduction process that is to be available to the employees in the bargaining unit for various benefit plans or programs. These plans or programs shall be administered by an "Agent of Record" designated by the **Union**. The **Employer** may assess an administrative charge not to exceed six cents per deduction per payroll. The **Union** agrees to indemnify and hold the **Employer** harmless against any claims made, and against any lawsuits brought, against the **Employer** as a result of this payroll deduction process.
- 12.5 An employee will be reimbursed at the rate stipulated in the Internal Revenue Service Regulations when requested or required to use his/her privately owned vehicle on official business for all miles actually driven but for no more than the usual travel route between assigned destinations. However, no reimbursement will be paid for mileage to a work location when an employee is notified before reporting to his/her usual work location to report to a different work location.

12.6 **Personal Property Damage**

- (a) The **Employer** will repair or replace personal property, including tool boxes, of employees covered by this Agreement that is damaged while on duty, subject to the limitations provided in Sections 12.6 (b) through 12.6
- (b) The **Employer** will repair or replace a bargaining unit employee's personal property, if all of the following conditions have been met:
- (1) The personal property was damaged as a result of the employee's performance of his/her duties;
  - (2) The damage was not the result of the employee's own negligence;
  - (3) The employee reports the damage to the appropriate manager within two (2) working days after the occurrence of the damage on a form provided for this purpose.
- (c) The **Employer** reserves the right to determine whether to repair or replace damaged property.
- (d) The **Employer** will not repair or replace rings or other jewelry.

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- (e) In no event will the **Employer** pay more than two hundred fifty dollars (\$250.00) to repair or replace any damaged property.
- (f) When an employee is entitled to payment under this section, the **Employer** shall make every reasonable effort to reimburse the employee within thirty (30) days of the report of damage.

12.7 The **Union** recognizes that the **Employer** has developed a Section 125 I.R.C. Cafeteria Plan for the benefit of employees.

12.8 During any primary or general election, an employee whose hours of work do not allow sufficient time for voting shall be allowed necessary time off with pay for this purpose, provided the employee furnishes proof that he is a registered voter. Where the polls are open two (2) hours before or two (2) after the regular scheduled work period, or when early voting is available, it shall be considered sufficient time for voting.

12.9 ~~TRAINING AND CAREER LADDERS~~ **Training and Career Ladders**

- (a) The **Employer** and the **Union** recognize the importance of training and continuing education programs in the development of career ladders and equitable employment opportunities and agree to a mutual commitment of training and education for employees in this bargaining unit.
- (b) All Training Bulletins and Calendars pertinent to this Article shall be available to the **Union** and **Employees**. The **Employer** shall place such bulletins and calendars on the JEA intranet.
- (c) The **Employer** has established a Continuing Education Program to meet the following objectives:
  - (1) To enable eligible employees to participate in educational self-development programs;
  - (2) To encourage employees to acquire knowledge and skills essential to personal professional growth;
  - (3) To provide a coordinated program; and
  - (4) To encourage employees to increase their value to the organization through education and training

(d) JEA Education Reimbursement Program

- (1) Eligible Employees
  - A. Civil Service employees who have been continuously employed by JEA since completing their initial probationary period.
  - B. This definition excludes temporary employees, contract employees and employees in their initial probationary period and employees in provisional status for their initial employment.

(2) Courses Eligible for Reimbursement

- A. The course must be of value to the **Employer** and not solely benefit the employee. The requested course or degree contribute to increasing the skills and talents of each Employee in his/her current position or elsewhere in the company or
- B. The requested course is required to maintain a certification.

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- C. Time spent in attending classes or on home study work shall be during the employee's off-duty hours, and the Employee will not be paid for this time, and
- D. Employees are not permitted to use any JEA personnel, equipment or supplies for course work.

(3) — Costs and Reimbursements

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- A. Tuition reimbursement will be made for class work at a school, or home study work programs pre-approved by the Employer.
- B. Reimbursement will be made at the least costly rate if Employees take classes from a more expensive source.
- C. Accelerated degree programs yield benefits sooner to JEA and are therefore reimbursable at the least costly rate for identical accelerated courses of study.
- D. JEA will pay for registration fees, tuition, laboratory fees, and books required (need to furnish proof) for the course taken. Parking fees and late fees are not reimbursable.
- E. JEA will reimburse Employees who earn a "C" grade or better in undergraduate classes, and a "B" or better in graduate classes.
- F. When letter grades are not given attendance records or other verification (e.g., a letter attesting to the satisfactory completion of course hours for which the Employee requests reimbursement) shall satisfy the grade requirement.
- G. Employees who leave the JEA two years (24 months) or less after receiving tuition reimbursement are required to repay all reimbursement (books and tuition) received during that period.
- H. Final determination of the amount of reimbursement to be granted will be made by the Employer.

**ARTICLE 13: INJURY-IN-LINE-OF-DUTY**

- 13.1 (a) Any permanent employee covered by this Agreement who sustains a temporary disability as a result of accidental injury arising out of the course and scope of employment with the Employer shall, in addition to compensation payable pursuant to the Workers Compensation Law of the State of Florida, be entitled to a supplemental benefit under the conditions set out in Section 13.2.
- (b) The amount of the supplemental benefit payable under this article shall be calculated as follows: the Employer will calculate seventy-five percent of the employee's net take home pay after taxes and social security deductions based upon the employee's regular straight time wages. This amount shall be reduced by the amount of Workers' Compensation indemnity payable to the employee. The remainder is the amount of the supplemental benefit payable to the employee.
- 13.2 The supplemental benefit provided for in Section 13.1(b) is payable under the following circumstances:
  - (a) During the first twenty (20) working days of such disability, the employee shall receive the supplemental benefit after the employee begins receiving Workers' Compensation indemnity payments.

~~(e)~~ (b) Thereafter, the Employer at its sole discretion, (which discretion shall not be subject to arbitration), grant addition supplemental benefit, but shall not exceed ~~one~~ (1) year.

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~~(d)~~(c) ~~————~~If the employee brings litigation or administrative action under the Worker's Compensation Law while receiving Workers' Compensation supplemented by the benefits herein provided, entitlement to the supplemental benefits shall immediately terminate.

13.3 If an employee, due to an on-the-job injury, is temporarily partially disabled from performing the duties of his classification, he may be temporarily reassigned without reduction in pay for a period not to exceed 90 calendar days, to other duties commensurate with medical and mental fitness, availability of suitable work, and his qualifications for the position. The Employer will make a reasonable effort to temporarily reassign the employee, in accordance with the provisions of this section, provided that failure to do so shall not be the basis for grievance or arbitration.

13.4 (a) When an employee who has been on leave of absence or light duty due to a disabling on-the-job injury is released by the employee's treating physician(s) to return to work, the employee shall be returned to the same job if:

- (1) The employee is capable of doing the job satisfactorily;
- (2) The employee would have retained the job had the employee not been injured, and
- (3) Such work still exists.

(b) When an employee who has been on a leave of absence or light duty due to a disabling on-the-job injury is released by the employee's treating physician(s) to return to work, but the employee is not physically or mentally capable of performing his former job, the Employer shall place the employee in a comparable job for which the employee is qualified, provided there is an opening. If there is no opening, the employee shall be offered the best available job for which he is qualified; if necessary, appointing the employee to a lower classification. The employee shall be considered for any job openings for which the employee is qualified that occur within one (1) year after the employee has been reclassified to the lower classification. Refusal on the part of the employee to accept a job for which he is qualified and able to perform may be considered a resignation.

13.5 (a) When an employee is off the payroll (not receiving JEA compensation) due to an on-the-job injury, JEA will continue to pay life insurance and medical insurance premiums normally paid by JEA, which includes JEA's portion of the dependent medical insurance premiums. The employee is responsible for the optional life insurance premiums and his/her portion of the dependent medical insurance premium. The employee may elect to contribute to the pension fund amount equal to the employee's pension contribution prior to the on-the-job injury.

(b) If an employee who is temporarily totally disabled due to an on-the-job injury receives partial wage payments from JEA, JEA will continue to pay the premium noted in subsection (a) above. The optional life insurance premium and the employee's portion of the dependent medical insurance premium and pension contribution will be deducted from his/her partial wage payments.

13.6 Any provisional or probationary employee who is temporarily, totally disabled as a result of an injury received in the course of employment with JEA shall receive the benefits to which he/she is entitled under the Workers' Compensation Laws of the State of Florida and such benefits above legal requirements as JEA may deem reasonable.

**ARTICLE 14: LEAVE USAGE**

**14.1 Leave Usage (Generic)**

- (a) Employees, when eligible and authorized, may use their annual, or personal leave upon written application to their immediate manager or designee. Approval may be based upon the nature of the request if needed. Extensions may be granted at the option of the manager or designee. The approval of leave and extensions shall not be unreasonably denied.
- (b) Annual, or personal leave will be charged against an employee's regular workday, and shall not be charged for absences on a prearranged overtime workday, unscheduled call-in overtime days, or holidays.
- (c) **Unscheduled leave**
  - (1) Annual or personal leave may be taken for emergency, illness, or injury of the employee or employee's immediate family.
    - A. Employees are required to notify the appropriate designated individual of the employee's intent to use annual or personal leave for emergency, illness, or injury in the following manner:
      - (1) Non-shift employees must provide notification to the appropriate designated individual as early as possible as and no later than one-half hour before the start of the employee's normal workday. An employee who has a starting time earlier than the designated individual he/she is to notify, shall notify that individual as soon as possible after the normal starting time for that designated individual.
      - (2)
        - a. Shift employees must provide notification to the appropriate designated individual no later than one (1) hour prior to the starting time of the employee's shift.
        - b. Shift employees shall notify the appropriate manager at least four (4) hours in advance of the employee's intent to return to work following an emergency, illness, or injury. However, employees on the day shift need only provide one (1) hour advance notice before returning to work.
    - B. Employees who fail to notify the appropriate designated individual as required by Article 14.1(c) (1) (A) may not be allowed to charge their absence to annual or personal leave unless waived by the manager or designee.
    - C. Absences for illness under annual or personal leave conditions may be subject to investigation. (This section is not intended to require an employee to provide a physician's certified statement of illness after each absence. It is intended to correct suspected abuse of annual or personal leave for illness.) An employee will be counseled whenever a pattern clearly develops where an employee is abusing leave.
    - D. Employees failing to comply with the provisions of Section 14.1 will be subject to disciplinary action. Authorized use of leave shall not be grounds for disciplinary action.

(d) Scheduled leave

(1) In order to insure the health and welfare of the employee, JEA encourages employees to take a minimum of ten (10) days annual leave per contract year. Employees are encouraged to retain eighty (80) hours in their leave account in case of serious personal illness.

(2)

A. Accrued annual or personal leave may be taken at any time when authorized.

B. Scheduling for the primary vacation period will be accomplished on a seniority basis, with full-time Civil Service employees taking precedence, in classification within a cost center or group of cost centers for the first request only provided that the request is submitted between January 2 and January 31 and is subject to JEA's exclusive authority to determine the number of employees in any given classification, shift, crew, section, or office who may be on leave at the same time. Where possible, employees shall have access to the days to choose from when selecting days for leave. Denial of requested leave must be substantiated on the basis that granting of such leave would unduly increase the cost of operations and/or would otherwise be detrimental to the efficient operations of the system. Once the primary vacation periods have been scheduled, additional leave authorizations may be made as in 14.1(d) (2) (c.) below. The primary leave schedule will be posted by February 15, for the period of April 1 through March 31.

C.

In scheduling annual or personal leave, full-time Civil Service employees with seniority in a classification, a shift, a crew, a section, or an office shall be given first preference; provided, however, that such preference shall be subject to JEA's exclusive authority to determine the number of employees in any given classification, shift, crew, section, or office who may be on leave at the same time. Secondary vacation (leave) request(s) may be submitted from February 15<sup>th</sup> through March 15<sup>th</sup> and will be posted by March 31<sup>st</sup>. Employees will be allowed to submit as many as 25 days as long as the employee has or will have accrued leave available. An employee will not be allowed to cancel leave without the approval of the designated individual. Any additional request(s) after March 31 will be scheduled on a first come-first served basis. Denial of requested leave must be substantiated on the basis that granting of such leave would unduly increase the cost of operations and/or work otherwise be detrimental to the efficient operations of the system.

(A) All employees will be given the opportunity to change their vacations during the primary vacation and secondary vacation periods, as outlined in the AFSCME contract. However, once the employee has made their original selection and later wants to make a modification/change to their vacation date(s), this employee will be placed next in line and allowed to pick from the available dates remaining at the time.

(B) When an employee is out during the vacation pick period, they will be allowed to select from the periods that were available at the time their seniority allowed. The selection process will continue as scheduled. JEA will consider exceptions to the number of employees allowed off in this situation, if necessary.

- (3) JEA employees may split their annual or personal leave in any manner desired and approved by their manager or his/her designee. The splitting of leave must be consistent with the operational requirements of the system.
- (4) Requests for leave of less than five (5) consecutive days must be submitted at least twenty-four (24) hours in advance unless the leave is for illness or emergency
- (e)
  - (1) The minimum amount of annual or personal leave to be taken and charged shall be in one-half (1/2) hour increments.
  - (2) Employees shall be charged for their normal hours worked, respectively, for a day off.
- (f) If a legal holiday falls within a scheduled annual or personal, leave period, annual or personal leave shall not be charged for that day. When a scheduled overtime day, for rotating shift workers falls within a scheduled annual or personal leave period, annual or personal leave shall not be charged nor overtime paid for that day.
- (g) Once leave has been approved, the employee shall take the leave unless that employee's request to cancel is approved by the appropriate designated individual.
- (h) Notwithstanding any other provision of this Agreement, JEA shall have the unilateral right to alter annual or personal leave schedules for proper cause or emergencies that might occur. In such cases, the employee will be reimbursed for any costs forfeited due to cancellation of reservations, excess travel, etc., provided action is taken by the employee to minimize the forfeited cost, and provided further that satisfactory documentation of the employee's payment of forfeited costs is furnished to JEA.
- (i) Upon written request, and with at least thirty (30) days advance notice, an employee taking at least two (2) weeks or more of authorized paid annual personal leave may have the amount of compensation due for the requested annual leave period advanced to him/her on the last regular payday prior to the beginning of the paid annual leave.
- (j)
  - (1) An eligible employee who is out of work because of an on-the-job injury may use annual leave, personal leave and/or compensatory time to remain on the payroll, under the conditions established in this section.
  - (2) In order to be eligible to use accrued leave for this purpose the employee must meet all of the following eligibility requirements:
    - A. The employee is away from work due to an on-the-job injury;
    - B. The employee is either receiving workers' compensation payments or has exhausted the allowable period of workers' compensation;
    - C. The employee provides the employer with a written request to use his/her accrued leave to remain on the payroll.
  - (3) When employees are eligible to use accrued leave for this purpose, the amount of annual leave or personal leave or compensatory time so charged shall be the minimum amount in one-half of an hour increments to equal the difference between the employee's regular pay and the amount that the employee is receiving from workers' compensation and workers' compensation supplement.
  - (4) If the employee receives only partial salary or wage payment, the normal required employee pension contribution shall be deducted from the employee's partial salary or

wage payment and the employee shall continue to receive full retirement credit for the period during which workers' compensation payments are received.

**14.2 Annual and Retirement Leave Usage**

- (a) If an employee has exhausted all of the accrued, unused annual leave, and then said employee suffers an illness which requires time off, then said employee shall be allowed to use the credited retirement leave for the purpose of illness only.
- (b) If an employee, due to an extended, continuous illness, requires eighty (80) hours or more for such illness, then such leave, may at the employee's option be deducted from the retirement leave account of such employee.

**14.3 Leave Donation and Forfeiture**

- (a) Employees may forfeit annual leave, personal leave, and retirement leave (but not compensatory leave) to regular, full-time JEA employees who are critically ill, critically injured, or require an extended leave of absence for medical reasons. Employees may donate annual, personal, and retirement leave but not compensatory leave, to the United Way.
- (b) Forfeitures to critically ill or critically injured employees or employees who require an extended leave of absence for medical reasons shall be subject to the following requirements:
  - (1) The critically ill or critically injured employee and employees who require an extended medical leave of absence must submit a statement of need to the Director of Employee Services or his/her designee. The employee who requires an extended medical leave of absence must include a physician's statement documenting the need for an extended medical leave of absence. The Director of Employee Services or his/her designee shall determine the employee's eligibility to receive leave donations in accordance with the provisions of this Section 14.03.
  - (2) Forfeitures may not be made in respect of an ordinary illness, but rather may be made only in respect of a serious or major illness, hospitalization of five (5) days or more, or a medical leave of absence of ten (10) days or more.
  - (3) The employee forfeiting the leave must complete the appropriate form and submit it to the Employee Services.
  - (4) The employee receiving the forfeited leave must have exhausted all other available leave, and may receive only enough donated leave to cover the period of the absence. Upon returning to work, the employee receiving the forfeited leave may have a positive leave balance of up to twenty four (24) hours as a result of any donation(s).
- (c) Donations or forfeitures of leave under this Section 14.3 shall be accounted for according to the dollar value of the leave, to be determined by multiplying the number of hours donated or forfeited by the hourly rate of the employee donating or forfeiting the leave.

**ARTICLE 15: ANNUAL LEAVE (PLANE)**

15.1 This article shall apply to all permanent, probationary, and provisional employees of the following categories:

- Employees hired on or after October 1, 1968, and before October 1, 1987;
- Employees hired prior to October 1, 1968, but chose not to remain subject to former sick leave and terminal leave policies in April, 1969;
- Employees hired prior to October 1, 1968, who chose on or before December 15, 1979, to become subject to this provision.

15.2 Employees shall accrue annual leave with pay according to the following schedule on a bi-weekly basis:

(a) YEARS OF SERVICE	HOURS PER YEAR
Upon completion of 0 months thru 4 years.....	160
Upon completion of 4 years thru 9 years .....	184
Upon completion of 9 years thru 14 years.....	208
Upon completion of 14 years thru 19 years.....	232
Upon completion of 19 years thru 24 years .....	256
Upon completion of 24 years or more.....	280

(b) Annual leave will accrue bi-weekly to the credit of the employee, at the rate stated above and shall be credited on the last day of the pay period. In order to receive full credit, the employee must work a full schedule or be on approved leave with pay. The accrual will be reduced pro rata for hours on leave without pay.

(c) The rate of accrual shall change to the higher rate on the anniversary day or adjusted date of employment.

(d) Annual leave shall be earned during the first year of employment.

15.3 Annual leave shall accrue to a maximum of 960 hours. The Employer will compensate the employee on an hour-for-hour basis for any accrued amount over nine hundred sixty (960) hours as of

September 30<sup>th</sup> each year. These payments will be made on the second payday in November, at the September 30<sup>th</sup> rate of pay.

- (a) Beginning with leave earned during the fiscal year, an employee who does not use all of their Annual Leave accrued in a fiscal year, may be paid the difference between the amount used and the amount accrued for that fiscal year on an hour-for-hour basis.
- (b) To receive such payment, the employee must make an irrevocable election in the fiscal year preceding the fiscal year in which the leave is accrued.
- (c) This payment is not available to an employee who would have less than eighty (80) hours of annual leave remaining after such payment. Such payments will be made no later than the first payday in December at the September 30<sup>th</sup> rate of pay.

**15.4** For the purpose of this Article, retirement is defined pursuant to Ordinance provisions of the pension program of the City. Vesting is considered as retirement. Upon retirement, the employees' annual leave account and retirement leave account shall be used or paid on an hour-for-hour basis, up to maximum of nine-hundred sixty (960) hours in each account under the following provision:

- (a) Retirement leave may be taken either immediately prior to desired eligible retirement date, which leave may be used for the fulfillment of time service requirements; or retirement leave may be taken following fulfillment of time service requirements.
- (b) Employee on retirement leave shall be maintained on the regular payroll, thereby continuing to avail the employee of payroll deductions, pension contributions and insurance deductions.
- (c) Upon placement on retirement leave, such status shall be considered irrevocable.
- (d) While on retirement leave, an employee shall not accrue annual leave, but shall be eligible for legal holidays; and any general salary increases, but not performance/step increases.
- (e) At the employee's option, retirement leave may either be taken, or paid for in one lump sum on an hour-for-hour basis.
- (f) If an employee terminates prior to retirement as defined in the Annual Leave Ordinance, said employee shall be paid for any retirement leave credited, on the basis of one (1) hour's pay for every two (2) hours of said retirement leave credited.

**15.5** Upon termination, which includes resignation and discharge not for cause, the employee shall be paid for all unused annual leave credits on an hour-for-hour basis. However, employees who are discharged for stealing, sabotage, or illegal possession or use of drugs, may forfeit pay for their unused accrued annual leave earned during the contract year.

**15.6** When an employee is placed on retirement leave, the lump sum payment for the annual leave shall be paid at the beginning of the retirement leave.

**15.7** Upon the death of an employee, the employee's next of kin or estate, as determined in accordance with law, shall be paid for all accrued personal and retirement leave on the basis of hour for hour in said accounts.

**ARTICLE 16: ANNUAL LEAVE (PLAN H)**

**16.1** This article shall apply to all permanent, probationary, and provisional employees hired on or after October 1, 1987

**16.2** Employees shall accrue personal leave with pay for all straight time hours worked according to the following schedule on a bi-weekly basis:

(a)	YEARS OF SERVICE	HOURS PER YEAR
	Upon completion of 0 months thru 4 years	160
	Upon completion of 4 years thru 9 years	184
	Upon completion of 9 years thru 14 years	208
	Upon completion of 14 years thru 19 years	232
	Upon completion of 19 years thru 24 years	256
	Upon completion of 24 years or more	280

(b) Annual leave will accrue to the credit of the employee, at the rate stated above and shall be credited on the last day of the pay period. In order to receive full credit, the employee must work a full schedule or be on approved leave with pay. The accrual will be reduced pro rata for hours on leave without pay.

(c) The rate of accrual shall change to the higher rate on the anniversary day or adjusted date of employment.

(d) Annual leave shall be earned during the first year of employment.

**16.3** Annual leave shall accrue to a maximum of 480 hours. The employer will compensate the employee on an hour-for-hour basis for any accrued amount over four hundred eighty (480) hours as of September 30<sup>th</sup> each year. These payments will be made on the second payday in November, at September 30<sup>th</sup> rate of pay.

(a) Beginning with leave earned during the fiscal year, an employee who does not use all of their annual leave accrued in a fiscal year, may be paid the difference between the amount used and the amount accrued for that fiscal year on an hour-for-hour basis.

(b) To receive such payment, the employee must make an irrevocable election in the fiscal year preceding the fiscal year in which the leave is accrued.

- (c) This payment is not available to an employee who would have less than eighty (80) hours of annual leave remaining after such payment. Such payments will be made no later than the first payday in December at the September 30<sup>th</sup> rate of pay.
- (d) Beginning with leave earned during the fiscal year, an employee who does not use all of their annual leave accrued in a fiscal year, may be paid the difference between the amount used and the amount accrued for that fiscal year on an hour-for-hour basis.
- (e) Upon termination of an employee for other than retirement, which includes resignation or discharge not for cause the employee shall be paid 100% of their unused annual leave accrued on an hour-for-hour basis.
- (f) Employees, who are discharged for stealing, sabotage, or illegal possession or use of drugs, shall forfeit their unused personal leave accrued during the contract year.

**16.4**

- (a) When an employee who has been on a leave of absence or light duty due to a disabling on-the-job injury is released by his/her treating physician(s) to return to work, the employee shall be returned to the same job if:
  - (1) The employee is capable of satisfactorily performing the job;
  - (2) The employee would have retained the job had he/she not been injured, and;
  - (3) The job still exists.
- (b) When an employee who has been on a leave of absence or light duty due to a disabling on-the-job injury is released by his/her treating physician(s) to return to work, but the employee is not physically or mentally capable of performing his/her former job, JEA shall place the employee in a comparable job for which the employee is qualified provided there is an opening. If there is no opening, the employee shall be offered the best job for which he/she is qualified, if necessary reclassifying the employee to a lower classification. In that event, the employee shall be considered for any job openings for which the employee is qualified that occur within one (1) year after the employee has been reclassified to the lower classification. Refusal on the part of the employee to accept a job for which he/she is qualified and able to perform may be considered a resignation

**ARTICLE 17: OTHER LEAVES**

**17.1 ~~JURY DUTY~~Jury Duty**

Any employee in the bargaining unit who is required to perform jury service during his/her normal working hours in any court shall be paid his/her regular salary for the time spent in jury service. The employee summoned as a juror shall notify his/her manager of the need to take leave for jury service as soon as the employee receives a summons for jury service. Notification shall be by memorandum (in duplicate) with a copy of the summons attached. An employee who is released from jury service prior to four (4) hours from the scheduled end of his/her work day, shall be required to report to his/her work site within one and one-half (1-1/2) hours after release from jury service.

**17.2 ~~WITNESS SERVICE~~Witness Service**

Any employee, who is called to testify while off duty in any court proceeding as a result of his or her normal JEA duties, shall be entitled to compensation for all hours on such special duty. The employee will be compensated for these special duty hours at the appropriate rate. The employee will be compensated for a minimum of four (4) hours.

**17.3 BEREAVEMENT LEAVE Bereavement Leave**

- (a) Upon notification of the death of an immediate family member, an employee may be granted the day or remainder of the day, if at work, off without loss of pay and may be granted an additional three (3) work days within the next eight (8) **working** days off without loss of pay, as Bereavement Leave. Working days are defined as Monday through Friday.
- (b) For the purpose of this Agreement immediate family is defined as spouse, children, stepchildren, parents, step-parents, brother, sister, father-in-law, mother-in-law, son-in-law, daughter-in-law, brother-in-law, sister-in-law, grandparents, grandchildren, aunts, uncles, nieces, nephews, spouse's grandparents, individuals for which the employee is designated as acting *in loco parentis* (as interpreted under the FMLA), and relatives who permanently reside with the employee.
- (c) If an employee requires additional time to attend matters related to the death of a family member of the employee's immediate family, the employer will permit the employee to use a reasonable period annual/personal leave time.
- (d) Should an employee be on vacation at the time of death, the three (3) working days that normally would be granted as bereavement leave shall be charged as bereavement leave instead of annual/personal leave.
- (e) Employees covered by this Agreement shall be granted up to four (4) hours leave, without loss of pay, to either attend or serve as an active pallbearer at the funeral of a co-worker from the same department (active or retired), unless the employee is required to work to maintain system integrity.

**17.4 MILITARY LEAVE Military Leave**

Leaves of absence and re-employment rights of employees inducted into the military service shall be as described under the Uniformed Services Employment and Re-employment Rights Act of 1994 and Chapter 115, Florida Statutes.

(a) Training

- (1) Employees who are members of the National Guard, or organized military reserves of the United States, who are ordered to attend an annual training period shall, upon presentation of their official orders or appropriate military certification, be granted not more than ~~seventeen~~ two hundred forty (240) ~~hours~~ hours with pay to attend such training period, in one (1) calendar year (January – December) in accordance with the official orders to active duty for training, including travel time authorized by such orders. The training leave shall not be deducted from annual/personal leave or in any other way that may result in privileges or compensation to said employee. Employees are responsible to notify their manager as soon as possible of the dates for the training period and provide a competent set of orders.
- (2) Employees who are members of the reserve components mentioned above and are required to attend regularly scheduled training assemblies throughout the year may, upon due notice request, apply for annual/personal leave to attend the military training assemblies when they are scheduled to be on duty. Employees who request time off for

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this purpose are responsible to advise their manager at the earliest possible time of the dates when they are scheduled for the training assemblies which conflict with their normal schedule.

(b) Military Duty

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An employee who volunteers or is inducted into the Armed Services shall be granted a leave of absence without pay beginning with the date of induction and ending upon return to duty with JEA or one (1) year after his/her date of separation from military service or hospitalization continuing after discharge, whichever occurs last. Leave of absence for military purposes shall be filed in the employee's personal file.

**ARTICLE 18: HOLIDAYS**

18.1 Employees in the bargaining unit shall be entitled to twelve (12) holidays with pay each year as follows:

<b>Date</b>	<b>Event</b>
January First (1st)	(New Year's Day)
Third Monday in January	(Martin Luther King's Birthday)
Third Monday in February	(Presidents Day)
Last Monday in May	(Memorial Day)
July Fourth (4th)	(Independence Day)
First Monday in September	(Labor Day)
November Eleventh (11th)	(Veterans Day)
Fourth Thursday in November	(Thanksgiving)
Friday After Thanksgiving	
December Twenty-Fourth (24th)	(Christmas Eve)
December Twenty-Fifth (25th)	(Christmas Day) Special Leave Day*

\*The Special Leave Day shall be arranged so as to be mutually convenient to both the employee and the Employer.

18.2 For non-shift workers, when a holiday falls on Saturday, the Friday prior thereto shall be considered the holiday, and when a holiday falls on Sunday, the Monday following shall be considered a holiday. If either Christmas Eve or Christmas Day falls on a Saturday or Sunday, the provisions in the City of Jacksonville Ordinance Code shall apply. When a holiday falls on a normal day off, another work day within the same calendar week as the holiday shall be designated as the holiday. When the holiday falls on a normal day off that is midway between work days, the next scheduled work day will be the holiday.

18.3 Shift workers will observe all holidays on the dates they occur. Provided, however, that —any shift employee who has been temporarily assigned to a non-shift schedule for a period of at least one (1) week will observe holidays in the manner provided for non-shift employees (as set forth in Article 18.2) for any holiday that occurs during the period of such assignment.

18.4 Employees shall be compensated for holidays at their respective rates of pay for the number of hours they would have ordinarily worked on the holiday. Should a holiday fall or be observed on a regular work day that is less than 8 hours, the holiday will be observed as an eight (8) hour straight time holiday

18.5 When an employee is required to work on a day observed as his/her holiday, the employee shall be compensated normal work day hours straight time pay, dependent on work day assignment, as holiday pay. In addition, the employee shall receive one and one half (1 ½) times his/her straight time hourly rate for all hours worked up normal work day assignment and two and one-half (2 ½) times his straight time hourly rate for all hours worked on the holiday over normal work day assignment.

- 18.6 The Special Leave Day may be taken on any date during the budget year by mutual agreement of the employee and the manager. The Special Leave Day shall not apply until the employee has completed probation or after they have completed six month of employment whichever occurs first. Approval of the Special Leave Day shall not be unreasonably withheld. Failure of the employee to take the Special Leave Day during the fiscal year shall result in the payment of eight (8) hours regular pay at the end of the fiscal year.

**ARTICLE 19: JOB POSTING/INTERNAL RECRUITING**

- 19.1 Whenever a civil service job opening occurs that the **Employer** intends to fill by examination, the **Employer** shall publish notice of the examination schedule on all appropriate bulletin boards in accordance with Civil Service and Personnel Rules & Regulations.
- 19.2 Employees, who wish to apply for the examination, including eligible employees covered by Schedule B of this Agreement, must do so in writing within the period provided above.
- 19.3 The **Employer** may assign or reassign employees to temporarily fill job openings. These temporary assignments shall be considered as training assignments by which an employee may obtain experience that will enable him/her to qualify for future promotion.

19.4 ~~INTERNAL RECRUITMENT:~~**Internal Recruitment**

Employees in Bargaining Unit 79 shall be eligible for internal recruitment if they have worked a minimum of 1040 hours in the 12-month period immediately preceding the examination date.

**ARTICLE 20: ~~SAFETY AND HEALTH~~**

- 20.1 The **Employer** agrees that it will conform to and comply with safety, health, sanitation, and working conditions properly required by federal, state and local law. The **Employer** and the **Union** will cooperate in the continuing objective of eliminating safety and health hazards due to unsafe working conditions and inadequate restroom facilities where they are shown to exist.
- 20.2 The Employer will provide protective devices, wearing apparel, and other equipment necessary to protect employees from injury, in accordance with established safety practices. Such practices may be improved from time to time by the **Employer's** in-house safety representatives. The **Union** may submit safety recommendations from time to time. When protective devices, apparel, and equipment are provided, they must be used. The **Union** agrees that willful neglect and failure by the employee to obey safety regulations and to use safety devices shall be just cause for disciplinary action.
- 20.3 **Safety Shoes**
- (a) Employees who are newly hired or who transfer for the first time into a job whose duties require safety shoes will be provided two pair of safety shoes in their first year in the applicable job.
  - (b) The Employer will provide one replacement pair of safety shoes to each employee whose job duties require their use and who return the pair needing replacing (as determined by management).
  - (c) Those employees will be required to wear safety shoes when assigned duties requiring their use.

**20.4 Fitness for Duty Evaluation**

JEA, for proper cause, has the right to require any employee to undergo a medical and/or psychiatric examination by a JEA assigned physician at any time to ascertain whether or not an employee is physically and/or mentally capable of performing the duties required of his/her classification. This examination will be conducted on JEA time and at JEA expense. If the employee does not agree with the results of the medical and/or psychiatric examination, the employee has the right to request a second opinion. If any employee requests a second opinion, the JEA shall provide the employee with a list of three physicians who may be consulted for a second opinion, and the employee shall select a physician from that list. The cost of obtaining the second opinion will be paid by the employee.

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**ARTICLE 21: COMPREHENSIVE DRUG/ALCOHOL ABUSE POLICY AND PROCEDURES**

**PRELUDE**

JEA and the Union agree that education and communication about the Employee Assistance Program (EAP) is a very important tool toward having a drug free work force. JEA will see that information about the EAP is available for employees and their families. It should be every employee's goal to help those co-workers, whom they know have some type of problem with substance abuse, to seek help through the EAP.

**21.1 DEFINITIONS-Definitions**

- (a) "Drug abuse" means:
  - (1) The use of any controlled substance as defined in Section 893.03, Florida Statutes, as amended not pursuant to a lawful prescription. A "lawful prescription" is defined as a prescription issued in the name of the employee by a licensed health care practitioner in full compliance with the practitioner's practice act.
  - (2) The commission of any act prohibited by Chapter 893, Florida Statutes
  - (3) Abusing a lawful prescription-
  - (4) Substituting or adulterating any specimen during a drug test-
  - (5) Refusing to submit to a drug test-
  - (6) Drug test with positive results
- (b) "Illegal drug" means any controlled substance as defined in Section 893.03, Florida Statutes, not possessed or taken in accordance with a lawful prescription.
- (c) "Department of Health and Human Services (HHS) Mandatory Guidelines for Federal Workplace Drug Testing Programs" (the HHS Guidelines) means those guidelines as printed in the June 9, 1994, Federal Register (59 FR 29908), and as amended from time to time.
- (d) Reasonable belief" means an opinion which a reasonably prudent person would form based on observation and information from reliable and credible sources. Observation includes, but is not limited to, sensory facts (what a person saw, heard, smelled, tasted, or touched). Objective factors that should be taken into consideration in determining reasonable belief are:
  - (1) The nature of the information;
  - (2) The reliability of the person or source providing the information;

- (3) The extent of any confirmation; and,
- (4) Any other factors contributing to the belief or the lack thereof.

Not all of these factors must exist to find reasonable belief, but all must be examined.

- (e) "Alcohol" means ethyl alcohol (ethanol). References to use of alcohol include use of a beverage, mixture, or preparation containing ethyl alcohol.
- (f) "Alcohol Abuse" means:
  - (1) Using or being under the influence of alcohol or alcoholic beverages on the job.
  - (2) Substituting or adulterating any specimen during an alcohol test.
  - (3) Refusing to submit to an alcohol test.
  - (4) Alcohol test with positive results

**21.2 CIRCUMSTANCES WHEN TESTING MAY BE REQUIRED-Circumstances When Testing May Be Required**

JEA may require an employee to submit to drug and/or alcohol testing under any of the following circumstances:

- (a) Whenever two (2) managerial/supervisory employees concur that there is a reasonable belief that an employee is using, under the influence of, or in possession of illegal drugs and/or alcohol while on duty, or that the employee is abusing illegal drugs and/or alcohol and the abuse either adversely affects his job performance or represents a threat to the safety of the employee, his co-workers, or the public and the reasons for such concurrence have been stated to a Union representative.
  - (1) Whenever an employee is involved in an accident involving personal injury or property damage which could result in liability to JEA, loss or damage to JEA property, or involving a personal injury that requires treatment beyond first aid (i.e. OSHA Recordable) , urine specimens will be collected from all employees directly involved in the accident and stored for future testing. For purposes of this provision, an employee is considered directly involved in the accident if the employee was in a position or situation where his/her action or inaction could cause, contribute to, contribute after (squeals) or impact on the accident which includes any injuries (regardless of whether the employee was at the location of the accident) If the accident/damage investigation reveals that employee negligence was a cause, the negligent employee's(s') specimen(s) will be tested. All samples not tested will be destroyed within ten (10) calendar days of the accident/damage investigation team report or within twenty (20) calendar days of the accident if no investigation is held. The accident/damage investigation team shall include a Union executive board member or designee.
  - (2) The employee will also be subject to an alcohol breathalyzer test.
- (c) Whenever an employee in a safety sensitive classification (including CDL) is involved in a vehicular accident that results in a fatality; or the employee receives a citation moving traffic violation and the accident involved bodily injury requiring medical treatment away from the scene; or one or more vehicles are damaged and disabled requiring towing away from the scene, the employee will be tested for drugs and alcohol.

- (d) Any time within one (1) year after an employee has voluntarily admitted a substance problem during the amnesty period or tested positive for the presence of illegal drugs taken from a lawful prescription issued to the employee’s spouse or family member permanently residing with the employee and/or alcohol or one (1) year after completing initial rehabilitation, whichever is later. (The rehabilitation counselor shall direct a letter to both JEA and to the employee establishing the date on which rehabilitation was completed.)
- (e) All employees may be tested annually based on the following conditions:
  - (1) Employees will be given a minimum of thirty (30) days written notice, by the Vice President, Director, or Manager or designee of the week in which testing will occur. If an employee is transferred after receiving notice, the initial notice shall determine the date and site of testing.
  - (2) The test will be given any time during the week of testing on the employee’s normal workday with no additional notice.
  - (3) If an employee is absent during the week specified for testing, the employee will be tested at anytime within ten (10) work days of the employee’s return to work, without prior notice.
  - (4) If, after notice is given, the test is canceled, the employees will be given written notice of the cancellation and the reason therefore. In that instance, another thirty (30) day written notice will be given when the test is rescheduled. The annual test can be canceled and rescheduled one (1) time each year pursuant to this subparagraph.
  - (5) Employees who are subject to testing, under, and (g) 21.2(e) (f) (g) below shall not be subject to testing under this subparagraph (e).
- (f) As required by the Federal Highway Administration (FHWA) Controlled Substances & Alcohol Use & Testing Program, 49 CFR 382, et seq. (This federal regulation, also known as “CDL Testing”, requires testing for alcohol as well as for controlled substances.)
- (g) Upon completion of the JEA State Certified Apprenticeship Program, prior to promotion to a State Certified journeyman classification.
- (h) As part of a random drug and alcohol testing program applicable to employees in safety sensitive positions. Management’s designation of a position as “safety sensitive” shall be subject to appeal to the Vice President Employee Services or designee, whose decision may be subject to arbitration. An employee who disputes the safety sensitive designation of his position shall be required to submit a sample in accordance with testing procedures but the results of the test shall be sealed until the dispute has been resolved.
- (i) In determining a position to be “safety sensitive”, consideration will be given to “safety sensitive”, as defined in Section 112.0455(5) (m) and 440.102(1) (o), Florida Statutes.

21.3 ~~TESTING PROCEDURES~~ Testing Procedures

~~(a) Drug~~

Whenever an employee is required to provide a urine specimen for these testing procedures, the specimen will be divided into two samples at the time of collection in order to facilitate the testing procedures described in this section. The collection facility and the Substance Abuse and Mental Health Services Administration (SAMHSA) certified tester shall follow specimen collection and testing procedures consistent with the HHS Guidelines, except as specifically amended herein.

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The threshold level or cut-off limit and substances shall be as set forth below or as established by HHS and/or SAMHSA. The following levels have been established as of the effective date of this Agreement. However, the levels established by HHS and/or SAMHSA which are in effect as of the date of any given test shall govern. Provided, however, that in the case of the annual test provided for in 21.2 (d) above, the Union shall be given prior written notice of any change in established levels prior to issuance of the written notice of the test. If the written notice of annual testing was issued prior to the Union being notified, the affected employees shall be given another thirty (30) day written notice of such test.

<b>INITIAL SCREENING THRESHOLDS</b>	<b>SUBSTANCE THRESHOLD IN NG/ML</b>
Amphetamines	500
Marijuana-metabolites	50
Cocaine-metabolites	150
Opiate-metabolites	2000
Phencyclidine	25

<b>CONFIRMATION TEST THRESHOLDS</b>	<b>SUBSTANCE THRESHOLD IN NG/ML</b>
Amphetamines	250
Marijuana-metabolites	15
Cocaine-metabolites	100
Opiate-metabolites	2000*
Phencyclidine	25

<b>SCREENING THRESHOLDS</b>			
<b>URINE</b>			
<b>INITIAL TEST ANALYTE</b>	<b>INITIAL TEST CUTOFF CONCENTRATION (NG/ML)</b>	<b>CONFIRMATORY TEST ANALYTE</b>	<b>CONFIRMATORY TEST CUTOFF CONCENTRATION (NG/ML)</b>
<b>MARIJUANA METABOLITES</b>	<b>50</b>	<b>THCA</b>	<b>15</b>
<b>COCAINE METABOLITES</b>	<b>150</b>	<b>BENZOYLECGONINE</b>	<b>100</b>
<b>OPIATE METABOLITES</b>	<b>2000*</b>	<b>CODEINE</b>	<b>2000</b>
<b>CODEINE/MORPHINE</b>		<b>MORPHINE</b>	<b>2000</b>
<b>6-ACETYLMORPHINE</b>	<b>10</b>	<b>6-ACETYLMORPHINE</b>	<b>10</b>
<b>PHENCYCLIDINE</b>	<b>25</b>	<b>PHENCYCLIDINE</b>	<b>25</b>
<b>AMPHETAMINES</b>	<b>500</b>	<b>AMPHETAMINE</b>	<b>250</b>
		<b>METHAMPHETAMINE</b>	<b>250</b>
<b>MDMA</b>	<b>500</b>	<b>MDMA</b>	<b>250</b>
		<b>MDA</b>	<b>250</b>
		<b>MDEA</b>	<b>250</b>

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\* The confirmation test will also include a test for 6-monacety/morphine (MAM)

The SAMHSA certified tester shall utilize the following procedures to the extent that they are not inconsistent with the HHS Guidelines:

- (A) The SAMHSA certified tester shall submit the first of the samples to an immunochemical assay or radioimmunoassay test. If the results of this test are negative, no further testing will be required and all collected specimens will be disposed.
- (B) If the results of the initial test provided for in Section 21.3 (a) (1) are positive, the SAMHSA certified tester will submit the same sample for further testing using the gas chromatography/mass spectrometry (GC/MS) method to verify the initial test results. JEA will not be notified about the initial positive result until it has been confirmed as provided for in this section.
- (C) If the specimen provided is unsuitable for testing due to no fault of the employee being tested, or if the chain of custody is violated, the employee will be advised of those circumstances and will be requested to provide another specimen for testing. In the case of the annual test provided for in Section 21.2 (d), no advance notice of the test will be provided. Provided the employee was not at fault, an additional specimen will be requested not more than one (1) additional time because of chain of custody violations.

Should the employee provide specimen which is unsuitable for testing a third consecutive time, the employee will be subject to providing a blood sample.

- (D) Specimens that are adulterated or substituted will be reported as a “refusal to test,” and the employee will not be offered the opportunity for a test of the second sample as provided for in (4) below. If the results of the confirmation test provided for in Section 21.3 (a) (2) are positive, as confirmed by a qualified (HHS Guidelines) medical review officer (MRO), the HHS Guidelines shall be followed for confirmation and notification of the employee and JEA. At that time, the employee may elect to have the second sample subjected to further testing by a SAMHSA certified tester at the employee’s expense. If the second sample tests negative, JEA will reimburse the employee for the cost of the test. If the tests on the second sample are positive, or if the employee does not request testing of the second sample, JEA may take appropriate action in accordance with this article.

**TESTING PROCEDURES Testing Procedures**

Applicable to Safety Sensitive Random Testing:

- (A) Management will administer random drug tests up to 50% of all employees who are designated as safety sensitive each year. (The “50%” can be rounded up to include the nearest “whole” person.)
- (B) Management will administer random alcohol tests up to 10% of all employees who are designated as safety sensitive each year. (The “10%” can be rounded up to include the nearest “whole” person.)
- (C) The drug and alcohol threshold levels and procedures applicable to CDL random testing shall apply to safety sensitive random testing.
- (D) Employees who are subject to CDL random testing shall not be subject to safety sensitive random testing.

(b) — Alcohol

In testing for the presence of alcohol, the JEA shall utilize a generally accepted blood test procedure or breathalyzer that provides quantitative results showing the amount of alcohol present in the blood.

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The threshold level or cut-off limit shall be as set forth below or as established by HHS and/or SAMHSA and/or by Florida Statute. The following levels have been established as of the effective date of this Agreement. However, the levels established by HHS and/or SAMHSA and/or by Florida Statute which are in effect as of the date of any given test shall govern.

**Breath or Blood Alcohol Threshold Levels  
HHS and/or SAMHSA**

0.020 to 0.039  
0.040 to 0.079  
0.08 and above  
**Florida Statute**  
>0.05 to 0.079  
0.08 and above

**21.4 DISCIPLINARY ACTION** Disciplinary Action

~~(a)(1) Drug Abuse shall subject the employee to the following discipline:~~

(1) Any employee who uses a controlled substance pursuant to a prescription lawfully issued to a member of the employee's family or household, or to a person residing with the employee shall be given a single last chance notice – provided the prescription was taken for the employee's bona fide medical condition. Subsequent violations of the policy shall result in immediate termination.

(2) Drug abuse, other than described in (1) above shall result in immediate termination.

(b) Alcohol Abuse shall subject the employee to the following discipline:

(1) If an employee tests positive for a breath or blood alcohol level equal to or greater than 0.04 but less than or equal to 0.05, the employee will be given a letter of "Required Action and Consequences of Noncompliance" considered discipline. A second positive test in level described above will result in a Last Chance Notice and a third positive will result in termination.

(2) If an employee tests positive for a breath or blood alcohol level in excess of 0.05 but less than 0.08, and there is no other competent evidence of impairment, the employee will be given a Last Chance Notice. Any subsequent positive test producing a breath or blood alcohol level in excess of 0.05 will result in the employee being terminated from employment.

(3) If an employee tests positive for a breath or blood alcohol level in excess of 0.05 but less than 0.08 and there is other competent evidence of impairment, the employee will be terminated from employment.

(4) If an employee tests positive for a breath or blood alcohol level at 0.08 or higher, the employee will be terminated from employment.

(c) Any employee who refuses to submit to substance abuse or alcohol testing (including adulterating or substituting a sample) as required by this article or a refusal to sign an authorization for the release of the records of such testing shall be considered as a refusal to submit to a drug or alcohol test and shall be subject to termination from employment.

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- (d) Taking any lawful prescription, which has the potential to affect the employee's physical or mental capacity, without notifying the appropriate manager prior to commencing work, shall be treated as a safety violation subject to discipline.

**21.5 REHABILITATIVE/CORRECTIVE ACTION ~~Rehabilitative/Corrective Action~~**

Amnesty

- (a) Any employee is eligible one time only to notify the employer that he/she has a drug and/or alcohol problem, and upon such notification the employee shall be permitted to enter rehabilitation, subject to a single last chance agreement. In order to be eligible for this one time opportunity for rehabilitation, the employee must notify the employer that he/she has a drug and/or alcohol problem at least one day before the employee is notified that he/she is scheduled for testing pursuant to section 21.2 (a) (reasonable suspicion testing), section 21.2(e) (safety sensitive testing), or section 21.2 (d) (CDL testing). In the case of testing under sections 21.2 (b) and 21.2 (c) (2) (testing following an accident), the employee must notify the employer that he/she has a drug and/or alcohol problem at least one day in advance of any accident that gives rise to the need for testing in order to be eligible for this one time opportunity for rehabilitation. In the case of testing pursuant to section 21.4 (the week that the employee is scheduled to be tested in order to be eligible for this one time opportunity for rehabilitation).
- (b) JEA may require an employee who has tested positive for the presence of alcohol or illegal drugs and to which subparagraphs 21.4 (a) (1) or 21.4 (b) (1) applies, or who has elected to come under subparagraph 21.5 (a) to submit to counseling, or other rehabilitative treatment as a condition of continued employment. This section shall not be construed to limit JEA's rights to take appropriate disciplinary action when an employee tests positive for the presence of alcohol or illegal drugs.
- (c) Any employee who is required to submit to counseling or other rehabilitative treatment as a condition of continued employment shall sign a release, authorizing the release of information to JEA sufficient to determine whether the employee can safely perform his job duties. The decision as to whether the employee can safely perform his job duties shall be made by the Vice President, Director, or Manager in conjunction with a physician or Substance Abuse Professional associated with the rehabilitation/treatment facility. The information provided to JEA shall be limited to the following:
  - (1) Whether the employee has regularly attended counseling and/or treatment sessions, as directed.
  - (2) Whether the employee has satisfactorily participated in counseling and/or treatment sessions.
  - (3) Whether the employee has complied with all requests for substance abuse tests, and whether the employee has passed all of those tests.
  - (4) Whether the employee has admitted to using alcohol or illegal drugs subsequent to the test which resulted in the referral to counseling and/or rehabilitative treatment.
  - (5) Whether there is any reason to believe that the employee's return to work could result in a risk to persons or property.
  - (6) Whether JEA should impose any work related limitations or requirements upon the employee in the event that JEA determines to permit the employee to return to work.

- (d) Driving restriction for employees with CDL shall be as stipulated in the Federal Highway Administration Controlled Substance & Alcohol Use & Testing Program, 49 CFR 382, et seq. The same restriction will be used for other safety sensitive employees.

**21.6 EXAMINATION AND TEST**~~Examination and Test~~

- (a) Except as provided in paragraph 21.3 (d), JEA will pay the cost of any test required by Section 21.2. Provided, however, that in the case of alcohol testing conducted pursuant to Section 21.2 (f), any employee who is subject to dismissal will be given the opportunity for an independent blood alcohol test conducted at the same time at his own expense.
- (b) Urine specimens required by this article will be obtained while the employee is on duty. JEA may extend the employee's duty period for the purpose of drug testing.
- (c) In the case of alcohol testing conducted pursuant to Section 21.2 (f), any employee who tests 0.039 breath alcohol content or less (but in excess of 0.02 breath alcohol content) in any test conducted before 10:00 a.m. will be permitted to test again within one hour from the first test. This waiting period will be on the employee's own time. The first test will be used to determine appropriate discipline, in conjunction with any further test results.
- (d) Drug tests will be performed by a SAMHSA certified facility selected by JEA.
- (e) Alcohol tests will be performed by a licensed medical facility selected by JEA
- (f) Employees who are required by this article to take a test shall be required to sign an authorization form releasing the records of such tests to the Director of Employee Services ~~Labor Relations~~. The Director of Employee Services or designee shall release relevant information contained in those records only to The employee's Vice President, Director, or Manager, and to those JEA Management officials and representatives directly involved in employment related decisions involving that employee. This shall not limit JEA from providing work-related information regarding the employee to the employee's supervisors, including work-related limitations or requirements and the reasons therefore. Each individual receiving such information will be instructed regarding the confidential nature of that information.
- (e) JEA will, unless prohibited by law, and as otherwise provided in this Agreement, keep the results of any testing provided for in this article confidential. Any results of positive testing which JEA later determines have been refuted will be destroyed. Test results shall be considered confidential medical records unless they become part of a disciplinary action.

**21.7 TRAINING**~~Training~~

JEA and bargaining unit members shall receive training to ensure that they understand their roles and responsibilities in implementing this article. The sufficiency or adequacy of such training shall not be grounds to challenge the validity of any reasonable belief determination or disciplinary action taken as a result of a positive drug or alcohol test, nor shall it preclude disciplinary action where otherwise appropriate.

**21.8 EMPLOYEE SUPPORT**~~Employee Support~~

The Union representatives and officers will serve as an Employee Support Team. Any member of this support team may be a liaison between the employee and referral to EAP to make employees aware of available help.

**21.9 EMPLOYER INITIATION**~~Employer Initiation~~

This testing program was initiated at the request of JEA. The Union has participated only to the extent of protecting the rights of workers arising from administration of the testing program. It is intended that JEA shall be solely liable for any legal obligations and costs arising out of the provisions and/or application of this article.

**ARTICLE 22: DISCIPLINE AND DISCHARGE**

**22.1** The procedure for dismissals, demotions, and suspensions shall be as outlined in the Civil Service and Personnel Rules and Regulations. Progressive disciplinary action will be taken for repeated similar or related offenses, except where the course of conduct or severity of the offense justifies otherwise. Any action instituted under this section shall be implemented within a reasonable period of time after the event giving rise to such disciplinary action or knowledge thereof. Normally, a written statement of charges shall be given to the employee within forty-five (45) calendar days from ~~any~~ the initial investigatory meeting. However, all time limits established in this section may at management's discretion, be extended during the pendency of a criminal investigation into an employee's conduct.

**22.2** Letters of Counseling are not considered disciplinary action and not subject to grievance. All Letters of Counseling will be signed by a Manager before being issued to the employee and shall not be used as a basis for future disciplinary action after twelve (12) months from the date of issue. Employees shall have the right to provide a Letter of Rebuttal on an established form (Appendix D) within 15 calendar days of receipt of the Letter of Counseling. Letters of Counseling and any rebuttal letter if submitted shall be maintained in the manager's departmental file and a copy provided to Labor Relations. Letters of Counseling shall not be placed in the employee's official personnel file.

~~22.122.3~~

**22.222.3** No permanent employee shall be removed, discharged, reduced in rank or pay, suspended, or otherwise disciplined except for just cause, and in no event until he/she has been furnished with a written statement of the charges and the reasons for such actions. A copy of the statement is to be sent to the **Union**. The statement will notify the employee of his/her right either to appeal the discipline to the Civil Service Board of the City of Jacksonville, or to grieve the discipline, pursuant to the provisions of Article 23 of this Agreement.

**22.322.4** Any written reprimand shall be furnished to the employee and shall outline the reason for the reprimand. The employee will be requested to sign this statement. If he/she refuses to do so, this refusal shall be noted and placed in the employee's personnel file. If the employee signs this statement, such signature shall only acknowledge receipt of a copy of the reprimand, and shall not mean that the employee agrees or disagrees with the reprimand. The employee's responding statement, if any, will be attached to the reprimand. The reprimand and the responding statement will be placed in the employee's personnel file.

**22.422.5** Disciplinary entries in an employee's personnel file shall not be used as a basis for future disciplinary action after twenty-four (24) months from the date of the entry. The union recognizes that the Employer is required to retain copies of all disciplinary entries in order to comply with Chapter 119, Florida Statutes, as it may be amended from time to time.

**22.522.6 Personnel Records**

There shall be only one official personnel file for each employee, which shall be maintained in the Employee Services office. Employees have the right to review their own personnel file at reasonable times under supervision of the designated record custodian. Employees have the right to respond to any material included in their official personnel file. Only those disciplinary actions recorded in an employee's official personnel file may be used as the basis for progressive discipline. When a document has been placed in an employee's personnel file in error, or is otherwise invalid, such document shall be removed and placed in the appropriate file.

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**22.622.7 Options for Appealing Disciplinary Action:**

- (a) Any employee shall have the right to either grieve a disciplinary action pursuant to the terms of this Agreement, or to appeal the decision to the Civil Service Board. No employee may use both the Civil Service Board appeal process and the grievance procedure to review the same matter.
- (b) An employee who elects to pursue the grievance procedure provided for in this Agreement shall follow the procedures for filing a grievance outlined in Article 23.
- (c) An employee who elects to appeal to the Civil Service Board shall initiate proceeding by filing a notice of appeal with the Civil Service Board.

**ARTICLE 23: GRIEVANCE PROCEDURE**

- 23.1 It is intended this grievance procedure will provide a means of resolving complaints and grievances at the lowest level possible, and the Employer and the Union agree to work toward this end. The grievance will systematically follow the steps of the grievance procedure contained in this article, except as otherwise provided for in Section 447.401, Florida Statutes.
- 23.2 The purpose of this grievance procedure is to provide a method of processing grievance(s) involving the interpretation or application of this Agreement. It will be the exclusive procedure available to the parties of this Agreement for such matters.
- 23.3 Any employer groups of employees may process a grievance concerning the interpretation or application of this Agreement through this procedure without the intervention of the Union provided:
  - (a) A signed statement, refusing Union representation, is executed by the employee.
  - (b) The employee may represent himself or may be represented by legal counsel at his own expense.
  - (c) Any adjustment must not be inconsistent with the terms of this Agreement, and the Union must be given reasonable opportunity to be present at any meeting called for the resolution of such grievance.
- 23.4 During the processing of a grievance under this Article, if a question cannot be resolved by the parties concerning the interpretation of City government policy, provisions of law or regulations of appropriate authority outside JEA, the grievance will be delayed no more than thirty (30) calendar days to provide time for the questioned policy, law or regulation to be interpreted by the proper authority.
- 23.5 A grievance must be taken up with the Employer within fifteen (15) calendar days after the occurrence of the matter out of which the grievance arose. In the event the Employer fails to observe the time limits prescribed in each step, the employee or the Union may be advanced the grievance to the next step of the procedure. In the event the employee or the Union fails to meet the time limits prescribed at any step of the grievance procedure, the grievance shall be deemed withdrawn and as having been settled on the basis of the decision most recently given and not be subject to further appeal except to arbitration to determine the matter of timeliness of the grievance only. Time limits at any level may be extended by mutual agreement between the Employer and the Union or employee.

**23.6 ~~PROCEDURE~~ Procedure**

Informal Complaint Resolution: The Union or any employee covered by this Agreement shall have the right to pursue appropriate informal efforts to resolve problems or complaints that arise in the workplace. The Union and employee are encouraged to seek informal resolution of the problems or complaints prior to using the formal grievance procedure.

**STEP 1- FORMAL**

The grievance procedure is initiated by the Union, the employee, or the employee and the Union representative submitting the grievance in writing (on mutually agreed upon form) along with any supporting documentation to the employee's Manager. The Manager shall acknowledge receipt of it and the date thereof in writing. The written grievance shall identify the article(s) and section(s) of this Agreement that are at issue, shall specify the corrective action requested by the grievant, and shall include a brief summary of the factual basis for the grievance including that date that the alleged grievance occurred. The immediate Manager or Director or designee shall, within ten (10) calendar days of receipt of the grievance, meet with the employee and/or Union representative to discuss the grievance. The Director or Manager shall provide his written decision and the reason(s) for the decision within fifteen (15) calendar days after the meeting. The written decision shall be provided to the aggrieved employee and the Union. If the Step 1 decision does not resolve the grievance, the grievance may be forwarded to the next step.

**STEP 2- FORMAL**

(1) If a satisfactory settlement of the grievance is not reached in Step 1, the party filing the grievance (the Union, an employee, and/or employee and the Union representative) will forward the grievance, in writing, **within fifteen (15) calendar days** stating any objection to the Step 1 decision to Labor Relations who shall receive the grievance on behalf of the Managing Director. The Managing Director's designated representative shall within fifteen (15) calendar days after receipt of the grievance, either satisfy the grievance or meet with the employee, or the employee and the Union representative. The Managing Director's representative shall provide a written decision to the aggrieved employee with a copy to the Union within fifteen (15) calendar days after the meeting.

- (2) The Managing Director's Representative shall be a Vice President. A Vice President will not be designated as a representative to hear the grievance in his own Group. Said representative shall have full authority to render a written decision.
- (3) If the Step 2 decision is not satisfactory it may be referred to as arbitration as provided in this Agreement within thirty (30) calendar days, after receipt of the written decision.

**23.7** Where a number of substantially identical grievances are submitted, the Union may elect one grievance for procession at Step 1. The decision of the grievance elected will be binding on the combined grievances. Names of all aggrieved employees will be made part of the record of the grievance processed and each grievant will be notified of the decision.

**23.8** Upon mutual agreement of the parties, policy grievances filed on behalf of the Union which arises as disputes involving the interpretation or application of this Agreement, as a result of the Employer decisions regarding the interpretation, application or intent of JEA policies and procedures shall be initiated at step two (2)

**NOTE:** Grievances filed as a result of disciplinary action taken that includes reduction in pay, suspension, demotion or dismissal, may be initiated at step 2.

**23.9 Arbitration:**

(a) If the grievance is not settled in accordance with the provisions of Article 23.2, the aggrieved employee, or the **Union** may request arbitration by serving written notice of intent to arbitrate to Labor Relations or his/her designated representative, no later than thirty (30) calendar days after receipt of the **Employer's** response in Step 2. The notice of intent to arbitrate must be accompanied by a written statement identifying the specific provision(s) of this Agreement at issue. If the grievance is not appealed to arbitration within thirty (30) calendar days, the

**Employer's** Step 2 answer shall be final and binding upon the aggrieved employee, the **Union**, and the **Employer**.

- (b) Upon appeal to arbitration, either party may request the Federal Mediation and Conciliation Service (FMCS) to provide a panel of seven (7) arbitrators. Such a request for a panel must be made within nine (9) months of intent of arbitration notice. After the panel has been received from FMCS, the representatives of the **Union** or the employee (as the case may be) and the **Employer** shall meet and alternately strike names until one (1) arbitrator remains. The party requesting arbitration shall strike the first name. The name remaining shall be selected as the arbitrator. The **Union** or employee may in their written request for arbitration include the names of two (2) arbitrators either of whom is acceptable to the **Union** or employee to arbitrate the grievance. If the two (2) parties involved in the selection do not mutually agree upon the selection of one of the persons listed or some other person, then the FMCS procedure will be followed. Either party may request a second panel be provided by FMCS, as long as such request is made before the parties' striking of names, but each party may only do so once. The arbitration hearing must be scheduled within nine months of selection of an arbitrator, unless both parties agree to additional time due to any reasonable scheduling difficulties.
- (c) The arbitration hearing will be scheduled within thirty (30) calendar days from the date that the arbitrator is notified of his/her selection.
- (d) At the conclusion of the arbitration hearing, post-hearing briefs may be filed at the request of either party or at the request of the arbitrator. The arbitrator shall have thirty (30) working days after the hearing is concluded, or after receipt of briefs, to render his/her award and findings of fact.
- (e) The decision of the arbitrator relating to the interpretation, enforcement, or application of the provisions of this Agreement shall be final and binding on the **Employer**, the **Union** and the employee. However, the arbitrator shall have no authority to change, amend, add to, subtract from, or otherwise supplement or alter the express terms of this Agreement, or usurp any authority responsibility lawfully granted to the **Employer**.
- (f) The arbitrator shall consider only the specific issue(s) submitted to him/her in writing by the parties. The arbitrator shall have no authority to consider or rule upon any matter which is stated in this Agreement not to be subject to arbitration, or any matter which is not specifically covered by this Agreement. All testimony given at the arbitration hearing will be under oath. The arbitrator may not issue declaratory or advisory opinions, and shall be confined exclusively to the question(s) presented to him/her, which question(s) must be actual and existing. The decision of the arbitrator shall be exclusively based upon specific findings of fact and conclusions based on those findings of fact. In rendering any decision, the arbitrator shall only consider the written, oral, or documentary evidence submitted to him/her at the arbitration hearing. The decision of the arbitrator shall be final and binding. If any event occurred or failed to occur prior to the effective date of this Agreement, it shall not be the subject of any grievance hereunder nor shall the arbitrator have the power to make any decision concerning such a matter.
- (g) It is specifically and expressly understood that taking a grievance to arbitration constitutes an election of remedies and waiver of any and all rights by the appealing party and all persons it represents.
- (h) The cost and expense incurred by the arbitrator shall be shared equally by the parties involved in the arbitration proceeding. If a transcript of the proceedings is requested, the party so requesting shall pay for it. If an employee acts independently of and in disregard of the position of the Union in matters relating to arbitration, that employee shall pay the Union's share of the arbitrator's costs and expenses.

**ARTICLE 24: SEVERABILITY**

- 24.1 In the event any article, section, or portion of this Agreement should be held invalid or unenforceable by any court of competent jurisdiction, such decision shall apply only to the specific article, section, or portion thereof specified in the court's decision. Upon request of either party, the parties agree to meet for the purpose of negotiating a substitute for that specific article, section, or portion thereof. All other articles, sections, and portions of this Agreement shall remain valid and enforceable.

**ARTICLE 25: RESIDUAL RIGHTS CLAUSE**

- 25.1 The **Employer** retains all rights, powers, functions, and authority it had prior to the signing of this Agreement except as such rights, powers, functions, and authority are specifically relinquished or abridged in this Agreement in accordance with Section 447.309(3), Florida Statutes.
- 25.2 All matters pertaining to terms and conditions of employment guaranteed by law to employees within the bargaining unit shall apply except as such matters are specifically abridged or modified by the terms of this Agreement in accordance with Section 447.309(3), Florida Statutes.

**ARTICLE 26: ENTIRE AGREEMENT**

- 26.1 The parties acknowledge that during negotiations which resulted in this Agreement, each had the unlimited right and opportunity to make demands and proposals with respect to any subject or matter not removed by law from the area of collective bargaining, and that the understandings and agreements arrived at by the parties after the exercise of that right and opportunity are set forth in this Agreement. Therefore, the **Employer** and the **Union** voluntarily and unqualifiedly waive the right, and each agrees that the other shall not be obligated, to bargain collectively with respect to any subject or matter not specifically referred to or covered in this Agreement, this section shall not be construed to in any way restrict the parties from commencing negotiations under the applicable law on any succeeding Agreement to take effect upon termination of this Agreement.
- 26.2 The **Union** has been provided with a copy of JEA policies and work regulations. A copy of any new or revised JEA policy or work regulations will be forwarded to the **Union** upon adoption.
- 26.3 All JEA policies and work regulations shall be posted in the appropriate areas.
- 26.4 If, during the term of this Agreement, a proposal to increase the rate of employee contributions to the pension system is considered by the **Employer**, the Employer and the **Union** shall meet, upon the request of either party, to consider and discuss the effect of such proposed legislation upon the employees in the bargaining unit
- 26.5 Except as otherwise provided in the Agreement, this Agreement shall be effective from October 1, ~~2012~~2015, and shall remain in force until September 30, ~~2015~~2016.

**APPENDIX A**

<b>Class Code</b>	<b>Classification Title</b>	<b>Pay Grade</b>
A011	Account Clerk Senior	8
A001	Account Clerk	6
2251	Administrative Support Assistant AFSCME	12
L020	Construction Inspector I	8
L026	Construction Inspector II	14
2502	Customer Care Consultant	25
2504	Customer Care Consultant Trainee	23
2530	Customer Care Specialist	26
1095	Facilities Inspector (1/25/2011)	8
2309	Laboratory Analyst	9
2241	Laboratory Scientist	15
2242	Laboratory Scientist Senior	16
2240	Laboratory Technician	4
G106	Land Surveyor	4
C3622	Mail Clerk	5
C363	Mail Clerk Senior	6
2250	Office Support Associate (3/12/2012)	7
2901	Payroll Practitioner	10
2002	Purchasing Agent	15
2000	Purchasing Assistant	10
2248	Support Specialist	4
U122	Water Quality Technician Senior	10

Job Code	Job Name	Pay Grade	FY	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11
G106	Land Surveyor	4	12/13	\$ 15.25	\$ 16.02	\$ 16.82	\$ 17.66	\$ 18.54	\$ 19.47	\$ 20.44				
2248	Support Specialist (3/12/2012)		13/14	\$ 15.25	\$ 16.02	\$ 16.82	\$ 17.66	\$ 18.54	\$ 19.47	\$ 20.44				
2240	Laboratory Technician		14/15	\$ 15.48	\$ 16.26	\$ 17.07	\$ 17.92	\$ 18.82	\$ 19.76	\$ 20.75				
C3622	Mail Clerk	5	12/13	\$ 15.26	\$ 16.02	\$ 16.82	\$ 17.66							
			13/14	\$ 15.26	\$ 16.02	\$ 16.82	\$ 17.66							
			14/15	\$ 15.49	\$ 16.26	\$ 17.07	\$ 17.93							
A001	Account Clerk	6	12/13	\$ 16.01	\$ 16.81	\$ 17.65	\$ 18.53							
C363	Mail Clerk Senior		13/14	\$ 16.01	\$ 16.81	\$ 17.65	\$ 18.53							
			14/15	\$ 16.25	\$ 17.06	\$ 17.91	\$ 18.81							
2250	Office Support Associate (3/12/2012)	7	12/13	\$ 18.54	\$ 19.46	\$ 20.44	\$ 21.46	\$ 22.53	\$ 23.66					
			13/14	\$ 18.54	\$ 19.46	\$ 20.44	\$ 21.46	\$ 22.53	\$ 23.66					
			14/15	\$ 18.81	\$ 19.75	\$ 20.74	\$ 21.78	\$ 22.87	\$ 24.02					
A011	Account Clerk Senior	8	12/13	\$ 18.54	\$ 19.46	\$ 20.44	\$ 21.46	\$ 22.53						
L020	Construction Inspector I		13/14	\$ 18.54	\$ 19.46	\$ 20.44	\$ 21.46	\$ 22.53						
1095	Facilities Inspector		14/15	\$ 18.81	\$ 19.75	\$ 20.74	\$ 21.78	\$ 22.87						
2309	Laboratory Analyst	9	12/13	\$ 19.47	\$ 20.45	\$ 21.47	\$ 22.54	\$ 23.67	\$ 24.85					
			13/14	\$ 19.47	\$ 20.45	\$ 21.47	\$ 22.54	\$ 23.67	\$ 24.85					
			14/15	\$ 19.76	\$ 20.75	\$ 21.79	\$ 22.88	\$ 24.02	\$ 25.22					
2901	Payroll Practitioner	10	12/13	\$ 20.45	\$ 21.47	\$ 22.54	\$ 23.67							
2000	Purchasing Assistant		13/14	\$ 20.45	\$ 21.47	\$ 22.54	\$ 23.67							
U122	Water Quality Technician Sr.		14/15	\$ 20.75	\$ 21.79	\$ 22.88	\$ 24.03							
2251	Administrative Support Asst. AFS/CME	12	12/13	\$ 21.93	\$ 23.03	\$ 24.18	\$ 25.39							
			13/14	\$ 21.93	\$ 23.03	\$ 24.18	\$ 25.39							
			14/15	\$ 22.26	\$ 23.38	\$ 24.54	\$ 25.77							
L026	Construction Inspector II	14	12/13	\$ 22.55	\$ 23.68	\$ 24.86	\$ 26.11	\$ 27.41	\$ 28.78	\$ 30.22				
			13/14	\$ 22.55	\$ 23.68	\$ 24.86	\$ 26.11	\$ 27.41	\$ 28.78	\$ 30.22				
			14/15	\$ 22.89	\$ 24.03	\$ 25.23	\$ 26.50	\$ 27.82	\$ 29.21	\$ 30.67				
2002	Purchasing Agent	15	12/13	\$ 24.86	\$ 26.10	\$ 27.40	\$ 28.77	\$ 30.21	\$ 31.72	\$ 33.31				
			13/14	\$ 24.86	\$ 26.10	\$ 27.40	\$ 28.77	\$ 30.21	\$ 31.72	\$ 33.31				
2241	Laboratory Scientist		14/15	\$ 25.23	\$ 26.49	\$ 27.82	\$ 29.21	\$ 30.67	\$ 32.20	\$ 33.81				
2242	Laboratory Scientist Senior	16	12/13	\$ 26.24	\$ 27.56	\$ 28.93	\$ 30.38	\$ 31.90	\$ 33.50	\$ 35.17				
			13/14	\$ 26.24	\$ 27.56	\$ 28.93	\$ 30.38	\$ 31.90	\$ 33.50	\$ 35.17				
			14/15	\$ 26.64	\$ 27.97	\$ 29.37	\$ 30.84	\$ 32.38	\$ 34.00	\$ 35.70				
2504	Customer Care Consultant Trainee	23	12/13	\$ 14.03	\$ 14.73	\$ 15.47	\$ 16.24							
			13/14	\$ 14.03	\$ 14.73	\$ 15.47	\$ 16.24							
			14/15	\$ 14.24	\$ 14.95	\$ 15.70	\$ 16.48							
2502	Customer Care Consultant	25	12/13	\$ 17.31	\$ 17.96	\$ 18.63	\$ 19.33	\$ 20.05	\$ 20.81	\$ 21.59	\$ 22.40	\$ 23.24	\$ 24.11	\$ 25.01
			13/14	\$ 17.31	\$ 17.96	\$ 18.63	\$ 19.33	\$ 20.05	\$ 20.81	\$ 21.59	\$ 22.40	\$ 23.24	\$ 24.11	\$ 25.01
			14/15	\$ 17.57	\$ 18.23	\$ 18.91	\$ 19.62	\$ 20.35	\$ 21.12	\$ 21.91	\$ 22.74	\$ 23.59	\$ 24.47	\$ 25.39
2530	Customer Care Specialist	26	12/13	\$ 18.17	\$ 18.85	\$ 19.56	\$ 20.29	\$ 21.06	\$ 21.85	\$ 22.66	\$ 23.51	\$ 24.40	\$ 25.31	\$ 26.26
			13/14	\$ 18.17	\$ 18.85	\$ 19.56	\$ 20.29	\$ 21.06	\$ 21.85	\$ 22.66	\$ 23.51	\$ 24.40	\$ 25.31	\$ 26.26
			14/15	\$ 18.44	\$ 19.13	\$ 19.86	\$ 20.59	\$ 21.38	\$ 22.18	\$ 23.00	\$ 23.86	\$ 24.77	\$ 25.69	\$ 26.65

Job Code	Job Name	Pay Grade	FY	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Step 11
G106	Land Surveyor	4	15/16	\$ 15.48	\$ 16.26	\$ 17.07	\$ 17.92	\$ 18.82	\$ 19.76	\$ 20.75				
2248	Support Specialist (3/12/2012)													
2240	Laboratory Technician													
C3622	Mail Clerk	5	15/16	\$ 15.49	\$ 16.26	\$ 17.07	\$ 17.93							
A001	Account Clerk	6	15/16	\$ 16.25	\$ 17.06	\$ 17.91	\$ 18.81							
C363	Mail Clerk Senior													
2250	Office Support Associate (3/12/2012)	7	15/16	\$ 18.81	\$ 19.75	\$ 20.74	\$ 21.78	\$ 22.87	\$ 24.02					
A011	Account Clerk Senior	8	15/16	\$ 18.81	\$ 19.75	\$ 20.74	\$ 21.78	\$ 22.87						
L020	Construction Inspector I													
1095	Facilities Inspector													
2309	Laboratory Analyst	9	15/16	\$ 19.76	\$ 20.75	\$ 21.79	\$ 22.88	\$ 24.02	\$ 25.22					
2901	Payroll Practitioner	10	15/16	\$ 20.75	\$ 21.79	\$ 22.88	\$ 24.03							
2000	Purchasing Assistant													
U122	Water Quality Technician Sr.													
2251	Administrative Support Asst. AFSCME	12	15/16	\$ 22.26	\$ 23.38	\$ 24.54	\$ 25.77							
L026	Construction Inspector II	14	15/16	\$ 22.89	\$ 24.03	\$ 25.23	\$ 26.50	\$ 27.82	\$ 29.21	\$ 30.67				
2002	Purchasing Agent	15	15/16	\$ 25.23	\$ 26.49	\$ 27.82	\$ 29.21	\$ 30.67	\$ 32.20	\$ 33.81				
2241	Laboratory Scientist													
2242	Laboratory Scientist Senior	16	15/16	\$ 26.64	\$ 27.97	\$ 29.37	\$ 30.84	\$ 32.38	\$ 34.00	\$ 35.70				
2504	Customer Care Consultant Trainee	23	15/16	\$ 14.24	\$ 14.95	\$ 15.70	\$ 16.48							
2502	Customer Care Consultant	25	15/16	\$ 17.57	\$ 18.23	\$ 18.91	\$ 19.62	\$ 20.35	\$ 21.12	\$ 21.91	\$ 22.74	\$ 23.59	\$ 24.47	\$ 25.39
2530	Customer Care Specialist	26	15/16	\$ 18.44	\$ 19.13	\$ 19.85	\$ 20.59	\$ 21.38	\$ 22.18	\$ 23.00	\$ 23.86	\$ 24.77	\$ 25.69	\$ 26.65

The pay rates in this table for FY 15/16 Collective Bargaining Agreement are identical to the pay rates listed on the corresponding table for FY 14/15 in the prior CBA; this aligns with the language that no increases were added to the base hourly wage as negotiated.

**APPENDIX B: CERTAIN TEMPORARY, PART-TIME OR SPECIAL PURPOSE EMPLOYEES**

**ARTICLE B-1: ARTICLES ADOPTED BY REFERENCE**

The current provisions of Articles listed below of the Agreement reached between the JEA and the American Federation of State, County and Municipal Employees, Florida Council 79, (the Agreement) are hereby adopted by reference and made a part hereof.

<b>Article 1:</b>	<b>Union Recognition</b>
<b>Article 2:</b>	<b>Union Security</b>
<b>Article 3:</b>	<b>Union Rights</b>
<b>Article 4:</b>	<b>Management Security</b>
<b>Article 5:</b>	<b>Management Rights</b>
<b>Article 6:</b>	<b>Labor/ Management Special Meetings</b>
<b>Article 7:</b>	<b>Union Activity</b>
<b>Article 8:</b>	<b>Bulletin Boards</b>
<b>Article 9.6</b>	<b>Limited Emergency</b>
<b>Article 14:</b>	<b>Leave Usage</b>
<b>Article 16:</b>	<b>Annual Leave Plan H</b>
<b>Article 19:</b>	<b>Job Postings/Internal Recruitment</b>
<b>Article 20:</b>	<b>Safety And Health</b>
<b>Article 21:</b>	<b>Comprehensive Alcohol &amp; Drug Abuse Policy And Procedures</b>
<b>Article 23:</b>	<b>Grievance Procedure</b>
<b>Article 24:</b>	<b>Severability</b>
<b>Article 25:</b>	<b>Residual Rights Clause</b>
<b>Article 26:</b>	<b>Entire Agreement</b>

**ARTICLE B-2: GRIEVANCES AND SEPARATIONS**

**B-2.1 Grievance Procedure**

- (a) No eligible<sup>1</sup> employee has a right to the Civil Service complaint/grievance procedure. The sole procedure available to eligible employees shall be the Article 23 grievance procedure, provided that grievances of disciplinary actions may be processed only through Step II of the grievance procedure, and may not be taken to arbitration.
- (b) Eligible employees may not grieve dismissals or separations from employment.

**B-2.2 Separations**

An eligible employee may be separated from employment with or without cause. Employees separated without cause shall receive ten (10) days' written notice of separation, or ten (10) days' pay in lieu of notice, or any combination thereof.

<sup>1</sup> certain part-time, temporary, or special purpose employees will be referred as eligible employees.

**ARTICLE B-3: HOLIDAYS**

**B-3.1** Eligible employees shall be entitled to compensation as provided for in sections B-3.2 and B-3.3 for the eleven (11) holidays below:

<b>Date</b>	<b>Event</b>
January First (1st)	(New Year's Day)
Third Monday in January	(Martin Luther King's Birthday)
Third Monday in February	(Presidents' Day)
Last Monday in May	(Memorial Day)
July Fourth (4th)	(Independence Day)
First Monday in September	(Labor Day)
November Eleventh (11th)	(Veterans' Day)
Fourth Thursday in November	(Thanksgiving)
Friday after Thanksgiving	
December Twenty-Fourth (24th)	(Christmas Eve)
December Twenty-Fifth (25th)	(Christmas Day)

**B-3.2** Eligible employees who are not required to work on a holiday listed in section B-3.1 will be compensated at their regular hourly rate times the average number of hours they have worked per day during the six weeks before the holiday, (e.g. 40 hours a week worked - 8 hours pay; 30 hours a week worked -6 hours of pay; 20 hours a week worked - 4 hours pay). However, no eligible employee who works less than forty (40) hours per week will receive compensation for a holiday unless the holiday is observed on a regular scheduled workday of the eligible employee.

**B-3.3** Eligible employees who are required to work on a holiday shall be compensated at one and one-half (1-1/2) times their straight time pay for all hours worked on the holiday, in addition to being paid for the holiday pursuant to section B-3.2.

**ARTICLE B-4: HOURS OF WORK AND OVERTIME PAYMENT**

**B-4.1 Schedules**

Eligible employees' work schedules shall be set at the sole discretion of the appropriate manager.

**B-4.2 Overtime**

- (a) Eligible employees shall be required to work overtime when and as required. The manager or his/her designated representative shall determine the necessity for overtime hours and the composition of the workforce. In order to fairly distribute the benefit of compensable overtime hours among the work-force, the Employer shall provide, as far as practicable, equal distribution of overtime hours among regular and eligible employees.
- (b) Eligible employees shall be paid at the rate of one and one-half (1-1/2) times the employee's regular rate of pay for all hours worked in excess of 40 hours per week.

With approval of the manager, the employee may elect to receive compensatory time in lieu of cash. Such election and approval shall be made on forms provided by the Employer. An employee may accrue up to a maximum of 40 hours of compensatory time. When the maximum has been reached, compensation for additional overtime worked shall be in the form of cash. The Employer may pay off any amount of accrued compensatory time at any time, provided that any approved requests for compensatory leave will continue to be honored.

- (c) An employee who is called in to work outside of, and not continuous with, his/her regularly scheduled working hours shall be compensated for the time worked at the straight time rate until the employee has worked forty (40) hours for the week, at which time the employee shall be paid at the rate of one and one-half (1-1/2) times the employee's regular rate of pay.

#### ARTICLE B-5: WAGES

**B-5.1** Part-time, temporary, or special purpose employees shall be paid at the hourly rate applicable to step one of the step pay plan shown in Appendix. Part-time, temporary, or special purpose employees are not eligible for a step increase.

**B-5.2 Schedule Premium**  
Part-time, temporary, or special purpose employees will be paid Scheduled Premium as provided for in Article 11.3.

**B-5.3 Standby Payment:**  
Part-time, temporary, or special purpose employees will be paid Standby Payment as provided for in Article 11.2.

**B-5.4 Incentive Program:**  
At its sole discretion, the **Employer** may from time to time elect to establish incentive programs for individuals or groups which may consist of cash or other awards in recognition of improved job performance, improved safety records, innovative ideas that result in savings or other benefits, or other similar work related improvements, provided the **Union** is informed in writing of any such programs.

#### ARTICLE B-6: INJURY IN LINE OF DUTY

Any eligible employee who sustains a temporary disability as a result of accidental injury in the course of, and arising out of, employment by the **Employer** shall only be entitled to the benefits payable under the Workers' Compensation Laws of the State of Florida.

#### ARTICLE B-7: LIFE INSURANCE

The **Employer** shall provide five thousand dollars (\$5,000.00) group term life insurance for all eligible employees, at no cost to the employee.

Eligible employees who are covered by the group term life insurance policy may purchase additional coverage in the amount of five thousand dollars (\$5,000.00) or ten thousand dollars (\$10,000.00) at their own expense.

**ARTICLE B-8: JURY AND WITNESS DUTY**

An eligible employee who works less than forty (40) hours per week shall have his/her work schedule adjusted to accommodate jury and witness duty. Forty-hour employees shall be governed by the provisions of Articles 12 and 13 in the Agreement.

**ARTICLE B-9: MILITARY LEAVE**

Eligible employees shall be paid for military leave at their regular hourly rate times the average number of hours they have worked per day during the six weeks prior to the military leave. (e.g. 40 hours a week worked - 8 hours pay; 30 hours a week worked - 6 hours of pay; 20 hours a week worked - 4 hours pay).

**ARTICLE B-10 BEREAVEMENT LEAVE**

Eligible employees may be granted up to two (2) days off without loss of pay as bereavement leave not otherwise chargeable upon the death of the employee's spouse, child, mother, father, grandmother or grandfather. Bereavement leave of one (1) day shall be granted upon the death of other members of an eligible employee's immediate household.

**ARTICLE B-11: MATTERS NOT ADDRESSED**

To the extent any provision of the Agreement reached between the JEA and the American Federation of State, County, and Municipal Employees, Florida Council 79, is not adopted herein by reference, or is not specifically addressed in this Appendix B, said provision is null and of no effect as it relates to employees covered by this Appendix B.

**APPENDIX C - SAFETY SENSITIVE POSITIONS - DEFINITIONS AND KEY**

<b>ABBREVIATION</b>	<b>Definition</b>
DISPATCH OF VEHICLE	Responsible for dispatch of emergency vehicles (either emergency response/public safety vehicles or other vehicles in emergency situations).
MAINT OF VEHICLE	Maintenance of the type and kind that if performed improperly could result in danger to the occupants/users or other employees or members of the public near the vehicle/equipment.
CHAUFFEURS OTHER EMPLOYEES	Chauffeurs other employees as part of assigned duties.
HANDLE HAZARDOUS MATERIALS OR EQUIP (INCLUDES GUNS & OTHER SAFETY EQUIPMENT)	Transports, mixes, handles, uses, hazardous materials, or is responsible for equipment carrying current, fluids or gas that could endanger the public or employees.
CDL LICENSE	Operates CDL classified vehicles.
SUPERVISES CHILDREN	Supervises children or is responsible for the security of children.
OPERATES./ DIRECTS LARGE EQUIPMENT	Operates/directs large trucks and/or construction equipment.
HAZARDOUS EQUIPMENT./ CONDITIONS	Performs hazardous/perilous work and/or works where the individual may cause harm to himself or others.
GUARDS SAFETY OF WORKERS AND/OR PUBLIC	Guards the safety of co-workers and/or public.
IMMEDIATE MANAGEMENT RISK	Duties require drug prevention-foreknowledge of identities of individuals to be tested.
SPECIAL LICENSE	Any position that requires specialized licensing by city, state, or federal law or regulation which involves additional medical and/or background investigations. The existence of a special license requirement may be used for the purpose of supporting a safety-sensitive designation but shall not be sufficient in and of itself to require a safety-sensitive designation.
ENFORCE DRUG POLICY	Enforces drug policy (interdiction and discipline).
STORE ILLEGAL SUBSTANCES	Handles, files and/or stores illegal substances.
SYSTEMS OPERATOR	Design, construction, maintenance, inspection & operation of systems carrying current, fluids or gas that could endanger the public or employees or regulates, maintains, repairs traffic signal devices.
SUPV/SAFETY SENSITIVE POSITION	Directly supervises a safety sensitive position.
ACCESS/CRIMINAL INVESTIGATION INFO	Works with or has access to information or documents pertaining to criminal investigations.
EMERGENCY RESPONSE REQUIRED	Responds under emergency conditions.

APPENDIX D – REBUTTAL FORM



EMPLOYEE REBUTTAL TO A LETTER OF COUNSELING

Date: \_\_\_\_\_

Employee Name: \_\_\_\_\_ EIN \_\_\_\_\_

Department/Cost Center \_\_\_\_\_

Manager Issuing Letter of Counseling \_\_\_\_\_

Letter of Counseling Issue Date \_\_\_\_\_

Employee Statement

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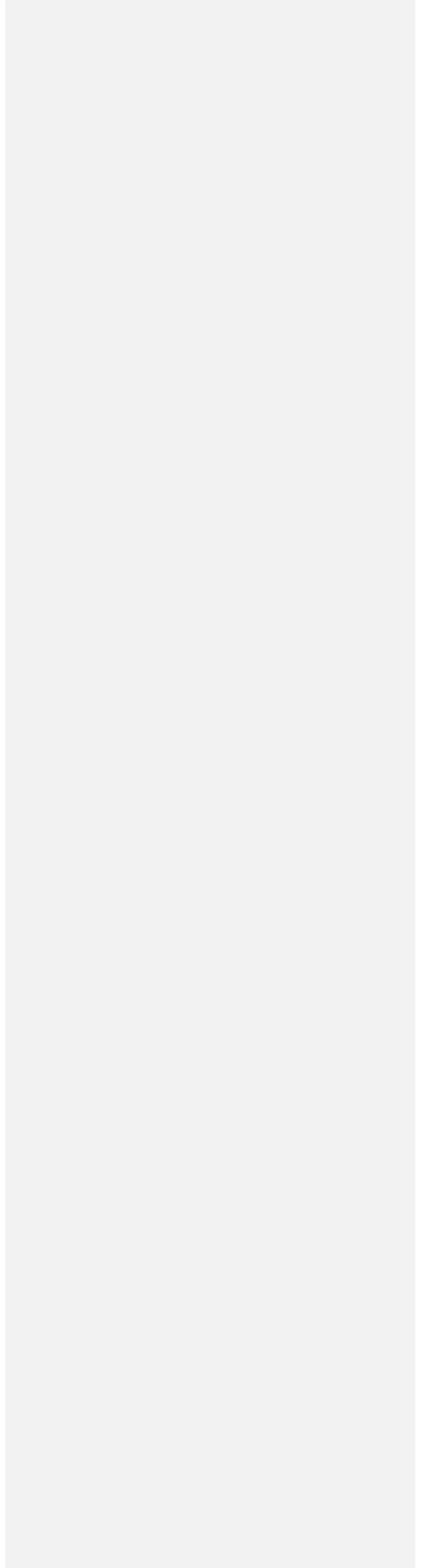
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**JEA Board of Directors Meeting - III. B. Strategic Discussions/Action**

**IN WITNESS WHEREOF, WE,** The Negotiation Teams for the Parties hereto set our hand on the \_\_\_\_ of November 2015.

**JEA**

**AFSCME**

\_\_\_\_\_  
Charna Flennoy

\_\_\_\_\_  
Mark Jordan

\_\_\_\_\_  
Maryanne Evans

\_\_\_\_\_  
Jacob Bianchi

\_\_\_\_\_  
Deborah Beaver

\_\_\_\_\_  
Joy Varner

\_\_\_\_\_  
James Bryant

\_\_\_\_\_  
Michael Butler

\_\_\_\_\_  
Paul Legge

\_\_\_\_\_  
Angela Cimino

\_\_\_\_\_

\_\_\_\_\_  
Saundra Johnson

\_\_\_\_\_

\_\_\_\_\_  
Krystal Oellerich

Approved by the American Federation of State, County and Municipal Employees, Florida Council #79, November of 2015.

\_\_\_\_\_  
Mark Jordan

Approved by JEA November 17, 2015

\_\_\_\_\_  
**Managing Director & CEO**

\_\_\_\_\_  
**JEA Board Chairman**



**JEA**  
Building Community  
**AGENDA ITEM SUMMARY**

November 4, 2015

<b>SUBJECT:</b>	<b>APPROVAL OF RESOLUTION: FY2016 BUDGETARY TRANSFERS</b>
-----------------	---

<b>Purpose:</b>	<input type="checkbox"/> Information Only	<input checked="" type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
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**Issue:** Consistent with past practices and Board delegation of authority, authorize the Managing Director to approve FY2016 budget transfers up to \$5.0 million. In the past, the Board has delegated to the Managing Director the authority to make transfers during the fiscal year (FY) between budget line items. In accordance with Resolution 2014-06, the FY2015 year-end budget transfer schedules have been attached.

**Significance:** High. Delegates authority to Managing Director to approve budget transfers for FY2016.

**Effect:** Transfers occurring within FY2016 Operating and Capital Budgets and FY2015 year-end transfers.

**Cost or Benefit:** Business continuity, administrative efficiency and budget effectiveness.

**Recommended Board action:** That the Board approves the attached Resolution which allows the Managing Director to process budget transfers within JEA budget for FY2016 up to \$5.0 million per transfer, except in the event of an emergency or year-end adjustments, where transfers over \$5.0 million will be brought to the Board for ratification. That the Board ratify the FY2015 year-end budget transfers.

**For additional information, contact:** Melissa Dykes

Submitted by: PEM/ MHD/ DRJ



**MISSION**  
Energizing our community through high-value energy and water solutions.

**VISION**  
JEA is a premier service provider, valued asset and vital partner in advancing our community.

**VALUES**  
• Safety  
• Service  
• Growth  
• Accountability  
• Integrity

**Commitments to Action**

- 1 Earn Customer Loyalty
- 2 Deliver Business Excellence
- 3 Develop an Unbeatable Team



**INTER-OFFICE MEMORANDUM**

November 4, 2015

**SUBJECT: APPROVAL OF RESOLUTION: FY2016 BUDGETARY TRANSFERS**

**FROM:** Paul 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 within 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. In accordance with Resolution 2014-06, the FY2015 year-end budget transfer schedules have been attached.

**RECOMMENDATION**

That the Board approves the attached Resolution which allows the Managing Director to process routine budget transfers limited to \$5.0 million per transfer except in the event of an emergency or year-end transfers, where transfers exceeding \$5.0 million will be brought to the Board for ratification. That the Board ratify the FY2015 year-end budget transfers.

---

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 \_\_\_\_\_ day of \_\_\_\_\_ 2015.

JEA

By: \_\_\_\_\_  
Chair

Form Approved:

\_\_\_\_\_  
Jody L. Brooks  
Assistant General Counsel

**JEA**  
**FY 14/15 FUNDS TRANSFER**

**Electric System**  
**Operating Budget**

TRANSFER FROM ACCOUNT	DESCRIPTION	AMOUNT
Credit		
021-Z0000-5501	Operating Capital Outlay	\$ 37,000,000
021-Z0000-3001	Emergency Reserve	5,000,000
021-Z0000-2001	Operating & Maintenance	6,221,684
021-Z0000-4414	Non-Fuel Purchased Power	8,800,000
		Total \$ 57,021,684

TRANSFER TO ACCOUNT	DESCRIPTION	AMOUNT
Debit		
021-Z0000-5103	Debt Service	\$ 57,021,684
		Total \$ 57,021,684

<b>JUSTIFICATION:</b>	Year-end budget adjustments to defease debt utilizing savings in reduced Capital Expenditures, Emergency Reserve, Operating & Maintenance, and Non-Fuel Purchased Power.
-----------------------	--

**APPROVALS:**

APPROVED: \_\_\_\_\_  
*Director, Financial Planning, Budgets and Rates* DATE

APPROVED: \_\_\_\_\_  
*Chief Financial Officer* DATE

APPROVED: \_\_\_\_\_  
*Chief Executive Officer* DATE

Forwarded to Council Auditor: Date: _____
---

**JEA  
FY 14/15 FUNDS TRANSFER**

**Water and Sewer System  
Operating Budget**

TRANSFER FROM ACCOUNT	DESCRIPTION	AMOUNT
Credit		
071-Z0000-2001	Operating & Maintenance	\$ 7,857,095
071-10002-2001	Environmental	1,491,651
071-Z0000-3001	Emergency Reserve	1,000,000
071-Z0000-5302	Non- Fuel Uncollectibles & PSC Tax	173,889
071-Z0000-5501	Operating Capital Outlay	40,116,702
071-Z0000-5615	Interlocal Payments	630,000
	Total	\$ 51,269,337

TRANSFER TO ACCOUNT	DESCRIPTION	AMOUNT
Debit		
071-Z0000-5103	Debt Service	\$ 51,997,634
071-Z0000-5503	Capacity Fees	4,604,228
071-Z0000-8023	Other Revenues	(5,332,525)
	Total	\$ 51,269,337

**JUSTIFICATION:** Year-end budget adjustments to defease debt utilizing savings in Operating Capital Outlay, Emergency Reserve, Uncollectibles, Public Service tax, Interlocal Payments, Environmental and Operating & Maintenance expenses and, per City Council authorization, the use of balance sheet fund balances from the Debt Service Reserve fund necessitating a budget adjustment to Other Revenues.  
In addition, Capacity Fees were adjusted to match Capacity Fee revenues maintaining a balanced budget.

**APPROVALS:**

APPROVED: \_\_\_\_\_ DATE \_\_\_\_\_  
*Director, Financial Planning, Budgets and Rates*

APPROVED: \_\_\_\_\_ DATE \_\_\_\_\_  
*Chief Financial Officer*

APPROVED: \_\_\_\_\_ DATE \_\_\_\_\_  
*Chief Executive Officer*

Forwarded to Council Auditor: Date: \_\_\_\_\_



**JEA**  
Building Community  
**AGENDA ITEM SUMMARY**

November 2, 2015

<b>SUBJECT:</b>	<b>REVOLVING CREDIT FACILITY FOR OPERATIONAL/CAPITAL PURPOSES AND LIQUIDITY</b>
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<b>Purpose:</b>	<input type="checkbox"/> Information Only	<input checked="" type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
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**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 substitute 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:** That the Board approve and adopt the Amended and Restated Note Resolution No. 2015-06, which delegates to the Managing Director and CEO the authority to select revolver providers in accordance with the JEA procurement code and to substitute revolvers within stated parameters.

**For additional information, contact:** Joe Orfano, 665-4541

Submitted by: PEM/ MHD/JEO/ RLH



**MISSION**  
Energizing our community through high-value energy and water solutions.

**VISION**  
JEA is a premier service provider, valued asset and vital partner in advancing our community.

**VALUES**  
• Safety  
• Service  
• Growth  
• Accountability  
• Integrity

**Commitments to Action**

- 1** Earn Customer Loyalty
- 2** Deliver Business Excellence
- 3** Develop an Unbeatable Team



**INTER-OFFICE MEMORANDUM**

November 2, 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 has issued 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 requested 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

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 (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:**

That the Board approve and adopt the attached Resolution No. 2015-06 which authorizes:

- A delegation to: (a) the Managing Director, 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) in order to enter into negotiations of one or more new revolver(s), or (ii) 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 (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.
- A delegation to the Managing Director and CEO, or his designee, to extend, amend, renew or replace such revolving credit agreement(s) subject to a determination from the Managing Director and CEO, or his designee and a certificate from JEA's financial advisor that any revised or replacement agreement(s) executed in connection with such extension, amendment, renewal or replacement contains terms that are necessary or desirable and advantageous to JEA and in commercially reasonable form and the procedures utilized in connection with procuring any replacement revolving credit agreement(s) shall be consistent with the applicable requirements of JEA's procurement code then in effect.

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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 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 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, THE 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 CREDIT 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 COMMERCIALY 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 Authority for this Bank Note Resolution.** 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 Resolution. The provisions of this Bank Note Resolution relating to the District Energy System Revolving Credit Notes supplement the District Energy System Resolution. The provisions of this Bank Note Resolution relating to the St. Johns River Power Park System Revolving Credit Notes supplement the St. Johns River Power Park System Second 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 Definitions.** (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 St. Johns River Power Park System Second Revenue Bond Resolution and (v) 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 November 18, 2008, 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 February 18, 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 Authorization and Approval of Credit Agreement.** 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 Authorization to Borrow Pursuant to the Credit Agreement.** 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 Authorization to Extend the Term or Renew the Credit Agreement; Authorization to Amend the Credit Agreement; Authorization to Procure a Credit Agreement in Substitution for an existing Credit Agreement.**

(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, shall 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 Limitations on Transfer and Exchange of Electric System Revolving Credit Notes.** (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 Issuance of Additional Debt.** 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 Tax-exempt 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 Purpose.** 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.

(b) The Water and Sewer 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 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 Limitations on Transfer and Exchange of Water and Sewer System 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 Note so surrendered, one or more 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 Issuance of Additional Debt.** 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.

**Section 7.03 Execution and Delivery of District Energy System Revolving Credit**

**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. 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.

(b) 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.**

(a) The principal amount outstanding with respect to the District Energy System 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.

(b) 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.

(c) 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 Limitations on Transfer and Exchange of District Energy System 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 Note 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

**Section 8.01 Source of Payment and Security for the District Energy System 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.

**Section 8.02 Payment of 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 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 Issuance of Additional Debt.**

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 Certain Provisions of the District Energy System Resolution Excluded.** 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 Principal Amount and Designation; Medium of Payment.** (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.

**Section 9.03 Execution and Delivery of St. Johns River Power Park System 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 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 Limitations on Transfer and Exchange of St. Johns River Power Park 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 Note 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

**Section 10.01 Source of Payment and Security for the St. Johns River Power Park 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 Issuance of Additional Debt.** 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 Bonds, such additional Prior Lien 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 Tax-exempt 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 Purpose.** 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.

(b) The Bulk Power Supply 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 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 Outstanding Principal Amount of Bulk Power Supply System Revolving Credit Notes, Interest on Bulk Power Supply System Revolving Credit Notes, Payment of Bulk Power Supply System Revolving Credit Notes and Optional Tender for Payment.**

(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.

**Section 11.05 Form of Bulk Power Supply System Revolving Credit Notes and 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 Limitations on Transfer and Exchange of Bulk Power Supply System Revolving Credit Notes.** (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, contract 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 Issuance of Additional Debt.** 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 and existing under the laws of the State of Florida, and an independent agency of the City of Jacksonville, 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 Agreement, 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 November 30, 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**

Attested and Countersigned  
for Authorization:

\_\_\_\_\_  
Secretary or  
Assistant Secretary

\_\_\_\_\_  
Chair or Vice-Chair



**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]

UNITED STATES OF AMERICA  
STATE OF FLORIDA  
JEA  
WATER AND SEWER 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 and existing under the laws of the State of Florida, and an independent agency of the City of Jacksonville, 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] Water and Sewer System Loan (as defined in the Credit Agreement referred to below) made by the Bank to JEA pursuant to the Credit Agreement, 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] Water and Sewer 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] 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 November 30, 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.



**JEA**

Attested and Countersigned  
for Authorization:

\_\_\_\_\_  
Secretary or  
Assistant Secretary

\_\_\_\_\_  
Chair or Vice-Chair



**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  
\_\_\_\_\_

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 Jacksonville, 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] District Energy System Loan (as defined in the Credit Agreement referred to below) made by the Bank to JEA pursuant to the Credit Agreement, 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] District Energy 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] 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 November 30, 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.



**JEA**

Attested and Countersigned  
for Authorization:

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Secretary or  
Assistant Secretary

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Chair or Vice-Chair



**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

ST. JOHNS RIVER POWER PARK 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 and existing under the laws of the State of Florida, and an independent agency of the City of Jacksonville, 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 Power Park System Loan (as defined in the Credit Agreement referred to below) made by the Bank to JEA pursuant to the Credit Agreement, 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] St. Johns River Power Park 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] 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 November 30, 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.



**JEA**

Attested and Countersigned  
for Authorization:

\_\_\_\_\_  
Secretary or  
Assistant Secretary

\_\_\_\_\_  
Chair or Vice-Chair



**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-]

No. \_\_\_\_\_

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 Jacksonville, 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] BPSS Projects Loan (as defined in the Credit Agreement referred to below) made by the Bank to JEA pursuant to the Credit Agreement, 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] BPSS Projects 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] 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 November 30, 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.



**JEA**

\_\_\_\_\_  
Chair or Vice-Chair

Attested and Countersigned  
for Authorization:

\_\_\_\_\_  
Secretary or  
Assistant Secretary



## ARTICLE XIV

### ADDITIONAL SYSTEMS

**Section 14.01 Supplemental Resolutions Authorizing Borrowings for Additional Systems.** 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 Additional System Revolving Credit Notes.** 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 Bank Consent.** 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 Amendments to this Bank Note Resolution.** 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 Effect of this Resolution; Effective Date.** 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 NOVEMBER, 2015.

**JEA**

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Chair or Vice-Chair



ATTEST:

---

Secretary

APPROVED AS TO FORM:

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Office of General Counsel



Building Community

**AGENDA ITEM SUMMARY**

November 9, 2015

<b>SUBJECT:</b>	<b>FISCAL YEAR 2015 PAY FOR PERFORMANCE PROGRAM</b>
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**Purpose:**       Information Only       Action Required       Advice/Direction

**Issue:** The FY2015 Pay for Performance Program was approved by the Board of Directors at its December 16, 2014 meeting. FY2015 Pay for Performance Program results are final, pending the external auditors sign-off on JEA's FY2015 financial results.

**Significance:** The JEA Pay for Performance Program was introduced in 1990. JEA's program is modeled to combine both company and individual performance metrics that incent and recognize a highly engaged, high performing workforce.

**Effect:** The entire JEA workforce is eligible to qualify for this program.

**Cost or Benefit:** JEA's program delivers an incentive when goals are achieved and O&M cost savings are realized to pay for the program. This program is designed to incent employees to achieve and exceed established goals, as well as to focus on being "good stewards" of resources, which in turn maximizes value to customers. The FY2015 estimated O&M cost savings was \$24.8M. The earned incentive for FY2015 is currently projected to be is \$5.4M or 3.9% of FY2015 salaries.

**Recommended Board action:** Submitted to the Board for consideration of approving:

- the original Pay for Performance Program design and payout
- the modified Pay for Performance Program design and payout
- an alternative plan design

**For additional information, contact:** Angelia R. Hiers 665-4747

Submitted by: PEM/ARH/



**Commitments to Action**

- 1 Earn Customer Loyalty
- 2 Deliver Business Excellence
- 3 Develop an Unbeatable Team





**INTER-OFFICE MEMORANDUM**

November 9, 2015

**SUBJECT: FISCAL YEAR 2015 PAY FOR PERFORMANCE PROGRAM**

**FROM:** Paul E. McElroy, Managing Director/CEO

**TO:** JEA Board of Directors

**BACKGROUND:**

Pay for Performance Programs were introduced at JEA in 1990. The program has 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. Due to the economic downturn and subsequent austerity measures taken, JEA's performance pay program was suspended in 2007 until 2012 when it was reinstated.

## JEA Historical Wage Increases

Effective Date	10/1/2009	10/1/2010	10/1/2011	10/1/2012	10/1/2013	10/1/2014	10/1/2015	2017-2019
JEA FY	2010	2011	2012	2013	2014	2015	2016	To Be Negotiated in 2016
UNIONS:								
AFSCME	0.0%	0.0%	1.5%	0.0%	0.0%	1.5%	0.0%	
IBEW 2358	0.0%	0.0%	3.0%	0.0%	0.0%	3.0%	2.0%	
JSA	0.0%	0.0%	3.0%	0.0%	0.0%	3.0%	2.0%	
LIUNA	0.0%	0.0%	1.5%	0.0%	0.0%	2.0%	2.0%	
PEA	0.0%	0.0%	4.0%	1.5%	1.5%	3.0%	3.0%	
APPOINTED	0.0%	0.0%	0.0%	0.0%	0.0%	3.0%	0.0%	TBD

**DISCUSSION:**

The primary purpose of the pay for performance program is to incent exceptional performance as measured against pre-established goals. These goals serve to drive both individual and collective focus on important metrics. The JEA team has accomplished a great deal in the past several years as reflected in "best ever" performance in many key metrics. To incent alignment, employee engagement and continued stellar performance, JEA leadership continues to focus on five key metrics: Customer Satisfaction, Safety, Cost per unit of Electricity Delivered (Kwh), Cost per unit of Water Delivered (Kgal) and Cost per unit of Wastewater Collected (Kgal). Exceptional performance in these five metrics clearly furthers JEA's business objectives: keeping employees safe while delivering essential utility services to

our customers cost effectively and in a customer friendly manner. There will continue to be much positive synergy as there are numerous drivers which affect these key metrics.

1. Customer Satisfaction

- JEA elected to measure customer satisfaction via the JD Power Residential Electric Industry Customer Satisfaction Survey, Total Industry.
- JEA FY15 performance improved from the third quartile, to an unprecedented, first quartile for residential customer satisfaction (goal was top 25% of the 2<sup>nd</sup> quartile). JEA also continues to improve its performance in the commercial markets segments by maintaining its first quartile position.

2. Safety

- JEA employees are its greatest asset. We continue to emphasize safety as a part of everything we do. This continued focus on safety has resulted in JEA achieving an OSHA recordable incident rate (RIR) for the year (FY15) well below the current average for Public Sector Utilities of 6.1 injuries per 100 employees (RIR of 6.1).
- JEA's goal for FY15 was to improve to an RIR of 1.2. The company's Plan for Zero campaign focused on a renewed safety commitment for FY2015.
- JEA achieved a final RIR of 1.56.

3. Cost Control

- JEA is committed to holding firm on production costs, as well as, product and service delivery costs, recognizing its impact on our valued customers and their perception of JEA as a contributing corporate citizen. Wise budget management by each employee, working more effectively and efficiently and using resources and materials prudently continues to better position JEA to control and reduce the cost of essential utility services.
- Cost per unit of Electricity delivered (Kwh):                      Goal: No increase from FY12 baseline of \$54.73  
Results achieved: \$49.66/MWh
- Cost per unit of Water delivered (Kgal):                              Goal: No increase from FY12 baseline of \$4.47  
Results achieved: \$3.98/kgal
- Cost per unit of Wastewater (Kgal):                                      Goal: No increase from FY12 baseline of \$7.96  
Results achieved: \$7.26/kgal

Attached are the complete FY15 performance metrics and commensurate proposed payout levels for Customer Satisfaction, Safety and Cost Control metrics. JEA achieved an overall corporate savings of \$24,800,000. Under the original Board approved Performance Pay Plan design, the payout would be 3.9% of base pay or \$5.4 million. Alternatively, there are several additional options presented for discussion; Option A (presented in the attached redline document) modifies the original plan design by a) removing any payout for less than 100% achievement, b) lowering cost targets to prior years actuals, c) reducing targeted pay maximums for ELT and SLT members. Option B preserves all options, including a zero payout. If approved, payouts will be awarded, following an audit of FY15 year end results.

**RECOMMENDATION:**

Submitted to the Board for consideration of approving:

- the original Pay for Performance Program design and payout
- the modified Pay for Performance Program design and payout
- an alternative plan design

PEM/ARH

\_\_\_\_\_  
Paul E. McElroy, Managing Director/CEO



**FY 2015 JEA Pay for Performance Program Summary**

Summary of Corporate Performance Factors and Results

**Safety**

OSHA Recordable Incident Rate (RIR)  
 FY12 Results: 1.48 RIR  
 FY13 Results: 1.78 RIR  
 FY14 Results: 2.4 RIR  
 FY15 Goal: 1.2 RIR

FY15 Results: 1.56 RIR		Incentive Opportunity				
	Non-Appointed	Appointed / Managerial				
RIR	All CBU	Grade E-G	Grade H	Grade I	Grade J	Grade K
RIR > 1.6	\$0	\$0	\$0	\$0	\$0	\$0
1.6 ≥ RIR > 1.5	\$100	\$200	\$280	\$325	\$455	\$540
1.5 ≥ RIR > 1.4	\$200	\$400	\$560	\$700	\$910	\$1,080
1.4 ≥ RIR > 1.3	\$300	\$600	\$850	\$1,000	\$1,375	\$1,625
1.3 ≥ RIR > 1.2	\$400	\$800	\$1,130	\$1,325	\$1,830	\$2,165
1.2 ≥ RIR	\$500	\$1,000	\$1,410	\$1,700	\$2,290	\$2,705

**Customer Satisfaction**

JD Power Residential Electric Industry Customer Satisfaction Survey: Total Industry  
 FY12 Results: No Metric for Customer Satisfaction  
 FY13 Results: Top of the Third Quartile  
 FY14 Results: Top 25% of the Third Quartile  
 FY15 Goal: Second Quartile

FY15 Results: First Quartile		Incentive Opportunity				
	Non-Appointed	Appointed / Managerial				
SURVEY RANKING	All CBU	Grade E-G	Grade H	Grade I	Grade J	Grade K
Top 26% - 50% of third quartile	\$0	\$0	\$0	\$0	\$0	\$0
Top 25% of third quartile	\$100	\$200	\$280	\$325	\$455	\$540
Bottom 25% of second quartile	\$200	\$400	\$560	\$700	\$910	\$1,080
Bottom 26% - 49% of second quartile	\$300	\$600	\$850	\$1,000	\$1,375	\$1,625
Top 26% - 50% of second quartile	\$400	\$800	\$1,130	\$1,325	\$1,830	\$2,165
Top 25% of second quartile	\$500	\$1,000	\$1,410	\$1,700	\$2,290	\$2,705

**Cost Control: Electric Mwh**

Cost per Mwh  
 FY12 Baseline: \$54.73  
 FY13 Results: \$53.92  
 FY14 Results: \$49.81  
 FY15 Goal: Not to exceed FY12 baseline of \$54.73

Results: FY15 \$49.44		Incentive Opportunity				
	Non-Appointed	Appointed / Managerial				
COST/Mwh	All CBU	Grade E-G	Grade H	Grade I	Grade J	Grade K
cost > \$54.73	\$0	\$0	\$0	\$0	\$0	\$0
cost = \$54.73	\$100	\$200	\$280	\$325	\$455	\$540
\$54.73 > cost ≥ \$54.45	\$200	\$400	\$560	\$700	\$910	\$1,080
\$54.45 > cost ≥ \$54.18	\$300	\$600	\$850	\$1,000	\$1,375	\$1,625
\$54.18 > cost ≥ \$53.90	\$400	\$800	\$1,130	\$1,325	\$1,830	\$2,165
\$53.90 > cost	\$500	\$1,000	\$1,410	\$1,700	\$2,290	\$2,705

**Cost Control: Water Kgal**

Cost per Kgal

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

FY12 Baseline: \$4.47

FY13 Results: \$4.49

FY14 Results: \$4.07

FY15 Goal: Not to exceed FY12 baseline of \$4.47

FY15 Results: \$3.98	<b>Incentive Opportunity</b>					
	Non-Appointed	Appointed / Managerial				
<b>COST/KGL</b>	<b>All CBU</b>	<b>Grade E-G</b>	<b>Grade H</b>	<b>Grade I</b>	<b>Grade J</b>	<b>Grade K</b>
cost > \$4.47	\$0	\$0	\$0	\$0	\$0	\$0
cost = \$4.47	\$50	\$100	\$140	\$165	\$230	\$270
\$4.47 > cost ≥ \$4.44	\$100	\$200	\$280	\$335	\$460	\$540
\$4.44 > cost ≥ \$4.42	\$150	\$300	\$425	\$500	\$690	\$815
\$4.42 > cost ≥ \$4.39	\$200	\$400	\$565	\$665	\$920	\$1,085
\$4.39 > cost	\$250	\$500	\$705	\$835	\$1,150	\$1,355

**Cost Control: Wastewater Kgal**

Cost per Kgal

FY12 Baseline: \$7.96

FY13 Results: \$7.53

FY14 Results: \$7.34

FY15 Goal: Not to exceed FY12 baseline of \$7.96

FY15 Results: \$7.26	<b>Incentive Opportunity</b>					
	Non-Appointed	Appointed / Managerial				
<b>COST/KGL</b>	<b>All CBU</b>	<b>Grade E-G</b>	<b>Grade H</b>	<b>Grade I</b>	<b>Grade J</b>	<b>Grade K</b>
cost > \$7.96	\$0					
cost = \$7.96	\$50	\$100	\$140	\$165	\$230	\$270
\$7.96 > cost ≥ \$7.91	\$100	\$200	\$280	\$335	\$460	\$540
\$7.91 > cost ≥ \$7.86	\$150	\$300	\$425	\$500	\$690	\$815
\$7.86 > cost ≥ \$7.81	\$200	\$400	\$565	\$665	\$920	\$1,085
\$7.81 > cost	\$250	\$500	\$705	\$835	\$1,150	\$1,355

\*See SLT Incentive Payout Summary for details regarding executive payouts

**Overall Payout Opportunity**

**Summary of FY 15 Payout: Company Performance<sup>1</sup>**

JEA Actual Payout	All CBU	Grade E-G	Grade H	Grade I	Grade J	Grade K
Safety	\$100	\$200	\$280	\$325	\$455	\$540
Customer Satisfaction	\$500	\$1,000	\$1,410	\$1,700	\$2,290	\$2,705
Cost Control: Electric	\$500	\$1,000	\$1,410	\$1,700	\$2,290	\$2,705
Cost Control: Water	\$250	\$500	\$705	\$835	\$1,150	\$1,355
Cost Control: Wasterwater	\$250	\$500	\$705	\$835	\$1,150	\$1,355
<b>Total Payout for Corporate Results</b>	<b>\$1,600</b>	<b>\$3,200</b>	<b>\$4,510</b>	<b>\$5,395</b>	<b>\$7,335</b>	<b>\$8,660</b>

<sup>1</sup>Corporate Results for Managerial / Appointed employees comprises 50% of overall incentive opportunity

**Appointed / Managerial:**

**Summary of FY 15 Appointed / Managerial Individual Performance Opportunity**

Employee Performance	Grade E	Grade F	Grade G	Grade H	Grade I	Grade J	Grade K
Unsatisfactory	\$0	\$0	\$0	\$0	\$0	\$0	\$0
< Satisfactory (85%)	\$935	\$1,360	\$1,870	\$2,890	\$3,400	\$4,675	\$5,525
Satisfactory	\$1,100	\$1,600	\$2,200	\$3,400	\$4,000	\$5,500	\$6,500
> Satisfactory (105%)	\$1,155	\$1,680	\$2,310	\$3,570	\$4,200	\$5,775	\$6,825
Exemplary (110%)	\$1,210	\$1,760	\$2,420	\$3,740	\$4,400	\$6,050	\$7,150

**Total Estimated Cost for FY 2015 Pay for Performance Program**

**Corporate Results:**

SLT:	No. Emp.	8	\$115,024
Appointed:	No. Emp.	342	\$1,615,933
Non appointed:	No. Emp.	1586	\$2,491,867
<b>Total:</b>		<b>1936</b>	<b>\$4,222,824</b>

**Individual Performance Results:**

SLT:	No. Emp.	8	\$103,197
Appointed:	No. Emp.	342	\$1,075,779
<b>Total:</b>	No. Emp.	<b>350</b>	<b>\$1,178,977</b>

**Total FY15 Pay for Performance Payout:**

SLT:	No. Emp.	8	\$218,221	The total amount represents 3.9% of salaries
Appointed:	No. Emp.	342	\$2,691,712	
Non appointed:	No. Emp.	1586	\$2,491,867	
<b>Total:</b>	No. Emp.	<b>1936</b>	<b>\$5,401,800</b>	



**FY 2015 JEA Pay for Performance Program Summary**

Summary of Corporate Performance Factors and Results V2

**Safety**

OSHA Recordable Incident Rate (RIR)  
 FY12 Results: 1.48 RIR  
 FY13 Results: 1.78 RIR  
 FY14 Results: 2.4 RIR  
 FY15 Goal: 1.2 RIR

FY15 Results: 1.56 RIR		Incentive Opportunity				
	Non-Appointed	Appointed / Managerial				
RIR	All CBU	Grade E-G	Grade H	Grade I	Grade J	Grade K
RIR > 1.6	\$0	\$0	\$0	\$0	\$0	\$0
1.6 ≥ RIR > 1.5	\$100	\$200	\$280	\$325	\$455	\$540
1.5 ≥ RIR > 1.4	\$200	\$400	\$560	\$700	\$910	\$1,080
1.4 ≥ RIR > 1.3	\$300	\$600	\$850	\$1,000	\$1,375	\$1,625
1.3 ≥ RIR > 1.2	\$400	\$800	\$1,130	\$1,325	\$1,830	\$2,165
1.2 ≥ RIR	\$500	\$1,000	\$1,410	\$1,700	\$2,290	\$2,705

**Customer Satisfaction**

JD Power Residential Electric Industry Customer Satisfaction Survey: Total Industry  
 FY12 Results: No Metric for Customer Satisfaction  
 FY13 Results: Top of the Third Quartile  
 FY14 Results: Top 25% of the Third Quartile  
 FY15 Goal: Second Quartile

FY15 Results: First Quartile		Incentive Opportunity				
	Non-Appointed	Appointed / Managerial				
SURVEY RANKING	All CBU	Grade E-G	Grade H	Grade I	Grade J	Grade K
Top 26% - 50% of third quartile	\$0	\$0	\$0	\$0	\$0	\$0
Top 25% of third quartile	\$100	\$200	\$280	\$325	\$455	\$540
Bottom 25% of second quartile	\$200	\$400	\$560	\$700	\$910	\$1,080
Bottom 26% - 49% of second quartile	\$300	\$600	\$850	\$1,000	\$1,375	\$1,625
Top 26% - 50% of second quartile	\$400	\$800	\$1,130	\$1,325	\$1,830	\$2,165
Top 25% of second quartile	\$500	\$1,000	\$1,410	\$1,700	\$2,290	\$2,705

**Cost Control: Electric Mwh**

Cost per Mwh  
 FY12 Baseline: \$54.73  
 FY13 Results: \$53.92  
 FY14 Results: \$49.81  
 FY15 Goal: Not to exceed baseline of \$49.81

Results: FY15 \$49.44		Incentive Opportunity				
	Non-Appointed	Appointed / Managerial				
COST/Mwh	All CBU	Grade E-G	Grade H	Grade I	Grade J	Grade K
cost > \$54.73	\$0	\$0	\$0	\$0	\$0	\$0
cost = \$54.73	\$100	\$200	\$280	\$325	\$455	\$540
\$54.73 > cost ≥ \$54.45	\$200	\$400	\$560	\$700	\$910	\$1,080
\$49.81 > cost ≥ \$54.18 > cost ≥ \$54.18 > cost ≥ \$54.18 > cost ≥ \$54.18 > cost	\$300	\$600	\$850	\$1,000	\$1,375	\$1,625
\$54.18 > cost ≥ \$53.90	\$400	\$800	\$1,130	\$1,325	\$1,830	\$2,165
\$53.90 > cost	\$500	\$1,000	\$1,410	\$1,700	\$2,290	\$2,705

**Cost Control: Water Kgal**

Cost per Kgal

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

FY12 Baseline: \$4.47

FY13 Results: \$4.49

FY14 Results: \$4.07

FY15 Goal: Not to exceed baseline of \$4.47

COST/KGL	Incentive Opportunity					
	Non-Appointed	Appointed / Managerial				
	All CBU	Grade E-G	Grade H	Grade I	Grade J	Grade K
<del>cost &gt; \$4.47</del>	\$0-	\$0-	\$0-	\$0-	\$0-	\$0-
<del>cost = \$4.47</del>	\$50	\$100	\$140	\$165	\$230	\$270
<del>\$4.47 &gt; cost ≥ \$4.44</del>	\$100	\$200	\$280	\$335	\$460	\$540
\$4.06 <del>4.44</del> > cost ≥ <del>\$4.42</del> 4.03	\$150	\$300	\$425	\$500	\$690	\$815
\$4.03 <del>4.42</del> > cost ≥ <del>\$4.39</del> 4.00	\$200	\$400	\$565	\$665	\$920	\$1,085
\$4.00 <del>4.39</del> > cost	\$250	\$500	\$705	\$835	\$1,150	\$1,355

**Cost Control: Wastewater Kgal**

Cost per Kgal

FY12 Baseline: \$7.96

FY13 Results: \$7.53

FY14 Results: \$7.34

FY15 Goal: Not to exceed FY12 baseline of \$7.96

COST/KGL	Incentive Opportunity					
	Non-Appointed	Appointed / Managerial				
	All CBU	Grade E-G	Grade H	Grade I	Grade J	Grade K
<del>cost &gt; \$7.96</del>	\$0-	\$0-	\$0-	\$0-	\$0-	\$0-
<del>cost = \$7.96</del>	\$50	\$100	\$140	\$165	\$230	\$270
<del>\$7.96 &gt; cost ≥ \$7.91</del>	\$100	\$200	\$280	\$335	\$460	\$540
\$7.34 <del>7.91</del> > cost ≥ <del>\$7.86</del> 7.29	\$150	\$300	\$425	\$500	\$690	\$815
\$7.29 <del>7.86</del> > cost ≥ <del>\$7.81</del> 7.24	\$200	\$400	\$565	\$665	\$920	\$1,085
\$7.24 <del>7.81</del> > cost	\$250	\$500	\$705	\$835	\$1,150	\$1,355

\*See SLT Incentive Payout Summary for details regarding executive payouts

**Overall Payout Opportunity**

**Summary of FY 15 Payout: Company Performance<sup>1</sup>**

JEA Actual Payout	All CBU	Grade E-G	Grade H	Grade I	Grade J	Grade K
Safety	\$0	\$0	\$0	\$0	\$0	\$0
Customer Satisfaction	\$500	\$1,000	\$1,410	\$1,700	\$2,290	\$2,705
Cost Control: Electric	\$300	\$600	\$850	\$1,000	\$1,375	\$1,625
Cost Control: Water	\$250	\$500	\$705	\$835	\$1,150	\$1,355
Cost Control: Wasterwater	\$200	\$400	\$565	\$665	\$920	\$1,085
<b>Total Payout for Corporate Results</b>	<b>\$1,250</b>	<b>\$2,500</b>	<b>\$3,530</b>	<b>\$4,200</b>	<b>\$5,735</b>	<b>\$6,770</b>

<sup>1</sup>Corporate Results for Managerial / Appointed employees comprises 50% of overall incentive opportunity

**Appointed / Managerial:**

**Summary of FY 15 Appointed / Managerial Individual Performance Opportunity**

Employee Performance	Grade E	Grade F	Grade G	Grade H	Grade I	Grade J	Grade K
Unsatisfactory	\$0	\$0	\$0	\$0	\$0	\$0	\$0
< Satisfactory (85%)	\$935	\$1,360	\$1,870	\$2,890	\$3,400	\$4,675	\$5,525
Satisfactory	\$1,100	\$1,600	\$2,200	\$3,400	\$4,000	\$5,500	\$6,500
> Satisfactory (105%)	\$1,155	\$1,680	\$2,310	\$3,570	\$4,200	\$5,775	\$6,825
Exemplary (110%)	\$1,210	\$1,760	\$2,420	\$3,740	\$4,400	\$6,050	\$7,150

**Total Estimated Cost for FY 2015 Pay for Performance Program**

**Corporate Results:**

SLT:	No. Emp.	8	\$106,298
Appointed:	No. Emp.	342	\$1,263,647
Non appointed:	No. Emp.	1586	\$1,946,771
<b>Total:</b>		<b>1936</b>	<b>\$3,316,716</b>

**Individual Performance Results:**

SLT:	No. Emp.	8	\$103,197
Appointed:	No. Emp.	342	\$1,075,779
<b>Total:</b>	No. Emp.	<b>350</b>	<b>\$1,178,976</b>

**Total FY15 Pay for Performance Payout:**

SLT:	No. Emp.	8	\$209,495	The total amount represents 3.2% of salaries
Appointed:	No. Emp.	342	\$2,339,426	
Non appointed:	No. Emp.	1586	\$1,946,771	
<b>Total:</b>	No. Emp.	<b>1936</b>	<b>\$4,495,692</b>	



Building Community

**AGENDA ITEM SUMMARY**

November 10, 2015

<b>SUBJECT:</b>	<b>FISCAL YEAR 2016 PAY FOR PERFORMANCE PROGRAM</b>
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**Purpose:**       Information Only       Action Required       Advice/Direction

**Issue:** Pay for Performance programs were introduced at JEA in 1990. The original program and successor programs have served to focus employees and managers on key enterprise-wide measures and objectives.

**Significance:** The current Pay for Performance program is supportive of JEA's strategic plan, with focus on Customer Satisfaction, Safety and Costs. The program is one way to engage and energize the entire workforce around JEA's strategic objectives.

**Effect:** The entire JEA workforce is eligible to qualify for the program.

**Cost or Benefit:** This program is designed to incent employees to achieve established goals, as well as to focus on being "good stewards" of resources, which in turn maximizes value to customers. A payout may only occur if the actual corporate savings minus the earned payout equals or exceeds the amount of any payout. If the organization achieves all company and individual goals, the targeted payout is between 3.3% and 4.1% of salaries.

**Recommended Board action:** Submitted to the Board for discussion, consideration, and possible action, such as:

- Approve the FY2016 Pay for Performance Program which incorporates changes from the FY15 plan including:
  - a. removing any payout for less than 100% achievement
  - b. lowering cost targets to prior years' actual and
  - c. reducing targeted pay maximums for ELT and SLT
- Approve the FY2016 Pay for Performance Program goals and objectives and defer or suspend the compensation component of the plan
- Approve an alternative solution

**For additional information, contact:** Angelia R. Hiers 665-4747

Submitted by: PEM/ARH/PLM

**Commitments to Action**

- 1 Earn Customer Loyalty
- 2 Deliver Business Excellence
- 3 Develop an Unbeatable Team





**INTER-OFFICE MEMORANDUM**

November 10, 2015

**SUBJECT: FISCAL YEAR 2016 PAY FOR PERFORMANCE PROGRAM**

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**FROM:** Paul E. McElroy, Managing Director/CEO

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**TO:** JEA Board of Directors

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**BACKGROUND:**

Pay for Performance Programs were introduced at JEA in 1990. The original program and successor programs 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. Since its reinstatement in 2012, following a brief suspension of the program in 2007 due to the economic downturn, the program has continued to incent employees to pursue operational excellence.

As has always been the case at JEA, the program utilizes shared savings to fund the cost of the program. In other words, JEA shared a portion of the savings produced by employees' superior performance, with the employees who produced the savings.

**DISCUSSION:**

The primary purpose of the pay for performance program is to incent exceptional performance as measured against pre-established goals. These goals will serve to drive both individual and collective focus on important metrics. In FY2016, JEA will continue to focus on the company's strategic initiatives and areas of focus. It is, therefore, recommended that the company continue 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 collected (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 FY2016 program consists of two performance components, 50% company performance for all employees, and for appointed and managerial employees an additional 50% for individual performance. Pre-defined thresholds of performance for both components must be met in order to receive a payout. This type of pay for performance plan is commensurate with the market and the organization's ability to remain competitive with the local market as well as to attract and retain talent.

1. Customer Satisfaction

- JEA has elected to measure customer satisfaction using the JD Power Residential Electric Industry Customer Satisfaction Survey, Total Industry.
- JEA FY15 performance improved from the third quartile, to an unprecedented, first quartile for residential customer satisfaction, and continues to improve in the first quartile for the commercial markets.

- JEA FY16 customer satisfaction goal is to maintain, lower 25% of first quartile JDP residential survey while improving at least one position.

2. Safety

- JEA believes that our employees are our greatest asset. We continue to emphasize safety as a part of everything we do. This continued focus on safety has resulted in JEA maintaining an OSHA recordable incident rate (RIR) for the year (FY15) well below the current average for Public Sector Utilities of 6.1 injuries per 100 employees (RIR of 6.1).
- The safety performance goal for FY16 is to improve to an RIR of 1.4. The company's Plan for Zero campaign focused on a renewed safety commitment for FY2016. JEA achieved a final RIR of 1.56 in FY2015.

3. Cost Control

- JEA is committed to holding firm on production costs, as well as, product and service delivery costs, for services delivered, recognizing its impact on our valued customers and their perception of JEA as a contributing community citizen. Wise budget management by each employee, working more effectively and efficiently, and using resources and materials prudently continues to better position JEA to control and reduce the cost of essential utility services.
- Cost per unit of Electricity delivered (Kwh): No increase from FY15 baseline of \$49.44
- Cost per unit of Water delivered (Kgal): No increase from FY15 baseline of \$3.98
- Cost per unit of Wastewater (Kgal): No increase from FY15 baseline of \$7.25

Attached are the recommended targets and commensurate payout levels for the FY16 Customer Satisfaction, Safety and Cost Control metrics. A payout may only occur if the actual corporate savings minus the earned payout equals or exceeds the amount of any payout.

Total Corporate Savings - Performance Payout  $\geq$  Performance Payout.

\$25.8M Corporate Savings - \$5.5M  $\geq$  \$5.5M

Payouts will be awarded following an audit of FY16 year end results. If JEA employees achieve a meets in all five goal categories, the estimated payout would be \$4,600,000 or 3.3% of base pay. If performance is exemplary in all five goal categories, the maximum estimated payout would be \$6,700,000 or 4.8% of base pay.

**RECOMMENDATION:**

Submitted to the Board for discussion, consideration, and possible action, such as:

- Approve the FY2016 Pay for Performance Program which incorporates changes from the FY15 plan including:
  - a. removing any payout for less than 100% achievement
  - b. lowering cost targets to prior years' actual and
  - c. reducing targeted pay maximums for ELT and SLT
- Approve the FY2016 Pay for Performance Program goals and objectives and defer or suspend the compensation component of the plan
- Approve an alternative solution

\_\_\_\_\_  
Paul E. McElroy, Managing Director/CEO

PEM/ARH



**FY 2016 Performance Program Summary**

Summary of Corporate Performance Factors

**Safety**

OSHA Recordable Incident Rate (RIR)

FY12 Results: 1.48 RIR

FY13 Results: 1.78 RIR

FY14 Results: 2.4 RIR

FY15 Results: 1.56 RIR

FY16 Goal: 1.4 ≥ RIR

RIR		Incentive Opportunity					
		Non-Appointed	Appointed / Managerial				
		All CBU	Grade E-G	Grade H	Grade I	Grade J	Grade K
RIR > 1.4	Below	\$0	\$0	\$0	\$0	\$0	\$0
1.4 ≥ RIR > 1.3	Meets	\$300	\$600	\$850	\$1,000	\$1,375	\$1,625
1.3 ≥ RIR > 1.2	Exceeds	\$400	\$800	\$1,130	\$1,325	\$1,830	\$2,165
1.2 ≥ RIR	Exemplary	\$500	\$1,000	\$1,410	\$1,700	\$2,290	\$2,705

**Customer Satisfaction**

JD Power Residential Electric Industry Customer Satisfaction Survey: Total Industry

FY12 Results: No Metric for Customer Satisfaction

FY13 Results: Top of the Third Quartile

FY14 Results: Top 25% of the Third Quartile

FY15 Results: First Quartile

FY16 Goal: Bottom 25% of 1st Quartile

SURVEY RANKING		Incentive Opportunity					
		Non-Appointed	Appointed / Managerial				
		All CBU	Grade E-G	Grade H	Grade I	Grade J	Grade K
Top 25% of second quartile	Below	\$0	\$0	\$0	\$0	\$0	\$0
Bottom 25% of first quartile > 2015	Meets	\$300	\$600	\$850	\$1,000	\$1,375	\$1,625
Bottom 26% - 49% of first quartile	Exceeds	\$400	\$800	\$1,130	\$1,325	\$1,830	\$2,165
Top 26% - 50% of first quartile	Exemplary	\$500	\$1,000	\$1,410	\$1,700	\$2,290	\$2,705

**Cost Control: Electric Mwh**

Cost per Mwh

FY12 Baseline: \$54.73

FY13 Results: \$53.92

FY14 Results: \$49.81

FY15 Results: \$49.44

FY16 Goal: FY15 \$49.44

COST/Mwh		Incentive Opportunity					
		Non-Appointed	Appointed / Managerial				
		All CBU	Grade E-G	Grade H	Grade I	Grade J	Grade K
cost > \$49.44	Below	\$0	\$0	\$0	\$0	\$0	\$0
\$49.43 > cost ≥ \$48.94	Meets	\$300	\$600	\$850	\$1,000	\$1,375	\$1,625
\$48.93 > cost ≥ \$48.44	Exceeds	\$400	\$800	\$1,130	\$1,325	\$1,830	\$2,165
\$48.45 > cost	Exemplary	\$500	\$1,000	\$1,410	\$1,700	\$2,290	\$2,705

**Cost Control: Water Kgal**

Cost per Kgal

FY12 Baseline: \$4.47

FY13 Results: \$4.49

FY14 Results: \$4.07

FY15 Results: \$3.98

FY16 Goal: \$4.01

COST/KGL		Incentive Opportunity					
		Non-Appointed	Appointed / Managerial				
		All CBU	Grade E-G	Grade H	Grade I	Grade J	Grade K
cost > \$4.01	Below	\$0	\$0	\$0	\$0	\$0	\$0
\$4.00 > cost ≥ \$3.90	Meets	\$150	\$300	\$425	\$500	\$690	\$815
\$3.89 > cost ≥ \$3.80	Exceeds	\$200	\$400	\$565	\$665	\$920	\$1,085
\$3.80 > cost	Exemplary	\$250	\$500	\$705	\$835	\$1,150	\$1,355

**Cost Control: Wastewater Kgal**

Cost per Kgal

FY12 Baseline: \$7.96

FY13 Results: \$7.53

FY14 Results: \$7.34

FY15 Results: \$7.26

FY16 Goal: \$7.26

COST/KGL		Incentive Opportunity					
		Non-Appointed	Appointed / Managerial				
		All CBU	Grade E-G	Grade H	Grade I	Grade J	Grade K
cost > \$7.26	Below	\$0					
\$7.25 > cost ≥ \$7.15	Meets	\$150	\$300	\$425	\$500	\$690	\$815
\$7.14 > cost ≥ \$7.03	Exceeds	\$200	\$400	\$565	\$665	\$920	\$1,085
\$7.03 > cost	Exemplary	\$250	\$500	\$705	\$835	\$1,150	\$1,355

**Example Overall Payout Opportunity at Meets**

**Example of FY 16 Payout: Company Performance<sup>1</sup>**

JEA Actual Payout	All CBU	Grade E-G	Grade H	Grade I	Grade J	Grade K
Safety	\$300	\$600	\$850	\$1,000	\$1,375	\$1,625
Customer Satisfaction	\$300	\$600	\$850	\$1,000	\$1,375	\$1,625
Cost Control: Electric	\$300	\$600	\$850	\$1,000	\$1,375	\$1,625
Cost Control: Water	\$150	\$300	\$425	\$500	\$690	\$815
Cost Control: Wasterwater	\$150	\$300	\$425	\$500	\$690	\$815
<b>Total Estimated Payout for Corporate Results</b>	<b>\$1,200</b>	<b>\$2,400</b>	<b>\$3,400</b>	<b>\$4,000</b>	<b>\$5,505</b>	<b>\$6,505</b>

<sup>1</sup>Corporate Results for Managerial / Appointed employees comprises 50% of overall incentive opportunity

**Appointed / Managerial:**

**Example of FY 16 Appointed / Managerial Individual Performance Opportunity<sup>2</sup>**

Employee Performance	Grade E	Grade F	Grade G	Grade H	Grade I	Grade J	Grade K
Below	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Meets	\$1,100	\$1,600	\$2,200	\$3,400	\$4,000	\$5,500	\$6,500
Exceeds	\$1,155	\$1,680	\$2,310	\$3,570	\$4,200	\$5,775	\$6,825
Exemplary	\$1,210	\$1,760	\$2,420	\$3,740	\$4,400	\$6,050	\$7,150

<sup>2</sup>Individual Performance Results for Appointed / Managerial employees comprises 50% of overall incentive opportunity

**Total Estimated Cost for FY 2016 Pay for Performance Program**

**Payout Potential - JEA Goal Thresholds Are Met & Employee Performance is Satisfactory**

SLT*	No. Emp.		The total amount represents 3.3% of salaries
Appointed	8	\$119,608	
Non appointed	341	\$2,517,505	
<b>Total</b>	1595	<b>\$1,914,000</b>	

**Payout Potential - JEA Goal Thresholds Are Exceeded & Employee Performance is Satisfactory**

SLT*	No. Emp.		The total amount represents 4.1% of salaries
Appointed	8	\$134,559	
Non appointed	341	\$2,939,215	
<b>Total</b>	1595	<b>\$2,552,000</b>	

**Payout Potential - JEA Goal Thresholds Are Exemplary & Employee Performance is Satisfactory**

SLT*	No. Emp.		The total amount represents 4.8% of salaries
Appointed	8	\$153,500	
Non appointed	341	\$3,380,090	
<b>Total</b>	1595	<b>\$3,190,000</b>	

\*SLT Pay for Performance is based on the achievement of corporate and individual performance metrics. The payout opportunities are determined as a percent of base salary.

NOTE: All performance payouts are subject to JEA's ability to pay as determined by JEA's Board of Directors with input from JEA's Finance group, and minimum individual employee



Building Community

**AGENDA ITEM SUMMARY**

November 4, 2015

<b>SUBJECT:</b>	<b>FY2015 CEO PERFORMANCE</b>
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**Purpose:**       Information Only       Action Required       Advice/Direction

**Issue:** At the March 17, 2015 meeting, the Board approved the CEO's FY2015 goals. With Board direction and feedback, a prescriptive CEO scorecard was developed and approved (copy attached). The scorecard includes goals, performance metrics, objectives and results.

**Significance:** Consistent with prior years, the FY2015 CEO goals were primarily focused on executing JEA's strategic plan. In addition to providing leadership for JEA to achieve its mission, strive for its vision and adhere to its values, the CEO continued efforts to foster a cultural shift towards a more flexible organization.

**Effect:** The CEO leads the eighth largest community-owned electric utility in the U.S. and the largest in Florida, as well as the second largest water and sewer system in the State with total assets of \$8.7 billion, operating revenues of \$1.7 billion and 2,200 total JEA/SJRPP employees.

**Cost or Benefit:** By contract, "the CEO is eligible for performance compensation of up to 15% of base pay, which is based on (i) annual goals and objectives established by the Board of Directors, and (ii) an annual overall evaluation by the Board."

**Recommended Board action:** It is requested the Board evaluate and discuss the CEO's performance, provide feedback for improvement and consider appropriate action regarding performance compensation.

**For additional information, contact:** Melissa Charleroy 665-7313

Submitted by: PEM/MMC/

<b>MISSION</b>	<b>VISION</b>	<b>VALUES</b>
		
<p>energizing our community through high-value energy and water solutions.</p>	<p>JEA is a premier service provider, valued asset and vital partner in advancing our community.</p>	<ul style="list-style-type: none"> <li>• Safety</li> <li>• Service</li> <li>• Growth<sup>1</sup></li> <li>• Accountability</li> <li>• Integrity</li> </ul>

**Commitments to Action**

- 1** Earn Customer Loyalty
- 2** Deliver Business Excellence
- 3** Develop an Unbeatable Team



The CEO FY2015 goals were constructed to facilitate JEA's strategic plan execution. Thus goals, measures and objective have been developed for each of the key strategies: earn customer loyalty; deliver business excellence; and develop the unbeatable team. Following is an outline of the goals, measures and objectives, which along with actual results may be found in the attach document titled CEO Goals – FY2015 Scorecard.

**Strategy: Earn Customer Loyalty**

**Goal:** Improve public perception of JEA's image, as well as the value of its products and services

**Objectives:**

JEA will place in the second Quartile of the JD Power 2015 Residential Survey  
JEA will place in the first Quartile of the JD Power 2015 Commercial Survey  
Maintain constructive relationships with the Mayor's office and City Council  
Maintain constructive relationships with all other key stakeholders

**Strategy: Deliver Business Excellence**

**Goal:** Manage Operating and Maintenance (O&M) expenses, as well as capital expenditures below budget, aligned with benchmarks to maintain top quartile performance

**Objectives:**

Improve cost efficiency  
Improve operational performance  
Continue debt reduction plan to improve balance sheet quality and flexibility

**Goal:** Respond to market changes effecting revenue

**Objective:** Develop and implement rate structures to ensure revenue requirements are met

**Goal:** Maintain best practice, enterprise-wide Asset and Risk Management Programs

**Objectives:** Produce and deliver timely asset and risk management analysis

**Goal:** Fully engage in economic development activities ensuring JEA is viewed as a vital partner in advancing our community.

**Objectives:**

Fully support COJ-Office of Economic Development, JAXUSA and the Chamber's economic development activities  
Implement two new revenue opportunities, each capable of generating at least \$2 million annually

**Strategy: Develop the Unbeatable Team**

**Goal:** Ensure JEA's current and future workforce is skilled and knowledgeable to achieve its vision and deliver its mission

**Objectives:**

Increase participation in the Individual Development Planning (IDP) process  
Develop a culture of safety  
Improve employee satisfaction and engagement  
Maintain constructive relationships with the bargaining units

# CEO GOALS – FY2015

## Earn Customer Loyalty: 5% of 15% - Page 1 of 2

**Goal: Improve public perception of JEA's image, as well as the value of its products and services**

**Measure:** J. D. Power 2015 Residential Survey

**Objective:** JEA will place in the 2<sup>nd</sup> Quartile

**Results:** Exceeded expectations by achieving the 1<sup>st</sup> quartile

<u>Did Not Achieve</u>		<u>Met</u>		<u>Exceeded</u>		<u>Weight</u>	<u>Value</u>	
0%	25%	50%	75%	100%	X			
						1.5	=	

**Measure:** J. D. Power 2015 Commercial Survey

**Objective:** JEA will place in the 1<sup>st</sup> Quartile

**Results:** Met expectations by achieving the 1<sup>st</sup> quartile

<u>Did Not Achieve</u>		<u>Met</u>		<u>Exceeded</u>		<u>Weight</u>	<u>Value</u>	
0%	25%	50%	75%	100%	X			
						1.5	=	

**Measure:** Performance will be measured by each board member's subjective analysis.

- presence of favorable event(s)
- neither favorable or unfavorable event(s)
- presence of unfavorable event(s)

**Objective:** Maintain constructive relationships with Mayor 's office and City Council

**Results/**

- Activities:**
- Successfully negotiated Charter changes with Mayor Brown's office, working on relationship with Mayor Curry's office
  - Bi-weekly meetings with Council Committee on JEA, relationship strained over last several months
  - Budget approved
  - New Council Member Orientation
  - Quarterly Council update meetings

<u>Unfavorable</u>		<u>Neutral</u>		<u>Favorable</u>		<u>Weight</u>	<u>Value</u>	
0%	25%	50%	75%	100%	X			
						1.0	=	

# CEO GOALS – FY2015

## Earn Customer Loyalty: 5% of 15% - Page 2 of 2

**Goal: Improve public perception of JEA's image, as well as the value of its products and services (continued from previous page)**

**Measure:** Performance will be measured by each board member's subjective analysis.

- presence of favorable event(s)
- neither favorable or unfavorable event(s)
- presence of unfavorable event(s)

**Objective:** Maintain constructive relationships with all other stakeholders<sup>1</sup>

**Results/**

**Activities:**

- Met with past and new St. Johns River Water Management District Executive Director regarding management transitions and water resource planning
- Met several times with the Secretary of Florida Department of Environmental Protection regarding the Clean Power Plan and water issues

<sup>1</sup>(i.e. SJRWMD, FDEP, etc.)

<u>Unfavorable</u>		<u>Neutral</u>		<u>Favorable</u>		<u>Weight</u>	=	<u>Value</u>
0%	25%	50%	75%	100%	X	1.0	=	

# CEO GOALS – FY2015

## Deliver Business Excellence: 5% of 15% - Page 1 of 6

**Goal: Manage operating and maintenance (O&M) expenses, as well as capital expenditures to within budget, aligned with benchmarks to maintain top quartile performance.**

**Measure:** Operate below Operating and Maintenance expense budgets and capital budgets

**Objective:** Improve cost efficiency

**Results:** For FY2015

- Electric System actual O&M Expense was \$15 million better than budget.
- Electric System actual Capital Expenditure was \$12 million better than budget.
- Water and Sewer actual O&M Expense was \$9 million better than budget.
- Water and Sewer actual Capital Expenditure was \$30 million better than budget.
- Total costs/unit for both systems were better than target.

<u>Did Not Achieve</u>		<u>Met</u>		<u>Exceeded</u>		<u>Weight</u>	<u>Value</u>	
0%	25%	50%	75%	100%	X			
						1.0	=	

**Measure:** Achieve utility systems' operating metrics which are provided to the board monthly

**Objective:** Improve operational performance

**Results:**

Electric System reliability metrics for outage frequency, service availability and fault frequency were better than target, while CEMI<sub>5</sub> fell short. Forced electric generating unit outage and reportable environmental compliance events were better than target.

Water and Sewer reliability metrics for outages and distribution system pressure met target. Environmental compliance metrics for water use, nitrogen discharge and sewer overflow all met target. Customer response fell short of target.

<u>Did Not Achieve</u>		<u>Met</u>		<u>Exceeded</u>		<u>Weight</u>	<u>Value</u>	
0%	25%	50%	75%	100%	X			
						1.0	=	

# CEO GOALS – FY2015

## Deliver Business Excellence: 5% of 15% - Page 2 of 6

**Goal: Manage operating and maintenance (O&M) expenses, as well as capital expenditures to within budget, aligned with benchmarks to maintain top quartile performance. (continued from previous page)**

<b>Measure:</b>	Reduce electric system debt by 105% of scheduled principal payments																				
<b>Objective:</b>	Continue debt reduction plan to improve balance sheet quality and flexibility																				
<b>Results:</b>	Exceeded																				
	<u>Scheduled Principal</u>	<u>Required %</u>	<u>Target \$</u>	<u>Actual 8/31/15</u>																	
Electric (in millions)	\$210,700	5%	\$10,535	\$103,150																	
<table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <tr> <td style="text-align: center;"><u>Did Not Achieve</u></td> <td colspan="2" style="text-align: center;"><u>Met</u></td> <td colspan="2" style="text-align: center;"><u>Exceeded</u></td> <td></td> <td style="text-align: center;"><u>Weight</u></td> <td style="text-align: center;"><u>Value</u></td> </tr> <tr> <td style="text-align: center;">0%</td> <td style="text-align: center;">25%</td> <td style="text-align: center;">50%</td> <td style="text-align: center;">75%</td> <td style="text-align: center;">100%</td> <td style="text-align: center;">X</td> <td style="text-align: center;">.5</td> <td style="text-align: center;">=</td> <td style="text-align: center;"><input style="width: 50px; height: 20px;" type="text"/></td> </tr> </table>					<u>Did Not Achieve</u>	<u>Met</u>		<u>Exceeded</u>			<u>Weight</u>	<u>Value</u>	0%	25%	50%	75%	100%	X	.5	=	<input style="width: 50px; height: 20px;" type="text"/>
<u>Did Not Achieve</u>	<u>Met</u>		<u>Exceeded</u>			<u>Weight</u>	<u>Value</u>														
0%	25%	50%	75%	100%	X	.5	=	<input style="width: 50px; height: 20px;" type="text"/>													

<b>Measure:</b>	Reduce water and sewer system debt by 110% of scheduled principal payments																				
<b>Objective:</b>	Continue debt reduction plan to improve balance sheet quality and flexibility																				
<b>Results:</b>	Exceeded																				
	<u>Scheduled Principal</u>	<u>Required %</u>	<u>Target \$</u>	<u>Actual 8/31/15</u>																	
Water & Sewer (in millions)	\$44,325	10%	\$4,433	\$73,365																	
<table border="1" style="width: 100%; border-collapse: collapse; margin-top: 10px;"> <tr> <td style="text-align: center;"><u>Did Not Achieve</u></td> <td colspan="2" style="text-align: center;"><u>Met</u></td> <td colspan="2" style="text-align: center;"><u>Exceeded</u></td> <td></td> <td style="text-align: center;"><u>Weight</u></td> <td style="text-align: center;"><u>Value</u></td> </tr> <tr> <td style="text-align: center;">0%</td> <td style="text-align: center;">25%</td> <td style="text-align: center;">50%</td> <td style="text-align: center;">75%</td> <td style="text-align: center;">100%</td> <td style="text-align: center;">X</td> <td style="text-align: center;">.5</td> <td style="text-align: center;">=</td> <td style="text-align: center;"><input style="width: 50px; height: 20px;" type="text"/></td> </tr> </table>					<u>Did Not Achieve</u>	<u>Met</u>		<u>Exceeded</u>			<u>Weight</u>	<u>Value</u>	0%	25%	50%	75%	100%	X	.5	=	<input style="width: 50px; height: 20px;" type="text"/>
<u>Did Not Achieve</u>	<u>Met</u>		<u>Exceeded</u>			<u>Weight</u>	<u>Value</u>														
0%	25%	50%	75%	100%	X	.5	=	<input style="width: 50px; height: 20px;" type="text"/>													

# CEO GOALS – FY2015

## Deliver Business Excellence: 5% of 15% - Page 3 of 6

**Goal: Respond to market changes effecting revenue**

**Measure:** Implement changes to the electric system rate structure to increase the percentage of fixed revenue

**Objective:** Develop and implement rate structures to ensure revenue requirements are met

**Results:** After a comprehensive analysis of potential rate structures we are actively developing and implementing a pilot program for residential demand rates

<u>Did Not Achieve</u>					<u>Met</u>	<u>Exceeded</u>	<u>Weight</u>	<u>Value</u>		
0%	25%	50%	75%	100%						
							X	.5	=	

# CEO GOALS – FY2015

## Deliver Business Excellence: 5% of 15% - Page 4 of 6

**Goal: Maintain best practice, enterprise-wide asset and risk management programs**

**Measure:** Quarterly report to the board, annual survey/question to determine if board expectations are met

**Objective:** Produce and deliver timely asset and risk management analysis

- Results:**
- Quarterly Enterprise Risk Management Reports were provided to the Board through the Finance and Audit Committee.
  - Asset Management assurance is provided the monthly reporting of reliability and environmental performance.

<u>Unfavorable</u>		<u>Neutral</u>		<u>Favorable</u>		<u>Weight</u>	<u>Value</u>	
0%	25%	50%	75%	100%	X	.5	=	

# CEO GOALS – FY2015

## Deliver Business Excellence: 5% of 15% - Page 5 of 6

**Goal: Fully engage in economic development activities ensuring JEA is viewed as a vital partner in advancing our community.**

**Measure:** Performance will be measured by each board member's subjective analysis

- presence of favorable event(s)
- neither favorable or unfavorable event(s)
- presence of unfavorable event(s)

**Objective:** Fully support COJ-Office of Economic Development, JAXUSA and the Chamber's economic development activities

**Results/ Activities:**

- Conducted inaugural JEA ED Roundtable with JAXUSA and COJ-OED in Feb 2015 to educate and discuss JEA's ED programs.
- JEA has transitioned to being a key player at the ED table with JAXUSA during the early evaluation process with potential clients and is an active participant in the quarterly JAXUSA Regional Partnership Strategy Meeting.
- During APPA Customer Connections Conference in Oct. 2014 JEA Co-sponsored/participated in APPA economic development seminar and panel discussion to educate other municipalities on JEA's ED initiatives, processes and programs.

<u>Did Not Achieve</u>					<u>Met</u>					<u>Exceeded</u>		<u>Weight</u>	=	<u>Value</u>		
0%	25%	50%	75%	100%		X	.5								=	[ ]

**Measure:** Economic development incentive plans have been successfully deployed and utilized

**Objective:**

**Results/ Activities:** JEA economic development incentive plans have been viewed favorably and have resulted in six unique inquiries by prospects seeking economic development utility incentives. JEA works closely with JAXUSA and COJ-OED, and is recognized for being creative in proposing utility solutions to meet the needs of large unique prospects. At the July 21, 2015 Board Meeting, JEA extended the Economic Development program at least until September 2018.

<u>Did Not Achieve</u>					<u>Met</u>					<u>Exceeded</u>		<u>Weight</u>	=	<u>Value</u>		
0%	25%	50%	75%	100%		X	.25								=	[ ]

# CEO GOALS – FY2015

## Deliver Business Excellence: 5% of 15% - Page 6 of 6

**Goal: Fully engage in economic development activities ensuring JEA is viewed as a vital partner in advancing our community. (continued from previous page)**

<b>Measure:</b>	Implement two new revenue opportunities, each capable of generating at least \$2 million annually																		
<b>Objective:</b>	Develop new revenue and business opportunities																		
<b>Results/ Activities:</b>	<ul style="list-style-type: none"> <li>• Timber Harvesting Business was implemented, last year, producing \$3.0 million in revenues this year.</li> <li>• Natural Gas Business has launched. Revenue will be in excess of \$2.0 million by year three.</li> <li>• Dark Fiber Leasing Business ready for implementation in Q4 FY15. The approximate annual revenue is projected to be \$1,000,000 within five years</li> <li>• Transmission Operator Service (TOP) has been launched. Expected net revenue with one new client during FY16 would be approximately \$100,000</li> <li>• Transmission Planning Service – Launched. Contract signed with FPU \$25,000</li> <li>• T&amp;D Maintenance Services – In Business Plan Development Phase: The expected revenue per two year agreement will be approximately \$100,000</li> </ul>																		
<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 10%;"><u>Did Not Achieve</u></td> <td style="width: 10%;"></td> <td style="width: 10%;"><u>Met</u></td> <td style="width: 10%;"></td> <td style="width: 10%;"><u>Exceeded</u></td> <td style="width: 10%;"></td> <td style="width: 10%;"><u>Weight</u></td> <td style="width: 10%;"></td> <td style="width: 10%;"><u>Value</u></td> </tr> <tr> <td style="text-align: center;">0%</td> <td style="text-align: center;">25%</td> <td style="text-align: center;">50%</td> <td style="text-align: center;">75%</td> <td style="text-align: center;">100%</td> <td style="text-align: center;">X</td> <td style="text-align: center;">.25</td> <td style="text-align: center;">=</td> <td style="text-align: center;">□</td> </tr> </table>		<u>Did Not Achieve</u>		<u>Met</u>		<u>Exceeded</u>		<u>Weight</u>		<u>Value</u>	0%	25%	50%	75%	100%	X	.25	=	□
<u>Did Not Achieve</u>		<u>Met</u>		<u>Exceeded</u>		<u>Weight</u>		<u>Value</u>											
0%	25%	50%	75%	100%	X	.25	=	□											

# CEO GOALS – FY2015

## Develop the Unbeatable Team: 5% of 15% - Page 1 of 2

**Goal:** Ensure JEA's current and future workforce is skilled and knowledgeable to achieve its vision and deliver its mission

**Measure:** Scope, scale, and success of employee growth and development activities

**Objective:** Lead employee development and succession planning by increasing participation in the Individual Development Planning (IDP) process

**Results/Activities:**

- 96% Appointed and 20% Non-Appointed staff with an optional IDP in place
- 40% increase in class attendance in the Career Development program by Civil Service employees.
- The Talent Review Process is at 100%.

<u>Did Not Achieve</u>		<u>Met</u>		<u>Exceeded</u>		<u>Weight</u>		<u>Value</u>
0%	25%	50%	75%	100%	X	1.0	=	[ ]

**Measure:** Achieve an RIR of less than 1.2

**Objective:** Develop a culture of safety

**Results:** FY2015 RIR – 1.56      Note: The American Public Power Association’s Average Municipal Utility RIR is 5.8; Bureau of Labor Statistics (BLS) is 6.3.

**Activities to Improve Performance:** (1) Continued Plan for Zero campaign (2) Restructured the Passport to Safety incentive program (3) Modified Near Miss program and have increased Near Miss reporting significantly (from 93 in FY14 to over 2500 YTD FY15) (4) Implemented Driver Training course – Coaching the Experienced JEA Driver – over 600 trained YTD and ongoing (5) Kicked off FY15 with Safety Commitment Month to drive improved performance (6) Increased overall Safety Communication through: Safety Alerts, Safety Success, Quarterly Safety Videos

<u>Did Not Achieve</u>		<u>Met</u>		<u>Exceeded</u>		<u>Weight</u>		<u>Value</u>
0%	25%	50%	75%	100%	X	1.5	=	[ ]

# CEO GOALS – FY2015

## Develop the Unbeatable Team: 5% of 15% - Page 2 of 2

**Goal: Ensure JEA's current and future workforce is skilled and knowledgeable to achieve its vision and deliver its mission (continued from previous page)**

**Measure:** Employee satisfaction and engagement survey

**Objective:** Improve employee satisfaction and engagement

**Results:** Mini survey results indicate constant-to-improving employee satisfaction and engagement. Survey results indicate that our baseline satisfaction index of 71.6 has increased to 74.4. 74.4% of our employees have indicated that they are satisfied or very satisfied with their jobs at JEA.

**Activities to Improve Performance:** In an effort to build an Unbeatable Team, on February 12, 2015, JEA launched the Employee Satisfaction Initiative which consists of nine teams including 140 employees. The teams and black belts are working on various projects including: compensation and job specification processes, new rewards and recognition program, security systems and procedures, and a review of company policies.

<u>Did Not Achieve</u>		<u>Met</u>		<u>Exceeded</u>		<u>Weight</u>	<u>Value</u>	
0%	25%	50%	75%	100%	X			
						1.5	=	

**Measure:** Maintain constructive relationships with the bargaining units:

**Objective:** Reduce grievances and reduce the time to negotiate bargaining unit contracts (see attached schedule)

- Results:**
- Currently on track to significantly reduce grievances in FY15. FY14 grievances totaled 46; FY15 YTD total 24.
  - Negotiations were accelerated using “Interest Based Bargaining” resulting in reaching agreements with all six bargaining units

<u>Did Not Achieve</u>		<u>Met</u>		<u>Exceeded</u>		<u>Weight</u>	<u>Value</u>	
0%	25%	50%	75%	100%	X			
						1.0	=	

Performance Compensation %

Sum of all Values

%

## Performance Evaluation - CEO FY2015

### Overall Corporate Metrics

	<u>Units</u>	<u>2014</u>	<u>Goal</u> <u>2015</u>	<u>Actual</u> <u>2015</u>	
<b>Safety</b>	RIR	2.40	1.20	1.56	✓
<b>JD Power CSI</b>					
Residential	Quartile	3rd	2nd	1st	✓
Business	Quartile	1st	1st	1st	✓
<b>Cost Control</b>					
Electric Non-Fuel	\$/MWh	\$49.81	\$54.73	\$49.44	✓
Water	\$/Kgal	4.07	4.47	3.98	✓
Sewer	\$/Kgal	7.34	7.96	7.25	✓

### CEO Metrics

#### Delivery Business Excellence Drivers

Electric O&M Budget	\$		< budget	\$15 million below budget	✓
Electric Capital Budget	\$		< budget	\$12 million below budget	✓
Water O&M Budget	\$		< budget	\$9 million below budget	✓
Water Capital Budget	\$		< budget	\$30 million below budget	✓
Electric Reliability					
System Outage Frequency	SAIFI	1.7	1.8	1.8	✓
Frequent Cust Outages	CEMI-5	2.4	1.5	2.1	✓
Fleet Forced Outages	EFOR	3.0	2.5	1.8	✓
Water/Wastewater Reliability					
Water Main Outage	Customers	4,645	4,500	5,659	✓
Total Nitrogen to SJR	Tons	577	650	553	✓
SSO's Impacting Waters of US	SSO's	35	30	23	✓
Electric Debt Reduction	>5% paydown		\$10,535,000	\$103,150,000	✓
Water Debt Reduction	>15% paydown		\$4,433,000	\$73,365,000	✓
New Business Development	Rev > \$2MM		2 businesses with > \$2MM opportunity	7 businesses launched with \$4.6 MM in revenue	✓
New Rate Structure	Yes/No		Develop and implement rate structures to ensure revenue requirements are met.	Actively developing and implementing a pilot program for residential demand rates.	✓

#### Develop Unbeatable Team Drivers

IDP Participation	% of workforce		100% appointed 50% other employees	96% appointed 20% other employees	✓
Work Environment	Employee Survey	71.6% positive	71.6% positive	74.4% positive	✓
Bargaining Unit Relationship					
Reduced grievances	# of grievances	46	<46	31	✓
Contract negotiations	New agreements		6	6	✓

### Subjective

Maintain constructive relationships with the Mayor's office and City Council  
 Maintain constructive relationships with all other key stakeholders  
 Produce and deliver timely asset and risk management analysis  
 Fully support COJ-Office of Economic Development, JAXUSA and the Chamber's economic development activities



Building Community

**AGENDA ITEM SUMMARY**

November 5, 2015

<b>SUBJECT:</b>	<b>FY2016 CEO GOALS</b>
-----------------	-------------------------

**Purpose:**       Information Only       Action Required       Advice/Direction

**Issue:** The CEO FY2016 goals were provided to the Board at the October 30, 2015 Board Meeting for review and feedback. The Board Member's comments have been incorporated into the attached FY2016 CEO goals. This document is now being presented to the Board for approval, with the knowledge it may be amended by future Board action.

**Significance:** Consistent with prior years, the FY2016 CEO goals are primarily focused on executing JEA's strategic plan. In addition to providing leadership for JEA to achieve its mission, strive for its vision, and adhere to its values, the CEO will continue efforts to foster a cultural shift towards a more flexible organization.

**Effect:** The CEO's performance will be measured by the organization's performance in the strategic plan's three areas of focus: develop an unbeatable team, earn customer loyalty, and deliver business excellence.

**Cost or Benefit:** The CEO goals provide a framework for the overall goals of the organization.

**Recommended Board action:** It is requested the Board accept and approve the attached FY2016 CEO goals.

**For additional information, contact:** Melissa Charleroy 904-665-7313

Submitted by: PEM/MMC



**Commitments to Action**

- 1 Earn Customer Loyalty
- 2 Deliver Business Excellence
- 3 Develop an Unbeatable Team



# FY2016 CEO Goals

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<u>Goals</u>	<u>Weight</u>
<ul style="list-style-type: none"> <li>Exceed budgeted combined<sup>1</sup> annual net revenues (excluding weather contingency), per the “Schedules of Debt Service Coverage”, this is a proxy for EBITDA (schedule and source documents attached)</li> </ul>	2%
<ul style="list-style-type: none"> <li>Effectively execute the Capital Investment Plan or Capital Budget (schedule attached)</li> </ul>	2%
<ul style="list-style-type: none"> <li>Improve utility reliability and environmental metrics, per the attached schedule and reported to the Board monthly</li> </ul>	3%
<ul style="list-style-type: none"> <li>Achieve first quartile rankings for Residential and Commercial J.D. Power Customer Satisfaction Ratings</li> </ul>	2%
<ul style="list-style-type: none"> <li>Improve employee satisfaction and engagement, as measured by an independent employee survey</li> </ul>	2%
<ul style="list-style-type: none"> <li>Maintain positive and constructive relationships with all key stakeholders</li> </ul>	2%
<ul style="list-style-type: none"> <li>Demonstrate significant progress on the Electric System revenue stabilization plan</li> </ul>	<u>2%</u>
<b>Total</b>	<b><u>15%</u></b>

<sup>1</sup> Combined = Electric System plus Water and Sewer System plus District Energy

<b>FY2016 JEA Net Revenues Goal - Excluding Weather Contingency</b>						
<b>\$ in Millions</b>	<b>FY2016</b>			<b>FY2015</b>	<b>FY2014</b>	<b>FY2013</b>
	<b><u>Actual</u></b>	<b><u>Goal</u></b>	<b><u>Budget</u></b>	<b><u>Actual</u></b>	<b><u>Actual</u></b>	<b><u>Actual</u></b>
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

<b>FY2016 JEA Capital Investment Plan/Budget Execution</b>				
<b>\$ in Millions</b>	<b>FY2016</b>		<b>FY2015</b>	<b>FY2014</b>
	<b><u>Actual</u></b>	<b><u>Budget</u></b>	<b><u>Actual</u></b>	<b><u>Actual</u></b>
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 Reliability and Environmental Metrics Goal					
<u>Electric System</u>	<u>Improvement</u>		<u>Water and Sewer System</u>	<u>Improvement</u>	
	Yes	No		Yes	No
Customer Outage Frequency Experiencing More than 5 Outages in the Previous Year (CEMI <sub>5</sub> )			Unplanned Water Main Outages		
Customer Outage Duration			Water Distribution System Pressure		
Transmission Fault Frequency Index			Customer Response Time		
Fleet Forced Outage Rate			Consumptive Use Permits		
Reportable Environmental Events			Total Nitrogen Discharge		
			Sanitary Sewer Overflows		

Note: Assuming general reliability performance will remain consistent with the previous three years, CEMI<sub>5</sub> is perhaps the reliability index with the greatest impact on customer satisfaction.

\* Customers Experiencing Momentary Interruptions: 5 Times

**Electric Systems Reliability**

**Customer Outage Frequency** – The number of extended outages (one minute or longer) experienced by the average JEA customer per year.

**Service Reliability** – The cumulative number of outage minutes experienced by the average JEA customer per year.

**CEMI<sub>5</sub>** – The percentage of JEA’s customers experiencing more than 5 extended outages (one minute or longer) in the last 12 months.

**Transmission Fault Frequency Index** – The number of transmission line faults experienced per 100 line miles in the last 12 months.

**Fleet Forced Outage Rate** - The amount of hours as a percentage of total hours, fiscal year-to-date, that JEA generators are not available and running when needed.

**Reportable Environmental Events REEs** - The number of environmental events that have occurred at power plants, fiscal year-to-date, that are reportable permit violations to FDEP and the EPA.

**Water and Sewer Systems Reliability**

**Unplanned Water Main Outages**- # of Customers affected by unplanned water outages per year

**Water Distribution System Pressure** - Average minutes per month less than 30 psi across a total of 110 monitoring stations across the service area

**Customer Response Time** - Average annual minutes from a customer call to the ticket completion or transfer to a field crew for a more extensive repair

**Consumptive Use Permit (CUP)** - Meeting annual CY basis CUP requirements including Total System Limit and South Grid Wellfield Allocation Limits

**Total Nitrogen Discharge** - Amount of tons of Nitrogen discharged annually to the St. Johns River

**Sanitary Sewer Overflow** - # of annual sanitary sewer overflow events

JEA

Page 24

**Electric System**  
**Schedules of Debt Service Coverage**  
(In thousands - unaudited)

	Month		Year-To-Date	
	2015	August	2015	August
<b>Revenues:</b>				
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	2,855	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)
<b>Total revenues</b>	<b>94,779</b>	<b>132,858</b>	<b>1,137,402</b>	<b>1,198,680</b>
<b>Operating expenses (3):</b>				
Fuel	24,099	30,626	242,926	285,686
Purchased power (4)	23,470	41,674	246,399	334,548
Other operations and maintenance	13,281	11,455	164,491	150,828
State utility taxes and franchise fees	6,185	6,001	55,640	55,303
<b>Total operating expenses</b>	<b>67,035</b>	<b>89,756</b>	<b>709,458</b>	<b>826,361</b>
<b>Net revenues</b>	<b>\$ 27,744</b>	<b>\$ 43,102</b>	<b>\$ 427,946</b>	<b>\$ 372,319</b>
<b>Debt service:</b>				
Debt service requirement	\$ 6,505	\$ 6,029	\$ 73,053	\$ 66,138
Less: investment income on sinking fund	(152)	(134)	(1,507)	(1,485)
Less: Build America Bonds subsidy	(126)	(126)	(1,384)	(1,385)
<b>Senior debt service coverage (5), (min 1.20x)</b>	<b>4.27 x</b>	<b>7.15 x</b>	<b>5.86 x</b>	<b>5.63 x</b>
<b>Net revenues (from above):</b>	<b>\$ 27,744</b>	<b>\$ 43,102</b>	<b>\$ 427,946</b>	<b>\$ 372,319</b>
<b>Debt service requirement (from above):</b>	<b>\$ 6,505</b>	<b>\$ 6,029</b>	<b>\$ 73,053</b>	<b>\$ 66,138</b>
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)	(1,918)
<b>Total debt service requirement and aggregate subordinated debt service</b>	<b>\$ 14,521</b>	<b>\$ 13,782</b>	<b>\$ 161,255</b>	<b>\$ 147,822</b>
<b>Senior and subordinated debt service coverage (6), (min 1.15x)</b>	<b>1.91 x</b>	<b>3.13 x</b>	<b>2.65 x</b>	<b>2.52 x</b>
<b>Fixed charge coverage (7)</b>	<b>1.29 x</b>	<b>1.93 x</b>	<b>1.83 x</b>	<b>1.56 x</b>

(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

	Month		Year-To-Date	
	2015	August	2015	August
<b>Revenues:</b>				
Water	\$ 14,223	\$ 14,544	\$ 150,667	\$ 142,666
Water capacity fees (1)	606	540	6,481	5,682
Sewer	20,908	20,573	219,352	209,489
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)
<b>Total revenues</b>	<b>38,849</b>	<b>37,499</b>	<b>403,352</b>	<b>378,534</b>
<b>Operating &amp; Maintenance Expenses:</b>				
Operations and maintenance (3)	10,813	9,433	121,642	118,698
<b>Total operating expenses</b>	<b>10,813</b>	<b>9,433</b>	<b>121,642</b>	<b>118,698</b>
<b>Net revenues</b>	<b>\$ 28,036</b>	<b>\$ 28,066</b>	<b>\$ 281,710</b>	<b>\$ 259,836</b>
<b>Aggregate debt service:</b>	<b>\$ 7,602</b>	<b>\$ 8,727</b>	<b>\$ 84,032</b>	<b>\$ 97,699</b>
Less: Build America Bonds subsidy	(207)	(208)	(2,281)	(2,284)
<b>Aggregate debt service:</b>	<b>\$ 7,395</b>	<b>\$ 8,519</b>	<b>\$ 81,751</b>	<b>\$ 95,415</b>
<b>Senior debt service coverage (4), (min 1.25x)</b>	<b>3.79 x</b>	<b>3.29 x</b>	<b>3.45 x</b>	<b>2.72 x</b>
<b>Net revenues (from above)</b>	<b>\$ 28,036</b>	<b>\$ 28,066</b>	<b>\$ 281,710</b>	<b>\$ 259,836</b>
<b>Aggregate debt service (from above)</b>	<b>\$ 7,395</b>	<b>\$ 8,519</b>	<b>\$ 81,751</b>	<b>\$ 95,415</b>
Plus: aggregate subordinated debt service on outstanding subordinated debt	1,015	873	11,191	9,605
<b>Total aggregate debt service and aggregate subordinated debt service</b>	<b>\$ 8,410</b>	<b>\$ 9,392</b>	<b>\$ 92,942</b>	<b>\$ 105,020</b>
<b>Senior and subordinated debt service coverage (5)</b>	<b>3.33 x</b>	<b>2.99 x</b>	<b>3.03 x</b>	<b>2.47 x</b>
<b>Fixed charge coverage</b>	<b>3.12 x</b>	<b>2.79 x</b>	<b>2.82 x</b>	<b>2.26 x</b>

- (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.

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

	Month September		Year-To-Date September	
	2015	2014	2015	2014
<b>Revenues:</b>				
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	-	-	-	-
<b>Total revenues</b>	<b>882</b>	<b>894</b>	<b>8,783</b>	<b>8,695</b>
<b>Operating expenses (1):</b>	<b>508</b>	<b>521</b>	<b>4,928</b>	<b>4,805</b>
<b>Total operating expenses</b>	<b>508</b>	<b>521</b>	<b>4,928</b>	<b>4,805</b>
<b>Net revenues</b>	<b>\$ 374</b>	<b>\$ 373</b>	<b>\$ 8,855</b>	<b>\$ 3,890</b>
<b>Aggregate debt service (2)</b>	<b>\$ 252</b>	<b>\$ 252</b>	<b>\$ 3,019</b>	<b>\$ 3,021</b>
<b>Debt service coverage (3) (min 1.15x)</b>	<b>1.49 x</b>	<b>1.48 x</b>	<b>1.28 x</b>	<b>1.29 x</b>

(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**  
Building Community  
**AGENDA ITEM SUMMARY**

November 5, 2015

<b>SUBJECT:</b>	<b>SOLE SOURCE &amp; EMERGENCY PROCUREMENT/PROCUREMENT APPEALS BOARD REPORT</b>
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<b>Purpose:</b>	<input checked="" type="checkbox"/> Information Only	<input type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
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**Issue:** Sections 1-113 and 1-114 of the JEA Purchasing Code require the Chief Purchasing 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.

**Significance:** Full transparency of these procurement actions is necessary to maintain public confidence in JEA's bidding process and to ensure competition is achieved when in JEA's best interest.

**Effect:** JEA's Procurement Department is responsible for maintaining these records and reporting to the JEA Board.

**Cost or Benefit:** To maintain public confidence in JEA's bidding process and to ensure competition is achieved when in JEA's best interest.

**Recommended Board action:** Provided for information; no action required.

**For additional information, contact:** John McCarthy, Director Supply Chain Management, 665-5544

Submitted by: PEM/MHD/JPM/RMS



**MISSION**  
Energizing our community through high-value energy and water solutions.

**VISION**  
JEA is a premier service provider, valued asset and vital partner in advancing our community.

**VALUES**  
• Safety  
• Service  
• Growth  
• Accountability  
• Integrity

**Commitments to Action**

- 1 Earn Customer Loyalty
- 2 Deliver Business Excellence
- 3 Develop an Unbeatable Team



**INTER-OFFICE MEMORANDUM**

November 5, 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**

<b>Formal Awards</b>	<b>Number</b>	<b>%</b>	<b>Dollar Amount</b>	<b>%</b>
Total	45		\$ 86,663,556	
Sole Source Awards	0	0%	\$ 0	0%
Emergency Awards	0	0%	\$ 0	0%
<b>Informal Awards</b>	<b>Number</b>	<b>%</b>	<b>Dollar Amount</b>	<b>%</b>
Total	1,994		\$ 15,780,280	
Sole Source Awards	0	0%	\$ 0	0%
Emergency Awards	12	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

# Total Sole Source & Emergency Procurement Actions

	FY15 Q1	FY15 Q2	FY15 Q3	FY15 Q4
Total Awards	\$115.5M	\$121.53M	\$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%

<b>Formal Sole Source and Emergency Awards by Department - Summary</b>			
12 months ending September 30, 2015			
<b>Sole Source Awards (3 Items totaling \$4,942,142.26)</b>			
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
<b>Total</b>	<b>3</b>	<b>\$4,942,142.26</b>	
<b>Emergency Awards (1 Item totaling \$705,600.00)</b>			
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
<b>Total</b>	<b>1</b>	<b>\$705,600.00</b>	

**Formal Sole Source Awards by Department -- Detail**

12 months ending September 30, 2015

**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	<b>Sole Source</b> - 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	<b>Sole Source</b> - 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	<b>Sole Source</b> - 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				

<b>Formal Emergency Awards by Department -- Detail</b> 12 months ending September 30, 2015					
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.	<b>Emergency</b> - 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				

21 West Church Street  
Jacksonville, Florida 32202-3139



**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

E L E C T R I C

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

W A T E R

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

S E W E R

**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:

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.

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

**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;

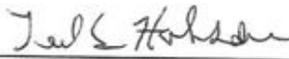
**WHEREAS**, the PAB heard arguments and testimony from (i) the Protestor, through its attorney Mark Bryan and its representatives Mark Hickinbotham and Barry Milam, (ii) WPC Industrial Contractors, LLC, through its attorney TJ Fraser and its representative Javier Cintron, (iii) John McCarthy, JEA's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

1. 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.**

  
\_\_\_\_\_  
Ted Hobson, Chair

Order of PAB  
Page 1 of 1



21 W. Church Street  
Jacksonville, FL 32202

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:

- 1) 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 2<sup>nd</sup> 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](http://www.JEA.com). If you have any further questions related to this matter, please feel free to contact me at [mccajp@jea.com](mailto: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

July 23, 2015



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

E L E C T R I C

**RE: CHIEF PROCUREMENT OFFICER DECISION**  
Bid Solicitation 054-15  
Ponce De Leon Water Plant

W A T E R

S E W E R 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 2<sup>nd</sup> 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](http://www.JEA.com). If you have any further questions related to this matter, please feel free to contact me at [mccajp@jea.com](mailto:mccajp@jea.com) or at (904) 665-5544.

Sincerely,



John McCarthy

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



# Sole Source & Emergency Procurement/Procurement Appeals Board Report

## Board of Directors Meeting November 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

- None

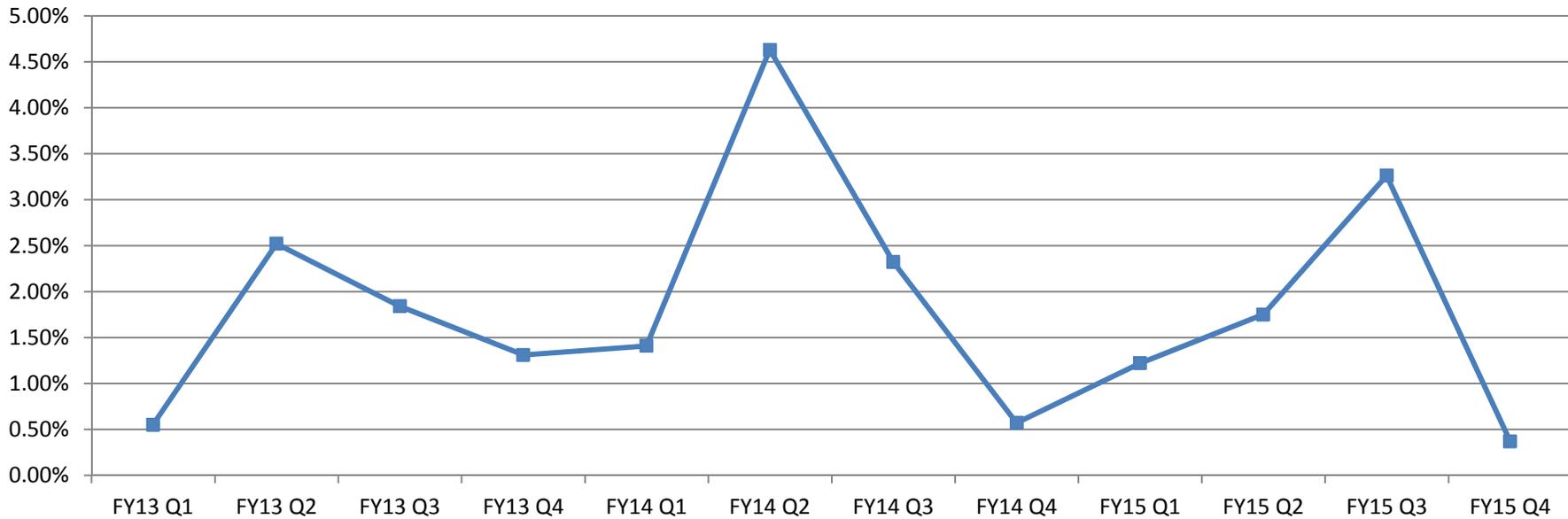
### Previous Quarters

- \$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: 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
  
- Project: 054-15 – Ponce de Leon Water Treatment Plant Pump Building and Reservoir Replacement (Low bidder did not meet JSEB sub-contracting requirement)
  - PAB upheld CPO decision

### Previous Quarters

- None



# JEA Operations Report

as of October 31, 2015

## Board of Directors Meeting November 30, 2015



# JEA Safety

(October 31, 2015)

## FY2015

- RIR = 1.56
- # of Recordables = 48
- October YTD Recordables = 3

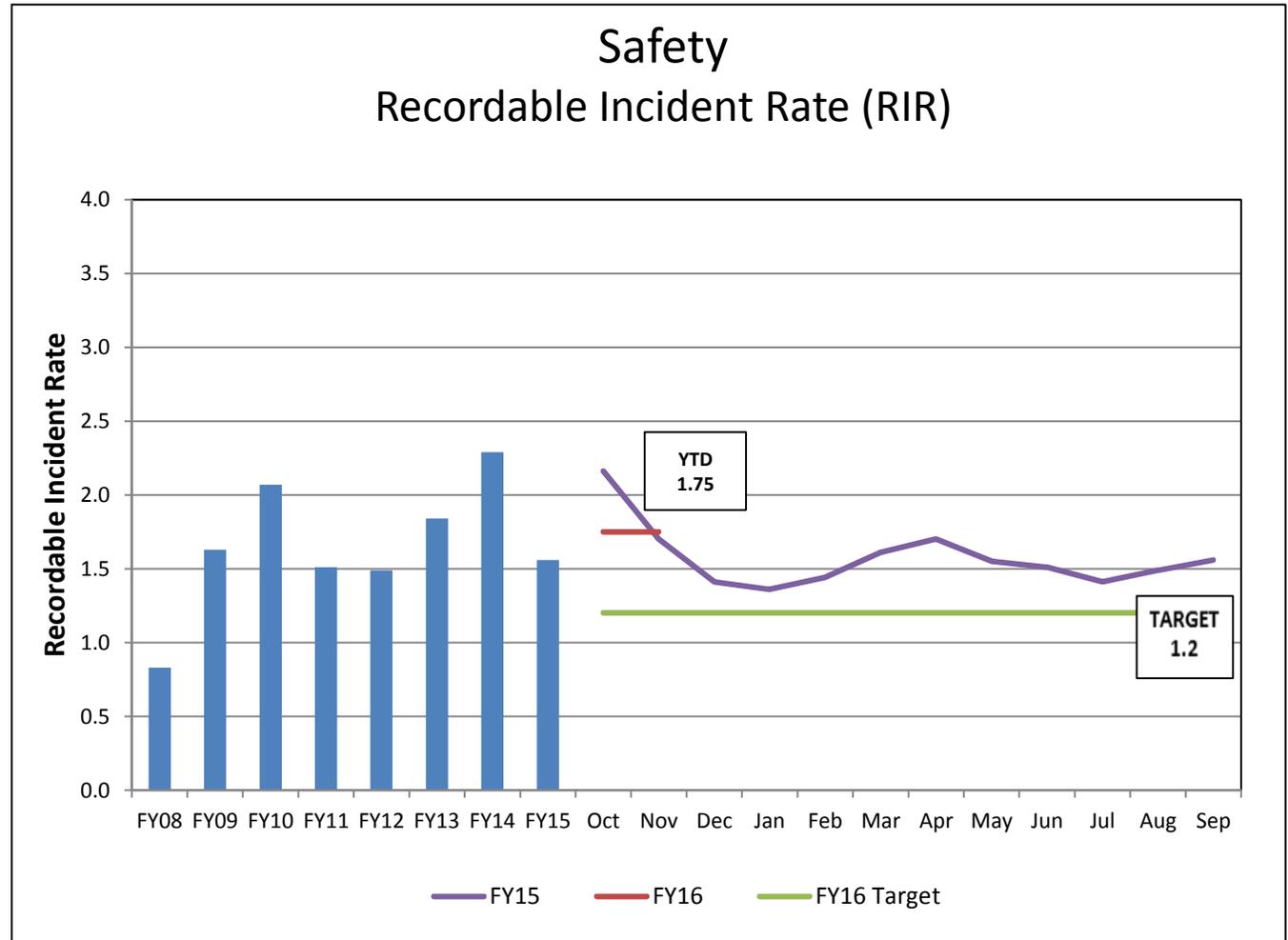
## FY2016

- October Recordables = 3
- 1 (33%) was lost time
  - Electric Systems = 3
  - Water/WW Systems = 0
  - Customer Service = 0
  - Finance/Shared Services = 0
- Continuing to “Plan for Zero”
- Increased focus on:
  - Complacency
  - Hand/Finger
  - Strains, Sprains, Slip/Trip/Fall
  - 0-5 Year Employees
  - PPE Use

### Industry Benchmark\*

Average Municipal Utility RIR is 6.3

Units	FY2016 YTD	FY2016 Target	FY2015	FY2014
RIR	1.75	1.20	1.56	2.29

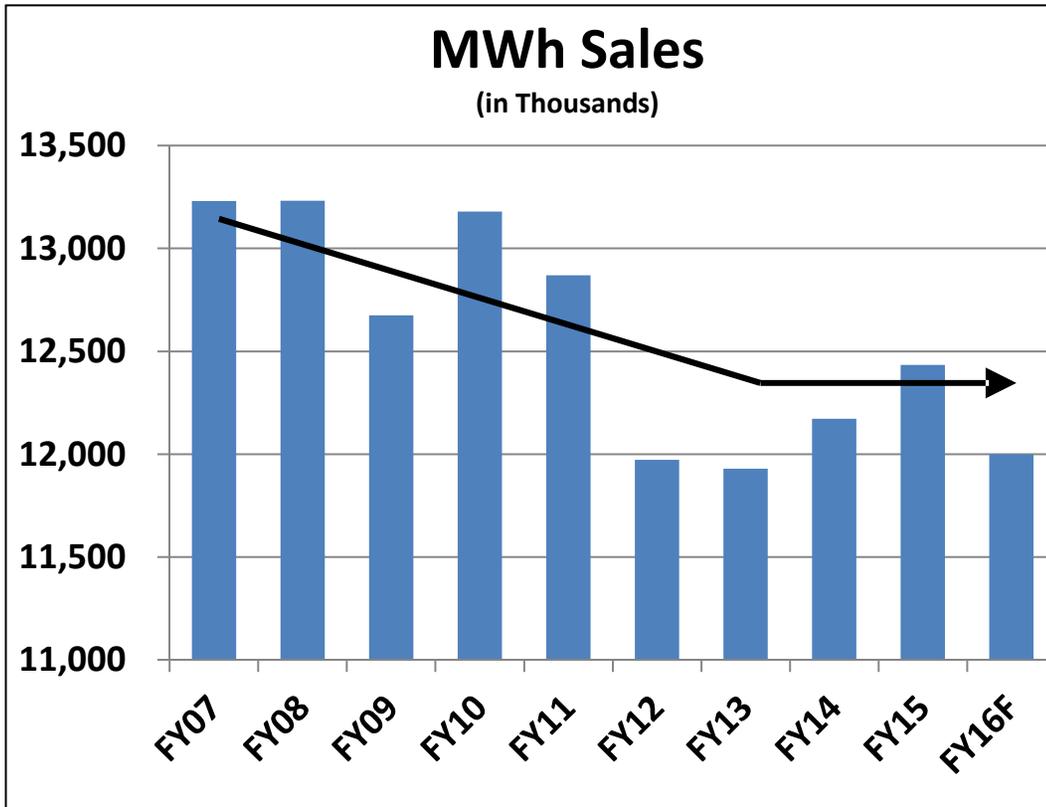


\*Provided by Bureau of Statistics



# JEA Electric System

## MWh Sales



Month	FY15	FY16	% Change
Oct	971,595	952,515	(2.0%)
<b>Year-to-Date</b>	<b>971,595</b>	<b>952,515</b>	<b>(2.0%)</b>
Nov	895,617		
Dec	943,753		
Jan	1,035,621		
Feb	934,102		
Mar	898,524		
Apr	954,803		
May	1,062,459		
Jun	1,187,741		
Jul	1,254,252		
Aug	1,212,295		
Sep	1,083,446		
<b>Total/Forecast</b>	<b>12,434,208</b>	<b>11,999,631</b>	

**Unit Sales Driver:** Degree days 10% higher than last year.

YTD Degree Days		
30-yr. Avg.	FY15	FY16
225	190	208

<b>Total System</b>	<b>(2.0%)</b>
Residential	(3.6%)
Comm./Industrial	(0.9%)
Interruptible	3.6%
Wholesale (FPU)	(13.7%)



# JEA FY2016 Performance Objectives

## Electric System Reliability Metrics

T&D Grid Performance	Metric	FY2016 YTD	FY2016 Target	FY2015	FY2014
Customer Outage Frequency	# of Outages per Year	1.7	1.8	1.7	1.7
Electric Outage Duration	# of Minutes out per Year	97	80	99	71
Transmission Line Faults	# of Faults per 100 miles	2.7	3.5	1.7	2.4
CEMI <sub>5</sub>	% Customers > 5 outages per yr	1.5	1.5	2.1	2.34

### Electric Service Reliability

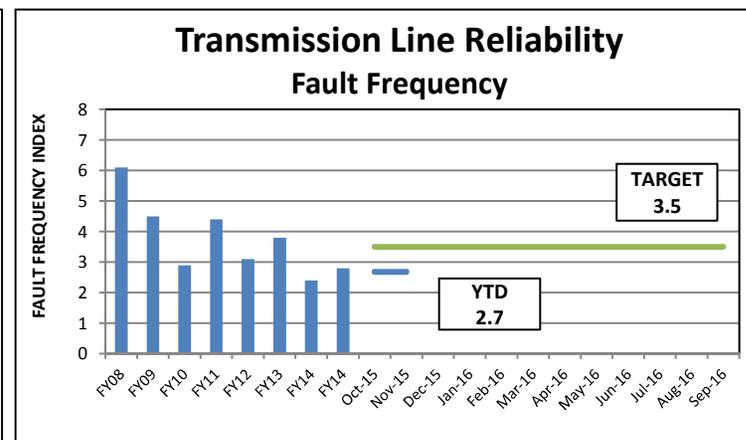
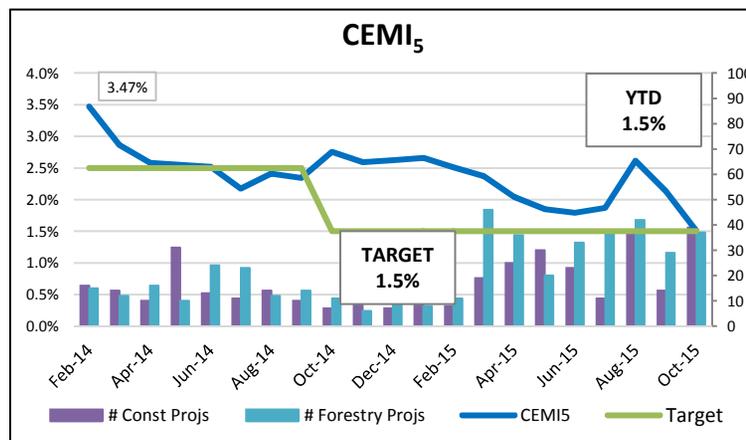
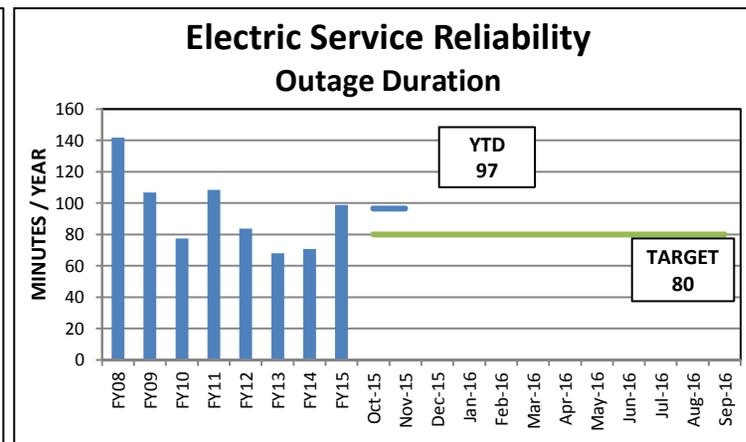
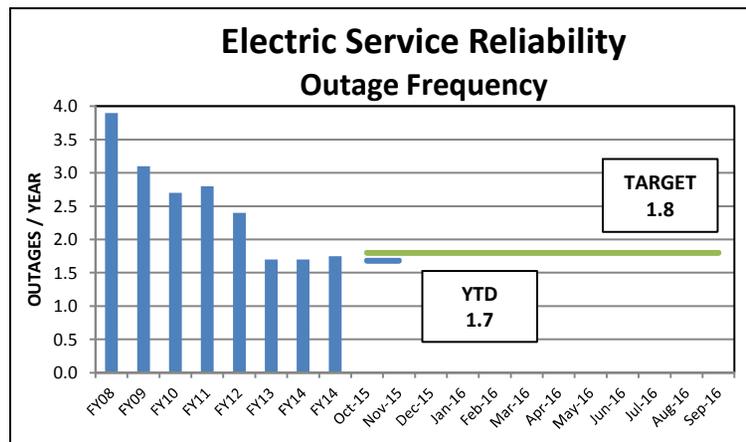
- Outage frequency and duration have been reduced significantly over the last 8 years; running flat this year and near the FY2016 targets.
- The typical JEA customer sees 1.7 outages per year and a total outage duration of 97 minutes
- CEMI<sub>5</sub>: 6,124 (1.5%) of our customers have experienced more than 5 outages in the past 12 months

### Transmission Line Reliability

- Overall downward trend over the last eight years
- YTD (2.7) running below the FY15 target

### Other Operational Metrics

- Continue showing favorable trends over time

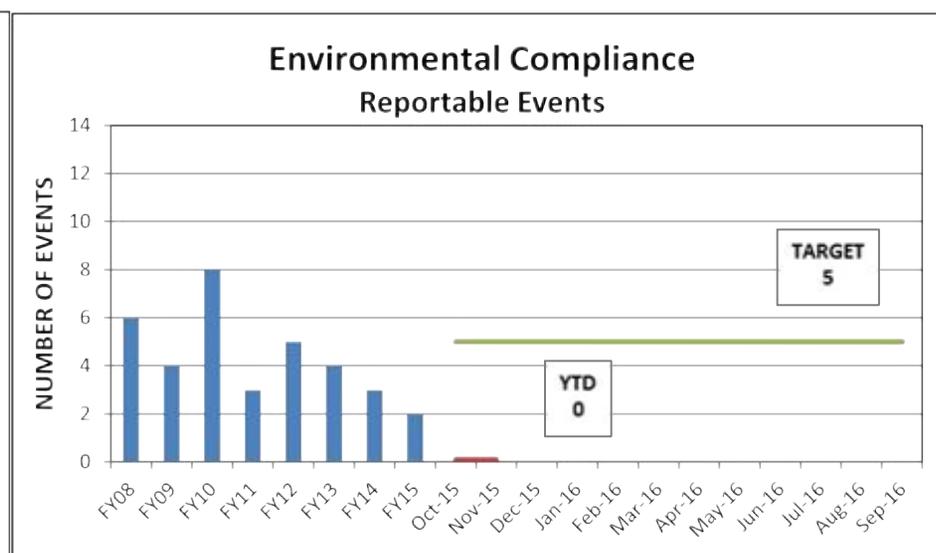
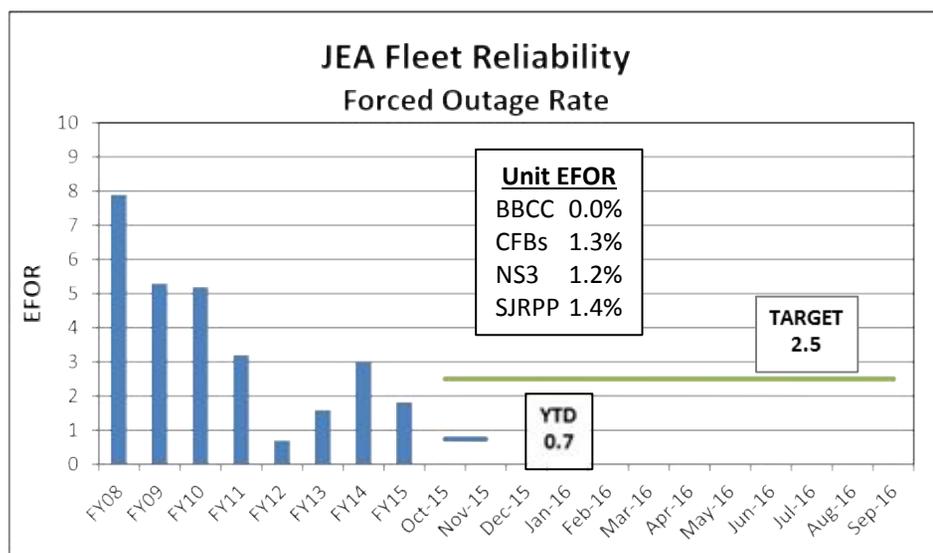




# JEA FY2015 Performance Objectives

## Electric System Reliability Metrics

Generating Plant Performance	Metric	FY2016 YTD	FY2016 Target	FY2015	FY2014
Generation Fleet Reliability	Forced Outages Rate	0.7	2.5	1.8	3.0
Environmental Compliance	Permit Exceedances	0	5	2	3



- Generating Fleet Reliability**
- The JEA fleet Forced Outage Rate is in line with prior 5-year performance and under FY2016 target of 2.5
  - Planned outage work underway this fall on three Northside Units. Outages planned for Spring on the Brandy Branch and SJRPP Units.
  - High unit reliability contributes to lower fuel and non-fuel expenses
- Environmental Compliance**
- Excellent environmental performance in prior years, with no air permit violations
  - No reportable events FY2016.
  - JEA is actively engage in and preparing for all new and emerging environmental regulations.



# JEA Electric System

## Financial Results and Cost Metrics

(\$ in thousands)

Revenues	FY16 Forecast	FY15 Actual	FY16 Budget	FY16 vs FY15 (\$)	Variance (%)
Fuel Revenue	\$ 461,502 <sup>1</sup>	\$ 486,362 <sup>2</sup>	\$ 485,631	\$ (24,860)	-5.1%
Base Revenue	710,740	741,411	711,502	(30,671)	-4.1%
Other Revenue	50,651	38,183	51,716	12,468	32.7%
<b>Total Revenues</b>	<b>\$ 1,222,893</b>	<b>\$ 1,265,956</b>	<b>\$ 1,248,849</b>	<b>\$ (43,063)</b>	<b>-3.4%</b>
		\$ (26M)			
Select Expenses					
Fuel Expense	\$ 410,044	\$ 441,076	\$ 460,315	\$ 31,032	7.0%
Fuel Fund Transfers	51,458	45,286	25,255	(6,172)	
O & M Expense	216,346	191,764	222,827	(24,582)	-12.8%
Non-fuel Purchased Power	112,267	114,804	113,015	2,537	2.2%
<b>Net Revenues</b>	<b>\$ 421,535</b>	<b>\$ 461,604</b>	<b>\$ 405,311</b>	<b>\$ (40,069)</b>	<b>-8.7%</b>
		\$ 16M			
Capital Expenditures	\$ 152,496	\$ 116,728	\$ 153,200 <sup>3</sup>	\$ (35,768)	-30.6%
Debt Service	\$ 187,296	\$ 175,779	\$ 185,614	\$ (11,517)	-6.6%

Financial Metrics	FY16 Forecast
Coverage:	2.2x
Days Cash/Liquidity:	202 / 317
Debt/Asset:	66% (2% lower)
Total Debt:	\$3.0B (\$150M lower)

Electric Costs / MWh	Non-Fuel
Target	\$ 54.73
Actual	55.61
Difference	\$ (0.88)

Fuel Fund	(\$ in millions)
Beginning Balance	\$ 151
Surplus/(Deficit)	106
Fuel Credit	(55)
Ending Balance	\$ 202

<sup>1</sup> Net of estimated \$55 million fuel credit in October bill

<sup>2</sup> Net of \$50 million fuel credit in FY15

<sup>3</sup> Council approved limit for capital expenditures in FY15 is \$170 million



# JEA Electric 5-Year Capital Projection

Asset Category cost in (1000s)	FY16	FY17	FY18	FY19	FY20
Transmission & Substation Projects	\$31,245	\$30,917	\$36,430	\$40,186	\$35,830
Transmission & Substation R&R	24,083	23,105	23,405	23,805	22,305
Generation Plant R&R	22,406	19,093	20,791	21,496	15,568
Distribution Line Projects	20,563	11,441	11,931	5,747	4,507
New Developments	5,000	5,000	5,000	5,000	5,000
Interagency Projects	4,337	2,000	2,000	2,000	2,000
<b>Subtotal:</b>	<b>\$107,634</b>	<b>\$91,556</b>	<b>\$99,557</b>	<b>\$98,234</b>	<b>\$85,210</b>
Other (Fleet, Facilities, Meters, IT, ...)	45,479	70,803	43,357	37,213	37,179
<b>Total:</b>	<b>\$153,113</b>	<b>\$162,359</b>	<b>\$142,914</b>	<b>\$135,447</b>	<b>\$122,389</b>

**Forecast: \$159,862**





# Planned New Substation Projects

Project Name	In Service Date	Total Cost
Cecil Commerce Center North Substation	November 2015	\$12,072,000
JAXPORT Substation	May 2016	\$3,113,000
Brandy Branch T1 Addition	May 2016	\$6,452,000
Point Meadows Substation	May 2017	\$12,200,000
Dinsmore Substation	November 2018	\$10,750,000
Nocatee Substation	November 2019	\$10,750,000

- JEA typically builds 1 to 2 new substations each year, at approximately \$10M each.
- Additions support load growth and continued reliable performance of the electric transmission and distribution systems.
- Cecil Commerce North will bring improved reliability to existing customers in the commercial development, and support growth for new customers.
- The JAXPORT project is being done in partnership with JPA and supports their planned electric crane upgrade at the Blount Island Terminal.

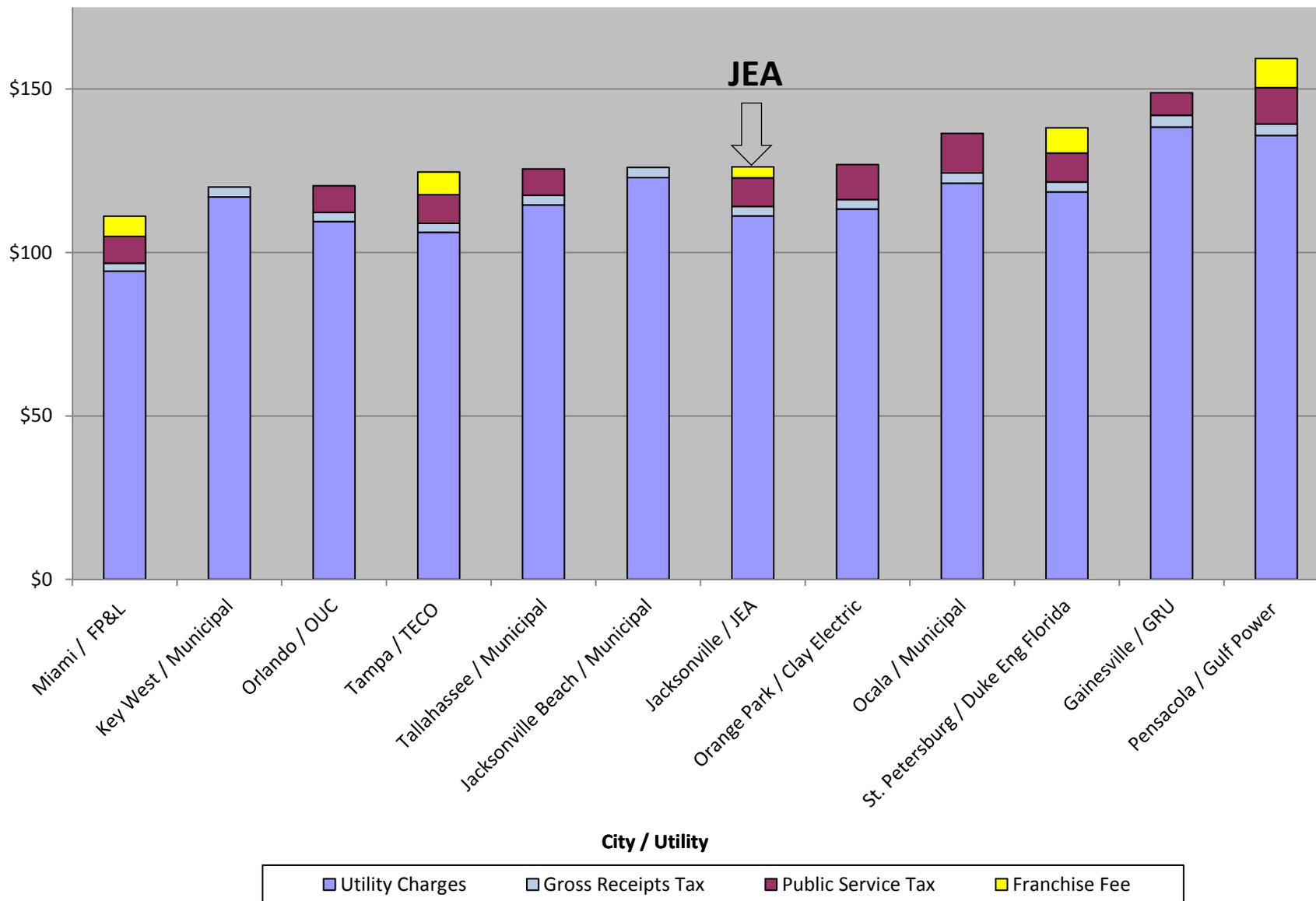


# Cecil Commerce Center North



# Florida Utilities Monthly Residential Electric Bill Comparison

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

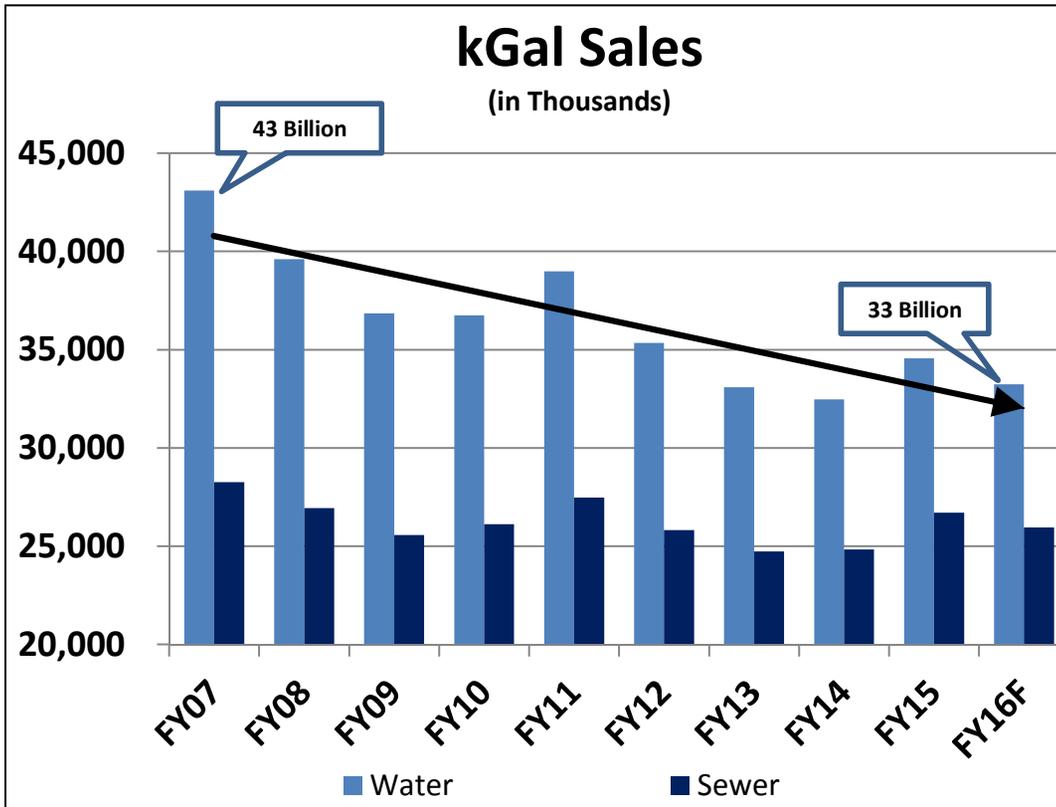




# JEA Water and Sewer System

## kGal Sales

(in Thousands)



Month	FY15	FY16	% Change
Oct	3,051	3,121	2.3%
<b>Year-to-Date</b>	<b>3,051</b>	<b>3,121</b>	<b>2.3%</b>
Nov	2,597		
Dec	2,708		
Jan	2,502		
Feb	2,238		
Mar	2,732		
Apr	2,765		
May	3,509		
Jun	3,382		
Jul	3,300		
Aug	3,062		
Sep	2,712		
<b>Total/Forecast</b>	<b>34,558</b>	<b>33,243</b>	

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

YTD Rain			
	30-Yr. Avg.	FY16	FY15
Inches	4	0.2	2
Days	8	5	5

<b>Total System</b>	<b>2.3%</b>
Residential	1.3%
Comm./Industrial	5.0%
Irrigation	(2.1%)

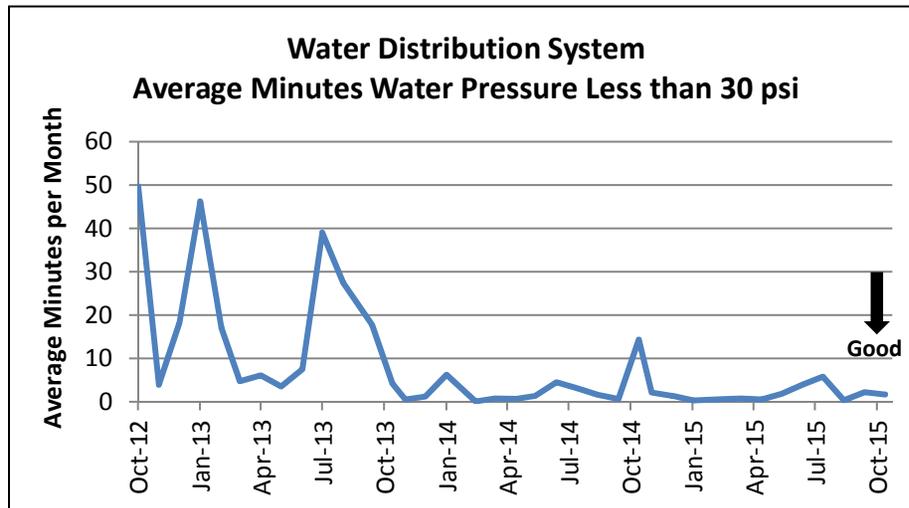
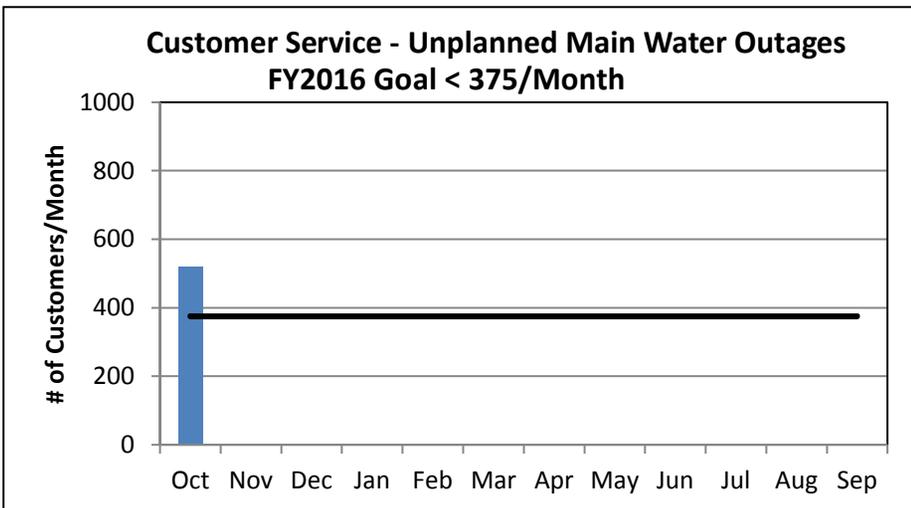


Building Community

# Customer Reliability Objectives

## Water and Wastewater System

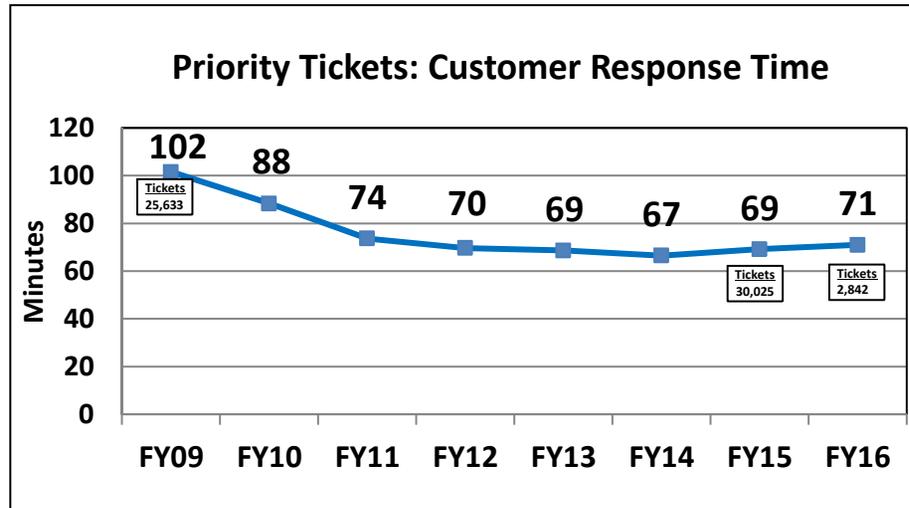
Water Grid Performance	Metric	FY2016 YTD	FY2016 Target	FY2015	FY2014
Water Main Outages	# of Customers per Year	519	4,500	5,659	4,645



**Unplanned Water Outages**  
 # of Customers Affected by Unplanned Outages increased in FY15 4<sup>th</sup> QTR correlating to rainfall and ground saturation

**Water Pressure (minutes per month < 30 psi)**  
 Measured by 110 pressure monitoring stations in the distribution system. Pressure must be greater than 20 psi, and is expected to be greater than 50 psi.

**Customer Response Time**  
 Average time from a customer call to the ticket completion or transfer to a field crew for a more extensive repair



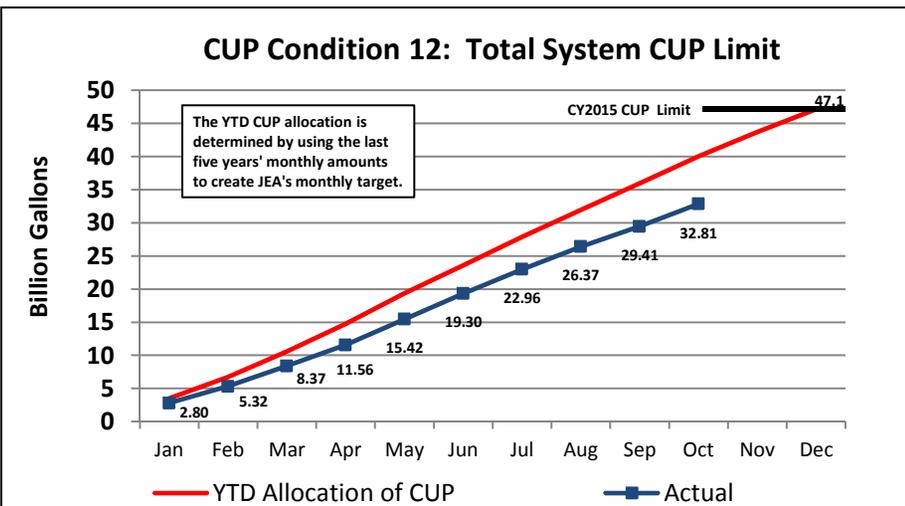
Note: Priority Tickets are defined as an interruption of water or sewer service



# Environmental Compliance

## Water System – Consumptive Use Permit (CUP)

Compliance	Metric – CY Basis	2016 YTD	2016 Target	2015	2014
Water	CUP Limits (MGD)	CY basis results starting in Jan 2016	<b>131</b>	<b>108</b> (129 limit)	104 (127 limit)
South Grid	Wellfield Allocation (MGD)		<b>&lt; 50.23 limit</b>	<b>47.82</b> (<50.23 limit)	51.37 (<61.23 limit)
Reclaim	Usage (MGD)		<b>15</b>	<b>13</b>	12



### CUP Condition 44: South Grid Wellfield Allocation Limits

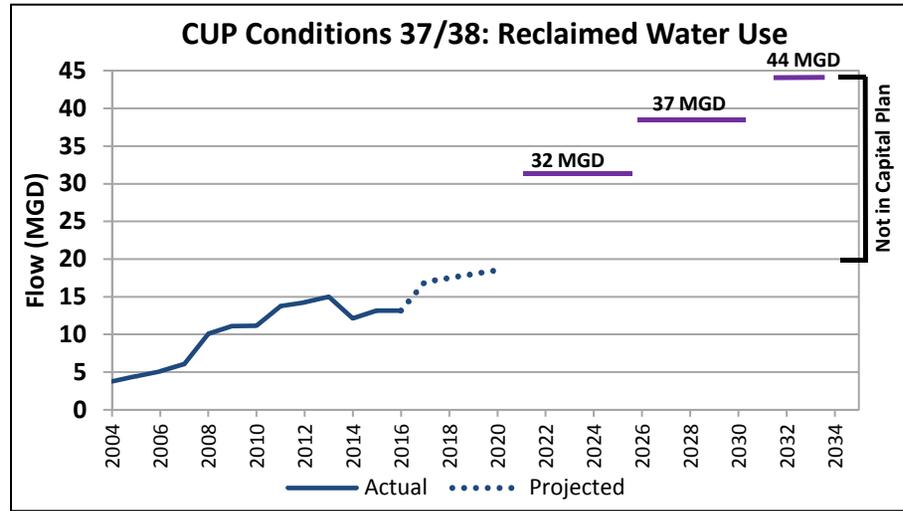
Critical Wellfields	2013	2014	2015	YTD Actual 2015
Deerwood III	10.25	9.17	7.00	7.24
Ridenour	11.00	9.62	6.85	7.03
Oakridge	9.15	7.98	5.65	4.48
Greenland	NA	1.51	4.53	4.60
Brierwood	7.65	6.11	3.02	2.39
<b>Subtotal</b>	<b>38.05</b>	<b>34.39</b>	<b>27.05</b>	<b>25.74</b>
<b>Other (12 Well Fields)</b>	<b>28.68</b>	<b>26.84</b>	<b>23.18</b>	<b>22.08</b>
<b>Total South Grid</b>	<b>66.73</b>	<b>61.23</b>	<b>50.23</b>	<b>47.82</b>
<b>Total System</b>	<b>126</b>	<b>127</b>	<b>129</b>	<b>108</b>

### St. Johns River Water Management CUP

**Condition 12:** YTD average daily flow is 16% below CY limit of 129 MGD

**Condition 44:** South Grid Wellfields have annual operational flexibility of 20% above the allocation limits

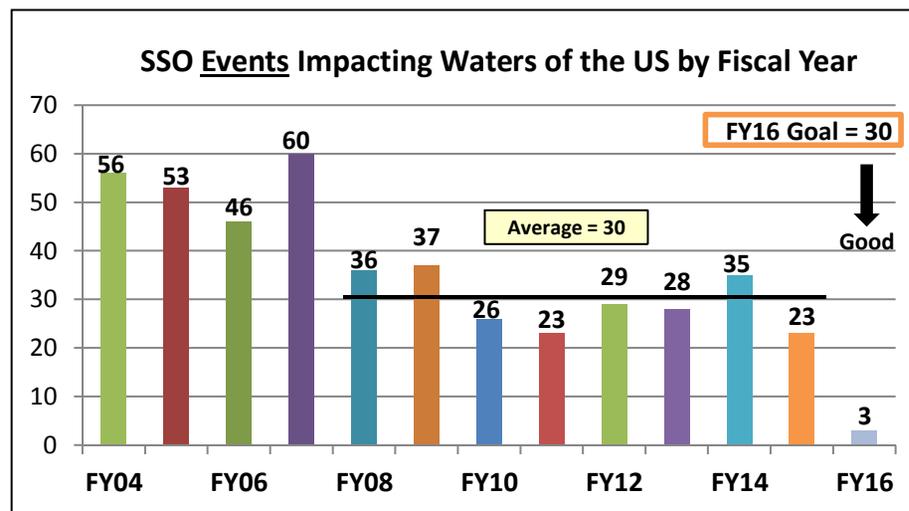
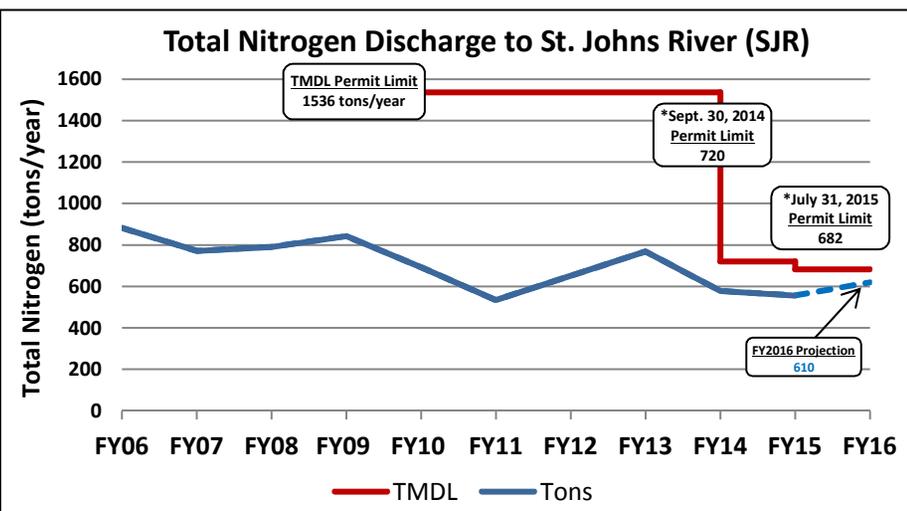
**Conditions 37/38:** Use of reclaimed water “to the maximum extent technologically, economically, and environmentally feasible”. The annual CUP limit continues to increase beginning in FY21 if the 32 MGD threshold is achieved.





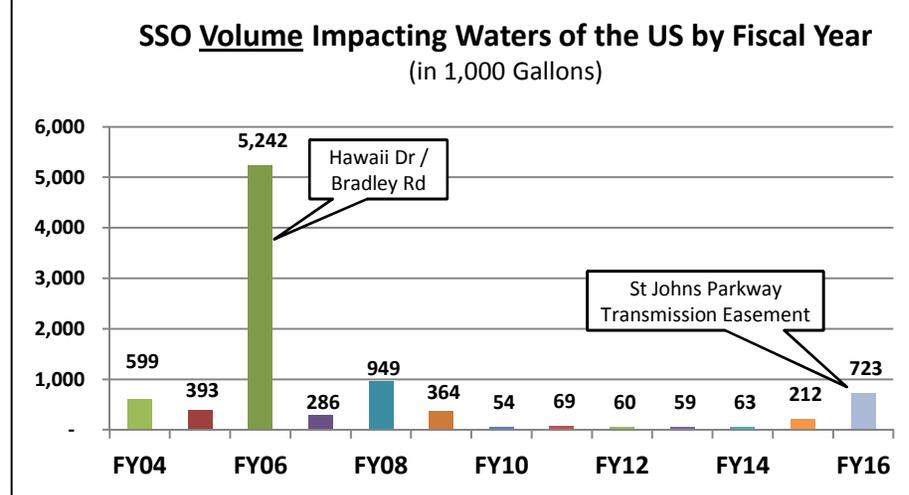
# Environmental Compliance Wastewater System

Compliance	Metric	FY2016 YTD	FY2016 Target	FY2015	FY2014
Sewer	Nitrogen (N) Tons – FY basis	48	600	553 (TMDL of 682*)	577 (TMDL of 720*)



**Nitrogen Discharge to St. Johns River (SJR)**  
 Florida Department of Environmental Protection (FDEP) has reduced the Total Maximum Daily Load (TMDL) to 682 tons with Water Quality Trading Credits allocated to the COJ

**Sanitary Sewer Overflows (SSOs)**  
 FY15 SSO achievement of 23 events matches the lowest annual total. A single event in October 2015 has elevated the SSO volume for FY16.





# JEA Water and Sewer System

## Financial Results and Cost Metrics

(\$ in thousands)

Revenues	FY16 Forecast	FY15 Actual	FY16 Budget	FY16F vs FY15 (\$)	Variance (%)
Water & Sewer Revenues	\$ 385,890	\$ 393,167	\$ 383,162	\$ (7,277)	-1.9%
Other Revenue	34,777	43,750	34,529	(8,973)	-20.5%
<b>Total Revenues</b>	<b>\$ 420,667</b> ①	<b>\$ 436,917</b>	<b>\$ 417,691</b>	<b>\$ (16,250)</b>	<b>-3.7%</b>
		\$3M			
Select Expenses					
O & M Expense	\$ 135,856	\$ 127,174	\$ 138,368	\$ (8,682)	-6.8%
<b>Net Revenues</b>	<b>\$ 259,580</b>	<b>\$ 278,471</b>	<b>\$ 275,985</b>	<b>\$ (18,891)</b>	<b>-6.8%</b>
		\$(16M)			
Capital Expenditures	<b>\$ 173,932</b> ④	<b>\$ 100,806</b>	\$ 175,000	\$ (73,126)	-72.5%
Debt Service	\$ 101,602	\$ 101,108	\$ 105,370	\$ (494)	-0.5%

Depreciation  
\$132 million

Metrics	FY16 Forecast
Coverage:	2.6x
Days Cash/Liquidity:	150 / 265
Debt/Asset:	52% (3% lower)
Total Debt:	\$1.6B (\$36M lower)

Cost / KGal	Water	Sewer
Target	\$ 4.47	\$ 7.96
Forecast	4.95	8.29
Difference	<b>\$ (0.48)</b>	<b>\$ (0.33)</b>

## SEWER CAPEX HIGHLIGHTS— EAST/SOUTH SERVICE AREA

WWTF District	FY 16	FY17	FY18	Total
Southwest	\$4	\$14	\$2	\$20
Buckman	13	3	2	18
District II	6	14	1	21
Arlington East	5	16	5	26
Greenland	0	8	0	8
Blacks Ford	13	42	5	60
	\$41	\$97	\$15	\$153
<b>Total W/WW SYSTEM CAPEX</b>				
(\$ in millions)	\$174M	\$205M	\$156M	\$537M

### Major Projects

**Southwest:** Lane Avenue to Timuquana Rd 24"-36" force main replacement, and Alachua pump station rehabilitation

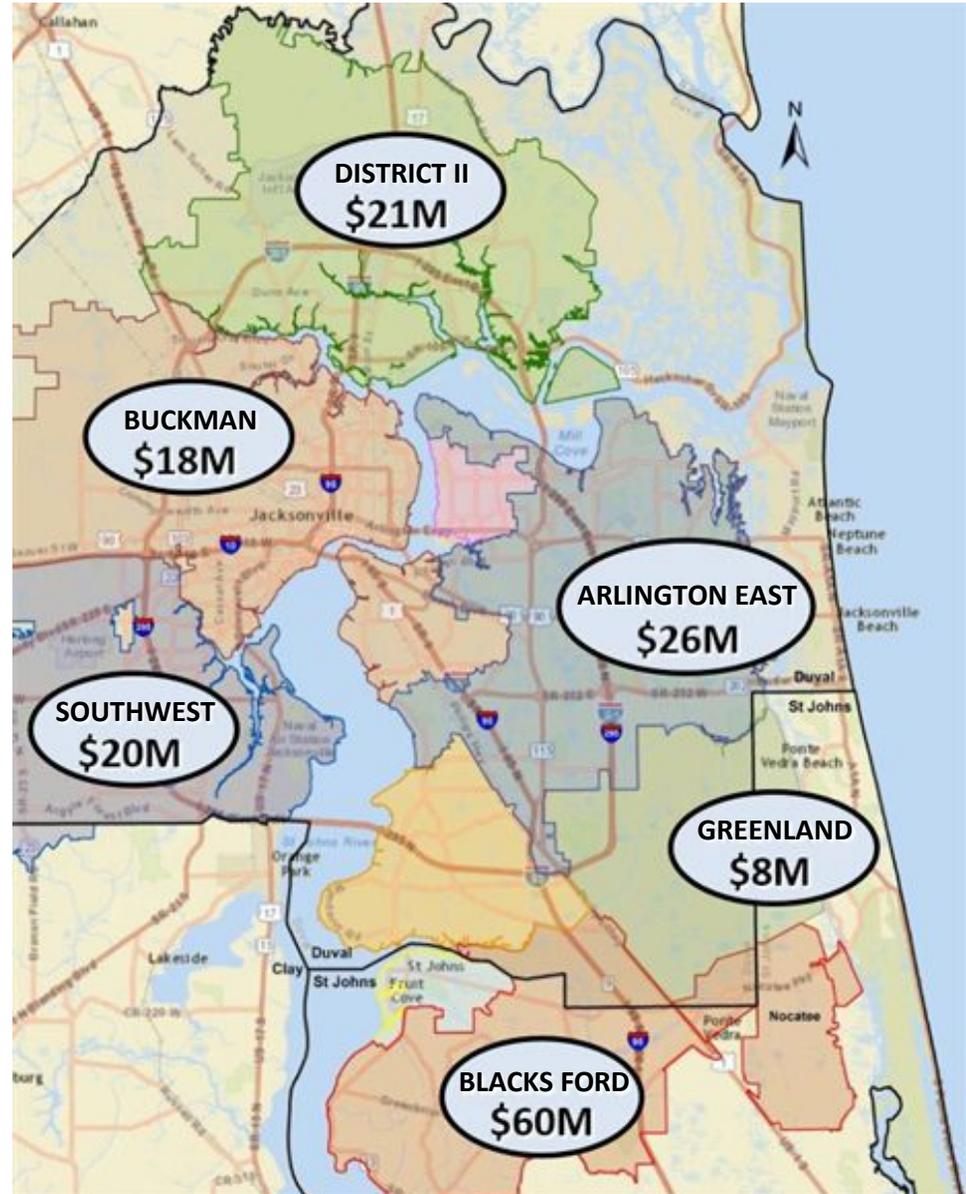
**Buckman:** Southshore River Crossing 36" force main replacement, and McMillian pump station rehabilitation

**District II:** Key Haven and Harts Rd pump stations rehabilitation, and force main replacements

**Arlington East:** Additional WWTF Clarifiers for capacity (19 to 23 MGD) and process improvements, Bradley Rd pump station upgrade, and force main replacements

**Greenland:** Land Purchase for planned FY25 WWTF

**Blacks Ford:** WWTF expansion from 2.5 to 6.0 MGD



Note: WWTF = Wastewater Treatment Facility

## JEA Water/Wastewater Five-Year CAPEX Projection

Asset Category (Costs in \$1000's)	FY16	FY17	FY18	FY19	FY20
Wastewater Treatment Projects	\$39,306	\$88,087	\$43,166	\$30,850	\$24,286
Water Treatment Projects	29,264	26,574	17,362	14,165	13,115
Delivery & Collection Piping Projects	28,822	33,078	17,976	28,011	22,975
Interagency Piping Projects	13,508	5,830	5,239	4,603	4,504
Plants/Pump Stations R&R	12,704	12,491	12,530	12,384	11,040
Delivery & Collection Piping R&R	11,864	14,750	29,381	32,300	32,300
Development	5,926	4,876	1,800	1,500	750
System Control Upgrades	406	325	150	150	150
<b>Subtotal</b>	<b>\$141,802</b>	<b>\$186,010</b>	<b>\$127,604</b>	<b>\$123,963</b>	<b>\$109,120</b>
Other (Fleet, Facilities, Meters, IT, etc.)	32,080	29,451	27,045	29,822	28,451
<b>Total</b>	<b>\$173,882</b>	<b>\$215,461</b>	<b>\$154,649</b>	<b>\$153,785</b>	<b>\$137,571</b>

<b>Forecast:</b>	<b>\$174,000</b>	<b>\$205,000</b>
------------------	------------------	------------------

→ **Arlington East WWTF – Influent Pipe (20 MGD)**

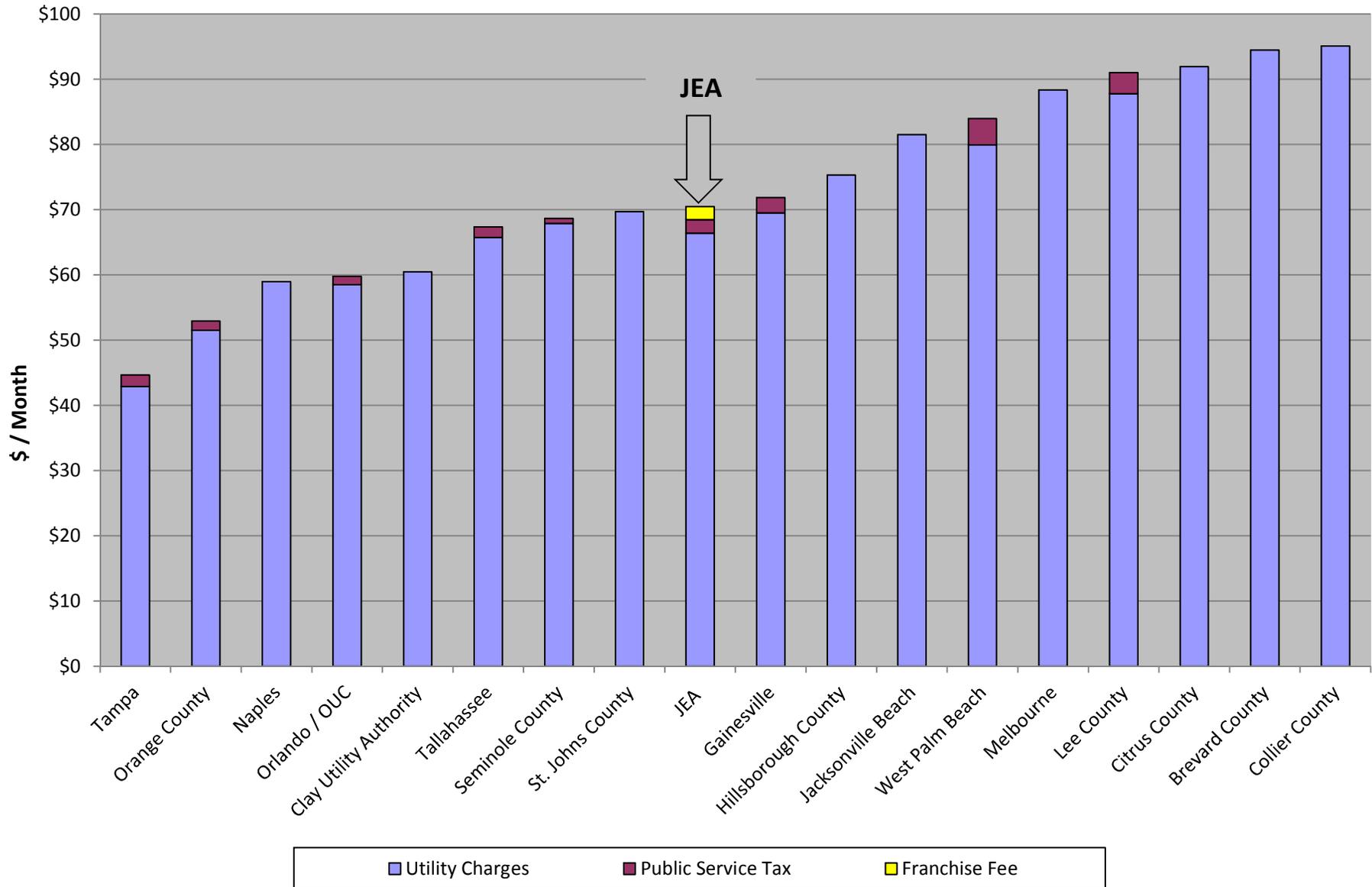


### Five-Year Project List:

<http://jea.com/Engineering and Construction>

# Water & Sewer Rates in Florida

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



# Overview of JEA's Approach to Customer Satisfaction

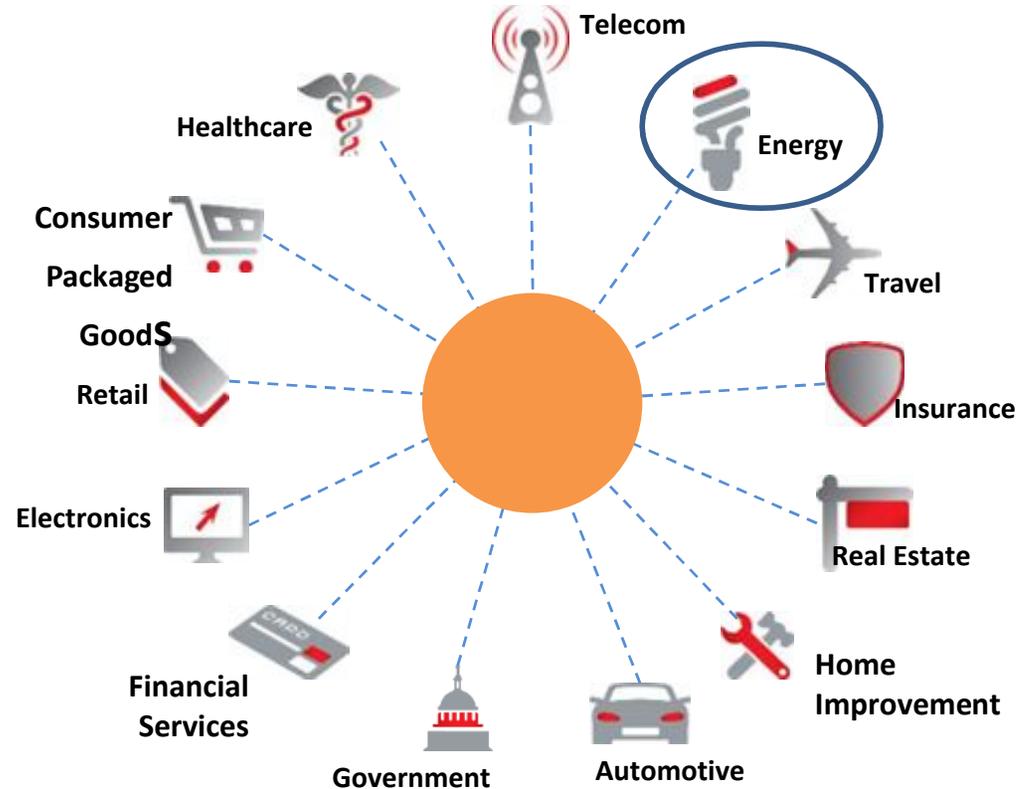
JEA Board of Directors Meeting  
November 2015

Monica Whiting - Chief Customer Officer



# J.D. Power Voice-of-the-Customer Perspective

- J.D. Power & Associates survey millions of consumers and small businesses across dozens of industries every year
- Independent, third party
- Industry standard & comparison
- “Voice of the Customer”





# Customer Discontent

JEA	589
Vectren	587
Jersey Central Power & Light	584
United Illuminating	583
Appalachian Power	583
ComEd	579
Orange & Rockland	577
Pepco	572
Kentucky Power	563
Connecticut Light & Power	553
Long Island Power Authority	552

2012 Residential Study Final

- Ranked 116 out of 126
- Bottom 10 Nationally



## 2012 Customer Comments: What JEA Needs To Improve

And, your auto pay systems are antiquated. It shouldn't take two months to set up auto pay...it should take two days. I'm done talking to JEA

when there are outages, i would very much like to know the cause, the approximate time to restore service, and when service is restored, i would very much like a call back to confirm that MY service has been restored

Stop with the estimated meter readings and quit squeezing me financially. Enough with the rate hikes!

make sure workers work and not just park under the tree. Maybe than the service would be great

Improve customer service and records used by customer service.

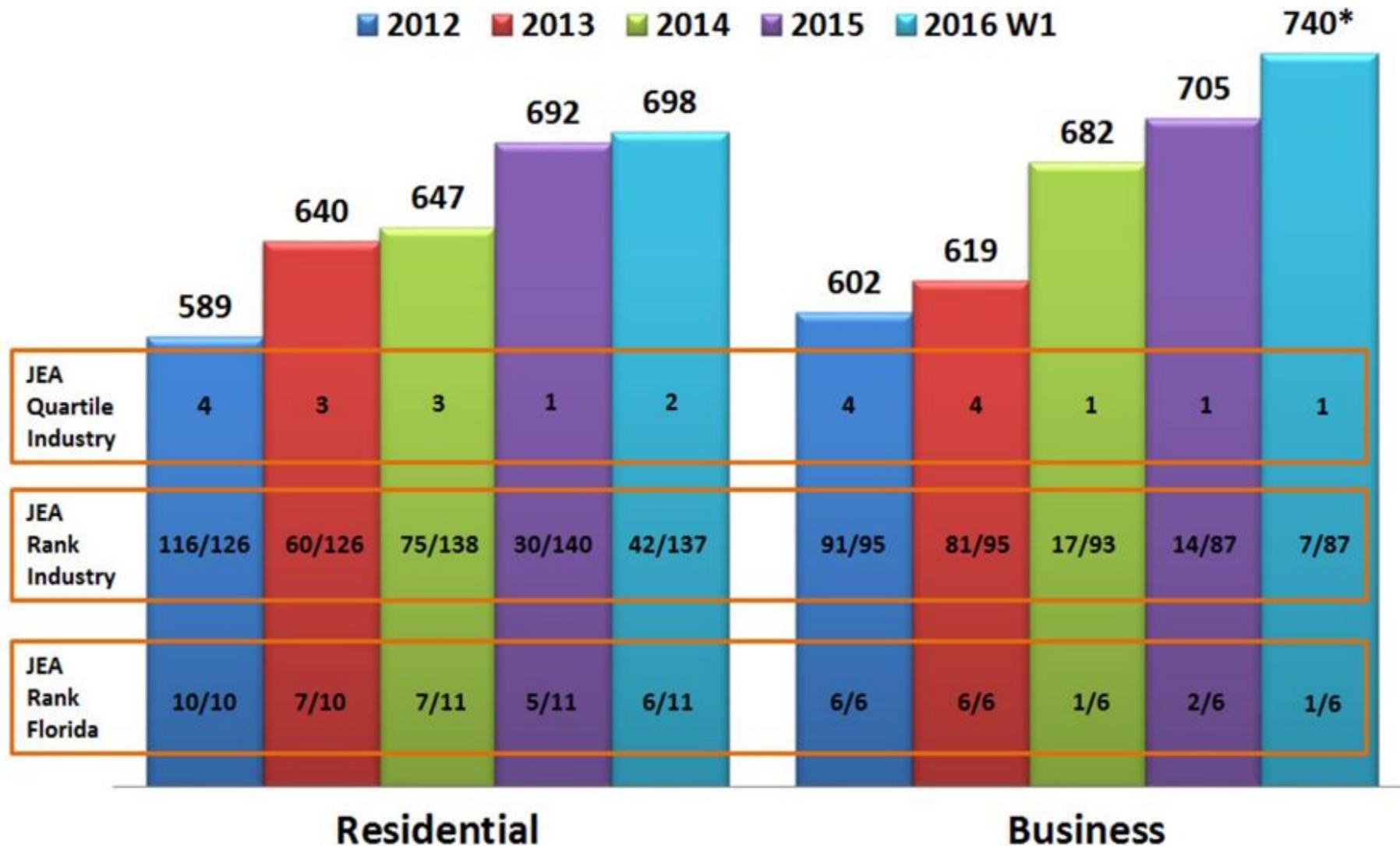
be responsive to customer issues

Stop the outages!



# JD Power Trends

## JEA, Industry, FL Utilities

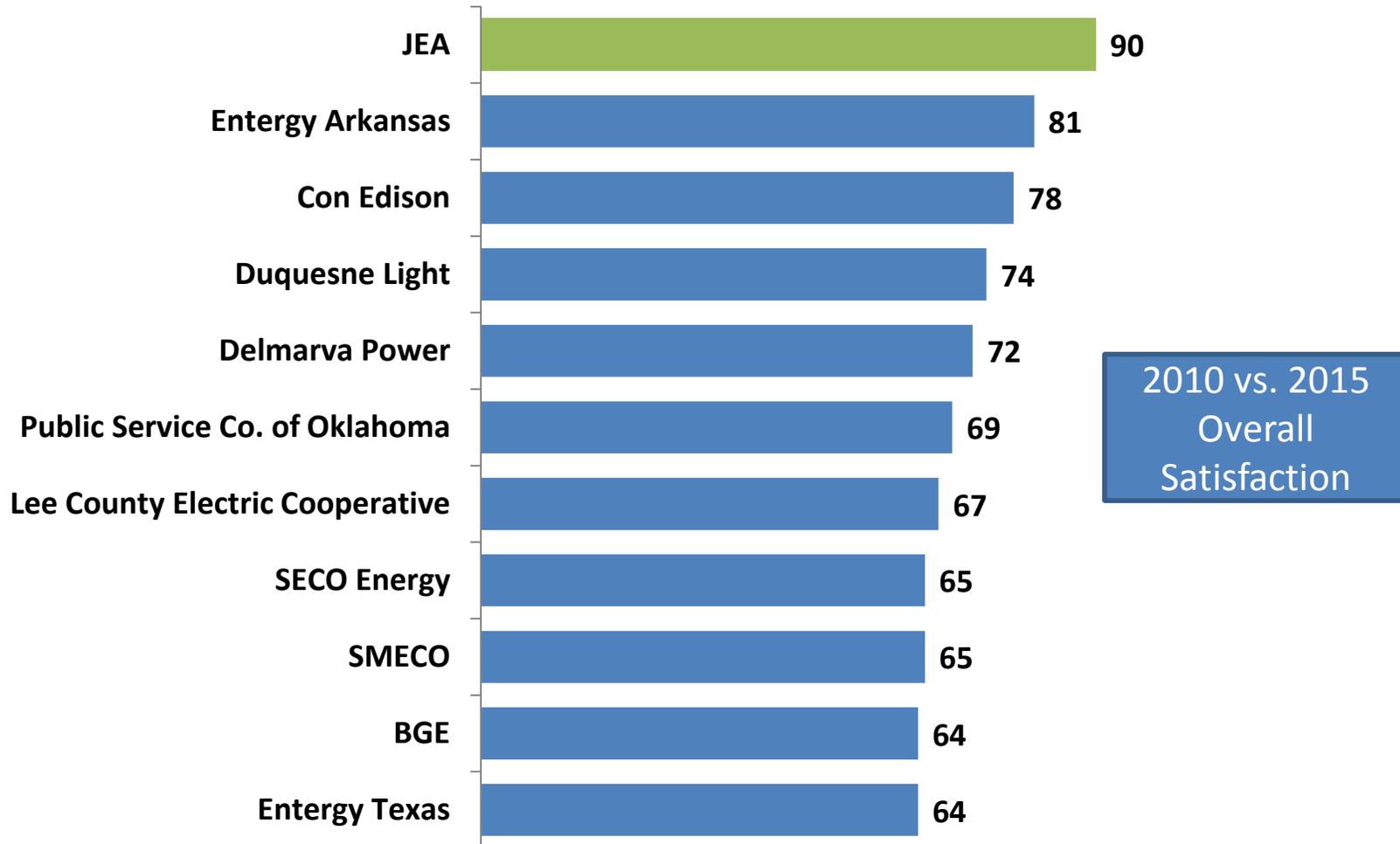


\*Overall Customer Satisfaction scores will not be produced by JD Power for Business study until January, 2016.



# Sustained Improvement

## Most Improved Brands in Overall Customer Satisfaction



Source: J.D. Power satisfaction results

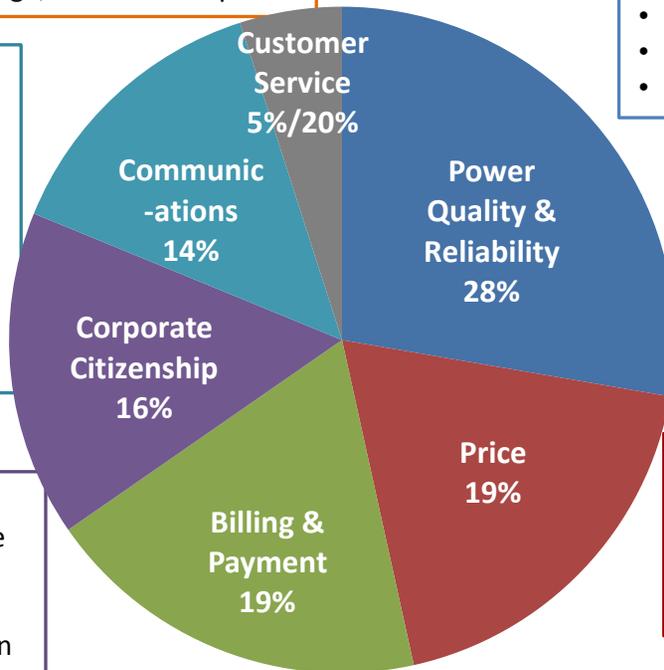


# 2015 Residential CSI Drivers

- IVR, Web, Representative
  - Timeliness of resolution - all
  - Appearance of website
  - Navigation of website and IVR
  - Clarity of information provided: Web, IVR
  - Courtesy, knowledge, concern - Rep.

- Supply electricity during very hot/cold temps
- Promptly restore
- Provide quality electric power
- Avoid interruptions lengthy or brief
- Keep you informed about an outage

- Efforts to communicate changes that might affect account or service
- Keeping you informed about what utility is doing to keep overall energy costs low
- Usefulness of suggestions on ways you can reduce energy usage and lower monthly bill
- Communicating how to be safe around electricity
- Creating messages that get your attention



- Involvement in local charities and civic org.
- Effort to develop energy supplies for future
- Actions to take care of the environment
- Variety of energy conservation programs
- Utility's support of economic development in community

- Monthly cost
- Effort of utility to help you manage usage
- Fairness of pricing
- Ease of understanding your pricing
- Availability of pricing options

- Amount of time given to pay bill
- Variety of methods to pay bill
- Usefulness of information on bill
- Ease of Paying bill

# FY16 Customer Satisfaction Goal

Achieve 1st Quartile Ranking for JD Power Customer Satisfaction Index for both Residential and Business Studies

## Residential (R)

FY14		FY15		Wave 1		Wave 2		Wave 3		Wave 4		FY16 YTD	
3Q	647	1Q	692	2Q	698							2Q	698

## Business (B)

FY14		FY15		Wave 1		Wave 2		FY16 YTD	
1Q	682	1Q	705	1Q	740			1Q	740

### Residential



### Business



2016 Residential # of companies ranked: 137  
 2016 Business # of companies ranked: 87

1Q= 1st quartile 2Q= 2<sup>nd</sup> quartile 3Q = 3<sup>rd</sup> quartile 4Q = 4<sup>th</sup> quartile

# Achieve 1st Quartile Ranking on All Drivers

## Be Easy to Do Business With

### Customer Service

	FY15		Wave 1		Wave 2		Wave 3		Wave 4		FY16 YTD	
R	1Q	775	1Q	777							1Q	777
B	1Q	754	1Q	768							1Q	768

### Power Quality & Reliability

	FY15		Wave 1		Wave 2		Wave 3		Wave 4		FY16 YTD	
R	2Q	736	2Q	744							2Q	744
B	2Q	736	1Q	783							1Q	783

## Empower Customers to Make Informed Decisions

### Billing & Payment

	FY15		Wave 1		Wave 2		Wave 3		Wave 4		FY16 YTD	
R	1Q	755	2Q	753							2Q	753
B	1Q	756	1Q	775							1Q	775

### Communication

	FY15		Wave 1		Wave 2		Wave 3		Wave 4		FY16 YTD	
R	1Q	653	2Q	660							2Q	660
B	1Q	648	1Q	705							1Q	705

### Price

	FY15		Wave 1		Wave 2		Wave 3		Wave 4		FY16 YTD	
R	2Q	615	2Q	619							2Q	619
B	1Q	650	1Q	682							1Q	682

## Demonstrate Community Responsibility

### Corporate Citizenship

	FY15		Wave 1		Wave 2		Wave 3		Wave 4		FY16 YTD	
R	2Q	634	2Q	655							2Q	655
B	1Q	673	1Q	699							1Q	699

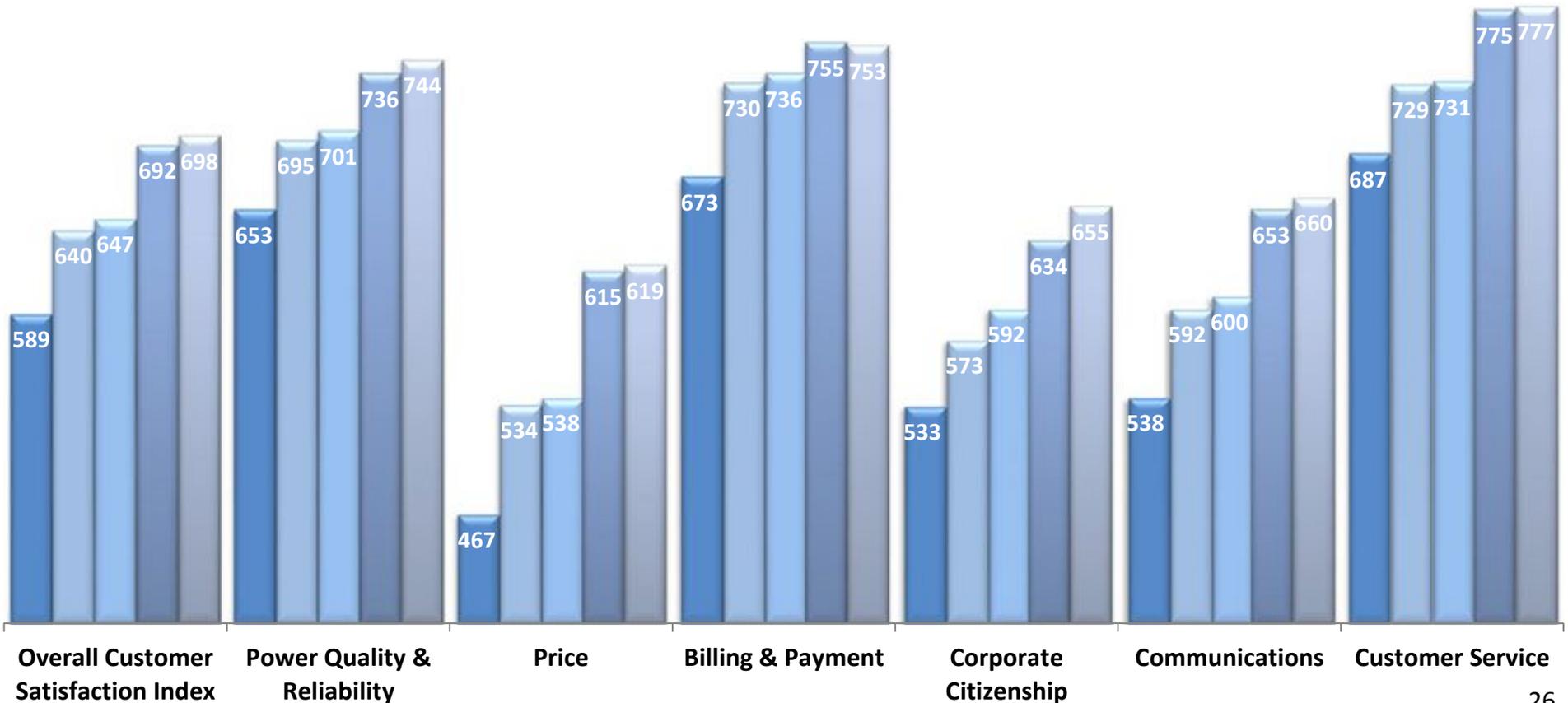


# Residential Indices

## YTD Trends

### JEA: Overall CSI and Factor Performance

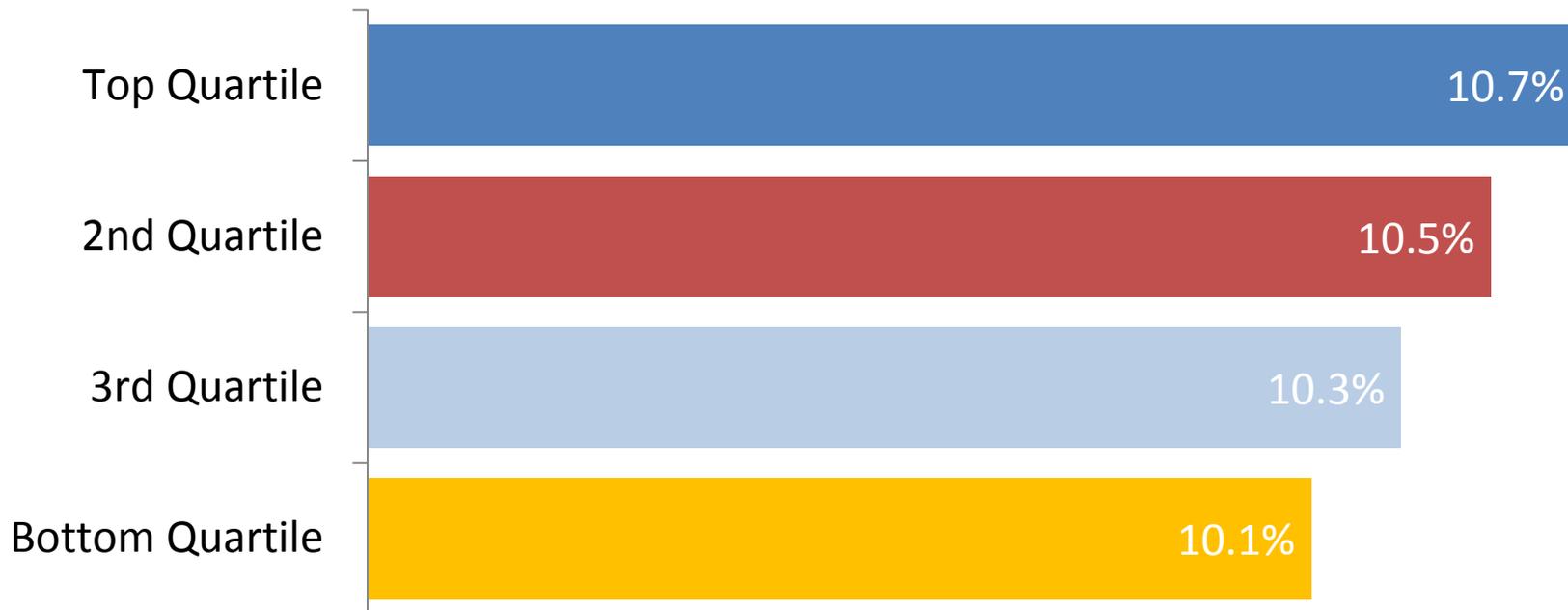
■ 2012 ■ 2013 ■ 2014 ■ 2015 ■ 2016 W1





# Why Customer Satisfaction?

## Allowed Rate of Return



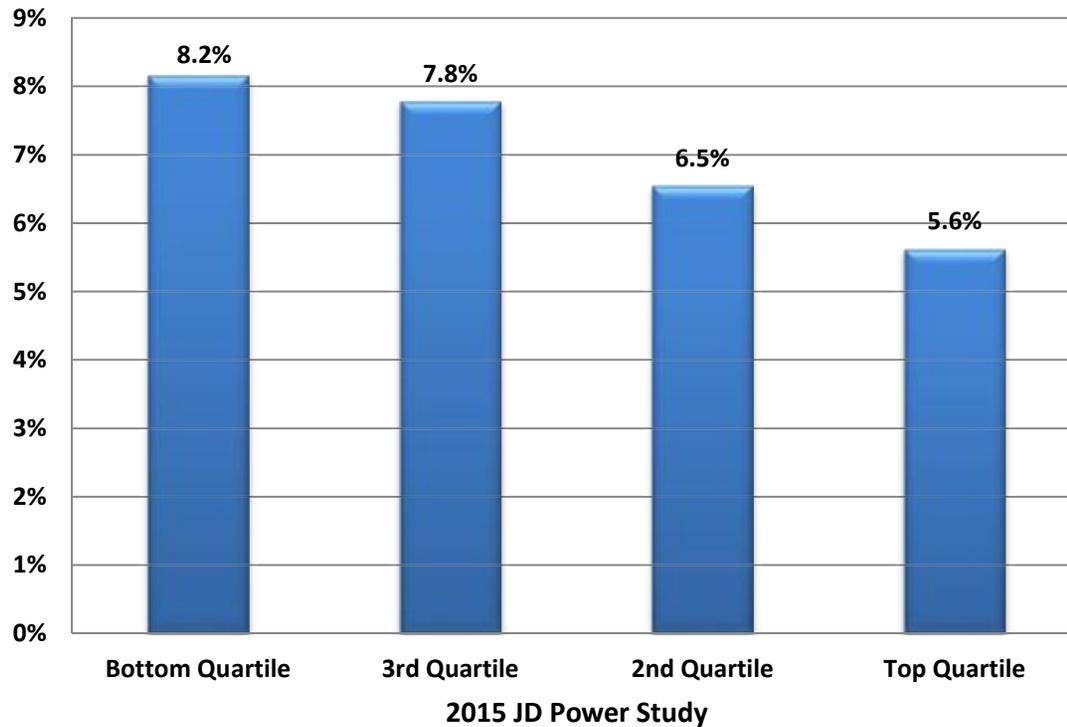
## Utility Industry Quartiles based on Overall Customer Satisfaction

**Higher levels of customer satisfaction one year prior to a rate case lead to higher returns**



# JD Power Performance and Expenditures

**Customer Service Expenditures to Overall O&M**



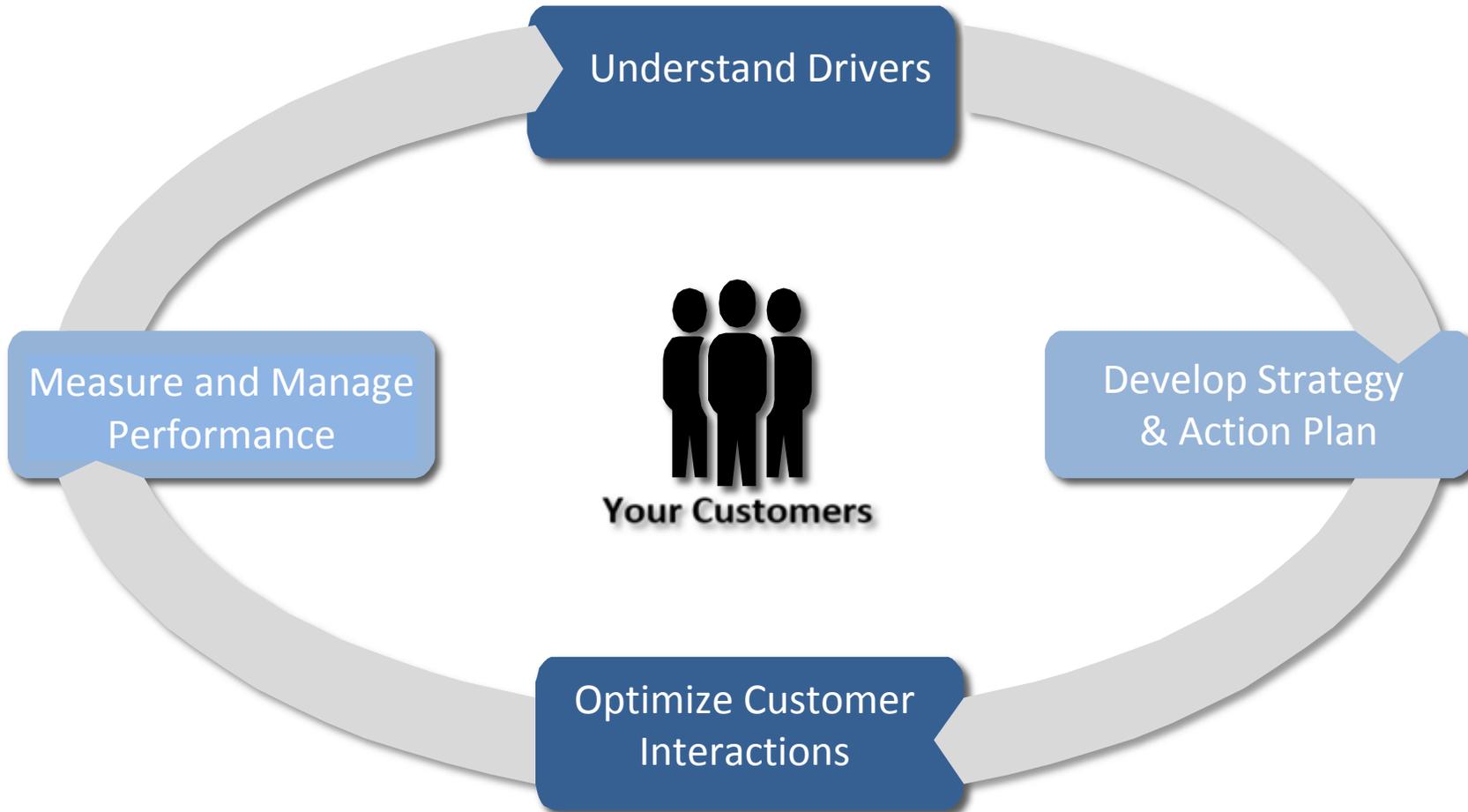
Top Quartile Utilities are more efficient, spending less on customer service operations while simultaneously receiving top marks from their customers.

Consistent trend for 2010 - 2015, with spending increasing in recent year.

Key is right balance on expenditures that add value as opposed to unnecessary rework and programs.



# Voice of the Customer Model

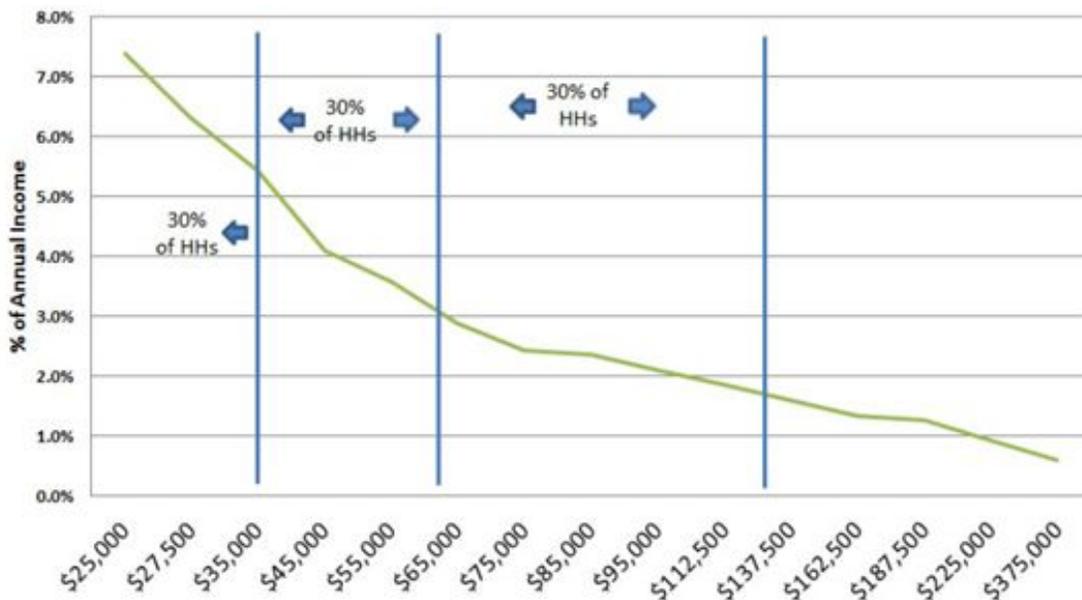




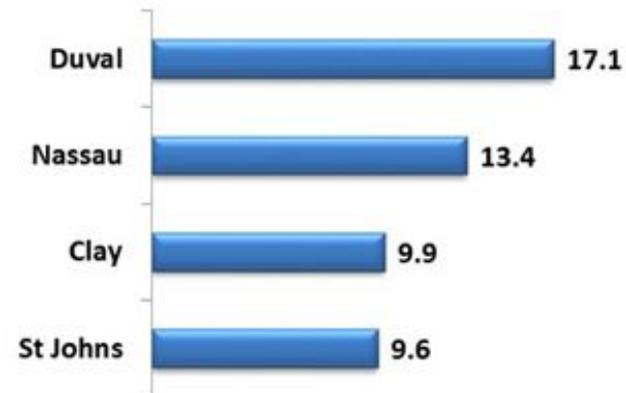
# JEA Customer Demographics

## Household Income vs. Utility Costs

Customer Reported Data from 2015 JDP Residential Survey



## 2013 % Poverty in JEA Served Counties



Census Data	Generations	Born	% in JEA's Customer Base	JD Power Scores
	<ul style="list-style-type: none"> <li>Mature/GI Gen</li> <li>Baby Boomers</li> <li>Gen X</li> <li>Gen Y / Millennials</li> </ul>	<ul style="list-style-type: none"> <li>1901-1945</li> <li>1946-1964</li> <li>1965-1980</li> <li>1981-2000</li> </ul>	<ul style="list-style-type: none"> <li>7.6%</li> <li>22.4%</li> <li>21.1%</li> <li>29.2%</li> </ul>	<ul style="list-style-type: none"> <li>725</li> <li>686</li> <li>683</li> <li>707</li> </ul>

# PREPARING FOR THE FUTURE CUSTOMER

## *Customer Values and Expectations*

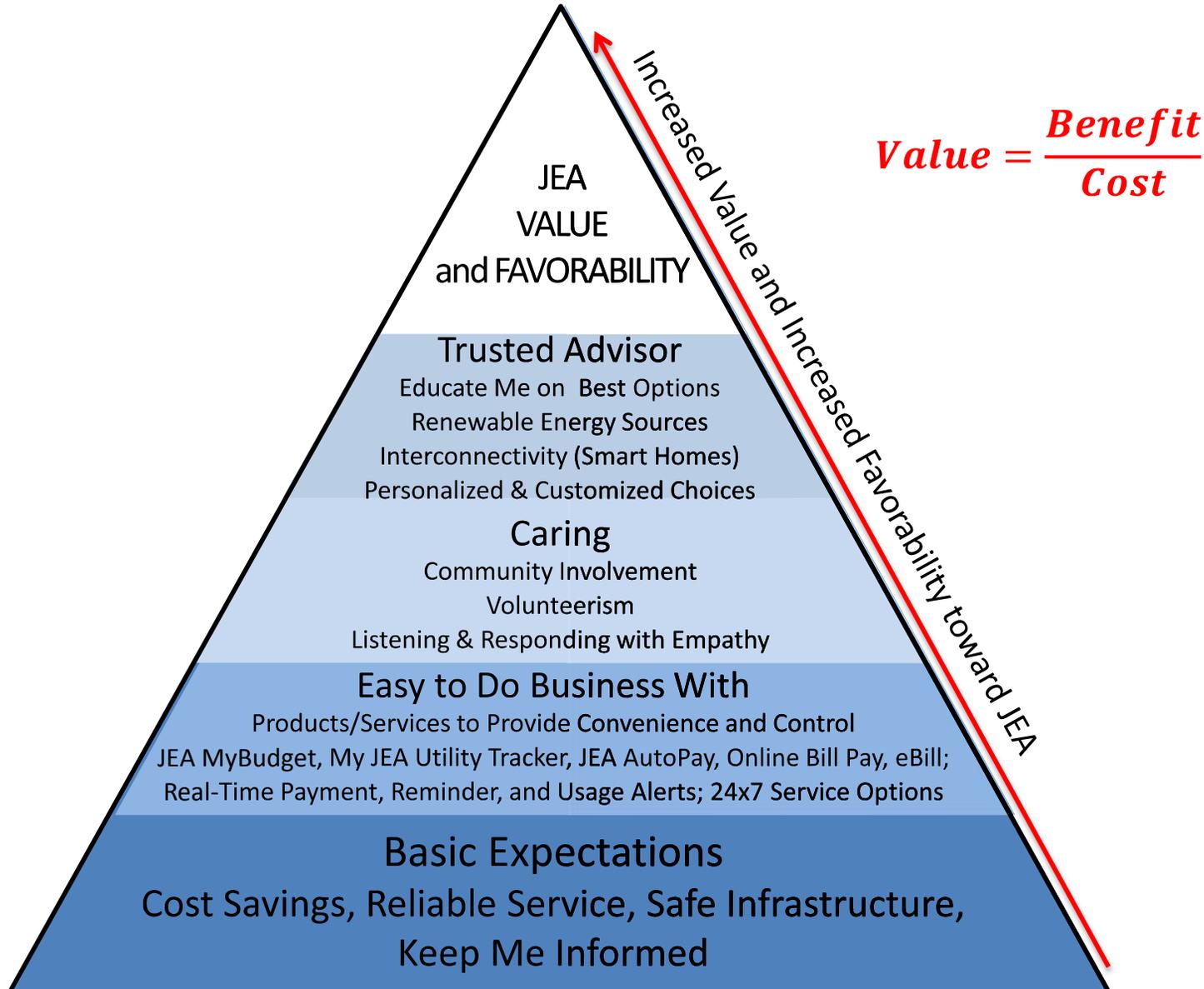


- **Millennials are driving the national market by creating service expectations for a digital, real-time, personalized experience.**
  - *Other generations are following*
- **Gartner estimates that 90% of customer service will happen through “Social Media” by 2020.**

- **Customization:** Customers are unique and have different needs. Their expectations for customized products and services are likely to continue, and even to increase.
- **Personalization:** Customers increasingly want to be treated as the people that they are, not just as account numbers.
- **Choice:** Customers want to have more control over their lives. Choices make customers feel more in control and therefore more satisfied.
- **Value:** The value proposition must be grounded in financially responsible practices and a fair, stable rate structure, for overall customer satisfaction to increase.
- **Environmental Sensitivity:** Customers demand that the companies they buy from are environmentally responsible.
- **Technology Enabled:** Customers want technological tools to help them.



# The Value Proposition





# Our Focus...

Our strategy to support our customers and the community fall into three Areas of Focus.

1. Be Easy to Do Business With
  - Eliminate Pain Points
  - Anywhere, Anytime Service
  - Personalized Interactions
2. Empower Customers to Make Informed Decisions
  - Choice in Service Offerings
  - Value for Price
  - Communicate to Engage and Educate
3. Demonstrate Community Responsibility
  - Environment & Efficiency
  - Volunteer & Ambassadors
  - Economic Development
  - Customer Assistance

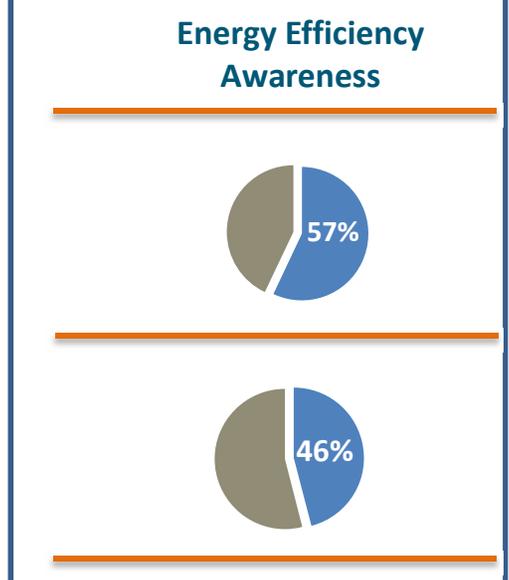
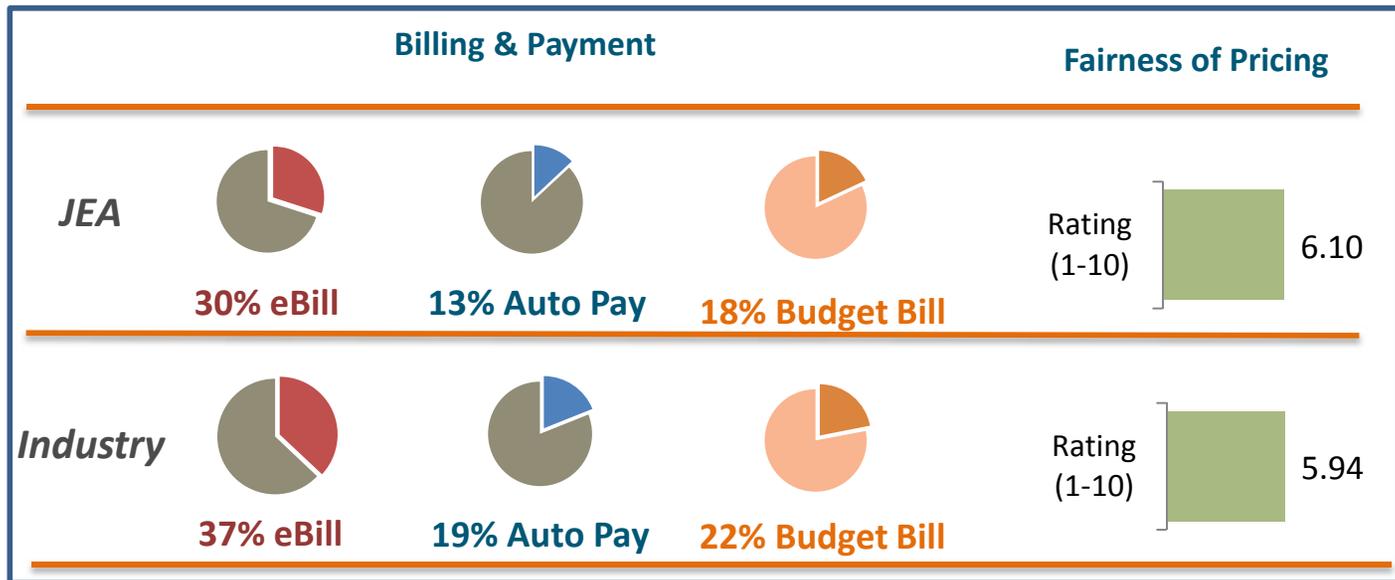
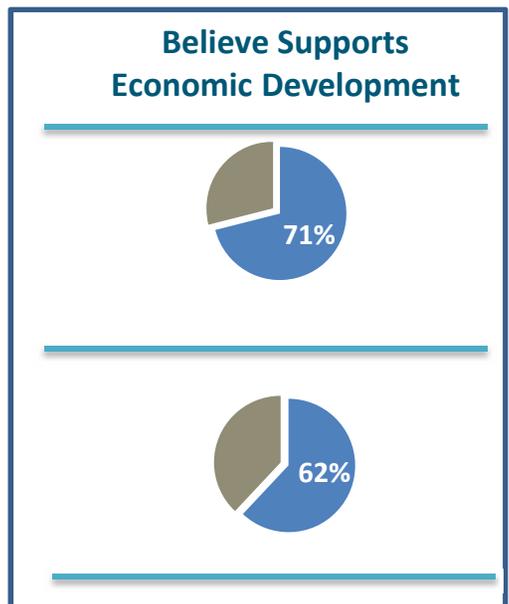
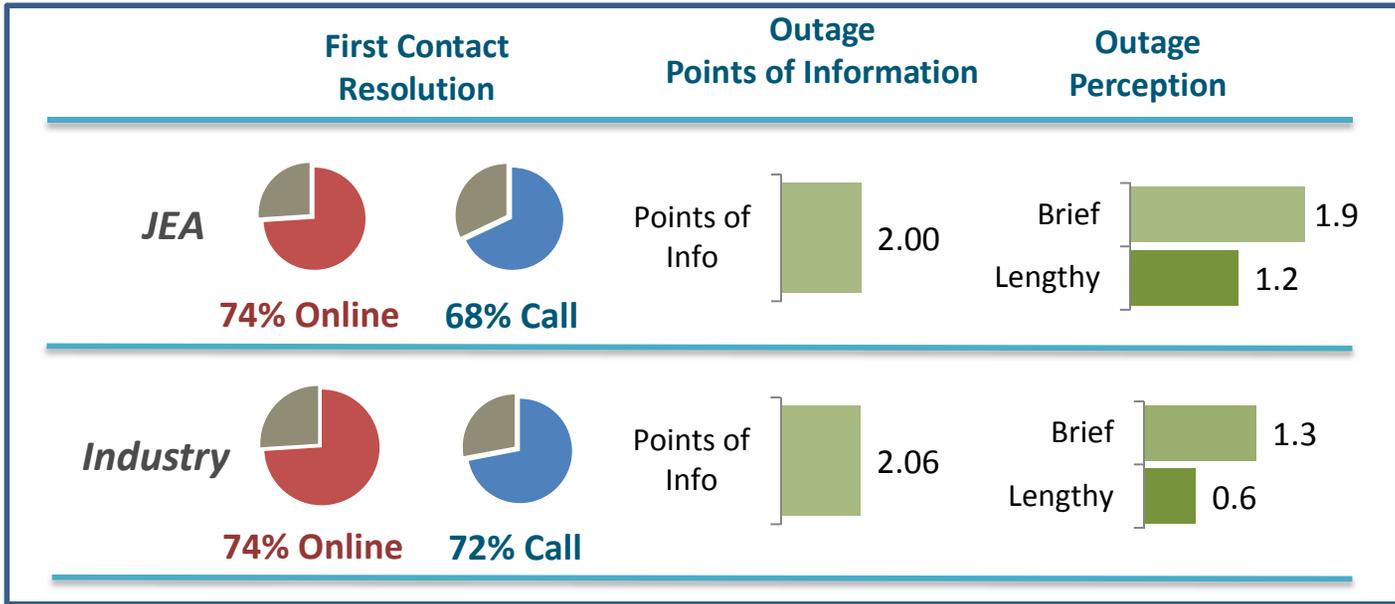


Report Out	Residential	Business
Wave 1:	Oct 2015	Sep 2015
Wave 2:	Jan 2016	Feb 2016
Wave 3:	Apr 2016	
Wave 4:	Jul 2016	



# Other Residential Indicators

## YTD Snapshot





**JEA**  
Building Community  
**AGENDA ITEM SUMMARY**

November 18, 2015

<b>SUBJECT:</b>	<b>ANNUAL FINANCIAL AND OPERATION REVIEW WITH THE RATING AGENCIES</b>
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<b>Purpose:</b>	<input checked="" type="checkbox"/> Information Only	<input type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
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**Issue:** On December 10 and 11, 2015 JEA's Senior Leadership Team, City of Jacksonville Mayor Lenny Curry, City Council President Greg Anderson, and a representative from JEA's Board of Directors will meet with the credit rating agencies in New York City.

**Significance:** The maintenance of its AA credit ratings provides JEA access to the debt capital markets at a reduced cost relative to lower rated municipal debt issuers.

**Effect:** See above

**Cost or Benefit:** According to the Public Financial Management (PFM) analysis updated September 2015, a downgrade in JEA's rating from AA to A would cost customers more than \$90 million over the next 10 years.

**Recommended Board action:** Provided for information only; no action is required by the Board.

**For additional information, contact:** Joe Orfano, Treasurer, 665-4541

Submitted by: PEM/MHD/JEO/OCD



**MISSION**  
Energizing our community through high-value energy and water solutions.

**VISION**  
JEA is a premier service provider, valued asset and vital partner in advancing our community.

**VALUES**  
• Safety  
• Service  
• Growth  
• Accountability  
• Integrity

**Commitments to Action**

- 1 Earn Customer Loyalty
- 2 Deliver Business Excellence
- 3 Develop an Unbeatable Team

## Annual Financial and Operational Review with the Rating Agencies

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November 30, 2015



## Rating Agency Meeting Objectives

- JEA meets with each of the three credit rating agencies, Moody's, Standard & Poor's, and Fitch, in December of each year
- Timing of the meeting coincides with the release of JEA's audited financial statements
  - Audit completion expected the first week of December
  - Meetings scheduled for December 10 – 11 in New York
- The meetings provide an opportunity for the rating agency analysts to meet with JEA's Leadership team, the Mayor or his designee, the City Council president, and representative from JEA's Board of Directors
- The primary focus of the meeting is to update the analysts on financial health, operations, current events, and governance



# Review of Forecast 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.

## Value of JEA's Credit Rating

- Public Financial Management, JEA's independent financial advisor, prepared an analysis of the value of JEA's credit rating to the utility
- JEA frequently accesses the capital markets to refinance debt, procure credit facilities, and through the continuous remarketing of its variable rate debt instruments
- According to PFM's analysis updated September 2015, a downgrade in JEA's rating from AA to A would cost customers more than \$90 million over the next 10 years
- Value of rating is substantially greater if JEA is forced to borrow to fund its compliance requirements with the Clean Power Plan



# Agenda for Meetings

