

BOARD MEETING PACKAGE

June 19, 2018



BOARD MEETING AGENDA ITEMS

For the JEA Board of Directors Meeting
Tuesday, June 19, 2018
1:00 PM
19th Floor, JEA Tower

Melissa Charleroy
Executive Assistant to the
CEO & Board of Directors
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JEA BOARD MEETING AGENDA

June 19, 2018 • 1:00 p.m.

21 W. Church Street, 19th Floor



I. WELCOME	
A.	Call to Order
B.	Time of Reflection
C.	Pledge to Flag
D.	Adoption of the Agenda – Action
E.	Safety Briefing – Aaron Zahn, Interim Managing Director/CEO
F.	Sunshine Law/Public Records Statement – Jody Brooks, Vice President & Chief Legal Officer

II. COMMENTS / PRESENTATIONS		
Item(s)		Speaker/Title
A.	Comments from the Public	Public
B.	Council Liaison's Comments	Council Member Matt Schellenberg
C.	Office of the Mayor Liaison's Comments	Dr. Johnny Gaffney
D.	Arbor Day	Kim Wheeler, Manager, T&D Preventative Maintenance and Joe Anderson, Forester

III. OPERATIONS (DISCUSSION / ACTION)			
Definition: The "Operations" section of the Board Meeting is for business matters requiring Board discussion and action.			
Item(s)		Speaker/Title	Discussion Action/Information
A.	Consent Agenda – The Consent Agenda consists of agenda items that require Board approval but are routine in nature, or have been discussed in previous public meetings of the Board. The Consent Agenda items require no explanation, discussion or presentation, and are approved by one motion and vote.		
	Consent Agenda Reference Material (Provided in Appendices)		
	Appendix A:	Board Meeting Minutes May 15, 2018	Action
	Appendix B:	Monthly Financial Statements	Information
	Appendix C:	Monthly FY18 Communications & Engagement Calendar and Plan Update	Information
B.	Monthly Operational & Financial Review		Melissa Dykes, President/COO and Ryan Wannemacher, CFO Information
C.	Proposed FY2019 Operating and Capital Budgets		Ryan Wannemacher, CFO Action
D.	Appointment of Wayne McGovern to Civil Service Board		Jody Brooks, VP & Chief Legal Officer Action
E.	St. Johns River Power Park Systems Employees' Retirement Plan – Amendment #2 to the Restated Plan Document <i>For action at the July 17, 2018 Board Meeting</i>		Angie Hiers, VP & CHRO Information
F.	Compliance Amendment to JEA 457 Deferred Compensation Plan Document <i>For action at the July 17, 2018 Board Meeting</i>		Angie Hiers, VP & CHRO Information

	G.	Electric System - Ten Year Site Plan	Steve McNall, Director, Electric Production Resource Planning	Information
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IV. STRATEGY (DISCUSSION ONLY)				
Definition: The “Strategy” section of the Board Meeting is <u>only</u> for discussion & feedback to management on strategic initiatives of and for JEA.				
Item(s)			Speaker/Title	
A.	Shareholder Framework		Aaron Zahn, Interim Managing Director/CEO	
B.	Governance - Delegation of Authority		Aaron Zahn, Interim Managing Director/CEO	
C.	Transition Update		Aaron Zahn, Interim Managing Director/CEO	
D.	Southside Capital Allocation		Aaron Zahn, Interim Managing Director/CEO	

V. SUBJECT MATTER EXPLORATION (OPPORTUNITIES & RISKS – PRESENTATION)				
Definition: The “Subject Matter Exploration” section of the Board Meeting will be used to brief the Board Members on market, environment, business or other generally important matters. Staff and/or 3 rd party experts will provide presentations on a specific subject and the Board will be afforded an opportunity for Q&A at the end.				
Item(s)			Speaker/Title	
A.	JEA Hurricane Readiness & Communication		Melissa Dykes, President/COO Ed Dendor, Director, Emergency Preparedness & Business Continuity	

VII. OTHER BUSINESS				
Item(s)			Speaker/Title	
A.	Old Business			
B.	Other New Business			
C.	Open Discussion			
D.	Interim Managing Director/CEO’s Report		Aaron Zahn, Interim Managing Director/CEO	
E.	Chair’s Report		Alan Howard, Board Chair	

VIII. CLOSING CONSIDERATIONS				
Item(s)				
A.	Announcements – Next Board Meeting July 17, 2018			
B.	Adjournment			

Board Calendar

Board Meetings: 12:00 p.m. – Third Tuesday of Every Month (exception(s): December 11, 2018)

Committees: Finance & Audit Committee: August 13, 2018

Compensation Committee: TBD

Government Affairs Committee: TBD

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.

I. F.

Sunshine Law/Public Records Statement

Florida's Government in the Sunshine Law Office of General Counsel

This meeting is being held in compliance with Florida's Government in the Sunshine Law, §286.011, Florida Statutes, and shall be open to the public at all times. Official acts of the JEA Board may be conducted at this meeting that will be considered binding on the JEA. Reasonable notice has been provided and minutes of this meeting shall be taken and promptly recorded.

II. D.

Arbor Day



Building Community

AGENDA ITEM SUMMARY

H. D.
06/19/2018

June 6, 2018

SUBJECT:	ARBOR DAY
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Purpose:☒ Information Only☐ Action Required☐ Advice/Direction

Issue: The Arbor Day Foundation sponsors the Tree Line USA program, which recognizes that customers around the country depend on safe, reliable electric service while protecting and enhancing the urban forests. The program consists of five core standards including quality tree care, annual worker training, tree planting and public education, tree-based energy conservation programs and an Arbor Day celebration.

Significance: The Tree Line USA program exists to recognize best practices in public and private utility arboriculture, demonstrating how trees and utilities can co-exist for the benefit of communities and citizens. Each year since 2012, JEA has been recognized by the International Society of Arboriculture as a Tree Line USA utility for its work in our community.

Effect: Our customers benefit from healthier and more abundant community forests; reduced tree mortality; increased reliability of service as properly maintained trees result in fewer downed power lines; reduced energy costs through strategically planted trees for energy conservation and reduced heat as a result of more shaded pavement.

Cost or Benefit: JEA's Vegetation Management team provides invaluable assistance in the reduction of downed power lines, while maintaining a positive relationship with the community by ensuring the proper amount of vegetation is retained. JEA is also involved in the community through Arbor Day celebrations and provision of new trees to the community.

Recommended Board action: This item is provided for information only.

For additional information, contact: Kim Wheeler, 904-665-6355

Submitted by: AFZ/MJB/MHD/KMW



Commitments to Action

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



TREE LINE USA®

www.arborday.org/programs/TreeLineUSA/

Arbor Day Foundation + National Association of State Foresters

Tree Line USA- Core Standards

- *Quality Tree Care*
- *Worker Training*
- *Tree Planting and Public Education*
- *Tree-Based Energy Conservation Program*
- *Arbor Day Celebration*



I just wanted to write a note thanking JEA for the great response to my tree trimming query (below). Forester Scott Souder made his visit today and he took the time to explain his assessment of our large holly tree in detail. He explained that JEA did some trimming of the tree last year, that there is no immediate power hazard situation with the tree right now, and that it will come up again in the regular trimming cycle which takes place over 2.5 years. He also gave detailed specific recommendations for what trimming we should consider doing on our own to maximize the life and appearance of the tree and to try to minimize the possibility of it falling over onto the nearby power pole and lines in the future.

Not only was his response to my request very prompt, but he was very generous with his time in answering all my questions. So I just wanted to let his unit and/or his supervisor know about the great customer service he provided for me today—thanks!

Joana Owens

Joe, now that the storm is behind us, I wanted to catch up with the good people that provided Jacksonville with extraordinary service – like you. I was the guy in Ortega with the very tall dead pine tree in the Ortega Blvd. right of way near a power pole intersection (see attached photo). You, JEA and an tree company took it down two days before the storm, and saved a good part of Ortega, and maybe my house. Then you went the distance and ground the stump.

I just want to give you my very sincere thank you for your decisive action to remove the tree to serve our community and JEA. Yours Truly,

Hans Tangler III

Scott, You came today and got that dead broken limb off my line. And I am very grateful ..That was very fast service because I only called yesterday. You don't have to call me back...I am very thankful. Have a blessed day. --

Ruth (Kella Dr.)

I want to compliment Joe. I called for a streetlight and distribution line trim. I want to thank him for his quick response and for the time he took to answer my questions in a way that I understood. It's not often that a representative will respond that fast and take that much time with a customer. Thank

You Joe!! -- *Ms. Bouvens*

The tree crews on my road are doing a great job. At first I was nervous when I saw the tree trimmers coming but the crew leader, Mr. Phipps, was wonderful to talk to! I appreciate how he listened to my concerns. Thank You to the crew for the **beautiful** job they did!! They were able to work with my concerns and get their job completed as well!! *Ms. Thompson* (Reggie Rd, Mandarin)

Worker Training



Tree Planting and Public Education

- Oak Park Villas
- Late Bloomer Garden Club
- Deutsche Bank at Drew Park
- Lakewood Community
- ISA Workshop
- JU Charter Day at Ed Austin Park
- HDR Foundation
- North Shore Neighborhood
- Arc Village
- West Jacksonville Outreach
- Indian Springs Neighborhood
- Walter Jones Park Rotary Club
- Panama Park
- Garden City Elementary Park

Planted over 600 trees



Arbor Day Celebration



*Celebrate Jacksonville's
Arbor Day @
Greenscape Tree Festival*

**FREE
ADMISSION**

**FREE
TREES!**

MARCH 24, 2018
9AM - 2PM
JACKSONVILLE FAIRGROUNDS

FAMILY FUN, FOOD, AND FREE TREES!
Children's arts & crafts and petting zoo
Continuous entertainment, including Smokey The Bear
Humane Society dog adoption
Specially selected vendors
And more!

JEA BUILDING COMMUNITY
[CSX]
4 the local station
The Florida Times-Union
jacksonville.com
GREENSCAPE
www.greenscapeofjacksonville.com
Arbor Day Foundation
BAKER FAMILY FUND
TRUGREEN

III. B.

Monthly Operational & Financial Review

Operations Update

as of May 31, 2018

Board of Directors

June 19, 2018

Safety Update



FY2017

- RIR = 2.0
- # of Recordables = 43
- May YTD Recordables = 30

FY2018

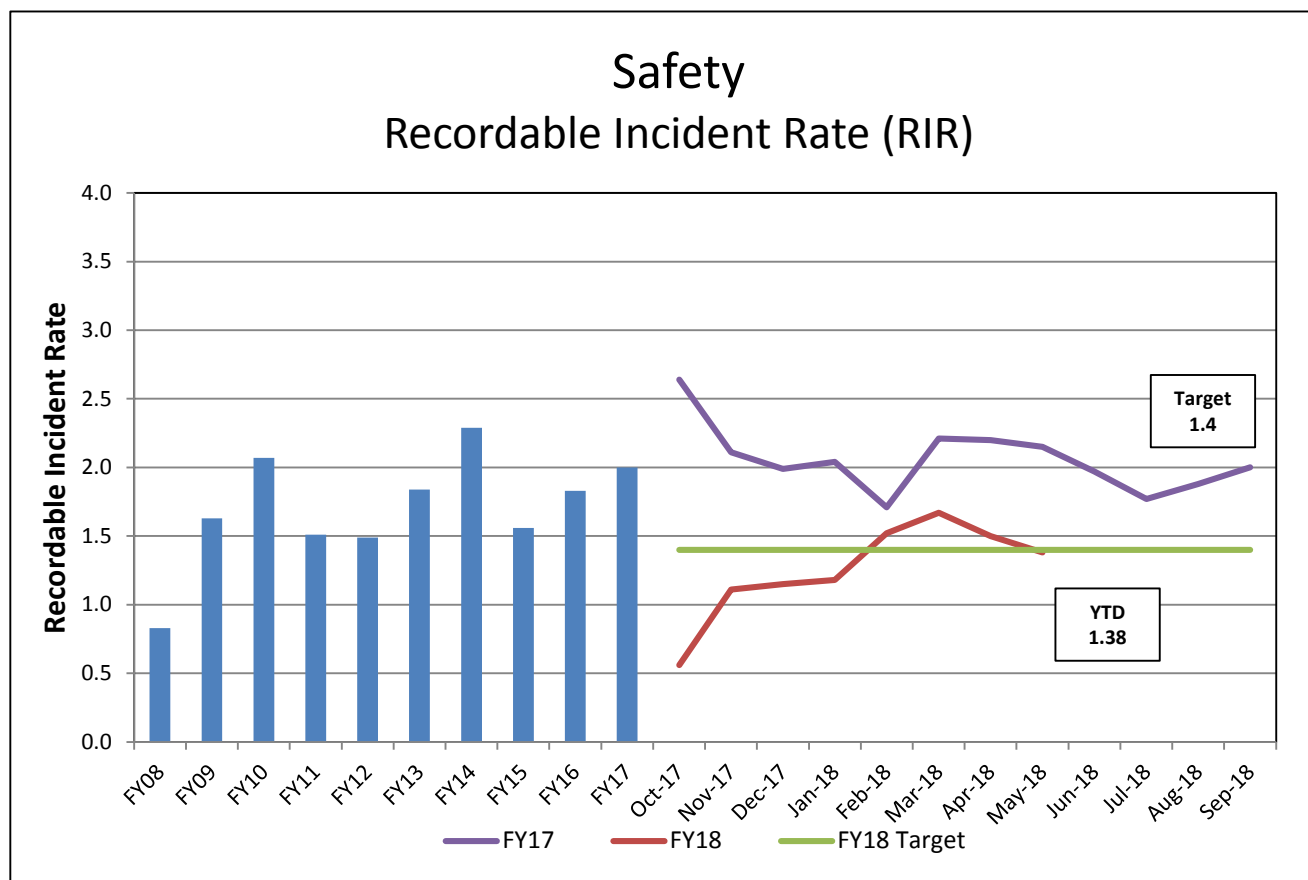
- May Recordables = 0
- FY18 YTD Recordables = 19
 - Customer Relationships = 2
 - Compliance = 1
 - Electric Systems = 9
 - Human Resources = 1
 - Public Affairs = 1
 - Water/Wastewater = 5
- Lost Time Incidents = 7
- Continuing to “Plan for Zero”
- Increased focus on:
 - Complacency
 - Hand/Finger
 - 0-5 Year Employees
 - PPE Use
 - Strains, Sprains, Slip/Trip/Fall
 - Repeat Occurrences

Industry Benchmark*

Average Municipal Utility RIR is 6.3

Average LPPC RIR is 3.7









Units	FY2018	FY2018 Target	FY2017	FY2016
RIR	1.38	1.4	2.0	1.82



Electric System Update



Electric Monthly Operations Scorecard

Electric System	FY2017	FY2018 Goal	FY2018 YTD	Status
JEA Safety RIR	2.0	1.40	1.38	
Sales Forecast (million MWh)	12.1	12.4	12.3	
T&D Grid Performance Customer Outage				
<i>Frequency (outages/year)</i>	1.6	1.8	1.6	
<i>Electric Outage Duration (minutes/year)</i>	99.5	80	86	
<i>Transmission Line Faults (# per 100 miles)</i>	1.9	2.5	2.2	
<i>CEMI₅ (% cust. > 5 outages/year)</i>	1.07	1.0	0.42	
Generating Plant Performance				
<i>Generation Fleet Reliability (forced outages rate)</i>	2.17	2.3	2.0	
<i>Environmental Compliance (permit exceedances)</i>	6	5	1	

Significant Occurrences or Concerns This Month

- Outage duration running high due to storms. JEA launched a new program this year aimed at reducing outage duration.
- The JEA fleet Forced Outage Rate has been running in line with prior 6-year performance.
- Started FY18 with a set of unit issues in October. November through May have been much better.



Electric System: Financial Results and Cost Metrics

(\$ in thousands)

Revenues	FY18 Forecast	FY17 Actual	FY18 Budget	FY18 vs FY17 (%)	Variance (%)
Fuel Revenue	\$396,967	\$394,188 ¹	\$397,761	\$2,779	0.7%
Base Revenue	773,922	750,330 ¹	772,652	23,592	3.1%
Other Revenue	36,637	45,938	39,650	(9,301)	(20.2%)
Total Revenues	\$1,207,526	\$1,190,456	\$1,210,063	\$17,070	1.4%
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Select Expenses					
Fuel Expense	\$448,924	\$442,588	\$430,561	(\$6,336)	(1.4%)
Fuel Fund Transfers	(51,957)	(48,400)	(32,800)	3,557	
O & M Expense	217,059	199,470	228,801	(17,589)	(8.8%)
Non-fuel Purchased Power	125,723 ⁴	76,260	85,372	(49,463)	(64.9%)
Net Revenues	\$455,142	\$517,074	\$492,947	(\$61,932)	(12.0%)
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Capital Expenditures	\$200,122 ³	\$134,782	\$205,195 ²	(\$65,340)	(48.5%)
Debt Service	\$199,212	\$204,477	\$204,971	\$5,265	2.6%

Electric Costs/MWh	Non-Fuel
Target	\$56.88
Forecast	58.17
Difference	(\$1.29)

Fuel Fund	(\$ in millions)
Beginning Balance	\$131.72
Surplus/Defecit	(51.72)
Ending Balance	\$80.00

Financial Metrics	FY18 Forecast
Coverage:	2.3x
Days Liquidity/Cash:	316 / 217
Debt/Asset:	71%
Total Debt:	\$2.4B (\$326m lower)



¹ Includes rate change in December 2016

² Council approved limit for capital expenditures in FY18 is \$205 million

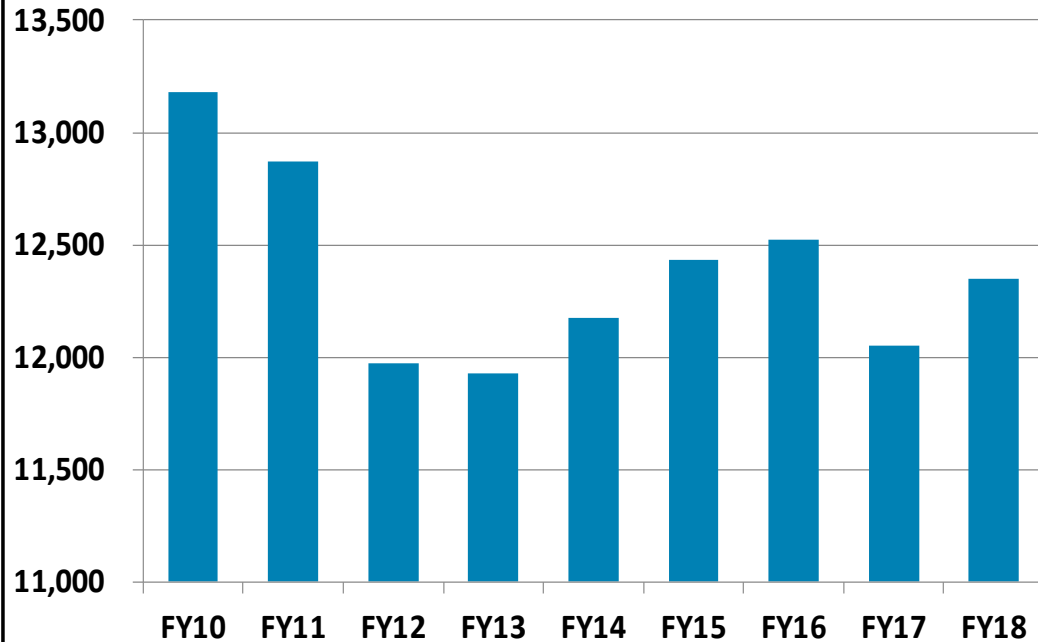
³ Includes \$18 million for Solar Land purchase

⁴ Includes \$40 million contribution to Rate Stabilization – Non-fuel Purchased Power for Plant Vogtle

Electric System: MWh Sales

MWh Sales

(in Thousands)



Month	FY18	FY17	%
Oct	1,065,925	951,426	12.0%
Nov	833,994	863,238	(3.4%)
Dec	989,619	905,219	9.3%
Jan	1,205,005	932,807	29.2%
Feb	733,718	759,141	(3.3%)
Mar	889,143	914,242	(2.7%)
Apr	855,216	933,563	(8.4%)
May	1,050,255	1,084,832	(3.2%)
YTD	7,622,874	7,344,468	3.8%
Jun		1,094,475	
Jul		1,298,608	
Aug		1,260,217	
Sep		1,052,365	
Forecast/Total	12,346,114	12,050,133	

Unit Sales Driver: FY18 MWh increase due to a colder winter, evidenced by 20.8% increase in Degree Days.



YTD Degree Days		
30-yr. Avg.	FY18	FY17
2,112	2,134	1,767

YTD Customer Accounts		
FY18	FY17	%
464,976	457,772	1.6%

Total System	3.8%
Residential	9.1%
Comm./Industrial	(0.05%)
Interruptible	7.4%
Wholesale (FPU)	(48.1%)

FY 2018 Performing Objectives

Electric Systems Reliability Metrics

T&D Grid Performance	Metric	FY2018	FY2018 Target	FY2017	FY2016
Customer Outage Frequency	# of Outages per Year	1.6	1.8	1.55	1.4
Electric Outage Duration	# of Minutes out per Year	86	80	99.5	71
Transmission Line Faults	# of Faults per 100 miles	2.2	2.5	1.9	0.7
CEMI ₅	% Customers > 5 outages per yr	0.42	1.0	1.07	1.4

Electric Service Reliability

- Outage frequency and duration have been reduced significantly over the last 8 years; running flat over last several years
- The typical JEA customer sees 1.6 outages per year and a total outage duration of about 86 minutes
- Improvement trend over past three years for CEMI₅. 1,989 (0.42%) of our customers have experienced more than 5 outages in the past 12 months

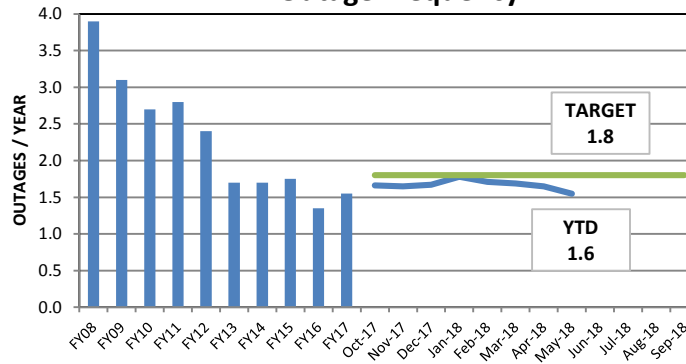
Transmission Line Reliability

- Overall downward trend over the last eight years
- FY18 (2.2) is better than target.

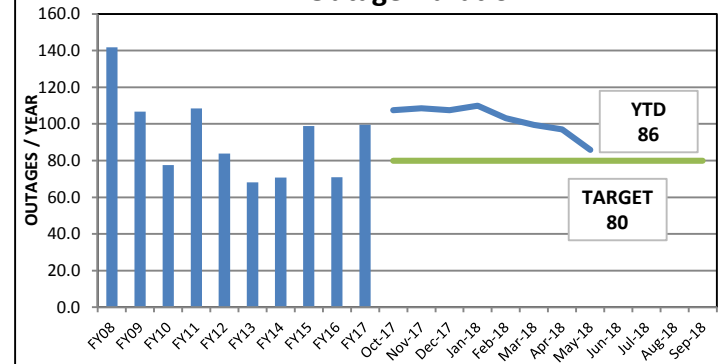
Other Operational Metrics

- Continue showing favorable trends over time

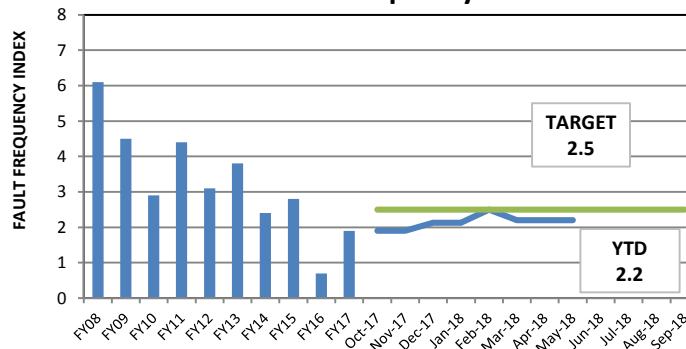
Electric Service Reliability Outage Frequency



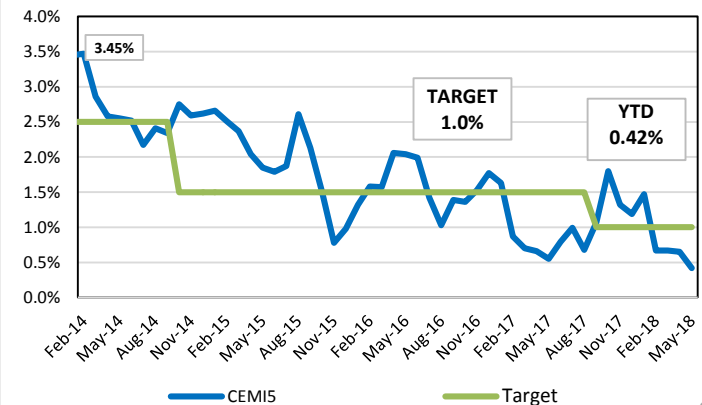
Electric Service Reliability Outage Duration



Transmission Line Reliability Fault Frequency



CEMI-5

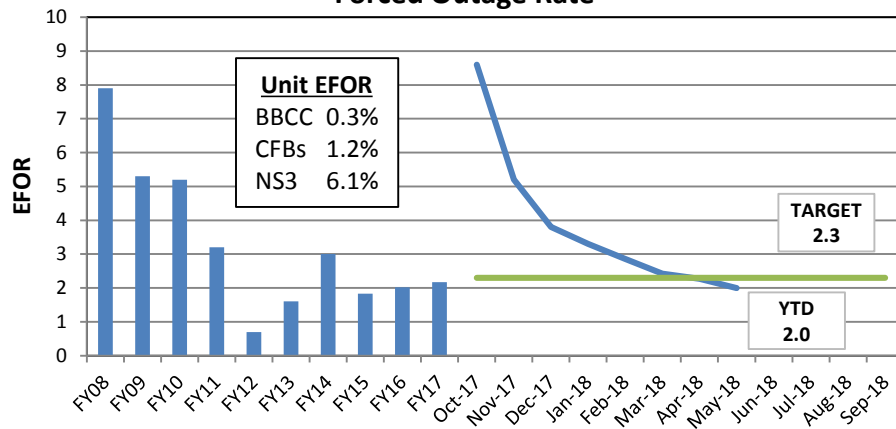


JEA FY 2018 Performing Objectives

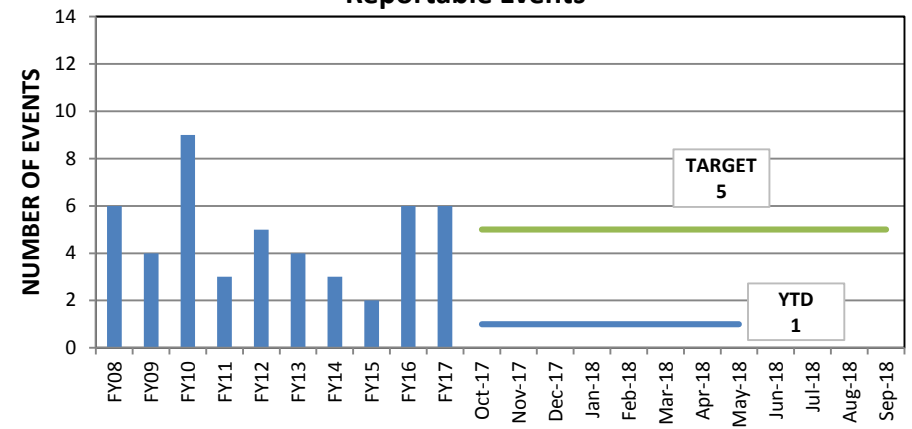
Electric Systems Reliability Metrics

Generating Plant Performance	Metric	FY2018 YTD	FY2018 Target	FY2017	FY2016
Generation Fleet Reliability	Forced Outages Rate	2.0	2.3	2.17	2.0
Environmental Compliance	Permit Exceedances	1	5	6	6

JEA Fleet Reliability
Forced Outage Rate



Environmental Compliance
Reportable Events



Generating Fleet Reliability

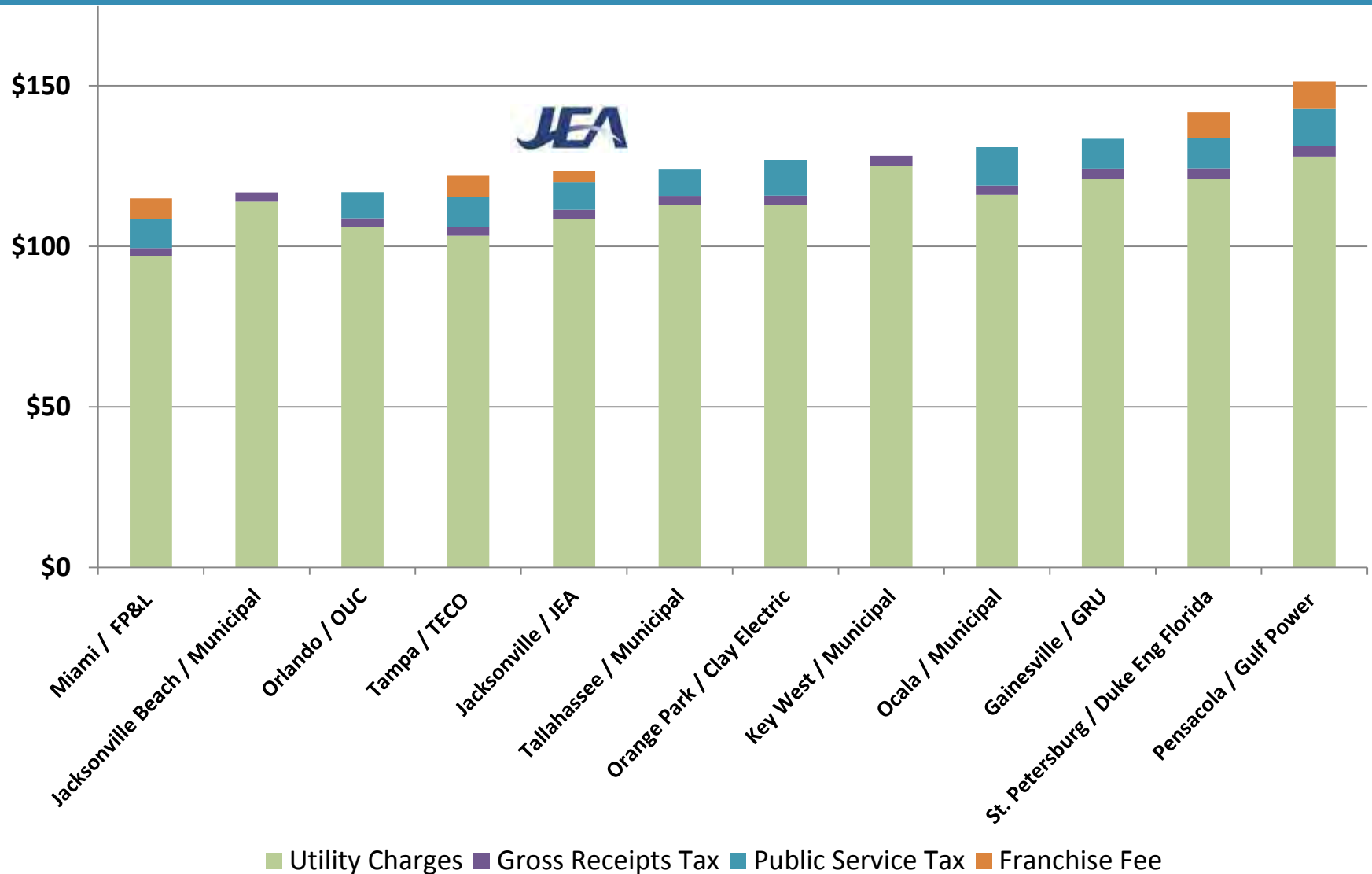
- The JEA fleet Forced Outage Rate has been running in line with prior 6-year performance and currently running slightly better than the FY2018 target.
- Started FY18 with a set of unit issues in October. Fleet performance during the subsequent months has been much better.
- High unit reliability contributes to lower fuel and non-fuel expenses.

Environmental Compliance

- Excellent environmental performance in prior years. No air permit exceedances occurred in FY16 or FY17.
- We experienced 1 reportable events at Northside thus far during FY2018.
- JEA remains actively engaged in and preparing for all new and emerging environmental regulations.

Florida Utilities Monthly Residential Electric Bill Comparison







(Consumption @ 1,000 kWh)
Residential Rates as of May 2018



Water/Wastewater Update



Water & Wastewater Monthly Operations Scorecard

Water & Wastewater	FY2017	FY2018 Goal	FY2018 YTD	Status
JEA Safety RIR	2.0	1.40	1.38	
Sales Forecast (kGals in 1000's)	37,245	37,615	38,254	
Water Unplanned Outages (# cust.)	4,893	9,000	3,556	
CUP Compliance	Yes	Yes	Yes	
Nitrogen to the River (tons)	556	550	418	
Sanitary Sewer Overflows (SSO's)	57*	30	13	

Significant Occurrences or Concerns This Month

- Zero (0) OSHA recordable safety incidents for JEA in the month of May
- Unplanned Water Main Outages: 3,556 customers well below target, event communication enhancements ongoing into FY18
- CUP: Average daily flow of 110 MGD was 18% below CY limit of 135 MGD; reclaimed usage at 16 MGD
- Nitrogen to River: 418 tons due to high flows in October, repairs at Buckman post-hurricane, and construction at Arlington East for a clarifier addition; JEA has a limit of 683 tons per year and provides the COJ with 37 tons
- SSO's Impacting Waters of the US: 17 YTD, root cause analysis is performed on each SSO

Water and Sewer System: Financial Results and Cost Metrics

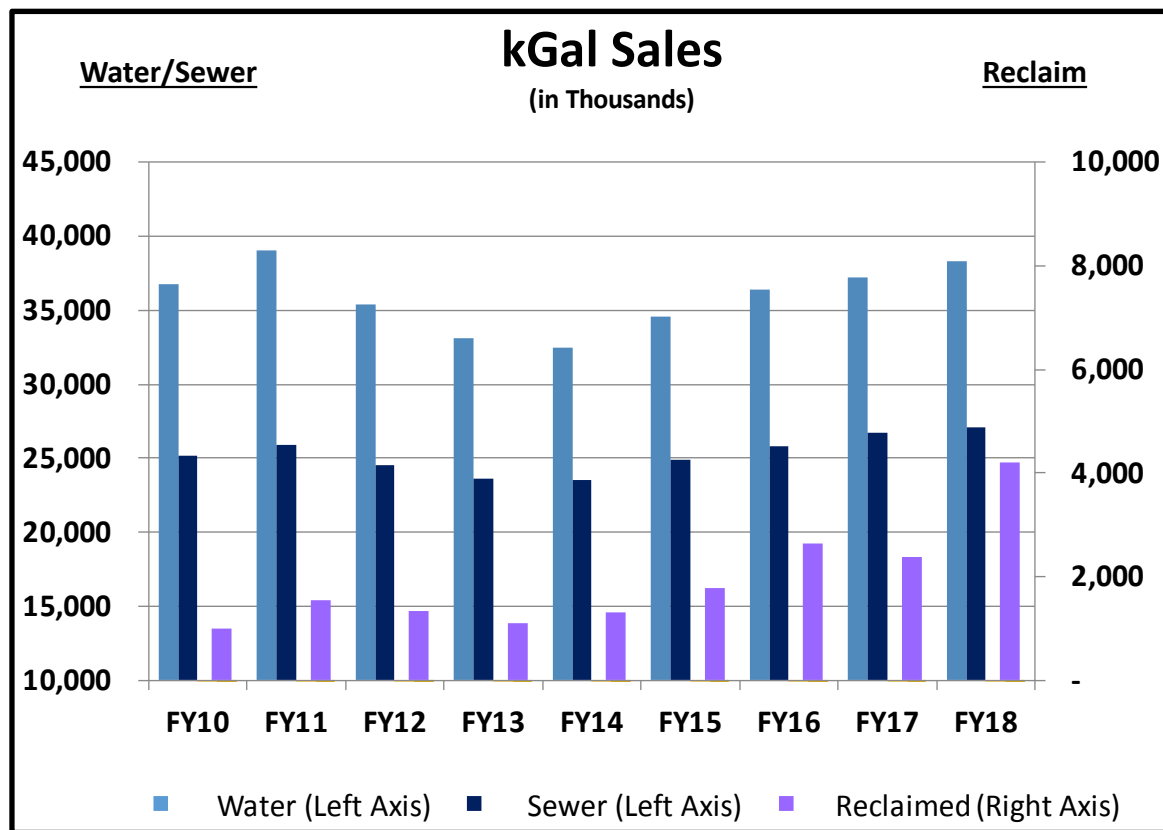
(\$ in thousands)

Revenues	FY18 Forecast	FY17 Actual	FY18 Budget	FY18 vs FY17 (\$)	Variance (%)
Water & Sewer Revenues	\$432,112	\$424,594	\$438,619	\$7,518	1.8%
Other Revenue	64,237	43,204	59,946	21,033	48.7%
Total Revenues	\$496,349	\$467,798	\$498,565	\$28,551	6.1%
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Select Expenses					
O&M Expense	\$147,826	\$139,447	\$154,316	(\$8,379)	(6.0%)
Net Revenues	\$347,914	\$337,469	\$342,030	\$10,445	3.1%
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Capital Expenditures	\$215,000	\$187,593	\$236,500 ¹	(\$27,407)	(14.6%)
Debt Service	\$112,757	\$112,791	\$116,948	\$34	0.0%

Cost/Kgal	Water	Sewer
Target	\$4.40	\$9.85
Forecast	4.51	9.86
Difference	(\$0.11)	(\$0.01)

Metrics	FY18 Forecast
Coverage:	3.1x
Days Liquidity/Cash:	584 / 489
Debt/Asset:	49%
Total Debt:	\$1.5B (\$74m lower)

Water and Sewer System: kGal Sales



Month	FY18	FY17	%
Oct	2,992	3,129	(4.4%)
Nov	3,037	3,068	(1.0%)
Dec	2,883	2,923	(1.4%)
Jan	2,790	2,768	0.8%
Feb	2,553	2,624	(2.7%)
Mar	3,191	3,168	0.7%
Apr	3,006	3,476	(13.5%)
May	3,270	3,736	(12.5%)
YTD	23,722	24,892	(4.7%)
Jun		2,833	
Jul		3,480	
Aug		3,043	
Sep		2,998	
Forecast/Total	38,254	37,246	

Unit Sales Driver: FY18 rain days up 20.0 days. Irrigation for May FY18 down 19.0% versus May FY17.

YTD Customer Accounts			
	FY18	FY17	%
Water	346,787	339,678	2.1%
Sewer	269,638	263,177	2.5%
Reclaimed	11,092	9,062	22.4%

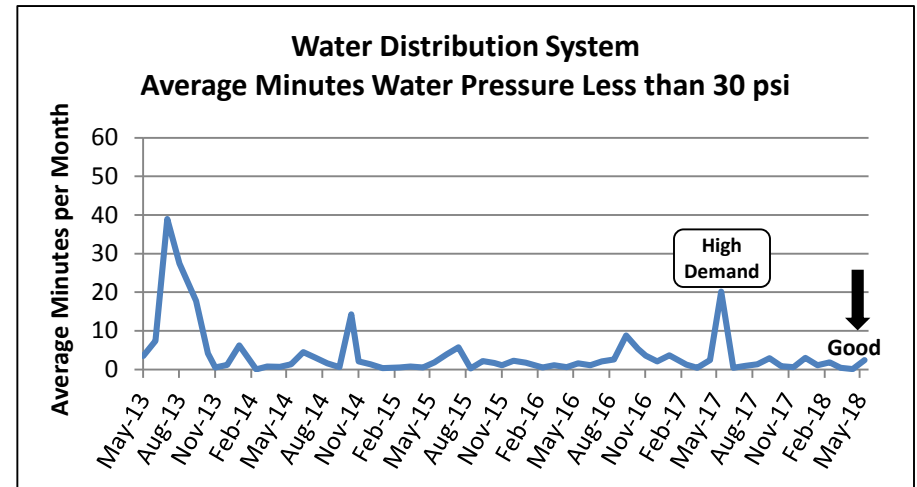
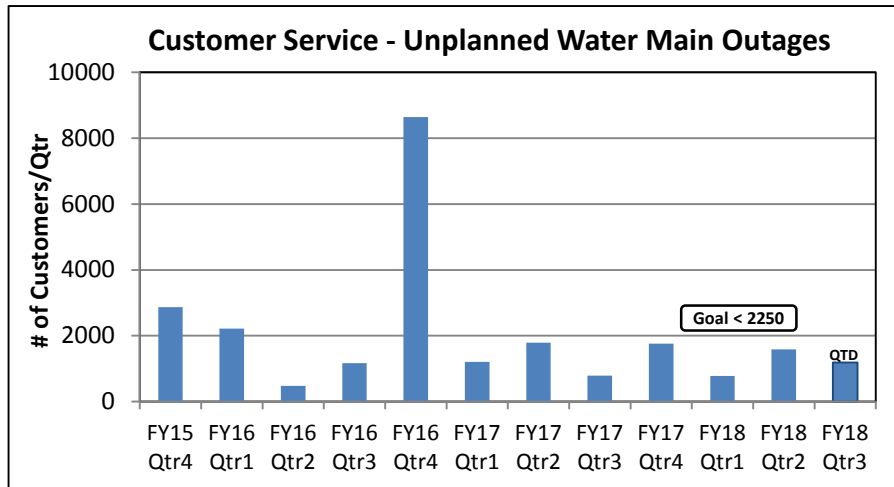
YTD Rainfall			
	30-Yr. Avg.	FY18	FY17
Inches	24.4	27.7	27.7
Days	58.6	61.0	41.0

Total System	(4.7%)
Residential	(5.9%)
Comm./Industrial	4.0%
Irrigation	(19.0%)

Customer Reliability

Water and Wastewater System

Water Grid Performance	Metric	FY2018	FY2018 Target	FY2017	FY2016
Water Main Outages	# of Customers per Year	3,556	9,000	4,893	12,735



Unplanned Water Outages

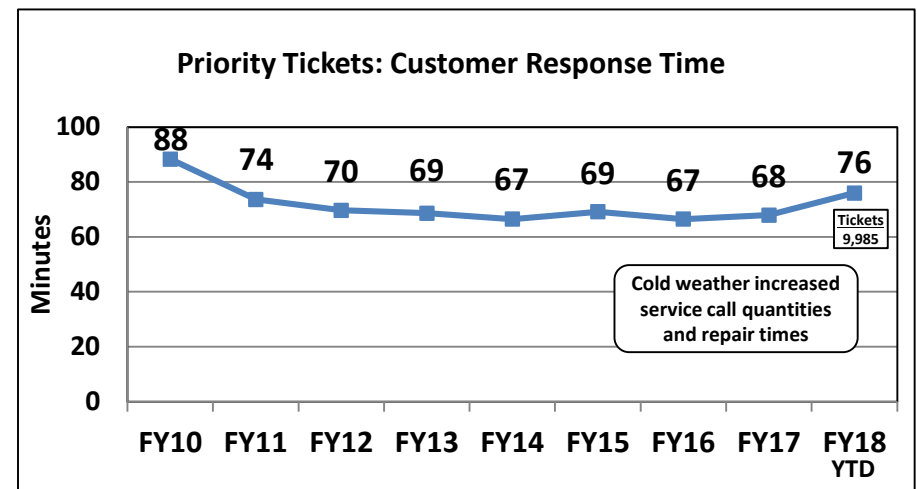
of Customers Affected by Unplanned Outages has increased due to 3rd Party Damages

Water Pressure (minutes per month < 30 psi)

Measured by 115 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

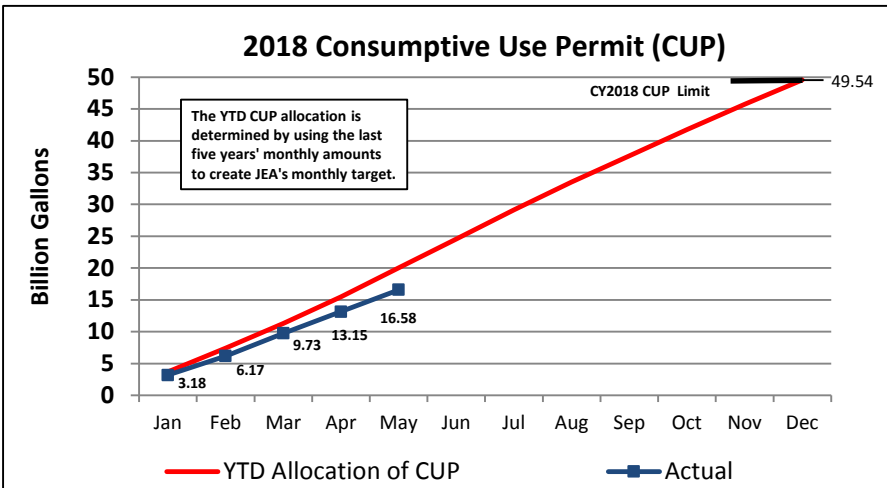
Average time from a customer call to the ticket completion or transfer to a field crew for a more extensive repair



Environmental Compliance

Water System – Consumptive Use Permit (CUP)

Compliance	Metric – CY Basis	CY2018	2018 Target	2017	2016	2015
Water	CUP Limits (MGD)	110	135 limit	114 (133 limit)	112 (131 limit)	107 (129 limit)
South Grid	Wellfield Allocation (MGD)	46.51	< 50.23 limit	48.62 (<50.23 limit)	52.95 (<50.23 limit)	47.50 (<50.23 limit)
Reclaim	Usage (MGD)	16	17	20	16	13



CUP Condition 44: South Grid Wellfield Allocation Limits

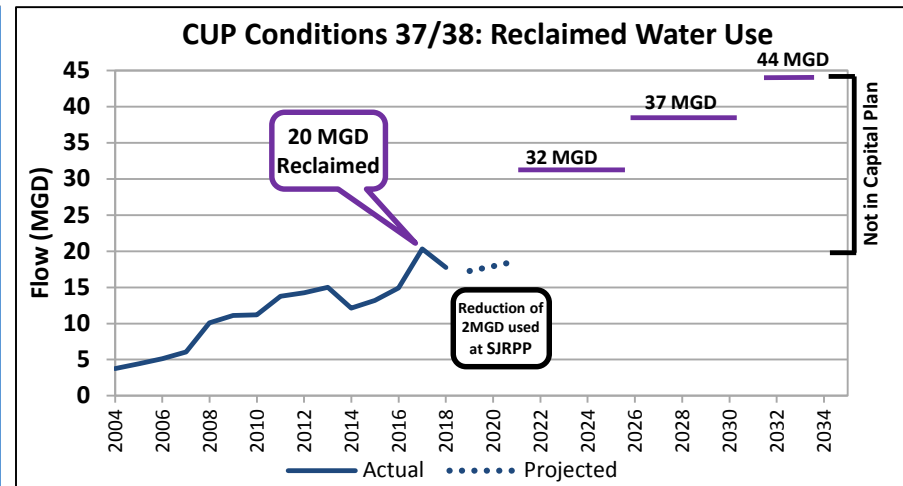
Actuals							Post Sep -14 Limit
Critical Wellfields	2013	2014	2015	2016	2017	CY 2018	
Deerwood III	6.96	7.01	6.67	7.88	7.64	7.21	7.00
Ridenour	5.97	6.39	6.66	7.64	6.68	6.08	6.85
Oakridge	8.78	6.23	4.99	5.79	5.49	6.45	5.65
Greenland		1.53	4.27	4.16	3.99	4.38	4.53
Brierwood	5.58	4.53	2.84	3.36	2.98	2.61	3.02
Subtotal	27.29	25.69	25.43	28.83	26.78	26.72	27.05
Other Wellfields	22.21	20.92	22.07	24.12	21.85	19.78	23.18
Total South Grid	49.50	46.61	47.50	52.95	48.62	46.51	50.23
Total System MGD	100	104	107	112	114	110	135

St. Johns River Water Management District CUP

Condition 12: YTD average daily flow is 18% below CY limit of 135 MGD

Condition 44: South Grid Wellfields are 7% below the base limit in CY18, and have annual operational flexibility of 20% above allocation limits.

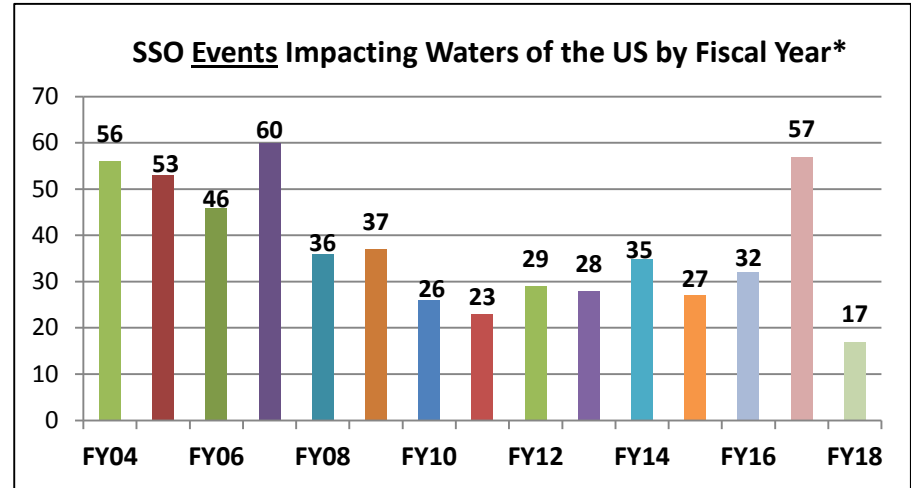
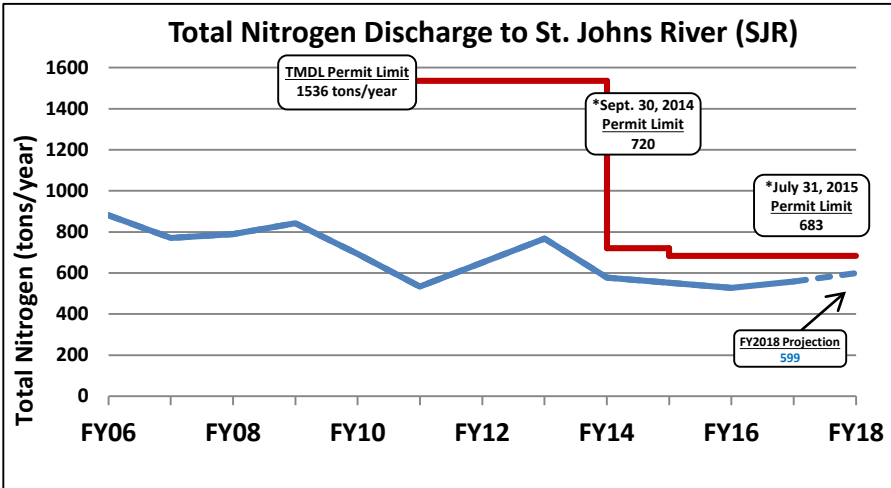
Conditions 37/38: Use of reclaimed water “to the maximum extent technologically, economically, and environmentally feasible”. The annual CUP limit continues to increase beginning in FY21 if 32 MGD is achieved.



Environmental Compliance

Wastewater System

Compliance	Metric	FY2018	FY2018 Target	FY2017	FY2016
Sewer	Nitrogen (N) Tons – FY basis	418	550	558 (TMDL of 683*)	527 (TMDL of 683*)
Sewer	SSOs – US Waters	17	30	57	32

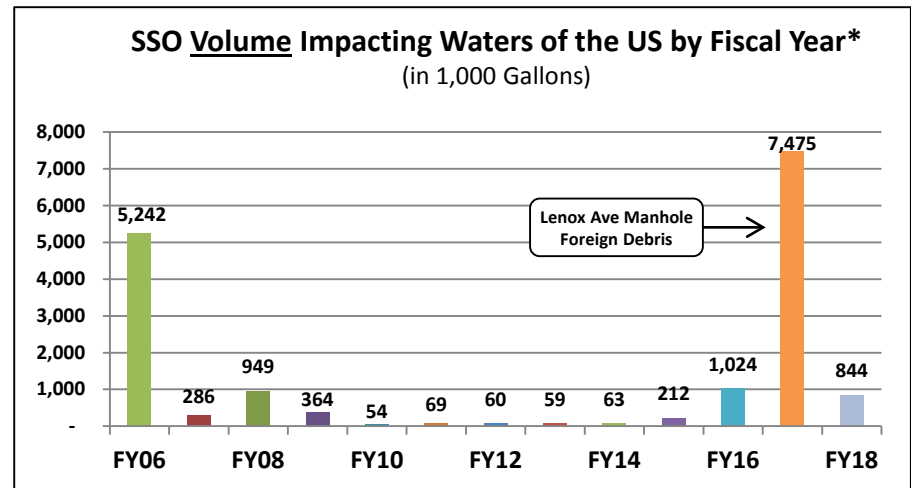


Nitrogen Discharge to St. Johns River

Florida Department of Environmental Protection (FDEP) has reduced the Total Maximum Daily Load (TMDL) to 683 tons with Water Quality Trading Credits allocated to the COJ. FY18 projection is 599 tons supported by treatment efficiency during warm weather periods.

Sanitary Sewer Overflows (SSOs to US Waters)

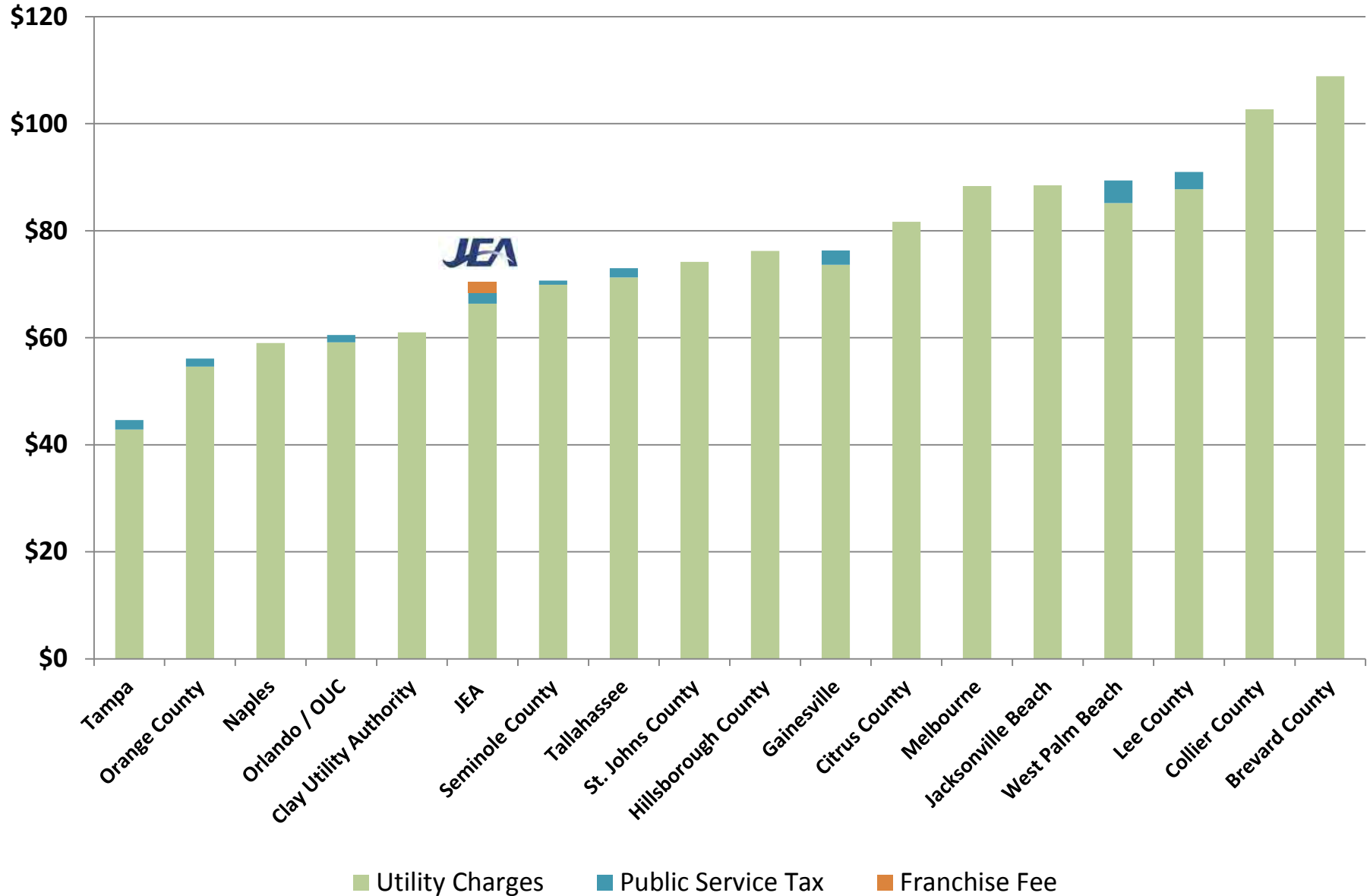
FY04 – FY07: 54 per year average, FY08-FY16: 30 per year average. Seventeen (17) SSO's impacting US Waters during FY18.



*Aligned with the PSC Rule for Electric Reliability Reporting, the Operational Metrics will exclude the impact of all service interruptions associated with a storm named by the National Hurricane Center.

Water & Sewer Rates in Florida

Residential Service with a 5/8" meter and 6 kgals of Consumption
Residential Rates as of May 2018



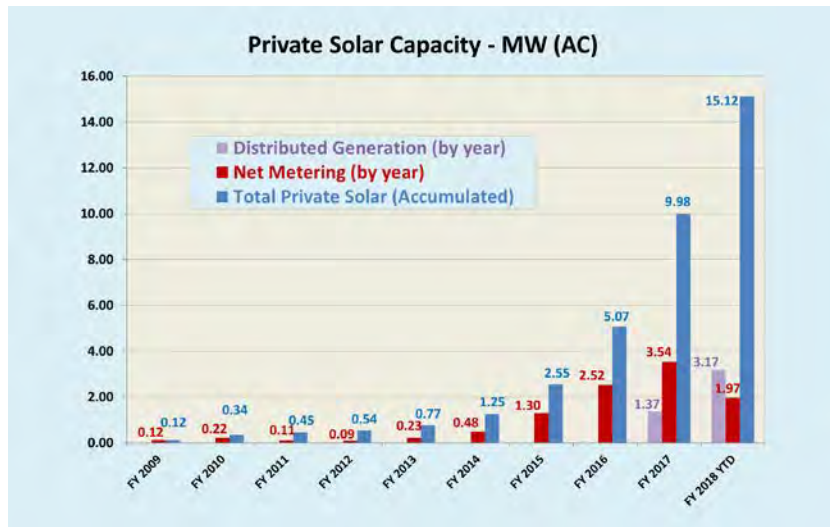
Customer Experience Update



Customer Experience Monthly Operations Scorecard

Customer Experience	FY2016	FY2017	FY2018 YTD	Status
JDP Customer Satisfaction Index - Residential	2 nd Q	1 st Q	2 nd Q	●
JDP Customer Satisfaction Index - Business	1 st Q	1 st Q	1 st Q	●
Overall First Contact Resolution Index	79.4%	79.4%	78.3%	●
Self Service Utilization	76.0%	78.5%	81.3%	●
Net Write-Offs	0.14%	0.15%	0.13%	●

Significant Occurrences or Concerns This Month



- Private solar capacity added in May was 1.44 MW. Total aggregate capacity is 15.12 MW.
- The annualized expense for the current 15.12 MW of installed private solar is \$977,000.
- All solar customers starting April 2018 are under the Distributed Generation Policy

FY18 Customer Satisfaction Goal

Achieve 1st Quartile Ranking for JD Power Customer Satisfaction Index for both Residential and Business Studies

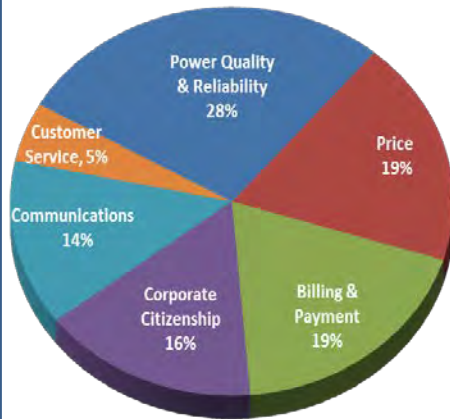
Residential (R)

FY16	FY17	Wave 1	Wave 2	Wave 3	Wave 4	FY18
2Q 703	1Q 747	1Q 753	2Q 736	2Q 730		2Q 740

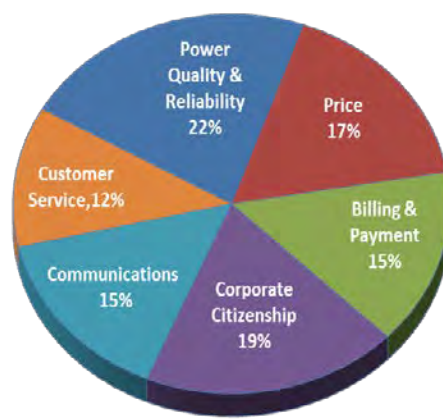
Business (B)

FY16	FY17	Wave 1	Wave 2	FY18
1Q 754	1Q 780	1Q 787	1Q 796	1Q 791

Residential



Business



FY18 Residential # of companies ranked: 139

FY18 Business # of companies ranked: 86

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

Achieve 1st Quartile Ranking on All Drivers

Be Easy to Do Business With

Customer Service

	FY17	Wave 1	Wave 2	Wave 3	Wave 4	FY18
R	1Q 800	1Q 824	3Q 761	2Q 790		2Q 789
B	1Q 829	3Q 790	1Q 839			2Q 813

Power Quality & Reliability

	FY17	Wave 1	Wave 2	Wave 3	Wave 4	FY18
R	1Q 792	2Q 781	2Q 784	2Q 786		2Q 784
B	1Q 816	1Q 823	2Q 810			2Q 816

Empower Customers to Make Informed Decisions

Billing & Payment

	FY17	Wave 1	Wave 2	Wave 3	Wave 4	FY18
R	1Q 807	1Q 807	2Q 796	2Q 790		2Q 798
B	2Q 803	1Q 830	1Q 830			1Q 830

Communication

	FY17	Wave 1	Wave 2	Wave 3	Wave 4	FY18
R	1Q 712	1Q 716	1Q 702	2Q 683		1Q 700
B	1Q 757	1Q 766	1Q 797			1Q 781

Price

	FY17	Wave 1	Wave 2	Wave 3	Wave 4	FY18
R	2Q 679	1Q 708	3Q 660	3Q 648		2Q 672
B	1Q 735	2Q 730	1Q 751			2Q 741

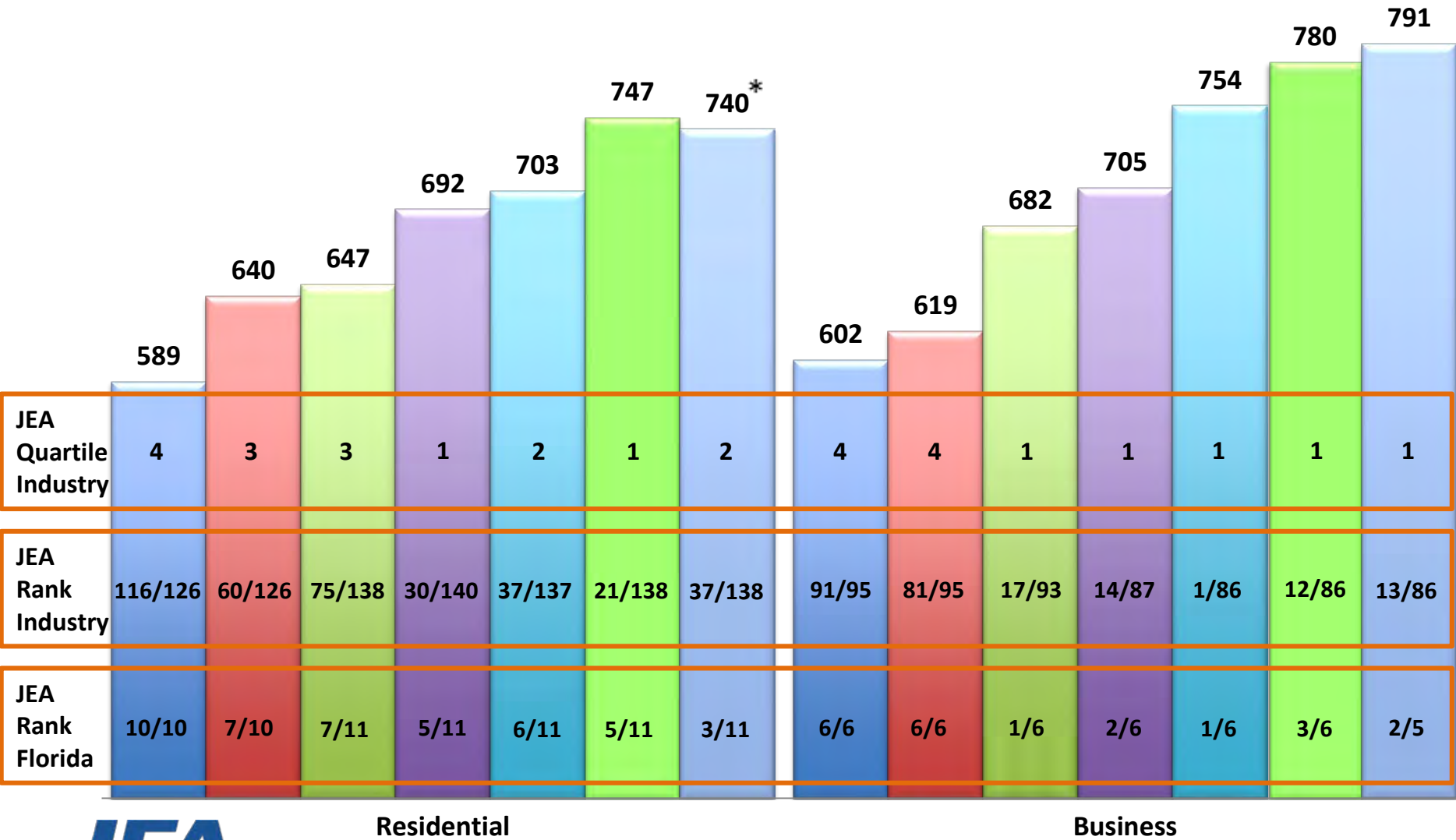
Demonstrate Community Responsibility

Corporate Citizenship

	FY17	Wave 1	Wave 2	Wave 3	Wave 4	FY18
R	1Q 685	1Q 700	1Q 694	2Q 681		1Q 692
B	1Q 748	1Q 762	1Q 762			1Q 762

Customer Satisfaction Index Scores

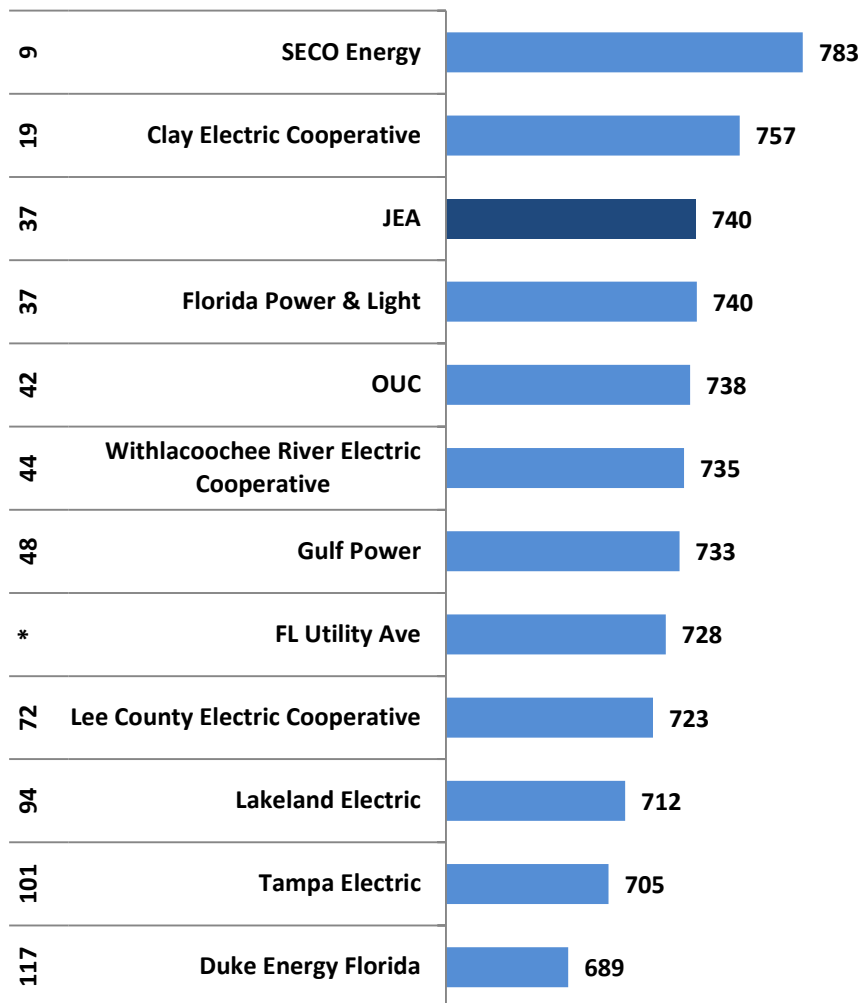
FY12 FY13 FY14 FY15 FY16 FY17 FY18



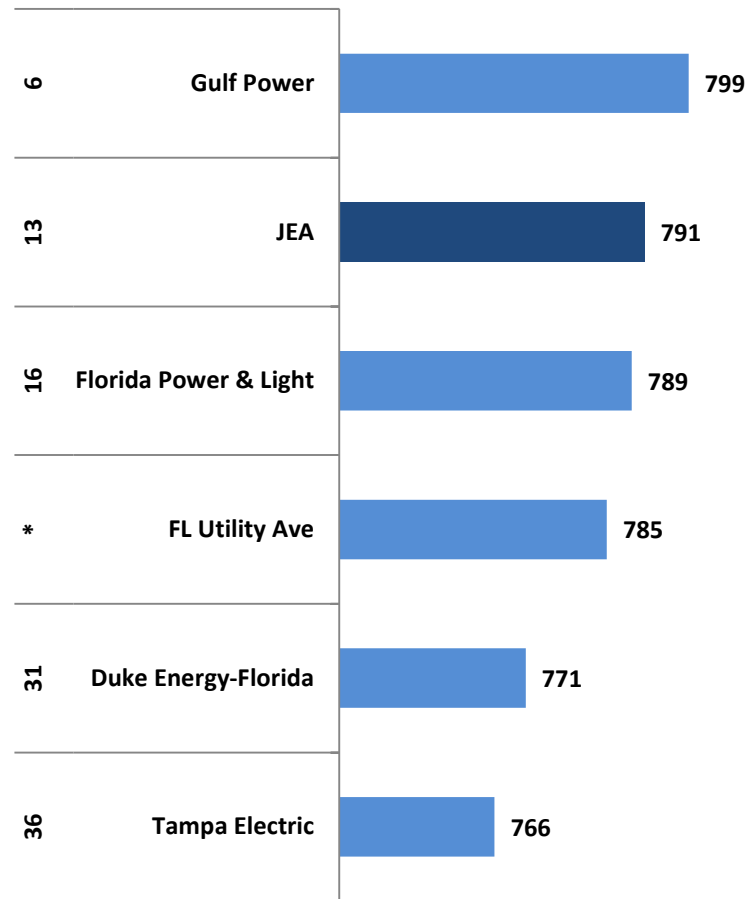
* FY18 Residential W3 YTD

Customer Satisfaction Index Scores – Florida Utilities

Residential FY18 YTD



Business FY18 Final



Financial Update



Key Financial Metrics

Electric System	Year-to-Date		FY2018 Full Year		Result
	FY2018	FY2017	Forecast	Target	
Debt Service Coverage	2.4x	2.5x	2.3x	≥ 2.2x	✓
Days Liquidity	310	340	316	150 to 250 days ¹	✓
Days Cash on Hand	211	236	217		✓
Debt to Asset %	74% ⁴	66%	71%	52% ²	✓

Water and Sewer System	Year-to-Date		FY2018 Full Year		Result
	FY2018	FY2017	Forecast	Target	
Debt Service Coverage	2.8x	2.9x	3.1x	≥ 1.8x	✓
Days Liquidity	586	643	584	150 to 250 days ¹	✓
Days Cash on Hand	490	541	489		✓
Debt to Asset %	51% ⁴	56%	49%	49% ³	✓



¹ Moody's Aa benchmark: 150 to 250 days










² Long-term target is 52.1%: per Moody's Sector In-Depth Report "Public Power Medians – Sound metrics signal stability as carbon challenges loom", Sept. 2017

³ Long-term target is 49%: calculated peer group from Moody's 214 Aa rated public water-sewer utilities, Dec. 2016











⁴ Revised ratio calculation and inclusion of SJRPP impairment

Financial Results and Cost Metrics

Electric System Metrics

	Rating Agency/ Perform. Goal	Forecast	Score
System Sales (GWh)	12,000	12,346	
Base Revenue Growth	0.5%	3.1%	
Debt Svc. Coverage	2.2x	2.3x	
Days Liquidity (Cash)	280 (180)	316 (217)	
Debt/Asset % ¹	71%	71%	
Non-Fuel/MWh	\$56.88	\$58.17	
Net Funded Debt Reduction	\$135m	\$157m	
Capital Expenditures	\$205m	\$200m	
Moody's/S&P/Fitch	Aa2/AA-/AA	Aa2/AA-/AA	

Water and Sewer Systems Metrics

	Rating Agency/ Perform. Goal	Forecast	Score
Water System Sales (kGals)	37,615	38,254	
Base Revenue Growth	1.5%	1.8%	
Debt Svc. Coverage	2.7x	3.1x	
Days Liquidity (Cash)	502 (404)	584 (489)	
Debt/Asset % ¹	49%	49%	
Water Cost/kgal	\$4.40	\$4.51	
Sewer Cost/kgal	\$9.85	\$9.86	
Net Funded Debt Reduction	\$50m	\$70m	
Capital Expenditures	\$215m	\$215m	
Moody's/S&P/Fitch	Aa2/AA/AA	Aa2/AAA/AA	

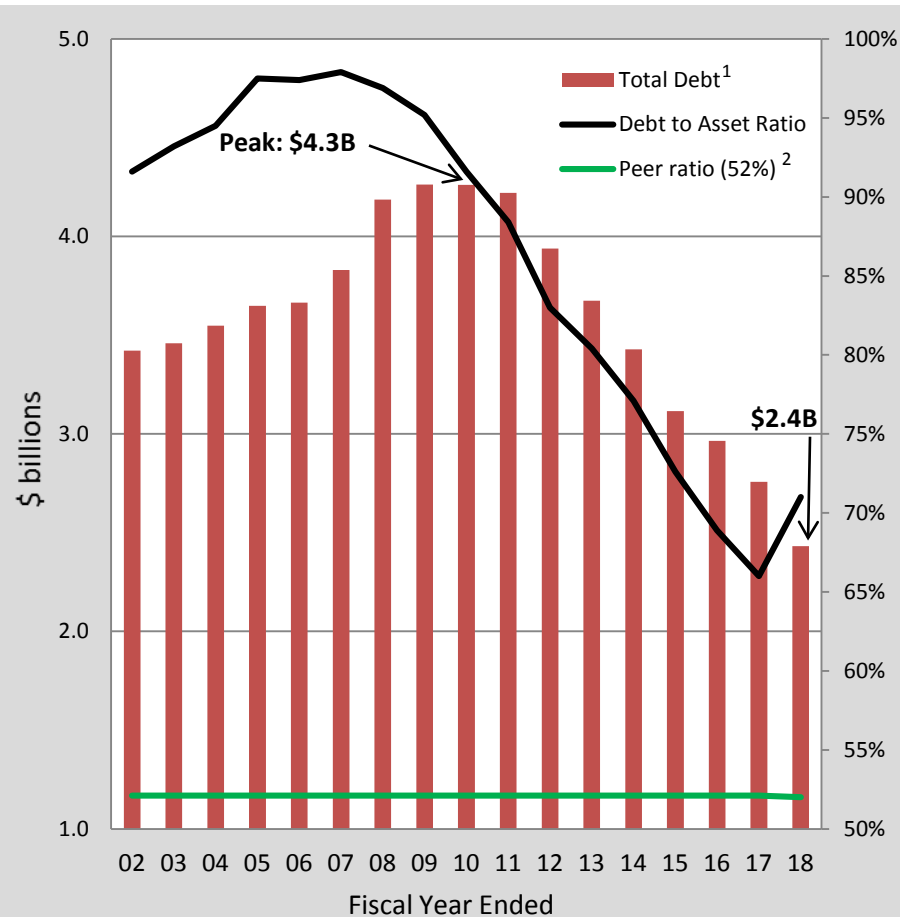
Significant Occurrences or Concerns This Month

- Electric System Sales were 3.8% above 2017, due to a colder winter, evidenced by 21% increase in Degree Days.

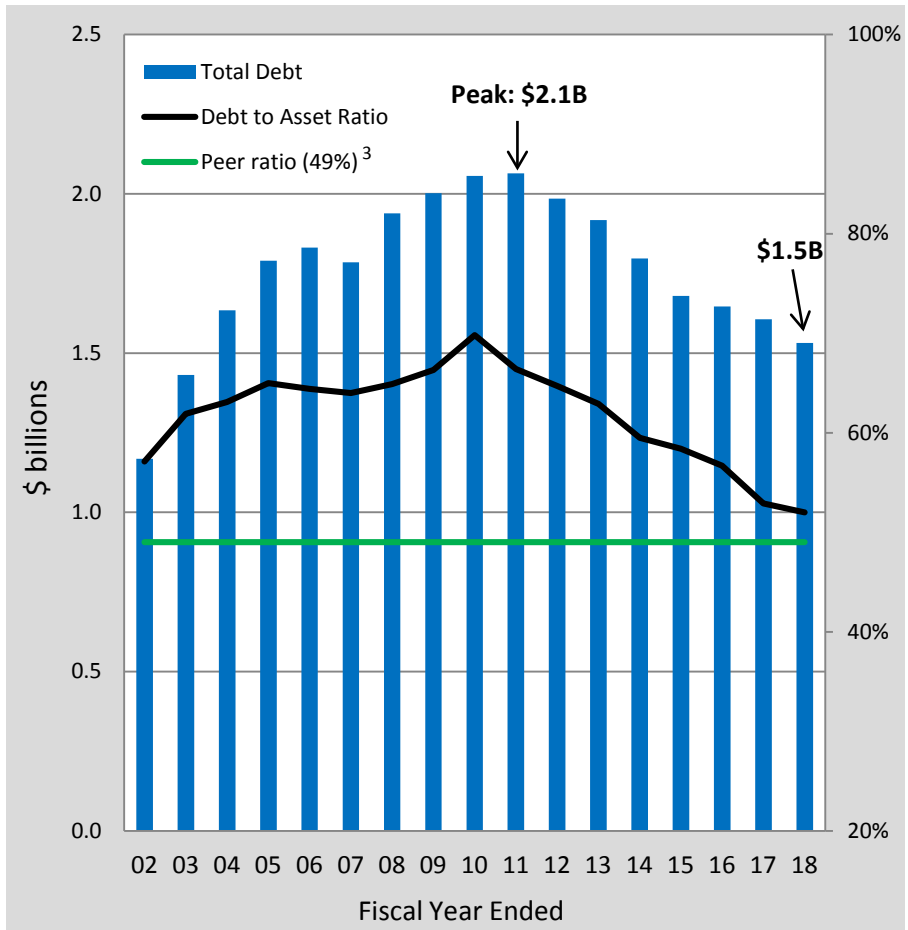
¹ Revised ratio calculation and inclusion of SJRPP impairment

Debt and Debt to Asset Ratios

Electric System



Water and Sewer System



¹ Includes JEA, Scherer and SJRPP

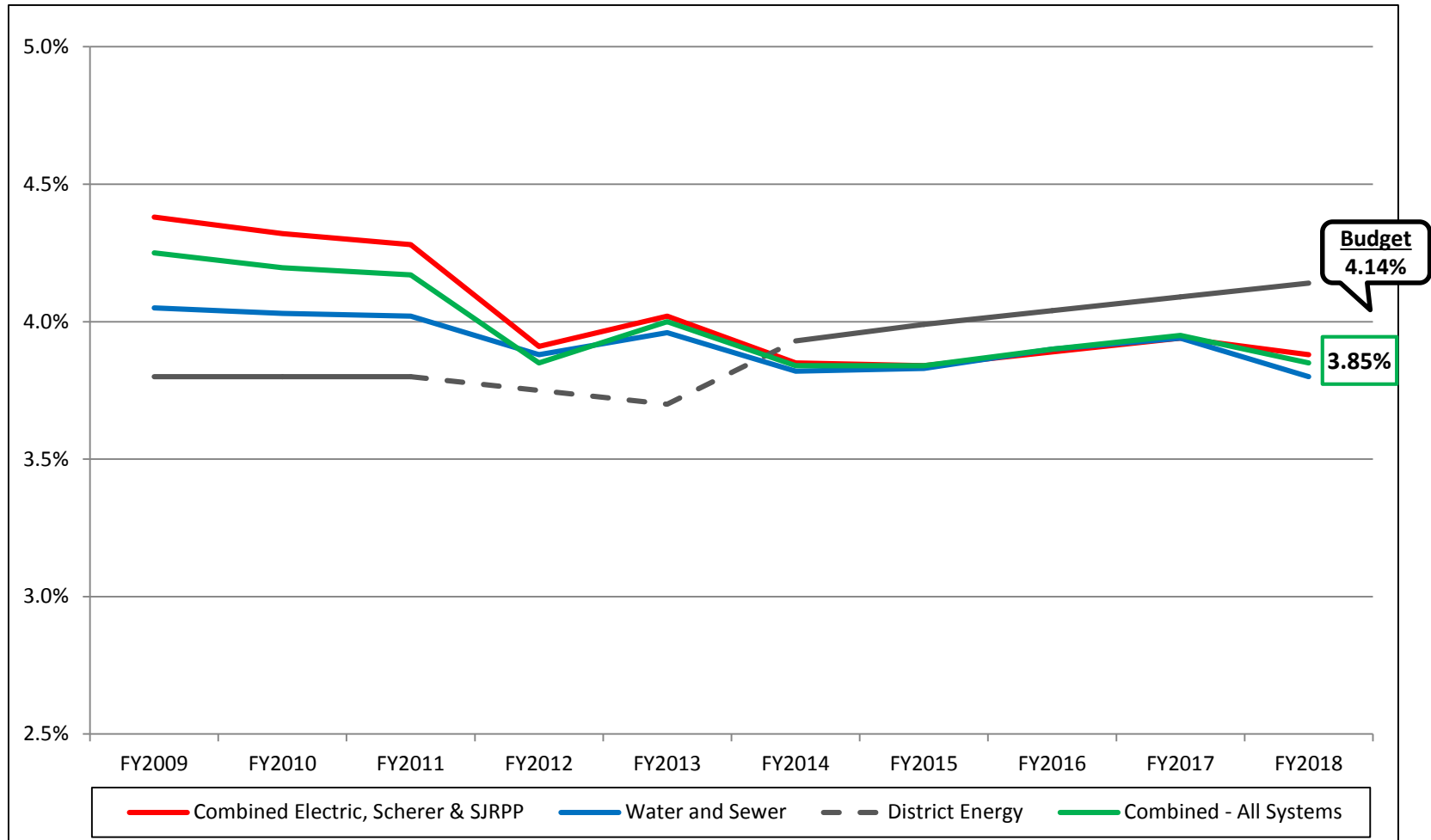
² Per Moody's Sector In-Depth Report "Public Power Medians – Sound metrics signal stability as carbon challenges loom", Sept. 2017

³ As calculated from Moody's Municipal Financial Ratio Analysis database of 209 Aa rated public water-sewer utilities, Jan. 10, 2017

⁴ Changes to the Debt to Asset Ratio for both Electric and Water and Sewer Systems reflect a new calculation methodology published by Moody's

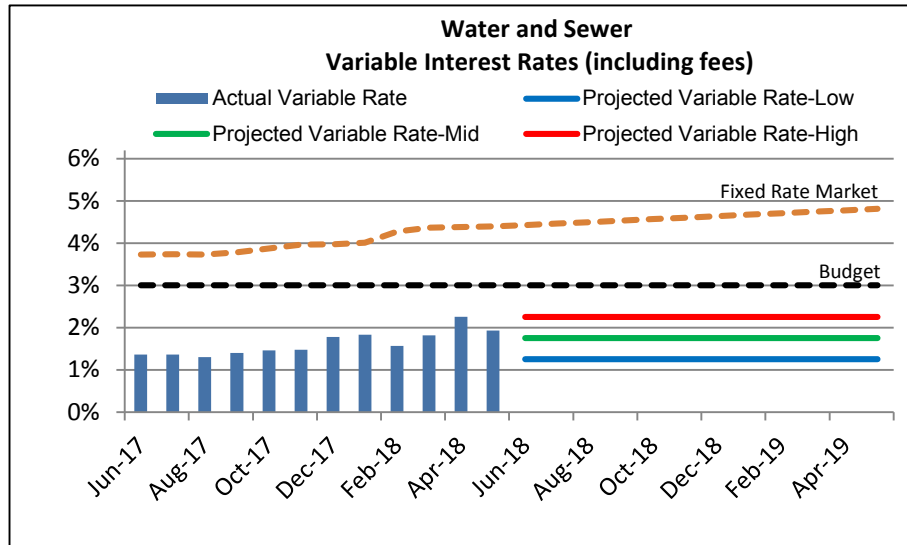
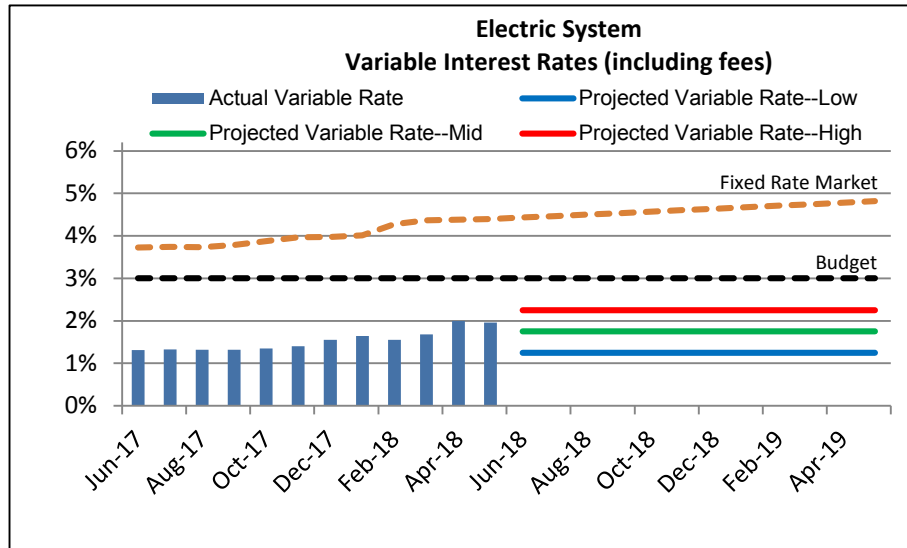
Combined Debt Outstanding

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



Total variable rate debt of \$872 with \$522 swapped to fixed rate

Liquidity Facilities and Direct Purchase Bonds (DPBs)			
Bank	Moody's/S&P/Fitch	\$ (in millions)	%
Wells Fargo Bank N.A. (100% DPBs)	Aa2/A+/AA-	\$218	26
JP Morgan Chase Bank N.A.	Aa3/A+/AA-	199	24
Royal Bank of Canada	A1/AA-/AA	193	23
US Bank, N.A.	A1/AA-/AA-	146	17
Sumitomo	A1/A/A	52	6
State Street Bank	Aa3/AA-/AA	31	4
Total		\$839	

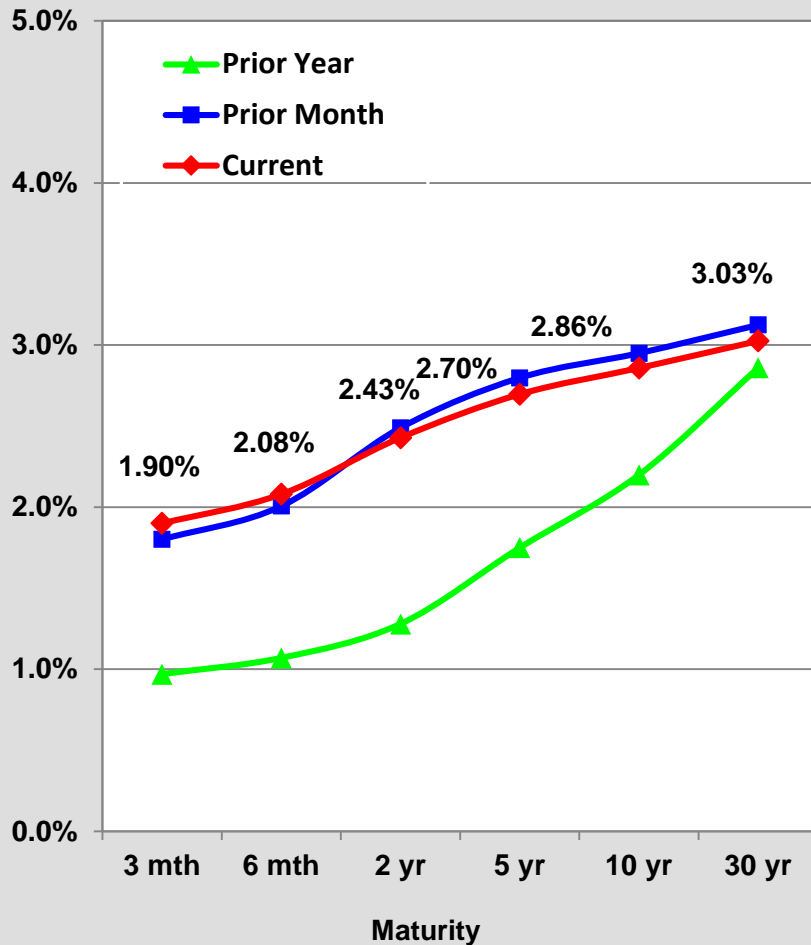
Swap Providers			
Bank	Moody's/S&P/Fitch	\$ (in millions)	%
Morgan Stanley Capital Services	A3/BBB+/A	\$176	34
Goldman Sachs Mitsui Marine Derivative Products	Aa2/AA-/NR	136	26
JP Morgan Chase Bank N.A.	Aa3/A+/AA-	125	24
Merrill Lynch	A3/A-/A	85	16
Total		\$522	

Items of Interest

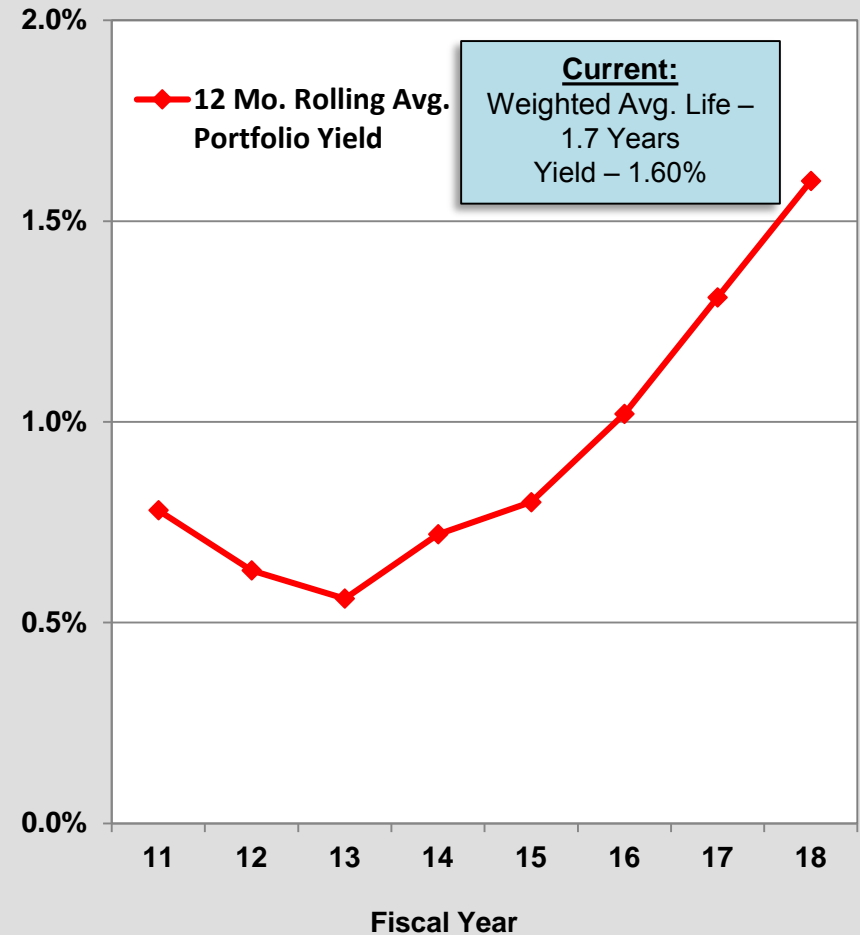
- Variable debt as a percentage of total debt:
 - Unhedged variable at 8% for Electric and 11% for Water and Sewer.
 - Hedged variable at 17% for Electric and 7% for Water and Sewer.
- Liquidity facilities / direct purchase bonds are with highly rated providers.
- No change in swap provider credit quality.
- State Street liquidity facility renewed in Feb 2018.
- US Bank liquidity facility renewed in Oct 2017.
- 2018 liquidity facility renewals include: Wells Fargo Bank, Royal Bank of Canada, Sumitomo and remaining US Bank.
- Variable rate reserve to mitigate risk of higher rates – \$44 million.
- Used \$18 million of variable rate reserve on 2017 debt defeasances.

Combined Investments Outstanding

U. S. Treasury Yield Curve



Investment Portfolio Yield



III. C.

Proposed FY2019 Operating and Capital Budgets

June 1, 2018

SUBJECT: PROPOSED FY2019 OPERATING AND CAPITAL BUDGETS

Purpose: ☐ Information Only ☒ Action Required ☐ Advice/Direction

Issue: JEA must submit its proposed budget to the City Council by July 1 each year.

Significance: High: The budget is the plan and basis for appropriating revenues and expenses, as well as capital expenditures and debt financing.

Effect: The budget affects customers and the City of Jacksonville and is integral to JEA's strategic planning, financial performance, and resulting metrics.

Cost or Benefit: \$1.8 billion operating and \$588 million capital.

Recommended Board action:

Staff recommends the Board:

- (1) approve the proposed operating and capital budgets as shown on Schedules A, B, and C (attached), commit to funding all future pension costs in rates, authorize staff to transmit the recommended budgets to the Jacksonville City Council for final action, transmit the Five-Year Capital Improvement Program (Schedule C) as required by the Jacksonville City Planning Department, and
- (2) approve JEA's share of the SJRPP and Plant Scherer operating and capital budgets as shown on Schedule D (attached), and
- (3) authorize the Interim Managing Director/CEO to adjust the budget approved by the Board of Directors and submitted to Council, if necessary, within the total approved budget amounts for each system.

For additional information, contact: Ryan Wannemacher

Submitted by: AFZ/RFW/KMQ



Commitments to Action

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



INTER-OFFICE MEMORANDUM

June 1, 2018

SUBJECT: PROPOSED FY2019 OPERATING AND CAPITAL BUDGETS

FROM: Aaron F. Zahn, Interim Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

Annually, after the JEA Board's review and action, JEA staff recommends transmitting the Electric System, Water and Sewer System, and District Energy System operating and capital budgets to the Jacksonville City Council for final action. By law, JEA must submit its proposed budget to the City Council by July 1, 2018.

DISCUSSION:

At the March 2018 and May 2018 Finance and Audit Committee meetings, staff presented key strategic initiatives and major budget assumptions for the FY2019 operating and capital budgets. Budget assumptions include: no rate adjustments for Electric or Water and Sewer systems; and financial metrics that are within Pricing Policy goals. The proposed budgets include considerable internal funding for the capital program in an effort to support the "pay-go" philosophy for all recurring capital expenditures. The proposed budgets address key strategic initiatives to support the quality of service delivery, climate change, Total Water Resource Plan, regulatory compliance, workforce readiness, communications, conservation, sewer resiliency, septic tank phase-out, and customer satisfaction initiatives. In addition, the budget includes a record high contribution to the City of Jacksonville General Fund in the amount of \$117.6 million. The operating and capital budget schedules that will be transmitted to the City Council upon JEA Board approval are attached as Schedules A and B. As required by the City of Jacksonville, JEA transmits its Five-Year Capital Improvement Program during the annual budget process and is attached as Schedule C.

The proposed budgets include the following:

1. Consolidated Operating Budget and Capital Budget Schedules

The proposed budgets include considerable internal funding for the capital program in an effort to support the "pay-go" philosophy for all recurring capital expenditures.

2. Electric System

There are no planned rate increases in FY2019. The FY2019 operating budget includes a \$17.8 million increase from FY2018. Budget assumptions include a \$5.1 million increase in Fuel and Purchased Power and a decrease of \$11.8 million in Non-Fuel Purchased Power. Debt service coverage is stable and debt service decreased \$24.9 million from FY2018.

3. Water and Sewer System

There are no planned rate increases in FY2019. The FY2019 operating budget includes an \$11.6 million increase from FY2018. Operating expenses increased due to investments in storm generator leases, storm resiliency assessments, septic tank phase-out commitments with the City

of Jacksonville and staffing for 24x7 coverage. Debt service coverage is stable and debt service decreased \$1.0 million from FY2018.

4. Government Transfers

The budget includes a record high contribution to the City of Jacksonville General Fund in the amount of \$117.6 million.

5. Regulatory Accounting

In connection with the Pricing Policy, the budget was prepared using the Utility Basis, resulting in the inclusion of regulatory accounting items such as Pension, Demand-side Management (DSM)/ Conservation, Debt Management, Environmental, Fuel, Purchased Power and Self-Funded Health Plan.

Under the terms of the St. Johns River Power Park (SJRPP) Joint Ownership Agreement (JOA), the co-owners share the cost of constructing, operating, maintaining, and decommissioning the two coal-fired units. The JEA Board approves the annual operating budget for JEA's ownership interest in SJRPP. The total SJRPP budget is approved by the SJRPP Executive Committee representing the two co-owners. The SJRPP budget is not approved by the City Council. JEA's share of the SJRPP budget is a component of fuel and purchased power expense in JEA's Electric System Operating budget. Schedule D, attached, summarizes JEA's share of the proposed FY2019 operating budget for SJRPP, which includes no capital expenditures, SJRPP railcar repair expenses, and debt service costs.

JEA owns a 23.64 percent interest in Unit 4 of the Robert W. Scherer Electric Generating Plant (Scherer Unit 4). As with SJRPP, JEA's share of the operating and capital budgets for this unit is a component of the JEA Electric System fuel and purchased power expense. Decisions regarding the operation of Unit 4 are made by majority vote of the co-owners. The JEA Board approves JEA's share of the annual budget for Scherer Unit 4, but the City Council does not review or approve the Plant Scherer budget. Schedule D, attached, summarizes JEA's share of the FY2019 operating and capital budgets for Plant Scherer. Note that this budget is subject to approval by the other co-owners.

RECOMMENDATION:

Staff recommends the Board:

- (1) approve the proposed operating and capital budgets as shown on Schedules A, B, and C (attached), commit to funding all future pension costs in rates, authorize staff to transmit the recommended budgets to the Jacksonville City Council for final action, and transmit the Five-Year Capital Improvement Program (Schedule C) as required by the Jacksonville City Planning Department, and
- (2) approve JEA's share of the SJRPP and Plant Scherer operating and capital budgets as shown on Schedule D (attached), and
- (3) authorize the Interim Managing Director/CEO to adjust the budget approved by the Board of Directors and submitted to Council, if necessary, within the total approved budget amounts for each system.

Aaron F. Zahn, Interim Managing Director/CEO

AFZ/RFW/KMQ

JEA
CONSOLIDATED OPERATING BUDGET
FISCAL YEAR 2019

	Electric System	Water & Sewer System	District Energy System	Total
FUEL RELATED REVENUES & EXPENSES:				
FUEL REVENUES:	\$ 422,782,362	\$ -	\$ -	\$ 422,782,362
Total Net Revenues	<u>\$ 422,782,362</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 422,782,362</u>
FUEL EXPENSES:				
Fuel & Purchased Power	<u>\$ 422,782,362</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 422,782,362</u>
FUEL SURPLUS/(DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
BASE RELATED REVENUES & EXPENSES				
BASE OPERATING REVENUES:				
Base Rate Revenues	\$ 812,153,353	\$ 428,955,188	\$ 9,256,655	\$ 1,250,365,196
Environmental Charge Revenue	8,039,817	28,360,500	-	36,400,317
Conservation Charge & Demand Side Revenue	1,000,000	-	-	1,000,000
Other Revenues	28,263,290	40,244,423	-	68,507,713
Natural Gas Pass Through Revenue	2,464,374	-	-	2,464,374
Total Base Related Revenues	<u>\$ 851,920,834</u>	<u>\$ 497,560,111</u>	<u>\$ 9,256,655</u>	<u>\$ 1,358,737,600</u>
BASE OPERATING EXPENSES:				
Operating and Maintenance	\$ 221,286,372	\$ 157,495,854	\$ 5,127,648	\$ 383,909,874
Environmental	8,039,817	4,346,266	-	12,386,083
Conservation & Demand-side Management	7,590,014	-	-	7,590,014
Natural Gas Pass Through Expense	2,418,255	-	-	2,418,255
Non-Fuel Purchased Power	73,564,702	-	-	73,564,702
Non-Fuel Uncollectibles & PSC Tax	1,437,598	685,974	-	2,123,572
Emergency Reserve	5,000,000	1,000,000	-	6,000,000
Total Base Related Expenses	<u>\$ 319,336,758</u>	<u>\$ 163,528,094</u>	<u>\$ 5,127,648</u>	<u>\$ 487,992,500</u>
BASE OPERATING INCOME:	<u>\$ 532,584,076</u>	<u>\$ 334,032,017</u>	<u>\$ 4,129,007</u>	<u>\$ 870,745,100</u>
NON-OPERATING REVENUE:				
Investment Income	11,600,594	6,318,534	-	17,919,128
Transfer To/From Fuel Recovery	-	-	-	-
Capacity Fees	-	24,500,000	-	24,500,000
Total Non Operating Revenues	<u>\$ 11,600,594</u>	<u>\$ 30,818,534</u>	<u>\$ -</u>	<u>\$ 42,419,128</u>
NON-OPERATING EXPENSES:				
Debt Service	203,668,843	120,135,545	3,020,449	326,824,837
Total Non Operating Expenses	<u>\$ 203,668,843</u>	<u>\$ 120,135,545</u>	<u>\$ 3,020,449</u>	<u>\$ 326,824,837</u>
BASE INCOME BEFORE TRANSFERS	<u>\$ 340,515,827</u>	<u>\$ 244,715,006</u>	<u>\$ 1,108,558</u>	<u>\$ 586,339,391</u>
City Contribution Expense	92,952,147	24,695,388	-	117,647,535
Interlocal Payments	-	-	-	-
Renewal and Replacement Fund	65,500,000	24,904,610	443,117	90,847,727
Operating Capital Outlay	182,063,680	155,200,774	665,441	337,929,895
Environmental Capital Outlay	-	15,414,234	-	15,414,234
Capacity Fees	-	24,500,000	-	24,500,000
Operating Contingency	-	-	-	-
Total Non-Fuel Expenses	<u>\$ 340,515,827</u>	<u>\$ 244,715,006</u>	<u>\$ 1,108,558</u>	<u>\$ 586,339,391</u>
SURPLUS/(DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL REVENUES	<u>\$ 1,286,303,790</u>	<u>\$ 528,378,645</u>	<u>\$ 9,256,655</u>	<u>\$ 1,823,939,090</u>
TOTAL APPROPRIATIONS	<u>\$ 1,286,303,790</u>	<u>\$ 528,378,645</u>	<u>\$ 9,256,655</u>	<u>\$ 1,823,939,090</u>
BUDGETED EMPLOYEE POSITIONS	1,553	599	6	2,158
BUDGETED TEMPORARY HOURS	104,000	20,800	0	124,800

JEA
CONSOLIDATED CAPITAL BUDGET
FISCAL YEAR 2019

	Electric System	Water & Sewer System	District Energy System	Total
CAPITAL FUNDS:				
Renewal & Replacement Deposits	\$ 65,500,000	\$ 24,904,610	\$ 443,117	\$ 90,847,727
Operating Capital Outlay	182,063,680	155,200,774	665,441	337,929,895
Environmental Capital Outlay	-	15,414,234	-	15,414,234
Capacity Fees	-	24,500,000	-	24,500,000
Debt Proceeds	-	-	-	-
Other Proceeds	87,024,320	28,441,382	3,999,442	119,465,144
Total Capital Funds	<u>\$ 334,588,000</u>	<u>\$ 248,461,000</u>	<u>\$ 5,108,000</u>	<u>\$ 588,157,000</u>
CAPITAL PROJECTS:				
Generation Projects	\$ 113,000,000	\$ -	\$ -	\$ 113,000,000
Transmission & Distribution Projects	137,221,000	-	-	137,221,000
District Energy Projects	-	-	5,108,000	5,108,000
Water Projects	-	71,300,000	-	71,300,000
Sewer Projects	-	144,657,000	-	144,657,000
Other Projects	84,367,000	32,504,000	-	116,871,000
Total Capital Projects	<u>\$ 334,588,000</u>	<u>\$ 248,461,000</u>	<u>\$ 5,108,000</u>	<u>\$ 588,157,000</u>

JEA
Five Year Capital Improvement Program
Fiscal Years 2019-2023
(\$000'S Omitted)

Project Title	FY2019	FY2020	FY2021	FY2022	FY2023	Project Total
Electric System Generation	113,000	61,892	168,112	264,414	145,535	752,953
Electric System Transmission and Distribution	137,221	121,728	72,985	62,094	66,286	460,314
Electric System Other	84,367	76,078	40,186	30,536	33,267	264,434
Total	\$334,588	\$259,698	\$281,283	\$357,044	\$245,088	\$1,477,701
Water Treatment and Distribution	71,300	58,421	67,876	59,436	76,785	333,818
Sewer, Wastewater, and Reclaimed	144,657	165,715	152,799	159,584	127,528	750,283
Other Capital	32,504	25,441	26,947	23,941	26,477	135,310
Total	\$248,461	\$249,577	\$247,622	\$242,961	\$230,790	\$1,219,411
District Energy System	\$5,108	\$1,350	\$1,783	\$1,350	\$1,350	\$10,941

JEA
ST. JOHNS RIVER POWER PARK (SJRPP)
AND PLANT SCHERER (SCHERER)
OPERATING AND CAPITAL BUDGET
FISCAL YEAR 2019

	SJRPP	SCHERER
<hr/>		
OPERATING BUDGET:		
Revenue:		
Operating Revenue from JEA	\$ 29,189,038	\$ 68,791,930
	<hr/>	<hr/>
Expenses:		
Fuel and O & M	\$ 1,554,666	\$ 47,958,293
Transmission	-	5,500,000
Debt Service	24,563,886	9,484,637
Renewal & Replacement	3,070,486	5,849,000
Total Expenses	\$ 29,189,038	\$ 68,791,930
	<hr/>	<hr/>
<hr/>		
CAPITAL BUDGET :	\$ -	\$ 5,849,000
	<hr/>	<hr/>

MWHs Purchased by JEA Electric System	0	1,523,200
Employee Positions	0	

Notes: all Plant Scherer employees are Georgia Power Co. employees.
SJRPP was decommissioned as of January 5, 2018.

21 West Church Street
Jacksonville, Florida 32202-3139

May 24, 2018



The Honorable Aaron Bowman
President, City Council
City of Jacksonville
117 West Duval Street, Suite 425
Jacksonville, FL 32202

Dear Council President Bowman:

E L E C T R I C

W A T E R

S E W E R

Pursuant to the City of Jacksonville Charter, I am transmitting the proposed JEA Fiscal Year (FY) 2019 budget for City Council action. The recommended operating and capital budgets provide funding for operational initiatives and capital projects which support our purpose of providing clean, safe, reliable, and affordable electric, water and sewer services while remaining environmentally sound and financially strong.

The budget includes a \$1.0 million (0.9%) increase in City Contribution, bringing the total FY2019 contribution to \$117.6 million (approximately 9.4% of JEA budgeted base revenues). JEA's total local government transfer, including contribution, franchise fees, and public service tax, is forecasted to be \$247.6 million, which represents 20% of budgeted base revenues and 14% of the total proposed JEA budget.

The budget is sensitive to the challenges of the current economic conditions and does not include any base rate increases. Current expectations are that unit sales will have small growth in the Electric System and will remain flat in the Water and Sewer System. Our goal is to achieve base rate stability by effectively balancing the need for very tight expense controls with continued investment in improving the utility system's operating performance, improving the quality of service delivery, achieving regulatory compliance, and ensuring workforce readiness.

The budget includes internal funding of the capital program to support the "pay-go" philosophy for all recurring capital expenditures.

The proposed operating budgets for FY2019 are \$1,286.3 million for the Electric System, \$528.4 million for the Water and Sewer System and \$9.3 million for the District Energy System. The proposed capital budgets for FY2019 are \$334.6 million for the Electric System, \$248.5 million for the Water and Sewer System, and \$5.1 million for the District Energy System.

Following are highlights of the proposed budget:

- FY2019 operating budget, \$29.5 million higher than FY2018, a result of sales growth in the Electric System and an appropriation of \$28.4 million from prior year revenues to fund capital projects in the Water and Sewer System
- No planned Electric System base rate adjustments
- No planned Water and Sewer System rate adjustments

- Government transfers of \$247.6 million, including, a record high City of Jacksonville General Fund contribution of \$117.6 million, Franchise Fees of \$39.5 million, and Public Service Tax collection of \$90.5 million
- Capital program to ensure continued system reliability without issuance of new debt
- \$363 million scheduled debt reduction
- Financial metrics that meet Rating Agency commitments
- Funding for key strategic issues such as climate change, conservation, sewer resiliency, septic tank phase-out, improving service delivery, and water resource planning
- Rigorous and disciplined focus on workplace safety
- Funding for compliance, security, and enterprise risk management

We appreciate the City Council's past and current support of JEA. We believe the attached budget will enable us to continue to improve Jacksonville's environment while supporting the economy through high quality, low-cost utility infrastructure for the citizens of our community.

Sincerely,

Alan Howard, Chair
Board of Directors

cc: Council Auditor
Office of Mayor (3 copies)

Attachments: Schedules A and B

JEA
CONSOLIDATED OPERATING BUDGET
FISCAL YEAR 2019

III. C.
06/19/2018

	Electric System	Water & Sewer System	District Energy System	Total
FUEL RELATED REVENUES & EXPENSES:				
FUEL REVENUES:	\$ 422,782,362	\$ -	\$ -	\$ 422,782,362
Total Net Revenues	<u>\$ 422,782,362</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 422,782,362</u>
FUEL EXPENSES:				
Fuel & Purchased Power	<u>\$ 422,782,362</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 422,782,362</u>
FUEL SURPLUS/(DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
BASE RELATED REVENUES & EXPENSES				
BASE OPERATING REVENUES:				
Base Rate Revenues	\$ 812,153,353	\$ 428,955,188	\$ 9,256,655	\$ 1,250,365,196
Environmental Charge Revenue	8,039,817	28,360,500	-	36,400,317
Conservation Charge & Demand Side Revenue	1,000,000	-	-	1,000,000
Other Revenues	28,263,290	40,244,423	-	68,507,713
Natural Gas Pass Through Revenue	2,464,374	-	-	2,464,374
Total Base Related Revenues	<u>\$ 851,920,834</u>	<u>\$ 497,560,111</u>	<u>\$ 9,256,655</u>	<u>\$ 1,358,737,600</u>
BASE OPERATING EXPENSES:				
Operating and Maintenance	\$ 221,286,372	\$ 157,495,854	\$ 5,127,648	\$ 383,909,874
Environmental	8,039,817	4,346,266	-	12,386,083
Conservation & Demand-side Management	7,590,014	-	-	7,590,014
Natural Gas Pass Through Expense	2,418,255	-	-	2,418,255
Non-Fuel Purchased Power	73,564,702	-	-	73,564,702
Non-Fuel Uncollectibles & PSC Tax	1,437,598	685,974	-	2,123,572
Emergency Reserve	5,000,000	1,000,000	-	6,000,000
Total Base Related Expenses	<u>\$ 319,336,758</u>	<u>\$ 163,528,094</u>	<u>\$ 5,127,648</u>	<u>\$ 487,992,500</u>
BASE OPERATING INCOME:	<u>\$ 532,584,076</u>	<u>\$ 334,032,017</u>	<u>\$ 4,129,007</u>	<u>\$ 870,745,100</u>
NON-OPERATING REVENUE:				
Investment Income	11,600,594	6,318,534	-	17,919,128
Transfer To/From Fuel Recovery	-	-	-	-
Capacity Fees	-	24,500,000	-	24,500,000
Total Non Operating Revenues	<u>\$ 11,600,594</u>	<u>\$ 30,818,534</u>	<u>\$ -</u>	<u>\$ 42,419,128</u>
NON-OPERATING EXPENSES:				
Debt Service	203,668,843	120,135,545	3,020,449	326,824,837
Total Non Operating Expenses	<u>\$ 203,668,843</u>	<u>\$ 120,135,545</u>	<u>\$ 3,020,449</u>	<u>\$ 326,824,837</u>
BASE INCOME BEFORE TRANSFERS	<u>\$ 340,515,827</u>	<u>\$ 244,715,006</u>	<u>\$ 1,108,558</u>	<u>\$ 586,339,391</u>
City Contribution Expense	92,952,147	24,695,388	-	117,647,535
Interlocal Payments	-	-	-	-
Renewal and Replacement Fund	65,500,000	24,904,610	443,117	90,847,727
Operating Capital Outlay	182,063,680	155,200,774	665,441	337,929,895
Environmental Capital Outlay	-	15,414,234	-	15,414,234
Capacity Fees	-	24,500,000	-	24,500,000
Operating Contingency	-	-	-	-
Total Non-Fuel Expenses	<u>\$ 340,515,827</u>	<u>\$ 244,715,006</u>	<u>\$ 1,108,558</u>	<u>\$ 586,339,391</u>
SURPLUS/(DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL REVENUES	<u>\$ 1,286,303,790</u>	<u>\$ 528,378,645</u>	<u>\$ 9,256,655</u>	<u>\$ 1,823,939,090</u>
TOTAL APPROPRIATIONS	<u>\$ 1,286,303,790</u>	<u>\$ 528,378,645</u>	<u>\$ 9,256,655</u>	<u>\$ 1,823,939,090</u>
BUDGETED EMPLOYEE POSITIONS	1,553	599	6	2,158
BUDGETED TEMPORARY HOURS	104,000	20,800	0	124,800

JEA
CONSOLIDATED CAPITAL BUDGET
FISCAL YEAR 2019

	Electric System	Water & Sewer System	District Energy System	Total
CAPITAL FUNDS:				
Renewal & Replacement Deposits	\$ 65,500,000	\$ 24,904,610	\$ 443,117	\$ 90,847,727
Operating Capital Outlay	182,063,680	155,200,774	665,441	337,929,895
Environmental Capital Outlay	-	15,414,234	-	15,414,234
Capacity Fees	-	24,500,000	-	24,500,000
Debt Proceeds	-	-	-	-
Other Proceeds	87,024,320	28,441,382	3,999,442	119,465,144
Total Capital Funds	<u>\$ 334,588,000</u>	<u>\$ 248,461,000</u>	<u>\$ 5,108,000</u>	<u>\$ 588,157,000</u>
CAPITAL PROJECTS:				
Generation Projects	\$ 113,000,000	\$ -	\$ -	\$ 113,000,000
Transmission & Distribution Projects	137,221,000	-	-	137,221,000
District Energy Projects	-	-	5,108,000	5,108,000
Water Projects	-	71,300,000	-	71,300,000
Sewer Projects	-	144,657,000	-	144,657,000
Other Projects	84,367,000	32,504,000	-	116,871,000
Total Capital Projects	<u>\$ 334,588,000</u>	<u>\$ 248,461,000</u>	<u>\$ 5,108,000</u>	<u>\$ 588,157,000</u>

Proposed FY2019 Budget

June 19, 2018

Board of Directors Meeting



Proposed FY2019 Budget Summary

Electric System

<u>Revenue</u>	<u>FY2019B</u>	<u>FY2018B</u>	<u>Δ</u>	<u>FY18F</u>
(in millions)	\$1,286	\$1,269	\$17	\$1,213

Unit Sales Growth

- 1.2% increase to system sales from FY2018B
- 5.0% weather contingency

<u>COJ Transfer</u>	<u>FY07</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18F</u>	<u>FY19B</u>
Total (\$ in millions)	\$121	\$192	\$192	\$194	\$197

O&M

Increases by \$5.0m or 2.3% versus prior year's budget

- Generating Unit Outages, \$16.2m vs. \$12.2m in FY2018
- Includes bargaining unit increases per contractual agreements
- Includes funding for strategic initiatives and enterprise asset management

Water and Sewer System

<u>Revenue</u>	<u>FY2019B</u>	<u>FY2018B</u>	<u>Δ</u>	<u>FY18F</u>
(in millions)	\$528	\$517	\$11	\$498

Unit Sales Growth

- No change to system sales from FY2018B
- 5.0% weather contingency

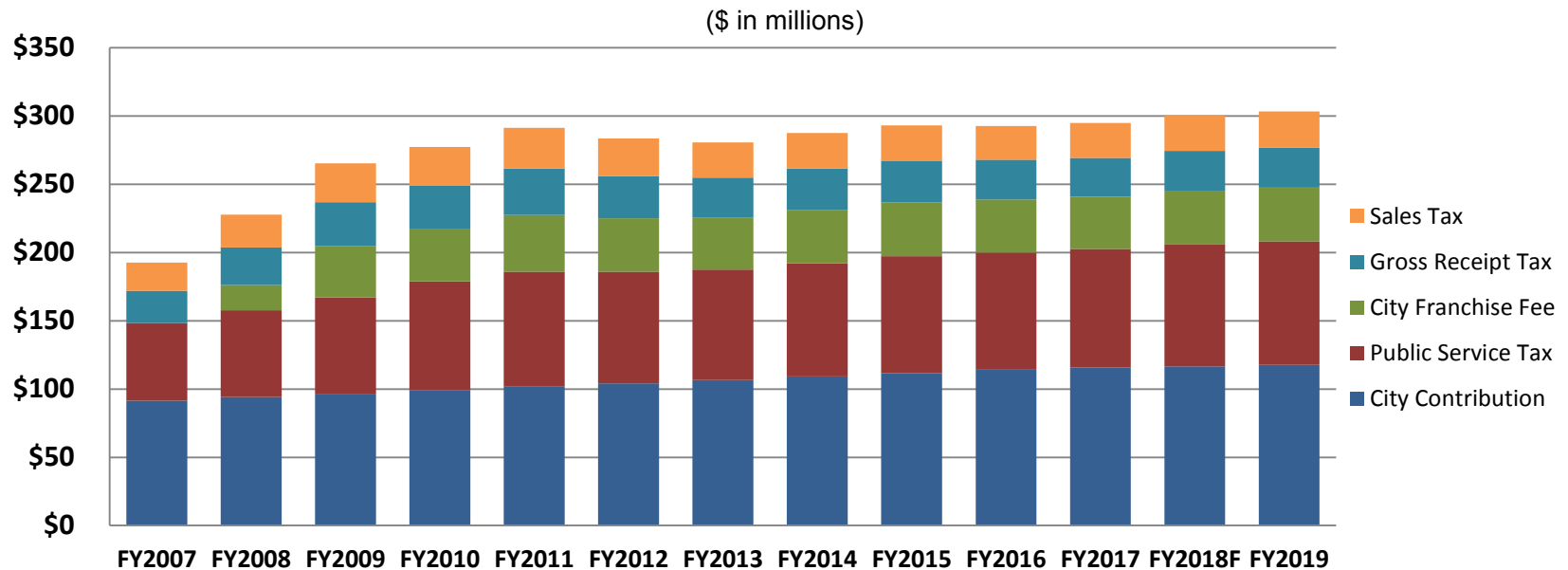
<u>COJ Transfer</u>	<u>FY07</u>	<u>FY16</u>	<u>FY17</u>	<u>FY18F</u>	<u>FY19B</u>
Total (\$ in millions)	\$27	\$47	\$49	\$51	\$51

O&M

Increases by \$5.7m or 3.8% versus over prior year's budget

- Includes bargaining unit increases per contractual agreements
- Includes funding for strategic initiatives and enterprise asset management

Government Transfers via the JEA Bill



Description	Paid To	FY07	FY08	FY09	FY15	FY16	FY17	FY18F	FY19
City Contribution	COJ	\$91.4	\$94.2	\$96.7	\$111.7	\$114.2	\$115.8	\$116.6	\$117.6
Public Service Tax	COJ	56.9	63.6	70.5	85.6	85.8	86.9	89.6	90.5
City Franchise Fee	COJ	-	18.3	37.5	39.4	38.9	38.3	39.2	39.5
Gross Receipt Tax	State	23.7	27.6	32.1	30.2	29.8	28.4	29.1	29.3
Sales Tax	State and COJ	20.6	24.1	28.5	26.4	26.0	25.6	26.2	26.4
Total		\$192.6	\$227.8	\$265.3	\$293.3	\$294.7	\$294.9	\$300.7	\$303.3
Percent increase from FY2007			18%	38%	52%	53%	53%	56%	57%

\$248
COJ

JEA transfers to the City of Jacksonville have increased to \$248 million

Proposed FY2019 Budget Summary

Electric System

<u>Capital (millions)</u>	<u>FY18F</u>	<u>FY19B*</u>	<u>FY20</u>	<u>FY21</u>
Depreciation	\$193	\$188	\$197	\$207
Expenditures	\$195	\$335	\$260	\$281

<u>Funding</u>	<u>FY18F</u>	<u>FY19B*</u>
R&R	\$66	\$66
OCO	\$79	\$182
Prior	\$50	\$87
Debt	<u>\$0</u>	<u>\$0</u>
	\$195	\$335

*FY19 Budget Includes 10% contingency

<u>Metrics</u>	<u>FY19B</u>	<u>Pricing Policy</u>
Coverage	2.9x	≥ 2.2x
Debt to Asset	63%	≤ 60%
Days of Liquidity	271	150-250 days
Total Debt	\$2.30bn	--
Change in Debt	(\$282m)	--

Water and Sewer System

<u>Capital (millions)</u>	<u>FY18F</u>	<u>FY19B*</u>	<u>FY20</u>	<u>FY21</u>
Depreciation	\$140	\$141	\$145	\$151
Expenditures	\$215	\$248	\$250	\$248

<u>Funding</u>	<u>FY18F</u>	<u>FY19B*</u>
R&R	\$24	\$25
OCO/Capacity	\$164	\$174
Environmental	\$11	\$15
Prior	\$16	\$34
Debt	<u>\$0</u>	<u>\$0</u>
	\$215	\$248

*FY19 Budget Includes 10% contingency

<u>Metrics</u>	<u>FY19B</u>	<u>Pricing Policy</u>
Coverage	3.0x	≥ 1.8x
Debt to Asset	45%	≤ 50%
Days of Liquidity	310	≥ 100 days
Total Debt	\$1.48bn	--
Change in Debt	(\$81m)	--

Next Steps

Staff recommends the Board:

- Approve the proposed operating and capital budgets for FY2019, authorize staff to transmit the recommended budgets to the Jacksonville City Council for final action by July 1, 2018, and transmit the Five-Year Capital Improvement Program as required by the Jacksonville City Planning Department
- Approve JEA's share of the SJRPP and Plant Scherer operating and capital budgets
- Authorize the Interim Managing Director/CEO to adjust the budget approved by the Board of Directors and submitted to Council, if necessary, within the total approved budget amounts for each system

III. D.

Appointment of Wayne McGovern to Civil Service Board



AGENDA ITEM SUMMARY

May 24, 2018

SUBJECT:	APPOINTMENT OF WAYNE MCGOVERN TO CIVIL SERVICE BOARD
-----------------	---

Purpose:	<input type="checkbox"/> Information Only	<input checked="" type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
-----------------	---	---	---

Issue: Per Article 17 of the Jacksonville Municipal Code, JEA makes two appointments to the nine-member Civil Service Board ("CSB"). Appointees are limited to two 3-year terms. The incumbent Helen Kehrt's term ends June 30, 2018. Mr. Wayne McGovern is eligible for appointment, and has agreed to serve. If he is not approved, another candidate will need to be selected. Board approval is required for appointment.

Significance: The majority of JEA's employees are "civil service"; therefore, fall under the auspices of the CSB.

Effect: CSB appeals are an end-point of JEA's progressive discipline process, particularly terminations for cause. CSB decisions, upholding (or not upholding), JEA's disciplinary actions materially influences JEA's ability to manage its workforce.

Cost or Benefit: Cost N/A. Benefit: Compliance with requirements of Article 17 of the Jacksonville Municipal Code.

Recommended Board action: Staff recommends that the Board approve the appointment of Mr. Wayne McGovern to serve an initial three-year term on the Civil Service Board.

For additional information, contact: Jody Brooks, Vice President and Chief Legal Officer

Submitted by: AFZ/JLB/MLJ



Commitments to Action

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



INTER-OFFICE MEMORANDUM

May 24, 2018

SUBJECT: **APPOINTMENT OF WAYNE MCGOVERN TO CIVIL SERVICE BOARD**

FROM: Aaron F. Zahn, Interim Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

Per Article 17 of the Jacksonville Municipal Code, JEA makes two appointments to the nine-member Civil Service Board ("CSB"). Appointees are limited to two 3-year terms. The incumbent Helen Kehrt's term ends June 30, 2018. Mr. Wayne McGovern is eligible for appointment, and has agreed to serve. If he is not approved, another candidate will need to be selected. Board approval is required for this appointment.

DISCUSSION:

The CSB functions include: "Hear and determine appeals initiated by employees who are charged with violations of the personnel provisions of this chapter and the civil service regulations authorized by ordinance or civil service rules ..." CSB appeals are an end-point of JEA's progressive discipline process, particularly terminations for cause. CSB decisions, upholding (or not upholding), JEA disciplinary actions materially influences JEA's ability to manage its workforce. After receiving documentary evidence and testimony, the CSB engages in deliberations before rendering a decision. While he will be a neutral member, during deliberations Mr. McGovern will be able to draw upon his knowledge of JEA to provide other CSB members with perspective as to "why" JEA pursued a particular course of action and providing them with the insight necessary toward reaching a just and proper result.

RECOMMENDATION:

Staff recommends that the Board approve the appointment of Mr. Wayne McGovern to an initial 3-year term serving on the CSB and allow for the draft resolution attached to this agenda item be submitted to City Council for consideration of this appointment.

Aaron F. Zahn, Interim Managing Director/CEO

AFZ/JLB/MLJ

Wayne McGovern

Jacksonville, Florida

III. D.
06/19/2018

Objective

- Appointment to Civil Service Board Member

Experience

- 2001 - 2018
Equal Employment Access Specialist
City of Jacksonville
- 1999 - 2001
Field Operations Manager
Census 2000 (U.S. Commerce Department)
- 1972 -1998
Operations, Readiness & Training
U.S. Army/NYARNG

Education

- 3+ years college education (SUNY Old Westbury)

Skills

- Neutral – Fair – Impartial
- Knowledge of Civil Service Rules & Regulations
- Oral & Written Communications
- Research & Data Analysis
- Recommendations & Decision Making

1 Introduced by the Council President at the Request of JEA:
2
3

4 **RESOLUTION 2018-**

5 A RESOLUTION CONFIRMING THE APPOINTMENT OF
6 WAYNE MCGOVERN, JEA REPRESENTATIVE TO THE
7 CIVIL SERVICE BOARD OF THE CITY OF
8 JACKSONVILLE, FOR A FIRST TERM TO EXPIRE ON
9 JUNE 30, 2021, FORMERLY HELD BY HELEN KEHRT,
10 PURSUANT TO SECTION 17.02 OF THE CHARTER OF
11 JACKSONVILLE; PROVIDING AN EFFECTIVE DATE.
12

13 **BE IT RESOLVED** by the Council of the City of Jacksonville:

14 **Section 1. Confirmation of Appointment.** The Council does
15 hereby confirm and approve the appointment of Wayne McGovern to the
16 Civil Service Board, formerly held by Helen Kehrt pursuant to
17 Section 17.02 of the Charter of the City of Jacksonville, as a JEA
18 appointment, for a first term to expire on June 30, 2021. Attached
19 hereto as **Exhibit 1** is the *curriculum vitae* of Wayne McGovern.

20 **Section 2. Effective Date.** This resolution shall become
21 effective upon signature by the Mayor or upon becoming effective
22 without the Mayor's signature.
23

24 Form Approved:
25

26 _/s/ Jody L. Brooks

27 Office of General Counsel

28 Legislation Prepared By: Jody L. Brooks
29

30 G:\SHARED\LEGIS.CC\2018\Reso\Civil Service Board - McGovern JEA appt.doc

III. E.

St. Johns River Power Park Systems Employees' Retirement Plan Amendment #2 to the Restated Plan Document

Date June 7, 2018

SUBJECT:

ST. JOHNS RIVER POWER PARK SYSTEM EMPLOYEES' RETIREMENT PLAN-AMENDMENT #2 TO THE RESTATED PLAN DOCUMENT

Purpose:

☒ Information Only

☐ Action Required

☐ Advice/Direction

Issue: In order to maintain a retirement plan's tax qualified status, it is necessary and/or advisable to amend the plan's written documents to reflect updates in the law, plan design changes, and/or compliance terms.

Significance: The Plan's tax-favored status as an eligible retirement plan under Internal Revenue Code is maintained by ensuring that the Plan's operations and governing Plan document are consistent.

Effect: Conformity and consistency of the plan's operations and governing plan documents.

Cost or Benefit: N/A

Recommended Board action: For information only. Staff will bring this item to the Board for approval at the July 17, 2018 meeting.

For additional information, contact: Angelia Hiers (904) 665-4747

Submitted by: AFZ/MHD/ARH



Commitments to Action

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

INTER-OFFICE MEMORANDUM

June 7, 2018

SUBJECT: ST. JOHNS RIVER POWER PARK SYSTEM EMPLOYEES' RETIREMENT PLAN – AMENDMENT #2 TO THE RESTATED PLAN DOCUMENT

FROM: Aaron F. Zahn - Interim Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

The St. Johns River Power Park System Employees' Retirement Plan ("Plan") was originally established in 1984 for the purpose of providing retirement benefits – on a tax-qualified basis – to eligible St. Johns River Power Park System ("SJRPP") employees (and/or their surviving beneficiaries) after they retire. The Plan benefits had been bargained with the International Brotherhood of Electrical Workers Local Union 1618 bargaining unit ("IBEW 1618") and had also been provided to a small number of SJRPP non-bargaining unit employees. Additionally, Plan benefits are provided to a small number of JEA employees who transferred employment from SJRPP to JEA and exercised their statutory right to elect to continue to participate in the Plan.

The latest governing Plan document for the Plan is an amendment and restatement with an effective date of October 1, 2015 and a compliance Amendment #1 thereto with a retroactive effective date of October 1, 2015 (collectively, the "Restated Plan").

DISCUSSION:

The governing authorities of SJRPP recently determined to shut down the SJRPP plant, which shutdown was effective at the close of business on January 5, 2018. SJRPP terminated all active employment positions by that date.

Periodically, to maintain any retirement plan's tax-qualified status, it is necessary or advisable to amend the retirement plan's written plan documents to reflect updates in the law, plan design changes, and/or compliance terms. A compliance amendment ("Compliance Amendment #2") has been drafted to reflect the administration of the Plan as a result of the plant shutdown. A summary of the amendment terms is as follows:

- Consistent with the IRS's partial plan termination rules, employees who were actively participating in the Plan on the date the plant shutdown was announced (March 17, 2017) benefited from accelerated vesting, meaning that they attained a non-forfeitable right to their Plan benefits even if they had not yet completed the otherwise-required five years of vesting service.
- There is no new participation in the Plan after the plant shutdown.
- Due to the termination of all SJRPP employment, future benefit accruals are frozen, with two exceptions.
 - The first exception is that interest credits on Tier Two (cash balance) benefits will continue accruing until the participant begins receiving payment of his or her Plan benefits.

- The second exception is that JEA employees who had transferred from SJRPP and had exercised their statutory right to elect to continue actively participating in the Plan will continue to accrue benefits (and will continue to have participant contributions deducted from their paychecks) for so long as they remain employed at JEA.
- The current members of the fiduciary administrative Committee for the Plan are confirmed as: (1) an appointee of the JEA Managing Director/CEO (currently, the appointee is JEA's Vice President/General Manager Electric Systems, Michael Brost); (2) JEA Treasurer (currently, Joseph Orfano); (3) JEA Controller (currently, Janice Nelson); and (4) SJRPP-related Project Director (currently, Larry Pinkstaff). The Committee may, but is not required, to appoint a fifth member. SJRPP, by action of the JEA Board of Directors, continues to have the power to remove and replace Committee members and appoint additional Committee members.

The Plan provides that compliance amendments generally must be submitted to the IBEW 1618 for information. However, due to the prior termination of all SJRPP employment, there is currently no bargaining unit and therefore this informational submission requirement is not operative.

Compliance Amendment #2 has been reviewed by the Plan's actuaries, who have determined that Compliance Amendment #2 has no financial impact on the Plan.

Attached to this Memorandum are the following items:

- Exhibit "A" –Proposed Compliance Amendment #2
- Exhibit "B" – Actuarial Impact Statement opining on the actuarial effect (none) of Compliance Amendment #2 on the Plan
 - A copy of Compliance Amendment #2 and the Actuarial Impact Statement have been provided to the Florida Bureau of Local Retirement Systems in the Department of Management Services' Division of Retirement, as required by Florida law.

RECOMMENDATION:

For information only. Staff will bring this item to the Board for approval at the July 17, 2018 meeting.

Aaron F. Zahn - Interim Managing Director CEO

AFZ/MHD/ARH

JEA Board Resolution No. 2018-04

**RESOLUTION APPROVING AMENDMENT #2 TO ST. JOHNS RIVER POWER PARK
SYSTEM EMPLOYEES' RETIREMENT PLAN AS AMENDED AND RESTATED
EFFECTIVE OCTOBER 1, 2015**

WHEREAS, the St. Johns River Power Park System ("SJRPP") previously adopted the St. Johns River Power Park System Employees' Retirement Plan ("Plan"), which Plan has subsequently been amended and restated effective October 1, 2015, was thereafter amended via Amendment #1 effective retroactive to October 1, 2015, and is currently in effect; and

WHEREAS, the governing authorities of SJRPP had formally determined to shut down the St. Johns River Power Park System plant (the "Plant") pursuant to an Asset Transfer and Contract Termination Agreement ("ATA"); and

WHEREAS, the Plant was formally shutdown effective as of the close of business on January 5, 2018; and

WHEREAS, Sections 1.11, 9.01, and 10.16 of the Plan allow for compliance amendments to the Plan, such as amendments which are administrative in nature, are beneficial to maintaining the tax-qualified status of the Plan, or facilitate collectively-bargained terms; and

WHEREAS, SJRPP's power to amend the Plan is exercisable by action of JEA; and

WHEREAS, as a result of the operational action taken by the governing authorities of SJRPP, JEA for and on behalf of SJRPP wishes to amend the Plan to reflect certain compliance-related provisions in connection with the Plant shutdown; and

WHEREAS, it has been proposed that the JEA Board of Directors, acting for and on behalf of SJRPP, approve and adopt the document attached hereto entitled "Amendment #2 to St. Johns River Power Park System Employees' Retirement Plan as Amended and Restated Effective October 1, 2015" ("Amendment"); and

WHEREAS, the JEA Board of Directors has reviewed the Amendment and has been advised that all necessary prerequisites to adoption of the Amendment have been completed.

NOW, THEREFORE, BE IT RESOLVED that the JEA Board of Directors hereby approves and adopts the document titled "Amendment #2 to St. Johns River Power Park System Employees' Retirement Plan as Amended and Restated Effective October 1, 2015" attached hereto, for and on behalf of the St. Johns River Power Park System; and

BE IT FURTHER RESOLVED that the JEA Board Chair is hereby authorized to execute the document titled "Amendment #2 to St. Johns River Power Park System Employees' Retirement Plan as Amended and Restated Effective October 1, 2015" attached hereto, for and on behalf of the St. Johns River Power Park System; and

BE IT FURTHER RESOLVED that the JEA Board Chair is hereby authorized to take all actions and steps and to execute any and all other instruments, documents, and certificates necessary to effectuate this resolution; and

BE IT FURTHER RESOLVED that the JEA Interim Managing Director/CEO and/or future JEA Managing Director/CEO are also hereby authorized to execute all implementing documents necessary to effectuate this resolution.

IN WITNESS WHEREOF, the JEA Board of Directors has caused this Resolution to be duly executed by its duly authorized officer this ____ day of _____, 2018.

JEA

By: _____
Alan Howard, JEA Board Chair

ATTEST:

Frederick Newbill, JEA Board Secretary

Form Approved

Legal Counsel

**AMENDMENT #2
TO
ST. JOHNS RIVER POWER PARK SYSTEM
EMPLOYEES' RETIREMENT PLAN
AS AMENDED AND RESTATED EFFECTIVE OCTOBER 1, 2015**

WHEREAS, St. Johns River Power Park System ("SJRP"), as Sponsor, previously adopted the St. Johns River Power Park System Employees' Retirement Plan ("Plan"), which Plan has subsequently been amended and restated effective October 1, 2015, was thereafter amended via Amendment #1 effective retroactive to October 1, 2015, and is currently in effect; and

WHEREAS, the governing authorities of SJRP had formally determined their intention to shut down the St. Johns River Power Park System plant (the "Plant"), and such determination was publicly announced on March 17, 2017; and

WHEREAS, the Asset Transfer and Contract Termination Agreement ("ATA") executed on May 17, 2017 between the governing authorities of SJRP to effectuate the Plant shutdown provided for the Plant to shut down on the later of: (i) January 5, 2018, and (ii) three (3) business days after the governing authorities satisfy a series of closing conditions as outlined in Section 2.02 of the ATA; and

WHEREAS, the Plant was formally shutdown effective as of the close of business on January 5, 2018; and

WHEREAS, Sections 1.11, 9.01, and 10.16 of the Plan allow for compliance amendments to the Plan, such as amendments which are administrative in nature, are beneficial to maintaining the tax-qualified status of the Plan, or facilitate collectively-bargained terms; and

WHEREAS, as a result of the ATA, the cessation of SJRP's operational and employment activities, the dismantling and remediation of the Plant, and finally, a transfer of deed, JEA will become the sole owner of SJRP; and

WHEREAS, JEA is the sole active Employer under the Plan and is operationally fulfilling the duties of the Sponsor role; and

WHEREAS, JEA for and on behalf of SJRP wishes to amend the Plan, as a result of the operational action taken by the governing authorities of SJRP to reflect certain compliance-related provisions in connection with the Plant shutdown; and

WHEREAS, Sections 9.01 and 10.16 of the Plan grant the authority to amend the Plan to SJRP, which authority is exercisable by action of JEA; and

WHEREAS, JEA has approved and authorized the Plan compliance-related amendment embodied herein.

NOW, THEREFORE, in consideration of the premises and acting pursuant to the reserved powers in the Plan, SJRPP hereby amends the Plan as follows, effective as of the close of business on January 5, 2018:

1. The following new Section 11 is hereby added to the Plan:

SECTION 11

PLANT SHUTDOWN

The governing authorities of the Sponsor formally determined to shut down the St. Johns River Power Park System plant (the "Plant"). To that end, the governing authorities of the Sponsor entered into an Asset Transfer and Contract Termination Agreement ("ATA") to effectuate the Plant shutdown. In accordance with section 2.02 of the ATA, the Plant was formally shut down effective at the close of business on January 5, 2018 ("Shutdown Time").

11.01 Closure of Plan to New Entrants and Re-Entrants

The Plan is closed to new entrants and re-entrants. Thus, no Employee or any other individual providing services in any capacity to any Employer may enter or re-enter the Plan after the Shutdown Time.

Effective as of the Shutdown Time, active participation in the Plan is expressly limited to individuals who meet both of the following criteria: (i) they were active Participants immediately prior to the Shutdown Time, and (ii) they continuously remain active Participants in the Plan as Transfer Participants on and after the Shutdown Time.

If a Transfer Participant's employment with JEA later terminates at any time after the Shutdown Time, the Transfer Participant's active participation in the Plan shall end on such employment termination date and such Transfer Participant shall not, under any circumstances, be permitted to re-enter the Plan or re-commence active participation in the Plan at a later date, even if re-employed by JEA on a later date.

By way of example and not as a limitation on the foregoing provisions, an individual who is not a continuing active Transfer Participant but who provides services related to wind-down and decommissioning of the SJRPP Plant after the Shutdown Time shall not be eligible to enter or re-enter the Plan regardless of such individual's status as an Employee, status as a temporary, contract, or leased employee, or status as any other type of employee or independent contractor, of any Employer.

11.02 Nonforfeitable Benefit Status

Due to the announcement of the SJRPP Plant shutdown, any active Participant whose employment with SJRPP terminated, whether voluntarily or involuntarily, during the period beginning on March 17, 2017 and ending at the Shutdown Time has a nonforfeitable right to the Plan benefits that such Participant had accrued as of the date of his or her employment termination, including those who accepted a transfer of employment to JEA (thus becoming a Transfer Participant or a Limited Participant) during the period beginning on March 17, 2017 and ending at the Shutdown Time.

For the avoidance of doubt, all Employees who were already Limited Participants on March 17, 2017 or who were already Transfer Participants on March 17, 2017 shall have their right to Plan benefits and the forfeitability of such benefits determined under all other generally-applicable Plan provisions and without application of the first paragraph of this Section 11.02.

By way of example and not as a limitation on the foregoing provisions, if:

- (i) an active Participant was offered transfer of employment from SJRPP to JEA during the period beginning on March 17, 2017 and ending at the Shutdown Time, such that the Participant had the opportunity to: (a) elect to continue active participation in this Plan as a Transfer Participant; or (b) terminate active participation in this Plan as a Limited Participant, and
- (ii) that Participant had attained less than five (5) years of Vesting Service by the time of the Participant's SJRPP employment termination,

then in accordance with the first paragraph of this Section 11.02, the Participant has a nonforfeitable right to all of the Plan benefits that such Participant had accrued from his or her past Entry Date in the Plan through the date of his or her subsequent termination of employment with JEA.

11.03 Frozen Benefits

Due to the SJRPP Plant shutdown, effective as of the Shutdown Time, all Accrued Benefits in the Plan are frozen and there shall be no further accrual of benefits by any Participant – with two exceptions.

The two exceptions are as follows:

- (1) *Continued Active Participation:* A continuing active Transfer Participant, as described in the second paragraph of Section 11.01 herein, shall continue to accrue Plan benefits in accordance with all

applicable Plan provisions until such time as the Transfer Participant's active employment with JEA later terminates after the Shutdown Time.

(2) *Interest Credits on Tier Two Benefits:* Interest credits shall continue to accrue on Tier Two benefits as described in Section 1.39(4) of the Plan from a Participant's Vested Termination Date until the Participant's benefit commencement date for any active Group C or Group D Participant who terminated employment at any time in the past, or for any active Group C or Group D Transfer Participant who terminates employment with JEA after the Shutdown Time, with at least five (5) years of Vesting Service. Interest credits shall also continue to accrue on Tier Two benefits as described in Section 1.39(4) from a Participant's Vested Termination Date until the Participant's benefit commencement date for any Group C or Group D Participant who is deemed to have completed five (5) years of Vesting Service. For this purpose, a Group C or D Participant who terminates employment before actually completing five (5) years of Vesting Service will nevertheless be deemed to have completed five (5) years of Vesting Service if:

- (a) The Group C or D Participant has attained nonforfeitable benefits under the Plan on or after March 17, 2017 due to the application of Section 11.02, or
- (b) The Group C or D Participant is an active Transfer Participant who terminates employment with JEA after the Shutdown Time and is at least age fifty-five (55) at the time of that employment termination.

If a Group C or D Participant is deemed to have completed five (5) years of Vesting Service as a result of the application of the foregoing provisions, then the date of the Participant's termination of employment with his or her Employer shall be treated as his or her Vested Termination Date for purposes of Section 1.39(4).

11.04 Continuing Contribution Obligations

Participant Contributions shall continue to be due from continuing active Transfer Participants after the Shutdown Time, in accordance with Section 6.01.

JEA, as sole remaining active Employer, shall continue to make Contributions to the Plan after the Shutdown Time, in accordance with Section 6.02.

11.05 Current Committee Make-Up

Section 7.04 of the Plan provides that the Plan shall be administered by the Committee, the members of which shall be appointed by and serve at the pleasure of the Sponsor.

Section 7.04(1) describes the process by which the Committee members will be selected, namely by appointment of the Sponsor.

The Sponsor hereby reaffirms the functions and duties of the Committee, as outlined in Section 7.04 of the Plan, and confirms that as of the adoption date of this Amendment #2, the Committee consists of the following members:

- (1) An appointee of the Managing Director and Chief Executive Officer of JEA (currently, the appointee is JEA's Vice President/General Manager Electric Systems, Michael Brost).
- (2) The Treasurer of JEA (currently, Joseph Orfano).
- (3) The Controller of JEA (currently, Janice Nelson).
- (4) SJRPP-related Project Director (currently, Larry Pinkstaff).

The Committee may, but is not required to, appoint a fifth member to the Committee in accordance with such selection and appointment procedures as the Committee shall determine are appropriate.

Notwithstanding the foregoing, in accordance with Section 7.04(1), any Committee member may resign or be removed by the Sponsor at any time, and the Sponsor may appoint additional or replacement Committee members at any time.

11.06 Other Plan Provisions Related to Plant Shutdown

This Section 11 does not override other Plan provisions related to shut down of the SJRPP Plant that were previously adopted and remain in effect. Thus, by way of example and not as a limitation, this Section 11 does not change the definition of Normal Retirement Date that became effective under Section 1.30 of the Plan for active Participants whose employment was terminated at the Shutdown Time.

If there are any questions concerning the application of this Section 11 or the interaction between this Section 11 and other Plan provisions or other applicable binding documents (including, but not limited to, collectively-bargained compromise interpretations and conditions), the Committee has binding authority as provided under Section 7.04(2) to interpret the entire Plan and to resolve those and any other questions.

2. Except as specifically amended herein, all other provisions of the Plan remain in full force and effect.

IN WITNESS WHEREOF, by action of JEA, SJRPP has caused this Amendment #2 to be duly executed by its duly authorized officer this ____ day of _____, 2018.

ST. JOHNS RIVER POWER PARK SYSTEM

By: _____
Alan Howard, JEA Board Chair

ATTEST:

Frederick Newbill, JEA Board Secretary

Form Approved

Legal Counsel

III. E.
06/19/2018

May 24, 2018

Pension Committee
JEA
St. John's River Power Park System
Employees' Retirement Plan

Dear Committee Members:

As requested, we have reviewed the proposed Amendment 2 for the St. John's River Power Park System Employees' Retirement Plan ("Plan"). It adds a section clarifying administration of the Plan in connection to the closure of the St. Johns River Power Park System ("Plant") at the end of business on January 5, 2018.

The benefits triggered by the Plant shutdown do not arise from this amendment, but arise from the natural operation of the Plan's current provisions. Please note that the Plant closure has an effect of terminating an employer-employee relationship affecting virtually all active members and results in cessation of accruals for such members. The proposed amendment is intended to codify compliance-related provisions triggered by the Plant shutdown and clarify application of the Plan provisions subsequent to the Plant closure.

The following ramifications of the Plant shutdown are clarified:

- The Plan is closed to new entrants and re-entrants,
- Benefit accruals are frozen with exception of
 - benefits of members electing to continue participation in the Plan upon transferring employment to JEA and
 - continuation of interest credits for all undistributed Tier Two benefits,
- Benefits accrued through employment termination after the announcement date of the Plant shutdown are non-forfeitable.

Furthermore, the Amendment reiterates continued obligation of the Plan sponsor to make contributions necessary to fund the Plan and it memorializes the composition of the Committee administering the Plan.

As such, this amendment does not have a measurable actuarial cost to the plan, as contemplate by the statutes relating to actuarial impact statements.

A draft of the Plan document incorporating these amendments is attached to this letter.

The Statement must be filed with the Division of Retirement before the final public hearing on the amendments. Please have a Chairman of the Committee sign the Statement. Then send the Statement along with copies of the proposed plan amendments to:

LOCAL RETIREMENT SECTION
DIVISION OF RETIREMENT
P.O. BOX 9000
TALLAHASSEE, FL 32315-9000.
Email: local_ret@dms.myflorida.com

Additional Disclosures

This communication was prepared at the request of the St. Johns River Power Park System Employees' Retirement Plan Pension Committee, and is intended for use by the St. Johns River Power Park System Employees' Retirement Plan Pension Committee, JEA and those designated or approved by the St. Johns River Power Park System Employees' Retirement Plan Pension Committee or JEA. This statement may be provided to other parties only in its entirety and only with the permission of the St. Johns River Power Park System Employees' Retirement Plan Pension Committee or JEA.

The purpose of this statement is to describe the effect of the proposed plan changes on plan funding in compliance with the state constitution, statutes and administrative regulations. This impact statement should not be relied on for any purpose other than the purpose described above.

Our opinion is based on the assumptions and plan provisions used in the October 1, 2017 actuarial valuation with results presented in the report dated April 13, 2018.

James Rizzo and Piotr Krekora are members of the American Academy of Actuaries and meet the Qualification Standards of the American Academy of Actuaries to render the actuarial opinions contained herein.

The undersigned actuaries are independent of the plan sponsor.

This report has been prepared by actuaries who have substantial experience valuing public employee retirement systems. To the best of our knowledge the information contained in this report is accurate and fairly presents the actuarial position of the Plan as of the valuation date. All calculations have been made in conformity with generally accepted actuarial principles and practices, and with the Actuarial Standards of Practice issued by the Actuarial Standards Board and with applicable statutes.

We welcome your questions and comments.

Sincerely yours,



James J. Rizzo, ASA, MAAA, FCA
Senior Consultant & Actuary



Piotr Krekora, ASA, MAAA
Consultant & Actuary

JJR/tnr
Enclosures



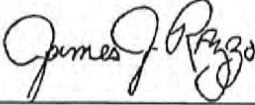
ST. JOHN'S RIVER POWER PARK SYSTEM – EMPLOYEES' RETIREMENT PLAN

Actuarial Impact Statement – May 23, 2018

Attached draft of the proposed amendment incorporates language intended to clarify administration of the Plan in connection to the closure of the St. Johns River Power Park System ("Plant") at the end of business on January 5, 2018.

There is no measurable actuarial cost effect to the Plan by this Plan amendment.

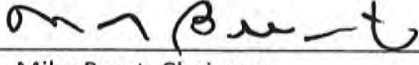
ACTUARY, Gabriel, Roeder, Smith & Company

By: 

Date: May 24, 2018

The proposed changes are in compliance with section 14, Article X of the State Constitution and Section 112.64, Florida Statutes.

PLAN ADMINISTRATOR,
St. Johns River Power Park System Employees' Retirement Plan Pension Committee

By: 
Mike Brost, Chairman

Date: 6-4-18



III. F.
Compliance Amendment to JEA 457 Deferred
Compensation Plan Document

June 7, 2018

SUBJECT:	COMPLIANCE AMENDMENT TO JEA 457 DEFERRED COMPENSATION PLAN DOCUMENT
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Purpose:	<input checked="" type="checkbox"/> Information Only	<input type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
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Issue: All governing documents of the plan should be updated periodically to reflect changing Internal Revenue Code and to ensure consistency with the operation of the plan.

Significance: The Plan's tax-favored status as an eligible deferred compensation plan under section 457(b) of the Internal Revenue Code of 1986 is maintained by ensuring that the Plan's operations and governing Plan document are consistent.

Effect: Conformity and consistency of the plan's operations and governing plan documents.

Cost or Benefit: N/A

Recommended Board action: For information only. Staff will bring this item to the Board for approval at the July 17, 2018 meeting.

For additional information, contact: Angelia Hiers (904) 665-4747

Submitted by: AFZ/MHD/ARH



Commitments to Action

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

INTER-OFFICE MEMORANDUM

June 7, 2018

**SUBJECT: COMPLIANCE AMENDMENT TO JEA 457 DEFERRED
COMPENSATION PLAN DOCUMENT**

FROM: Aaron F. Zahn - Interim Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

The JEA 457 Deferred Compensation Plan ("Plan") was originally established in 2002 for the purpose of providing employees of JEA and employees of St. Johns River Power Park System ("SJRP") with a voluntary method of deferring taxation on compensation until death, retirement, or certain other events. Both bargaining unit and non-bargaining unit employees participate in the Plan. With respect to SJRP employees, Plan benefits had been bargained with the International Brotherhood of Electrical Workers Local Union 1618 bargaining unit.

The latest governing Plan document for the Plan is an amendment and restatement with an effective date of May 19, 2014 and a Clarifying Amendment thereto with a retroactive effective date of June 26, 2013.

DISCUSSION:

To maintain the Plan's tax-favored status as an eligible deferred compensation plan under section 457(b) of the Internal Revenue Code of 1986, the Plan's operations and governing Plan document must conform to each other.

The governing authorities of SJRP recently determined to shut down the SJRP plant, which shutdown was effective at the close of business on January 5, 2018. SJRP terminated all active employment positions by that date. In connection with the SJRP plant shutdown, the terms of the governing Plan document were reviewed. A Compliance Amendment has been drafted to conform the governing Plan document to past collective bargaining terms and actual operations. A summary of the Compliance Amendment terms is as follows:

- SJRP was a participating employer from the Plan's inception on June 1, 2002 until January 5, 2018 when the SJRP plant was shut down and all employment by SJRP was terminated. JEA is the sole remaining employer and the Plan Administrator.
- Employees represented by bargaining units may participate in the Plan unless a collective bargaining agreement covering them specifically prohibits their participation.
- SJRP had provided an employer matching contribution to certain employees who were Group C or Group D (cash balance) participants in the St. Johns River Power Park Systems' Employees' Retirement Plan ("SJRP Pension Plan"). The limit on the employer matching contribution varied depending upon whether the qualifying participant was a bargaining or non-bargaining unit employee and whether the participant was under or over the age of 50. For SJRP employees who transferred to JEA and continue to actively

participate in the SJRPP Pension Plan as Group C or Group D participants, JEA continues to make the employer matching contributions.

The Compliance Amendment does not change the amount of Plan benefits or the operation of the Plan or increase benefit costs to JEA. As such, there are no collective bargaining requirements associated with the Compliance Amendment.

Attached to this Memorandum is the following item:

- Exhibit "A" – Proposed Compliance Amendment

RECOMMENDATION:

For information only. Staff will bring this item to the Board for approval at the July 17, 2018 meeting.

Aaron F. Zahn - Interim Managing Director CEO

AFZ/MHD/ARH

JEA Board Resolution No. 2018-03

**RESOLUTION APPROVING
COMPLIANCE AMENDMENT TO JEA 457 DEFERRED COMPENSATION PLAN
AS AMENDED AND RESTATED EFFECTIVE MAY 19, 2014**

WHEREAS, JEA previously adopted the JEA 457 Deferred Compensation Plan ("Plan"), which Plan has subsequently been amended and restated effective May 19, 2014, was thereafter amended via a Clarifying Amendment effective retroactive to June 26, 2013, and is currently in effect; and

WHEREAS, section 10.1 of the Plan provides that the employer may amend the Plan; and

WHEREAS, in accordance with section 457(b)(6) of the Internal Revenue Code of 1986 and Treasury Regulation section 1.457-9(a), JEA for and on behalf of itself and the St. Johns River Power Park System ("SJRPP") wishes to amend the Plan to conform the Plan to past collective bargaining terms and actual operations; and

WHEREAS, it has been proposed that the JEA Board of Directors, acting for and on behalf of itself and SJRPP, approve and adopt the document attached hereto titled "Compliance Amendment to JEA 457 Deferred Compensation Plan" ("Amendment"); and

WHEREAS, the JEA Board of Directors has reviewed the Amendment and has been advised that all necessary prerequisites to adoption of the Amendment have been completed.

NOW, THEREFORE, BE IT RESOLVED that the JEA Board of Directors hereby approves and adopts the document titled "Compliance Amendment to JEA 457 Deferred Compensation Plan" attached hereto, for and on behalf of JEA and the St. Johns River Power Park System; and

BE IT FURTHER RESOLVED that the JEA Board Chair is hereby authorized to execute the document titled "Compliance Amendment to JEA 457 Deferred Compensation Plan" attached hereto, for and on behalf of JEA and the St. Johns River Power Park System; and

BE IT FURTHER RESOLVED that the JEA Board Chair is hereby authorized to take all actions and steps and to execute any and all other instruments, documents, and certificates necessary to effectuate this resolution; and

BE IT FURTHER RESOLVED that the JEA Interim Managing Director/CEO and/or the future JEA Managing Director/CEO are also hereby authorized to execute all implementing documents necessary to effectuate this resolution.

IN WITNESS WHEREOF, the JEA Board of Directors has caused this Resolution to be duly executed by its duly authorized officer this ____ day of _____, 2018.

JEA

By: _____
Alan Howard, JEA Board Chair

ATTEST:

Frederick Newbill, JEA Board Secretary

Form Approved

Legal Counsel

COMPLIANCE AMENDMENT TO JEA 457 Deferred Compensation Plan

This Compliance Amendment is adopted for purposes of conforming the JEA 457 Deferred Compensation Plan ("Plan") to past collective bargaining terms and actual operations. The provisions of this Compliance Amendment take precedence over any inconsistent provisions of the Plan.

1. The definition of the term "Administrator" in Section 1.1 of the Plan is amended in its entirety to read as follows:

The "**Administrator**" means JEA. The term Administrator includes any person or persons, committee, or organization appointed by JEA to administer the Plan.

2. The definition of the term "Employee" in Section 1.1 of the Plan is amended in its entirety to read as follows:

An "**Employee**" means each natural person who is employed by the Employer as a common law employee on a full-time basis or on a part-time basis and any employee in an elected or appointed position; provided, however, that the term Employee shall not include a leased employee. The term Employee includes any employee who is included in a unit of employees covered by a collective bargaining agreement (unless specifically prohibited by the collective bargaining agreement).

Any individual who is not treated by the Employer as a common law employee of the Employer shall be excluded from Plan participation even if a court or administrative agency determines that the individual is a common law employee of the Employer, unless the Employer has included the individual in Plan participation as an independent contractor.

3. The definition of the term "Employer" in Section 1.1 of the Plan is amended in its entirety to read as follows:

An "**Employer**" means the eligible employer (within the meaning of Code Section 457(e)(1)) that has adopted the Plan, i.e., JEA. In the case of an eligible employer that is an agency or instrumentality of a political subdivision of a State within the meaning of Code Section 457(e)(1)(A), the term Employer shall include any other agency or instrumentality of the same political subdivision that has adopted the Plan as a participating employer. With respect to the foregoing sentence, SJRPP was an adopting participating Employer for the period commencing on June 1, 2002 and ending at the close of business on January 5, 2018 (when the SJRPP plant was shut down and all employment by SJRPP was terminated).

4. The definition of a new term "Matching Contribution" is added to Section 1.1 of the Plan to read as follows:

A "**Matching Contribution**" means an amount of deferred compensation that the Employer contributes and credits to the Account Balance of certain Participants (who had at some point been employed by SJRPP) if those Participants choose to make elective deferrals to this Plan, as determined in accordance with Section 2.7.

5. The definition of a new term "Matching Limit" is added to Section 1.1 of the Plan to read as follows:

"**Matching Limit**" means, with respect to a Participant who is eligible to receive a Matching Contribution, the maximum total aggregate dollar amount of Matching Contributions that the Employer will contribute and credit to the Participant's Account Balance for a given Plan Year, as determined in accordance with Section 2.7.

6. The definition of a new term "SJRPP" is added to Section 1.1 of the Plan to read as follows:

"**SJRPP**" means the St. Johns River Power Park System.

7. The definition of a new term "SJRPP Pension Plan" is added to Section 1.1 of the Plan to read as follows:

The "**SJRPP Pension Plan**" means the St. Johns River Power Park System Employees' Retirement Plan. Although certain provisions of this Plan make reference to definitions in the SJRPP Pension Plan, those references are purely for purposes of explaining classifications within the Employer's Human Resources records and do not result in an amendment to the SJRPP Pension Plan, incorporation of this Plan or this Plan's terms into the SJRPP Pension Plan, or incorporation of the SJRPP Pension Plan or its terms into this Plan.

8. Section 2.7 of the Plan titled "Employer Contributions" is amended in its entirety to read as follows:

2.7 Employer Contributions

A. Matching Contributions (effective February 25, 2013)

Effective on and after February 25, 2013, the Employer has been making Annual Deferrals to the Account Balance of certain Participants, referred to as "Matching Contributions," as described in this subsection A and subject to the Participant's contribution limits in Section III.

(1) Participants Eligible for Matching Contributions

For the period commencing on *February 25, 2013 and ending at the close of business on January 5, 2018* (when the SJRPP plant was shut down and all employment by SJRPP was terminated), a Participant was eligible for a Matching Contribution *from SJRPP* only if all of the following conditions were satisfied:

- (i) The Participant was actively employed by SJRPP; and
- (ii) The Employer's Human Resources records reflected that the Participant was classified as either an active Group C Participant or active Group D Participant in the SJRPP Pension Plan (as the terms "Group C Participant" and "Group D Participant" are defined under the SJRPP Pension Plan); and
- (iii) The Participant made a voluntary election to defer a portion of his or her Compensation to this Plan in accordance with Section 2.2.

For the period commencing on *February 25, 2013*, a Participant has been, and continues to be, eligible for a Matching Contribution *from JEA* only if all of the following conditions are satisfied:

- (i) The Participant's active employment was directly transferred from SJRPP to JEA and on and after the date of that transfer, the Participant thereafter continues to be actively employed by JEA; and
- (ii) The Employer's Human Resources records reflect that the Participant elected to continue active participation in the SJRPP Pension Plan as a Transfer Participant (as the term "Transfer Participant" is defined under the SJRPP Pension Plan); and
- (iii) The Employer's Human Resources records reflect that the Participant is classified as either an active Group C Participant or active Group D Participant in the SJRPP Pension Plan (as the terms "Group C Participant" and "Group D Participant" are defined under the SJRPP Pension Plan); and
- (iv) The Participant has made a voluntary election to defer a portion of his or her Compensation to this Plan in accordance with Section 2.2.

(2) Computation of the Matching Contribution

The Matching Contribution is computed as a 100% dollar-for-dollar match of an eligible Participant's voluntary elective deferral made during each payroll period, up until the Employer has made total aggregate Matching Contributions in the Plan Year equal to the Matching Limit (defined below) that is applicable to the Participant.

(3) Matching Limit During Employment with JEA (effective on and after February 25, 2013)

The following provisions describe how the "Matching Limit" has been, and continues to be, computed for eligible Participants during active employment with JEA:

- (a) If, on the date immediately preceding the eligible Participant's employment transfer from SJRPP to JEA, the Participant had been classified in SJRPP's Human Resources records as a *bargaining unit employee represented by Local 1618, International Brotherhood of Electrical Workers*, then the "Matching Limit" applicable to the Participant is as follows:
 - (i) For so long as the eligible Participant is *under the age of fifty (50)*: an amount equal to 2% of the Participant's annual Matching Base Compensation (as defined below); or
 - (ii) For so long as the eligible Participant is *fifty (50) years old or older*: an amount equal to 4% of the Participant's annual Matching Base Compensation (as defined below).
- (b) If, on the date immediately preceding the eligible Participant's employment transfer from SJRPP to JEA, the Participant had been classified in SJRPP's Human Resources records as a *Managerial and Confidential employee or non-bargaining unit employee*, then the "Matching Limit" applicable to the Participant is as follows:
 - (i) For so long as the eligible Participant is *under the age of fifty (50)*: an amount equal to 3% of the Participant's annual Matching Base Compensation (as defined below); or
 - (ii) For so long as the eligible Participant is *fifty (50) years old or older*: an amount equal to 5% of the Participant's annual Matching Base Compensation (as defined below).

For purposes of computing the Matching Limit for a Participant, "Matching Base Compensation" means the product of multiplying (x) the Participant's base hourly rate as reflected in JEA's Human Resources records by (y) 2,080; provided, however, that a pro rata portion of the Participant's Matching Base Compensation is re-computed on a go-forward basis for the remainder of the Plan Year if there is a mid-Plan Year change in the Participant's base hourly rate as reflected in JEA's Human Resources records.

If an eligible Participant turns age fifty (50) during a Plan Year, the increase in the Matching Limit due to the attainment of age is administratively

implemented on a go-forward basis by no later than the second (2nd) payroll period following the Participant's fiftieth (50th) birthday.

If an increased Matching Limit becomes applicable due to a mid-Plan Year increase in annual Matching Base Compensation, the increase in the Matching Limit is implemented on a go-forward basis as soon as administratively feasible.

If a decreased Matching Limit becomes applicable due to a mid-Plan Year decrease in annual Matching Base Compensation, there is no forfeiture of prior Matching Contributions already credited to the Participant's Account Balance. However, future Matching Contributions due during the remainder of the Plan Year (if any) may be decreased on a go-forward basis to take into account the decreased Matching Limit.

(4) Matching Limit During Employment with SJRPP (effective February 25, 2013 through the close of business on January 5, 2018)

The following provisions are historical provisions that describe how the "Matching Limit" was computed for eligible Participants when they were actively employed by SJRPP:

The "Matching Limit" applicable to an eligible Participant was as follows:

- (a) For so long as an eligible Participant was classified in SJRPP's Human Resources records as a *bargaining unit employee* and was *under the age of fifty (50)*, the Matching Limit was an amount equal to 2% of the Participant's annual Matching Base Compensation (as defined below).
- (b) For so long as an eligible Participant was classified in SJRPP's Human Resources records as a *bargaining unit employee* and was *age fifty (50) years old or older*, the Matching Limit was an amount equal to 4% of the Participant's annual Matching Base Compensation (as defined below).
- (c) For so long as an eligible Participant was classified in SJRPP's Human Resources records as a *Managerial and Confidential employee or non-bargaining unit employee* and was *under the age of fifty (50)*, the Matching Limit was an amount equal to 3% of the Participant's annual Matching Base Compensation.
- (d) For so long as an eligible Participant was classified in SJRPP's Human Resources records as a *Managerial and Confidential employee or non-bargaining unit employee* and was *age fifty (50) years old or older*, the Matching Limit was an amount equal to 5% of the Participant's annual Matching Base Compensation.

For purposes of computing the Matching Limit for a Participant, "Matching Base Compensation" meant the product of multiplying (x) the Participant's base hourly rate as reflected in SJRPP's Human Resources records by (y) 2,080; provided, however, that a pro rata portion of the Participant's Matching Base Compensation was re-computed on a go-forward basis for the remainder of the Plan Year if there was a mid-Plan Year change in the Participant's base hourly rate as reflected in SJRPP's Human Resources records.

If an eligible Participant turned age fifty (50) during a Plan Year, the increase in the Matching Limit due to the attainment of age was administratively implemented on a go-forward basis by no later than the second (2nd) payroll period following the Participant's fiftieth (50th) birthday.

If an increased Matching Limit became applicable due to any other reason (such as a mid-Plan Year increase in annual Matching Base Compensation or a mid-Plan Year change from a bargaining unit employment position to a Managerial and Confidential or non-bargaining unit employment position), the increase in the Matching Limit was implemented on a go-forward basis as soon as administratively feasible.

If a decreased Matching Limit became applicable for any reason (such as a mid-Plan Year decrease in annual Matching Base Compensation or mid-Plan Year change in employment position), there was no forfeiture of prior Matching Contributions already credited to the Participant's Account Balance. However, future Matching Contributions due during the remainder of the Plan Year (if any) were decreased on a go-forward basis to take into account the decreased Matching Limit.

B. Other Employer Contributions

Nothing in this Plan prohibits the Employer from making other Annual Deferrals to the Account Balance of a Participant on a discretionary non-elective basis, subject to the Participant's contribution limits in Section III.

9. Except as specifically provided herein, the terms of this Compliance Amendment are effective retroactive to the Plan's original inception (June 1, 2002).

EXECUTION

Pursuant to Section 10.1 of the Plan and the governance authority vested in the JEA Board of Directors to adopt an amendment to the Plan for, and on behalf of, JEA and St. Johns River Power Park System, this Compliance Amendment is hereby adopted and executed this ____ day of _____, 2018.

PLAN SPONSOR/CURRENT EMPLOYER: JEA
PRIOR PARTICIPATING EMPLOYER:
St. Johns River Power Park System

By: _____
Alan Howard, JEA Board Chair

ATTEST:

Frederick Newbill, JEA Board Secretary

Form Approved

Legal Counsel

**CLARIFYING AMENDMENT
TO
JEA 457 Deferred Compensation Plan ("Plan")**

This amendment is adopted for purposes of clarifying the Plan's terms in light of the U.S. Supreme Court's decision in United States V. Windsor. The provisions of this amendment take precedence over any inconsistent provisions of the Plan.

Prior to June 26, 2013, the Plan did not contain an explicit definition of the term "spouse." At all times up until June 26, 2013, that term was consistently interpreted and applied by Plan officials to mean only the person to whom the Participant was married as determined under the laws of the state in which the Participant resided.

Effective as of September 16, 2013, the term "spouse" is defined for all Plan purposes to mean the person to whom the Participant is legally married under the laws of the state or country in which the marriage was celebrated, without regard to whether such marriage is recognized under the laws of the state or country in which the Participant resides.

Additionally, for the period June 26, 2013 through September 15, 2013, the Plan recognized such a person as the Participant's spouse regardless of whether the marriage was also recognized under the laws of the state or country in which the Participant resided.

* * *

EXECUTED AT JEA, Florida, this 23 day
of March, 2015.

JEA

By:

Pat L. Maillis

Title:

Director, Employee Services

JEA 457 DEFERRED COMPENSATION PLAN

Effective Date of This Document May 19, 2014

Neither MassMutual nor any of its employees can provide legal or tax advice in connection with the execution of this specimen document. Prior to execution of this document, you should consult with your legal or tax advisor on whether this document is appropriate for your plan.

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457(b) PLAN DOCUMENT
DEFERRED COMPENSATION PLAN

PREAMBLE

Adoption of Plan

The JEA 457 Deferred Compensation Plan (hereinafter "the Plan"), an eligible deferred compensation plan within the meaning of Section 457(b) of the Internal Revenue Code of 1986, as amended (hereinafter the "Code"), of a State or local government as described in Code Section 457(e)(1)(A), adopted by JEA (hereinafter the "Employer") effective May 19, 2014.

Purpose of Plan

The primary purpose of this Plan is to permit Employees of the Employer to enter into an agreement which will provide for deferral of payment of a portion of his or her current compensation until death, retirement, severance from employment, or other event, in accordance with the provisions of the Code Section 457(b), with other applicable provisions of the Code, and in accordance with the General Statutes of the State.

Status of Plan

It is intended that the Plan shall qualify as an eligible deferred compensation plan within the meaning of Code Section 457(b) sponsored by an eligible employer within the meaning of Code Section 457(e)(1)(A), i.e., a State, political subdivision of a State, and agency or instrumentality of a State or political subdivision of a State.

Tax Consequences of Plan

The Employer does not and cannot represent or guarantee that any particular federal or State income, payroll, or other tax consequence will occur by reason of participation in this Plan. A Participant should consult with his or her own counsel or other representative regarding all tax or other consequences of participation in this Plan.

SECTION I DEFINITIONS

1.1 Plan Definitions

For purposes of this Plan, the following words and phrases have the meaning set forth below, unless a different meaning is plainly required by the context:

An "**Account Balance**" means the bookkeeping account maintained with respect to each Participant which reflects the value of the deferred Compensation credited to the Participant, including the Participant's Annual Deferrals, the earnings or loss of the Trust Fund (net of Trust Fund expenses) allocable to the Participant, any transfers for the Participant's benefit, and any distribution made to the Participant or the Participant's Beneficiary. If a Participant has more than one Beneficiary at the time of the Participant's death, then a separate Account Balance shall be maintained for each Beneficiary. The Account Balance includes any account established under Section VII for rollover contributions and plan-to-plan transfers made for a Participant, the account established for a Beneficiary after a Participant's death, and any account or accounts established for an alternate payee (as defined in Code Section 414(p)(8)).

The "**Administrator**" means the Employer. The term Administrator includes any person or persons, committee, or organization appointed by the Employer to administer the Plan.

An "**Annual Deferral**" means the amount of Compensation deferred in any calendar year.

The "**Beneficiary**" of a Participant means the person or persons (or, if none, the Participant's estate) who is entitled under the provisions of the Plan to receive a distribution in the event the Participant dies before receiving distribution of his or her entire interest under the Plan.

The "**Code**" means the Internal Revenue Code of 1986, as now in effect or as hereafter amended from time to time. Reference to a Code Section includes such section and any comparable section or sections of any future legislation that amends, supplements, or supersedes such section.

The "**Compensation**" of a Participant means all cash compensation for services to the Employer, including salary, wages, fees, commissions, bonuses, and overtime pay, that is includible in the Employee's gross income for the calendar year, including, as applicable, compensation attributable to services as an independent contractor, plus amounts that would be cash compensation for services to the Employer includible in the Employee's gross income for the calendar year but for a compensation reduction election under Code Section 125, 132(f), 401(k), 403(b), or 457(b) (including an election to defer compensation under Section II).

Any payments described below made to a Participant after a Severance from Employment shall qualify as Compensation for purposes of the Plan, but only if the payments are made by the later of (a) the end of the calendar year in which the Severance from Employment occurred or (b) within 2 ½ months of such Severance from Employment:

- (a) Payments that, absent a Severance from Employment, would have been paid to the Participant while the Participant continued in employment with the Employer, but only if such payments constitute regular compensation for services during the Participant's regular working hours, compensation for services outside the Participant's regular working hours (such as overtime or a shift differential), commissions, bonuses or other similar compensation.

Any payment that is not described above shall not be considered Compensation if it is paid after the date of the Participant's Severance from Employment, even if it is paid within 2 ½ months of such date. Thus, for example, Compensation does not include severance pay.

For years beginning after December 31, 2008, (a) a Participant receiving a differential wage payment, as defined by Code §3401(h)(2), by reason of qualified military service (within the meaning of Code Section 414(u)), is treated as an Employee of the Employer making the payment and (b) the differential wage payment is treated as Compensation.

An "**Employee**" means each natural person who is employed by the Employer as a common law employee on a full time basis or on a part-time basis and any employee in an elected or appointed position; provided, however, that the term Employee shall not include a leased employee or any employee who is included in a unit of employees covered by a collective bargaining agreement that does not specifically provide for participation in the Plan.

Any individual who is not treated by the Employer as a common law employee of the Employer shall be excluded from Plan participation even if a court or administrative agency determines that such individual is a common law employee of the Employer, unless the Employer has included the individual in Plan participation as an independent contractor.

An "**Employer**" means the eligible employer (within the meaning of Code Section 457(e)(1)) that has adopted the Plan. In the case of an eligible employer that is an agency or instrumentality of a political subdivision of a State within the meaning of Code Section 457(e)(1)(A), the term Employer shall include any other agency or instrumentality of the same political subdivision that has adopted the Plan.

"**Includible Compensation**" means, with respect to a taxable year, the Participant's compensation as defined in Code Section 415(c)(3) and the regulations thereunder, for services performed for the Employer. The amount of Includible Compensation is determined without regard to any community property laws.

"**Normal Retirement Age**" means age 70 ½, unless the Participant has elected an alternate Normal Retirement Age and delivered such election to the Administrator. Such date shall be no earlier than the earliest date that the Participant will become eligible to retire and receive, under the basic defined benefit pension plan of the Employer (or a money purchase plan in which the Participant also participates if the Participant is not eligible to participate in a defined benefit plan) immediate retirement benefits without actuarial or similar reduction because of retirement before some later specified age, but not greater than age 70 ½. If a Participant continues employment after attaining age 70 ½, not having previously elected an alternate Normal Retirement Age, the Participant's alternate Normal Retirement Age shall not be later than the

mandatory retirement age, if any, established by the Employer, or any age at which the Participant actually has a Severance from Employment if the Employer has no mandatory retirement age. If the Participant will not become eligible to receive benefits under a basic defined benefit pension plan (or money purchase pension plan, if applicable) maintained by the Employer, the Participant's alternate Normal Retirement Age may not be earlier than age 65 and may not be later than age 70 ½.

A Participant's Normal Retirement Age must be the same as his or her normal retirement age under any other eligible deferred compensation plan or plans sponsored by the Employer. The designation of a Normal Retirement Age under the Plan does not compel retirement with the Employer.

The "**Participant**" means an individual who is currently deferring Compensation, or who has previously deferred Compensation under the Plan by salary reduction and who has not received a distribution of his or her entire benefit under the Plan. Only individuals who perform services for the Employer as an Employee may defer Compensation under the Plan.

"**Plan Year**" means the calendar year.

"**Roth Contributions**" means the amount of any Annual Deferral elected by a Participant that is irrevocably designated by the Participant as being made pursuant to, and intended to comply with, Code Section 402A. Roth Contributions are includable in the Participant's taxable gross income at the time they are contributed to the Plan and have been irrevocably designated as Roth Annual Deferrals by the Participant in their deferral agreement. The Administrator shall establish and maintain for the Employee a separate account for any Roth Contributions made to the Plan, to which only Roth Contributions and the income attributable thereto shall be allocated. Roth Contributions also includes any contributions made to another eligible retirement plan that are rolled over to the Plan in accordance with the provisions of Section 7.1 and that the Participant designated as Roth contributions at the time they were contributed to such other plan.

"**Severance from Employment**" means the date that the Employee dies, retires, or otherwise has a severance from employment with the Employer, as determined by the Administrator (and taking into account guidance issued under the Code). Solely for the purpose of determining whether the Participant is entitled to receive a distribution of his or her Account Balance pursuant to Section 6.2, a Participant shall be treated as having incurred a severance from employment during any period the Participant is performing service in the uniformed services (as defined in chapter 43 of title 38, United States Code) while on active duty for a period of more than 30 days.

The "**State**" means the State that is the Employer or of which the Employer is a political subdivision, and any agency, or instrumentality, including any agency or instrumentality of a political subdivision of the State, or the State in which the Employer is located.

The "**Trust Fund**" means the trust fund created under and subject to a trust agreement or a custodial account or contract described in Code Section 401(f) held on behalf of the Plan.

The "**Valuation Date**" means each business day.

SECTION II PARTICIPATION AND CONTRIBUTIONS

2.1 Eligibility

Each Employee shall be eligible to participate in the Plan and defer Compensation hereunder immediately upon becoming employed by the Employer.

2.2 Election

An Employee may elect to become a Participant by executing an election to defer a portion of his or her Compensation (and to have that amount contributed as an Annual Deferral on his or her behalf) and filing such election with the Administrator. This participation election shall be made on the deferral agreement provided by the Administrator under which the Employee agrees to be bound by all the terms and conditions of the Plan. Any such election shall remain in effect until a new election is filed. The Administrator may establish a minimum deferral amount, and may change such minimums from time to time. The deferral agreement shall also include designation of investment funds and a designation of Beneficiary. The deferral agreement may also include a Participant's designation that all or a portion of the Annual Deferral elected by the Participant shall be treated as Roth Contributions.

- (a) **Special Deferral Election of Sick, Vacation, or Back Pay:** A Participant who has not had a Severance from Employment may authorize a special election to defer accumulated sick pay, accumulated vacation pay, and back pay for any calendar month if an election to defer is entered into before the beginning of the month in which the amounts would otherwise be paid or made available and the Participant is an Employee on the date the amounts would otherwise be paid or made available. For this purpose, Compensation that would otherwise be paid for a payroll period that begins before Severance from Employment is treated as an amount that would otherwise be paid or made available before an Employee has a Severance from Employment.

2.3 Commencement of Participation

An Employee shall become a Participant as soon as administratively practicable following the date the Employee files an election pursuant to Section 2.2. Such election shall become effective no later than the calendar month following the month in which the election is made. A new Employee may defer compensation payable in the calendar month during which the Participant first becomes an Employee if an agreement providing for the deferral is entered into on or before the first day on which the Participant performs services for the Employer.

2.4 Amendment of Annual Deferral Election, Investment Direction, or Beneficiary Designation

Subject to other provisions of the Plan, a Participant may at any time revise his or her participation election, including a change of the amount of his or her Annual Deferrals, his or her investment direction and his or her designated Beneficiary. The revised participation election

may also include a change in the Participant's designation of the amount of the Annual Deferral elected by the Participant that is to be treated as Roth Contributions. Unless the election specifies a later effective date, a change in the amount of the Annual Deferrals shall take effect as of the first day of the next following month or as soon as administratively practicable if later. A change in the investment direction shall take effect as of the date provided by the Administrator on a uniform basis for all Employees. A change in the Beneficiary designation shall take effect when the election is accepted by the Administrator.

2.5 Information Provided by the Participant

Each Employee enrolling in the Plan should provide to the Administrator at the time of initial enrollment, and later if there are any changes, any information necessary or advisable for the Administrator to administer the plan, including, without limitation, whether the Employee is a participant in any other eligible plan under Code Section 457(b).

2.6 Contributions Made Promptly

Annual Deferrals by the Participant under the Plan shall be transferred to the Trust Fund within a period that is not longer than is reasonable for the proper administration of the Participant's Account Balance. For this purpose, Annual Deferrals shall be treated as contributed within a period that is not longer than is reasonable for the proper administration if the contribution is made to the Trust Fund within 15 business days following the end of the month in which the amount would otherwise have been paid to the Participant, or earlier if required by law.

2.7 Employer Contributions

Nothing in this Plan prohibits the Employer from making annual deferrals to the Account Balance of a Participant on a non-elective basis, subject to the Participant's contribution limits in Section III.

2.8 Leave of Absence

Unless an election is otherwise revised, if a Participant is absent from work by leave of absence, Annual Deferrals under the Plan shall continue to the extent that Compensation continues.

2.9 Disability

A disabled Participant (as determined by the Administrator) may elect Annual Deferrals during any portion of the period of his or her disability to the extent that he or she has actual Compensation (not imputed Compensation and not disability benefits) from which to make contributions to the Plan and has not had a Severance from Employment.

2.10 Protection of Persons Who Serve in a Uniformed Service

An Employee whose employment is interrupted by qualified military service under Code Section 414(u) or who is on a leave of absence for qualified military service under Code Section 414(u) may elect to make additional Annual Deferrals upon resumption of employment with the

Employer equal to the maximum Annual Deferrals that the Employee could have elected during that period if the Employee's employment with the Employer had continued (at the same level of Compensation) without the interruption or leave, reduced by the Annual Deferrals, if any, actually made for the Employee during the period of the interruption or leave. This right applies for five years following the resumption of employment (or, if sooner, for a period equal to three times the period of the interruption or leave).

A reemployed Employee shall also be entitled to an allocation of any additional Employer Contributions, if applicable, that such Employee would have received under the Plan had the Employee continued to be employed as an eligible Employee during the period of qualified military service. Such restorative Employer Contributions (without interest), if applicable, shall be remitted by the Employer to the Plan on behalf of the Employee within 90 days after the date of the Employee's reemployment or, if later, as of the date the contributions are otherwise due for the year in which the applicable qualified military service was performed.

2.11 Corrective Measures

In the event that an otherwise eligible Employee is erroneously omitted from Plan participation, or an otherwise ineligible individual is erroneously included in the Plan, the Employer shall take such corrective measures as may be permitted by applicable law. Such measures may include, in the case of an erroneously omitted Employee, contributions made by the Employer to the Plan on behalf of such Employee equal to the missed deferral opportunity, subject to the Participant's contribution limits in Section III, and, in the case of an erroneously included individual, a payment by the Employer to such individual of additional compensation in an amount equal to the amount of the individual's elective deferrals under the Plan.

SECTION III LIMITATIONS ON AMOUNTS DEFERRED

3.1 Basic Annual Limitation

- (a) The maximum amount of the Annual Deferral and, if applicable, Employer Contributions under the Plan for any calendar year shall not exceed the lesser of:
 - (i) The "applicable dollar amount" (as defined in paragraph (b) below); or
 - (ii) The Participant's Includible Compensation for the calendar year.
- (b) The "applicable dollar amount" means the amount established under Code Section 457(e)(15), as indexed, and in accordance with Section 3.4(a).
- (c) Rollover amounts received by the Plan under Treasury Regulation Section 1.457-10(e) and any plan-to-plan transfer into the Plan made pursuant to Section 7.2 shall not be applied against the Annual Deferral limit.

3.2 Age 50 Catch-up Annual Deferral Contributions

A Participant who will attain age 50 or more by the end of a calendar year is permitted to elect an additional amount of Annual Deferral for the calendar year, up to the maximum age 50 catch-up Annual Deferral limit under §414(v)(2), as indexed.

The amount of the age 50 catch-up Annual Deferral for any calendar year cannot exceed the amount of the Participant's Compensation, reduced by the amount of the elective deferred compensation, or other elective deferrals, made by the Participant under the Plan and in accordance with Section 3.4(a).

The age 50 catch-up Annual Deferral limit is not available to a Participant for any calendar year for which the Special Section 457 Catch-up Limitation described in Section 3.3 is available and applied.

3.3 Special Section 457 Catch-up Limitation

Notwithstanding the provisions of Sections 3.1 and 3.2, with respect to a year that is one of a Participant's last three (3) calendar years ending before the year in which the Participant attains Normal Retirement Age and the amount determined under this Section 3.3 exceeds the amount computed under Sections 3.1 and 3.2, then the Annual Deferral limit under this Section 3.3 shall be the lesser of:

- (a) An amount equal to two (2) times the Section 3.1 Applicable Dollar Amount for such year; or
- (b) The sum of:

- (i) An amount equal to (A) the aggregate Section 3.1 limit for the current year plus each prior calendar year beginning after December 31, 2001, during which the Participant was an Employee under the Plan, minus (B) the aggregate amount of Compensation that the Participant deferred under the Plan during such years, plus
- (ii) An amount equal to (A) the aggregate limit referred to in Code Section 457(b)(2) for each prior calendar year beginning after December 31, 1978, and before January 1, 2002, during which the Participant was an Employee (determined without regard to Sections 3.2 and 3.3), minus (B) the aggregate contributions to Pre-2002 Coordination Plans (as defined in Section 3.4(c)) made by or on behalf of the Participant for such years.

However, in no event can the deferred amount be more than the Participant's Compensation for the year.

3.4 Special Rules

For purposes of this Section III, the following rules shall apply:

- (a) Participant Covered By More Than One Eligible Plan. If the Participant is or has been a participant in one or more other eligible plans within the meaning of Code Section 457(b), then this Plan and all such other plans shall be considered as one plan for purposes of applying the foregoing limitations of this Section III. For this purpose, the Administrator shall take into account any other such eligible plan maintained by the Employer and shall also take into account any other such eligible plan for which the Administrator receives from the Participant sufficient information concerning his or her participation in such other plan.
- (b) Pre-Participation Years. In applying Section 3.3, a year shall be taken into account only if (i) the Participant was eligible to participate in the Plan during all or a portion of the year and (ii) Compensation deferred, if any, under the Plan during the year was subject to the Basic Annual Limitation described in Section 3.1 or any other plan ceiling required by Code Section 457(b).
- (c) Pre-2002 Coordination Years. For purposes of Section 3.3(b)(ii)(B), "contributions to Pre-2002 Coordination Plans" means any employer contribution, salary reduction or elective contribution under any other eligible Code Section 457(b) plan, or a salary reduction or elective contribution under any Code Section 401(k) qualified cash or deferred arrangement, Code Section 402(h)(1)(B) simplified employee pension (SARSEP), Code Section 403(b) annuity contract, and Code Section 408(p) simple retirement account, or under any plan for which a deduction is allowed because of a contribution to an organization described in Code Section 501(c)(18), including plans, arrangements or accounts maintained by the Employer or any employer for whom the Participant performed services. However, the contributions for any calendar year are only taken into account for purposes of Section 3.3(b)(ii)(B) to the extent that the total of such contributions does not exceed the aggregate limit referred to in Code Section 457(b)(2) for that year.

- (d) Disregard Excess Deferral. For purposes of Sections 3.1, 3.2, and 3.3, an individual is treated as not having deferred compensation under a plan for a prior taxable year if excess deferrals under the plan are distributed, as described in Section 3.5. To the extent that the combined deferrals for pre-2002 years exceeded the maximum deferral limitations, the amount is treated as an excess deferral for those prior years.

3.5 Correction of Excess Deferrals

If the Annual Deferral on behalf of a Participant for any calendar year exceeds the limitations described above, or the Annual Deferral on behalf of a Participant for any calendar year exceeds the limitations described above when combined with other amounts deferred by the Participant under another eligible deferred compensation plan under Code Section 457(b) for which the Participant provides information that is accepted by the Administrator, then the Annual Deferral, to the extent in excess of the applicable limitation (adjusted for any income or loss in value, if any, allocable thereto), shall be distributed to the Participant as soon as administratively practicable after the Administrator determines that the amount is an excess deferral. If a Participant to whom distribution must be made in accordance with the preceding sentence has made Roth Contributions for the year, the amount distributed as an excess deferral shall be made first from pre-tax Annual Deferrals, then from Roth Contributions for the year unless otherwise specified.

SECTION IV INVESTMENT RESPONSIBILITIES

4.1 Investment of Deferred Amount

Each Participant or Beneficiary shall direct the investment of amounts held in his or her Account Balance under the Plan among the investment options of the Trust Fund. The investment of amounts segregated on behalf of an alternate payee pursuant to a Plan approved domestic relations order (as defined under Code Section 414(p)) may be directed by such alternate payee to the extent provided in such order. In the absence of such direction, such amounts shall be invested in the same manner as they were immediately before such segregation was made on account of such order. Each Account Balance shall share in any gains or losses of the investment(s) in which such account is invested.

4.2 Investment Election for Future Contributions

A Participant may amend his or her investment election at such times and by such manner and form as prescribed by the Administrator. Such election will, unless specifically stated otherwise, apply only to future amounts contributed under the Plan.

4.3 Investment Changes for an Existing Account Balance

The Participant, Beneficiary, alternate payee, or Administrator may elect to transfer amounts in his Account Balance among and between those investments available under the Trust Fund at such times and by such manner and form prescribed by the Administrator, subject further to any restrictions or limitations placed on any investment by the Administrator to be uniformly applied to all Participants.

4.4 Investment Responsibility

To the extent that a Participant, Beneficiary, or alternate payee exercises control over the investment of amounts credited to his Account Balance, the Employer, the Administrator, and any other fiduciary of the Plan shall not be liable for any losses that are the direct and necessary result of investment instructions given by a Participant, Beneficiary or an alternate payee.

4.5 Default Investment Fund

The Employer shall maintain a Default Investment Fund which shall be held and administered under the Trust Fund. Any Participant who does not make an investment election on the deferral agreement provided by the Administrator will have his contributions invested in the Default Investment Fund until such time he provides investment direction under Sections 4.2 and 4.3. Additionally, a Beneficiary or alternate payee who does not make an investment election will have his Account Balance invested in the Default Investment Fund until such time he provides investment direction under Section 4.3. The interest of each Participant, Beneficiary, or alternate payee under the Plan in the Default Investment Fund shall be an undivided interest.

4.6 Statements

The Administrator will cause statements to be issued periodically to reflect the contributions and actual earnings posted to the Account Balances.

SECTION V LOANS

5.1 Loans

The Employer may elect to make loans available to Participants who are Employees. If the Employer has elected to make loans available to Participants who are Employees, the Employer shall establish written guidelines governing the granting and administration of loans, which are hereby incorporated into and made part of the Plan provided that such guidelines are approved by the Administrator and are not inconsistent with the provisions of this Section V. To the extent such guidelines are more restrictive than the provisions of the Plan and are not inconsistent with the provisions of Code Section 72(p) and regulations issued thereunder, the guidelines shall be controlling.

Except as modified by the Plan's loan program policy and procedures adopted by the Administrator, the following rules shall apply to loans under the Plan. Any loans that are issued under the Plan shall be administered in a manner consistent with the requirements of Code Section 72(p), Treasury Regulations 1.72(p) and any other applicable guidance issued thereunder.

5.2 Maximum Loan Amount

No loan to a Participant hereunder may exceed the lesser of:

- (a) \$50,000, reduced by the excess (if any) of (i) the highest outstanding balance of loans from the Plan during the preceding one-year period ending on the day before the date the loan is approved by the Administrator (not taking into account any payments made during such one-year period) over (ii) the outstanding balance of loans from the Plan on the date the loan is approved by the Administrator; or
- (b) one half of the value of the Participant's Account Balance (as of the Valuation Date immediately preceding the date on which such loan is approved by the Administrator).

For purposes of this Section 5.2, any loan from any other plan maintained by a participating employer shall be treated as if it were a loan made from the Plan, and the Participant's vested interest under any such other plan shall be considered a vested interest under this Plan; provided, however, that the provisions of this paragraph shall not be applied so as to allow the amount of a loan under this Section 5.2 to exceed the amount that would otherwise be permitted in the absence of this paragraph.

5.3 Terms of Loan

The terms of the loan shall:

- (a) charge a reasonable interest rate commensurate with current interest rates charged for loans made under similar circumstances by persons in the business of lending money (subject to the requirements of the Servicemembers Civil Relief Act).
- (b) require that the minimum loan term be 12 months;
- (c) require that the loan be repaid within five years unless the Participant certifies in writing to the Administrator that the loan is to be used to acquire any dwelling unit which within a reasonable time is to be used (determined at the time the loan is made) as a principal residence (as defined in Code Section 121) of the Participant;
- (d) require substantially level amortization of such loan with payments not less frequently than quarterly throughout the repayment period. If a loan is made from both a Participant's Roth Contribution account and his or her other accounts under the Plan, the level amortization requirement shall be met with respect to both his or her Roth Contributions account and his or her other accounts under the Plan. Notwithstanding the foregoing, if so provided in the written guidelines applicable to Plan loans, the amortization schedule may be waived and payments suspended while a Participant is on a leave of absence from employment with an Employer (for periods in which the Participant does not perform military service as described in paragraph (d)), provided that all of the following requirements are met:
 - (i) Such leave is either without pay or at a reduced rate of pay that, after withholding for employment and income taxes, is less than the amount required to be paid under the amortization schedule;
 - (ii) Payments resume after the earlier of (1) the date such leave of absence ends or (2) the one-year anniversary of the date such leave began;
 - (iii) The period during which payments are suspended does not exceed one year;
 - (iv) Payments resume in an amount not less than the amount required under the original amortization schedule; and
 - (v) The waiver of the amortization schedule does not extend the period of the loan beyond the maximum period permitted under this Section 5.3.
- (e) If a Participant is absent from employment with any participating employer for a period during which he or she performs services in the uniformed services (as defined in chapter 45 of title 38 of the United States Code), whether or not such services constitute qualified military service, the suspension of payments shall not be taken into account for purposes of applying paragraph (d) of this Section 5.3 provided that all of the following requirements are met:
 - (i) Payments resume upon completion of such military service;

- (ii) Payments resume in an amount not less than the amount required under the original amortization schedule and continue in such amount until the loan is repaid in full;
 - (iii) Upon resumption, payments are made no less frequently than required under the original amortization schedule and continue under such schedule until the loan is repaid in full; and
 - (iv) The loan is repaid in full, including interest accrued during the period of such military service, no later than the maximum period otherwise permitted under this Section V extended by the period of such military service.
- (f) The loan shall be evidenced by a legally enforceable agreement that demonstrates compliance with the provisions of this Section.

5.4 Security for Loan; Default

- (a) Security. Any loan to a Participant under the Plan shall be secured by the pledge of the portion of the Participant's Account Balance in the Plan invested in such loan.
- (b) Default. In the event that a Participant fails to make a loan payment under this Section V on the last business day before the end of the calendar quarter following the quarter in which the payment is due, unless payment is not made because the Participant is on a bona fide leave of absence as determined by the Administrator and the amortization schedule is suspended while the Participant is on leave of absence from employment with an Employer, a default on the loan shall occur. In the event of such default, (i) all remaining payments on the loan shall be immediately due and payable (including accrued interest) at the time of the default, and (ii) interest shall continue to accrue on the outstanding loan balance until the loan is foreclosed.

In the case of any default on a loan to a Participant, the Administrator shall apply the portion of the Participant's interest in the Plan held as security for the loan in satisfaction of the loan on the date of Severance from Employment. In addition, the Administrator may take any legal action it shall consider necessary or appropriate to enforce collection of the unpaid loan, with the costs of any legal proceeding or collection to be charged to the Account Balance of the Participant.

Notwithstanding anything elsewhere in the Plan to the contrary, in the event a loan is outstanding hereunder on the date of a Participant's death, his or her estate shall be his or her Beneficiary as to the portion of his or her interest in the Plan invested in such loan (with the Beneficiary or Beneficiaries as to the remainder of his or her interest in the Plan to be determined in accordance with otherwise applicable provisions of the Plan).

5.5 Repayment

A Participant shall be required, as a condition to receiving a loan, to enter into an agreement for the repayment of the loan in accordance with a method set forth in the written guidelines

governing the granting of Plan loans that are established by the Employer pursuant to Section 5.1.

A Participant may prepay the entire outstanding balance of his or her loan at any time (but may not make a partial prepayment).

SECTION VI DISTRIBUTIONS

6.1 Distributions from the Plan

- (a) Earliest Distribution Date. Payments from a Participant's Account Balance shall not be made earlier than:
- (i) the Participant's Severance from Employment pursuant to Section 6.2
 - (ii) the Participant's death pursuant to Section 6.3
 - (iii) Plan termination under Section 10.3
 - (iv) an unforeseeable emergency withdrawal pursuant to Section 6.10(a), if permitted under the Plan
 - (v) a de minimis account balance distribution pursuant to Section 6.10(b), if permitted under the Plan
 - (vi) a rollover account withdrawal pursuant to Section 6.10(c), if permitted under the Plan
 - (vii) attainment of age 70 ½ withdrawal pursuant to Section 6.10(d), if permitted under the Plan
 - (viii) Qualified Military Service Deemed Severance withdrawal pursuant to Section 6.10(e), if permitted under the Plan
 - (ix) Qualified Military Reservist withdrawal pursuant to Section 6.10(f), if permitted under the Plan
 - (x) Qualified Distributions for Retired Public Safety Officers pursuant to Section 6.11, if permitted under the Plan
- (b) Latest Distribution Date. In no event shall any distribution under this Section VI begin later than the Participant's "required beginning date". Such required minimum distributions must be made in accordance with Section 6.6.
- (c) Amount of Account Balance. Except as provided in Section 6.3, the amount of any payment under this Section VI shall be based on the amount of the Account Balance as of the Valuation Date.

6.2 Benefit Distributions Upon Severance from Employment

Upon Severance from Employment (other than due to death), a Participant may elect to commence distribution of benefits at any time after such Severance from Employment by filing a

request with the Administrator before the date on which benefits are to commence. However, in no event may distribution of benefits commence later than his or her "required beginning date".

Distributions required to commence under this section shall be made in the form of benefit provided under Section 6.5. Distributions postponed until the Participant's "required beginning date" will be made in a manner that meets the requirements of Section 6.6.

6.3 Distributions on Account of Participant's Death

Upon receipt of satisfactory proof of the Participant's death, the designated Beneficiary may file a request with the Administrator to elect a form of benefit provided under Section 6.5 and made in a manner that meets the requirements of Section 6.6.

- (a) Death of Participant Before Distributions Begin. If the Participant dies before his or her distributions begin, the designated Beneficiary may elect to have distributions to be made (i) in full within 5 years of the Participant's death (5-year rule) or (ii) in installments over the designated Beneficiary's "life expectancy" (life expectancy rule).

If the designated Beneficiary does not make an election by September 30 of the year following the year of the Participant's death, the Participant's Account Balance will be distributed in a lump sum payment by December 31 of the calendar year containing the fifth anniversary of the Participant's death or if the Participant's spouse is the sole designated Beneficiary by December 31 of the year the Participant would have attained age 70 $\frac{1}{2}$.

- (b) Death of Participant On or After Date Distributions Begin. If the Participant dies on or after his or her distributions began, the Participant's Account Balance shall be paid to the Beneficiary at least as rapidly as under the payment option used before the Participant's death.

For purposes of this Section, a Participant who dies on or after January 1, 2007, while performing qualified military service (as defined in Code Section 414(u)) will be deemed to have resumed employment in accordance with the Participant's reemployment rights under chapter 43 of title 38, United States Code, on the day preceding death and to have terminated employment on the actual date of death for purposes of determining the entitlement of the Participant's survivors to any additional benefits (other than benefit accruals relating to the period of qualified military service) provided under the Plan, in accordance with the provisions of Code Sections 401(a)(37), 414(u)(9), and 457(g)(4).

6.4 Distribution of Small Account Balances Without Participant's Consent

Notwithstanding any other provision of the Plan to the contrary, if the amount of a Participant's or Beneficiary's Account Balance (including the rollover contribution separate account) is not in excess of the amount specified below on the date that payments commence under Section 6.2 or on the date the Administrator is notified of the Participant's death, the Administrator may direct

payment without the Participant's or Beneficiary's consent as soon as practicable following the Participant's retirement, death, or other Severance from Employment.

- (a) If the Participant's or Beneficiary's Account Balance (including the rollover contribution separate account) is \$1,000 or less, distribution shall be made in a lump sum payment, if the Account Balance is greater than \$1,000 but less than \$5,000 (or the dollar limit under Code Section 411(a)(11), if greater), the distribution shall be made through a direct rollover to an individual retirement account selected by the Administrator, unless the Participant or Beneficiary affirmatively elects distribution in a lump sum payment or through a direct rollover to an "eligible retirement plan" defined under Section 6.9(b) specified by the Participant or Beneficiary.

6.5 Forms of Distribution

In an election to commence benefits under Section 6.2, a Participant entitled to a distribution of benefits under this Section VI may elect to receive payment in any of the following forms of distribution:

- (a) a lump sum payment of the Participant's total Account Balance.
- (b) partial distribution of the Participant's Account Balance.
- (c) in a series of installments over a period of years (payable on a monthly, quarterly, semi-annual or annual basis) which extends no longer than the life expectancy of the Participant as permitted under Code Section 401(a)(9).
- (d) a purchase of a single premium nontransferable annuity contract for such term and in such form as the Participant selects that provides for payments in the form of an irrevocable annuity each calendar year of amounts not less than the amount required under Code Section 401(a)(9).

6.6 Minimum Distribution Requirements

- (a) General Rules.

Notwithstanding anything in this Plan to the contrary, distributions from this Plan shall commence and be made in accordance with Code Section 401(a)(9) and the regulations promulgated thereunder. Additionally, the requirements of this Section 6.6 will take precedence over any inconsistent provisions of the Plan.

- (b) Time and Manner of Distribution.

- (i) Required Beginning Date. The Participant's entire interest will be distributed, or begin to be distributed, to the Participant no later than the Participant's "required beginning date".

- (ii) Death of Participant Before Distributions Begin. If the Participant dies before distributions begin, the Participant's entire interest will be distributed, or begin to be distributed, no later than as follows:
- (A) If the Participant's surviving spouse is the Participant's sole "designated Beneficiary", then distributions to the surviving spouse will begin by December 31 of the calendar year immediately following the calendar year in which the Participant dies, or by December 31 of the calendar year in which the Participant would have attained age 70 $\frac{1}{2}$, if later.
 - (B) If the Participant's surviving spouse is not the Participant's sole "designated Beneficiary" (i.e., multiple beneficiaries), then distributions to the "designated Beneficiaries" will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.
 - (C) If the Participant's sole "designated Beneficiary" is not the Participant's spouse, then distributions to the "designated Beneficiary" will begin by December 31 of the calendar year immediately following the calendar year in which the Participant died.
 - (D) If there is no "designated Beneficiary" as of September 30 of the year following the year of the Participant's death, the Participant's Account Balance will be distributed in a lump sum payment by December 31 of the calendar year containing the fifth anniversary of the Participant's death.
 - (E) If the Participant's surviving spouse is the Participant's sole "designated Beneficiary" and the surviving spouse dies after the Participant but before distributions to the surviving spouse begin, this subparagraph (b)(ii), other than subsection (b)(ii)(A), will apply as if the surviving spouse were the Participant.

For purposes of this subparagraph (ii) and paragraph (d), unless subsection (b)(ii)(D) applies, distributions are considered to begin on the Participant's "required beginning date". If subsection (b)(ii)(E) applies, distributions are considered to begin on the date distributions are required to begin to the surviving spouse under subsection (b)(ii)(A). If distributions under an annuity purchased from an insurance company irrevocably commence to the Participant before the Participant's "required beginning date" (or to the Participant's surviving spouse before the date distributions are required to begin to the surviving spouse under subsection (b)(ii)(A)), the date distributions are considered to begin is the date distributions actually commence.

- (iii) Death of Participant On or After Distributions Begin. If the Participant dies on or after distributions begin and before depleting his or her Account Balance, distributions must commence to the "designated Beneficiary" by December 31 of

the calendar year immediately following the calendar year in which the Participant died.

- (iv) Forms of Distribution. Unless the Participant's Account Balance is distributed in the form of an annuity contract or in a lump sum on or before the Participant's "required beginning date", as of the first distribution calendar year, distributions will be made in accordance with paragraphs (c) and (d). If the Participant's interest is distributed in the form of an annuity contract, distributions thereunder will be made in accordance with the requirements of Code Section 401(a)(9).
- (c) **Required Minimum Distributions During the Participant's Lifetime.**
 - (i) Amount of Required Minimum Distribution For Each "Distribution Calendar Year". During the Participant's lifetime, the minimum amount that will be distributed for each distribution calendar year is the lesser of:
 - (A) The quotient obtained by dividing the "Participant's account balance" by the distribution period in the Uniform Lifetime Table set forth in Treasury Regulation Section 1.401(a)(9)-9, Q&A-2 using the Participant's age as of the Participant's birthday in the "distribution calendar year"; or
 - (B) if the Participant's sole "designated Beneficiary" for the "distribution calendar year" is the Participant's spouse and the spouse is more than 10 years younger than the Participant, the quotient obtained by dividing the "Participant's account balance" by the distribution period in the Joint and Last Survivor Table set forth in Treasury Regulation Section 1.401(a)(9)-9, Q&A-3 using the Participant's and spouse's attained ages as of the Participant's and spouse's birthdays in the "distribution calendar year".
 - (ii) Lifetime Required Minimum Distributions Continue Through Year of Participant's Death. Required minimum distributions will be determined under this paragraph (c) beginning with the first "distribution calendar year" and up to and including the "distribution calendar year" that includes the Participant's date of death.
- (d) **Required Minimum Distributions After Participant's Death.**

For purposes of this Section 6.6(d), the Participant's and Beneficiary's "life expectancy" determination will use the Single Life Table set forth in Treasury Regulation Section 1.401(a)(9)-9, Q&A-1.

 - (i) Death On or After Date Distributions Begin.
 - (A) **Participant Survived by Designated Beneficiary.**

If the Participant dies on or after the date distributions begin and there is a "designated Beneficiary", the minimum amount that will be distributed for

each "distribution calendar year" after the year of the Participant's death is the quotient obtained by dividing the "Participant's account balance" by the longer of the remaining "life expectancy" of the Participant or the remaining "life expectancy" of the Participant's "designated Beneficiary", determined as follows:

- (1) The Participant's remaining "life expectancy" is calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.
 - (2) If the Participant's surviving spouse is the Participant's sole "designated Beneficiary", the remaining "life expectancy" of the surviving spouse is calculated for each "distribution calendar year" after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year. For "distribution calendar years" after the year of the surviving spouse's death, the remaining "life expectancy" of the surviving spouse is calculated using the age of the surviving spouse as of the spouse's birthday in the calendar year of the spouse's death, reduced by one for each subsequent calendar year.
 - (3) If the Participant's surviving spouse is not the Participant's sole "designated Beneficiary" (i.e., multiple beneficiaries), the "designated Beneficiary's" remaining "life expectancy" is calculated using the age of the oldest Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.
 - (4) If the Participant's sole "designated beneficiary" is not the Participant's spouse, the "designated Beneficiary's" remaining "life expectancy" is calculated using the age of the Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.
- (B) No Designated Beneficiary.

If the Participant dies on or after the date distributions begin and there is no "designated Beneficiary" as of September 30 of the year after the year of the Participant's death, the minimum amount that will be distributed for each "distribution calendar year" after the year of the Participant's death is the quotient obtained by dividing the "Participant's account balance" by the Participant's remaining "life expectancy" calculated using the age of the Participant in the year of death, reduced by one for each subsequent year.

(ii) Death Before Date Distributions Begin.

(A) Participant Survived by Designated Beneficiary.

Except as provided in this Section, if the Participant dies before the date distributions begin and there is a "designated Beneficiary", the minimum amount that will be distributed for each "distribution calendar year" after the year of the Participant's death is the quotient obtained by dividing the "Participant's account balance" by the remaining "life expectancy" of the Participant's "designated Beneficiary", determined as follows:

- (1) If the Participant's surviving spouse is the Participant's sole "designated Beneficiary", the remaining "life expectancy" of the surviving spouse is calculated for each "distribution calendar year" after the year of the Participant's death using the surviving spouse's age as of the spouse's birthday in that year.
- (2) If the Participant's surviving spouse is not the Participant's sole "designated Beneficiary" (i.e., multiple beneficiaries), the "designated Beneficiary's" remaining "life expectancy" is calculated using the age of the oldest Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.
- (3) If the Participant's sole "designated beneficiary" is not the Participant's spouse, the "designated Beneficiary's" remaining "life expectancy" is calculated using the age of the Beneficiary in the year following the year of the Participant's death, reduced by one for each subsequent year.

(B) No Designated Beneficiary.

If the Participant dies before the date distributions begin and there is no "designated Beneficiary" as of September 30 of the year following the year of the Participant's death, distribution of the Participant's entire interest will be distributed by December 31 of the calendar year containing the fifth anniversary of the Participant's death.

(C) Death of Surviving Spouse Before Distributions to Surviving Spouse Are Required to Begin.

If the Participant dies before the date distributions begin, the Participant's surviving spouse is the Participant's sole "designated Beneficiary", and the surviving spouse dies before distributions are required to begin to the surviving spouse under subsection (b)(ii)(A), this subparagraph (d)(ii) will apply as if the surviving spouse were the Participant.

(e) Definitions.

- (i) A Participant's "required beginning date" is April 1 of the year that follows the later of (1) the calendar year the Participant attains age 70 ½ or (2) retires due to Severance from Employment. If the Participant postpones the required distribution due in calendar year he or she attains age 70 ½ or severs employment, to the "required beginning date", the second required minimum distribution must be taken by the end of that year.
- (ii) Participant's "designated Beneficiary" means the individual who is designated as the Beneficiary under Section 8.1 and is the designated Beneficiary under Code Section 401(a)(9) and Treasury Regulation Section 1.401(a)(9)-4.
- (iii) A "distribution calendar year" means a calendar year for which a minimum distribution is required. For distributions beginning before the Participant's death, the first "distribution calendar year" is the calendar year the Participant attains age 70 ½ or retires, if later. For distributions beginning after the Participant's death, the first "distribution calendar year" is the calendar year in which distributions are required to begin under subparagraph (b)(ii).

The required minimum distribution for the Participant's first "distribution calendar year" will be made on or before the Participant's "required beginning date". The required minimum distribution for other "distribution calendar years", including the required minimum distribution for the "distribution calendar year" in which the Participant's "required beginning date" occurs, will be made on or before December 31 of that "distribution calendar year".

- (iv) A married Participant's "life expectancy", whose spouse is the sole Beneficiary and is more than 10 years younger than the Participant, means the Participant's and spouse Beneficiary's life expectancy as computed by use of the Joint and Last Survivor Life Table under Treasury Regulation Section 1.401(a)(9)-9, Q&A 3. All other Participants will have his or her life expectancy computed by use of the Uniform Lifetime Table under Treasury Regulation Section 1.401(a)(9)-9, Q&A 2. A deceased Participant's or Beneficiary's "life expectancy" means his or her life expectancy as computed by use of the Single Life Table under Treasury Regulation Section 1.401(a)(9)-9, Q&A 1.
- (v) A "Participant's account balance" means the Account Balance as of the last valuation date in the calendar year immediately preceding the "distribution calendar year" (valuation calendar year) increased by the amount of any contributions made and allocated or forfeitures allocated to the Account Balance as of dates in the valuation calendar year after the valuation date and decreased by distributions made in the valuation calendar year after the valuation date. The Account Balance for the valuation calendar year includes any amounts rolled over or transferred to the Plan either in the valuation calendar year or in the "distribution calendar year" if distributed or transferred in the valuation calendar year.

(f) Special Provision Applicable to 2009 Required Minimum Distributions.

A Participant who would otherwise be required to receive a minimum distribution from the Plan in accordance with Code Section 401(a)(9) for the 2009 "distribution calendar year" may elect not to receive any such distribution that is payable with respect to the 2009 "distribution calendar year".

Notwithstanding the provisions of Section 6.9(b)(iii), the Administrator may permit a Participant who receives a minimum distribution from the Plan for the 2009 "distribution calendar year" to make a direct rollover of such distribution to an "eligible retirement plan" in accordance with the provisions of Section 6.9.

The Administrator may also permit a Participant or former Participant who has received a minimum distribution for the 2009 "distribution calendar year" to roll over such distribution back into the Plan, provided the requirements of Code Section 402(c), as modified by Notice 2009-82, extending the 60-day rollover deadline, and the requirements of Section 7.1 are otherwise satisfied. If the distribution received by the Participant included amounts in addition to the minimum required under Code Section 401(a)(9), the Administrator may allow the Participant to include a portion or all of the amount that was not a minimum distribution in the Rollover Contribution made to the Plan in accordance with this paragraph.

The provisions of this Section 6.6(f) are effective for minimum payments made for the 2009 "distribution calendar year" and do not include any minimum payment that is made in 2009, but is attributable to a different year (i.e., the participant reached his required beginning date in 2008, but payment of the 2008 minimum is not made until 2009).

6.7 Payments to Minors and Incompetents

If a Participant or Beneficiary entitled to receive any benefits hereunder is a minor or is adjudged to be legally incapable of giving valid receipt and discharge for such benefits, or is deemed so by the Administrator, benefits will be paid to such person as the Administrator or a court of competent jurisdiction may designate for the benefit of such Participant or Beneficiary. Such payments shall be considered a payment to such Participant or Beneficiary and shall, to the extent made, be deemed a complete discharge of any liability for such payments under the Plan.

6.8 Procedure When Distributee Cannot Be Located

The Administrator shall make all reasonable attempts to determine the identity and address of a Participant or a Participant's Beneficiary entitled to benefits under the Plan. For this purpose, a reasonable attempt means (a) the mailing by certified mail of a notice to the last known address shown in the Administrator's records; (b) use of the Internal Revenue Service letter forwarding program under IRS Revenue Procedure 94-22; (c) use of a commercial locator service, the internet or other general search method; (d) use of the Social Security Administration search program; or (e) use such other methods as the Administrator believes prudent.

If the Participant or Beneficiary has not responded within 6 months, the Plan shall continue to hold the benefits due such person until, in the Administrator's discretion, the Plan is required to take other action under applicable law.

Notwithstanding the foregoing, if the Administrator is unable to locate a person entitled to benefits hereunder after applying the search methods set forth above, then the Administrator, in its sole discretion, may pay an amount that is immediately distributable to such person in a direct rollover to an individual retirement plan designated by the Administrator.

6.9 Direct Rollover

- (a) A Participant or spouse Beneficiary (or a Participant's spouse or former spouse who is the alternate payee under a domestic relations order, as defined in Code Section 414(p)) who is entitled to an "eligible rollover distribution" may elect, at the time and in the manner prescribed by the Administrator, to have all or any portion of the distribution paid directly to an "eligible retirement plan" specified by the Participant or spouse Beneficiary in a direct rollover.
- (b) For purposes of this Section 6.9, an "eligible rollover distribution" means any distribution of all or any portion of a Participant's Account Balance, except that an eligible rollover distribution does not include (i) any distribution that is one of a series of substantially equal periodic payment made not less frequently than annually for the life or life expectancy of the Participant or the joint lives or life expectancies of the Participant and the Participant's designated beneficiary, or for a specified period of ten years or more (ii) any distribution made as a result of an unforeseeable emergency, or (iii) any distribution that is a required minimum distribution under Code Section 401(a)(9).

In addition, an "eligible retirement plan" with respect to the Participant, the participant's spouse, or the Participant's spouse or former spouse who is an alternate payee under a domestic relations order as defined in Code Section 414(p) means any of the following: (i) an individual retirement account described in Code Section 408(a), (ii) an individual retirement annuity described in Code Section 408(b), (iii) an annuity plan described in Code Section 403(a), (iv) a qualified defined contribution plan described in Code Section 401(a), (v) an annuity contract described in Code Section 403(b), (vi) an eligible deferred compensation plan described in Code Section 457(b) that is maintained by a State, political subdivision of a State, or any agency or instrumentality of a State or political subdivision of a State, or (vii) effective for distributions made on or after January 1, 2008, a Roth IRA, as described in Code Section 408A, provided, that for distributions made before January 1, 2010, such rollover shall be subject to the limitations contained in Code Section 408A(c)(3)(B).

Notwithstanding any other provision of this Section 6.9(b), a plan or contract described in clause (iii), (iv), (v), or (vi) above shall not constitute an "eligible retirement plan" with respect to a distribution of Roth Contributions unless such plan or contract separately accounts for such distribution, including separately accounting for the portion of such distribution which is includible in gross income and the portion of such distribution which is not so includible.

- (c) A Beneficiary who is not the spouse of the deceased Participant may elect a direct rollover of a distribution to an individual retirement account described in Code Section 408(b) or to a Roth individual retirement account described in Code Section 408A(b) ("IRA"), provided that the distributed amount satisfies all the requirements to be an eligible rollover distribution. The direct rollover must be made to an IRA established on behalf of the designated nonspouse Beneficiary that will be treated as an inherited IRA pursuant to the provisions of Code Section 402(c)(11). The IRA must be established in a manner that identifies it as an IRA with respect to a deceased Participant and also identifies the deceased Participant and the nonspouse Beneficiary. This Section applies to distributions made on or after January 1, 2007.

6.10 Inservice Distributions

- (a) Unforeseeable Emergency Distributions. If the Participant who has not incurred a Severance from Employment or Beneficiary has an unforeseeable emergency, the Administrator may approve a single sum distribution of the amount requested or, if less, the maximum amount determined by the Administrator to be permitted to be distributed under this Section 6.10(a), Treasury Regulation Section 1.457-6(c) or other regulatory guidance. The Administrator shall determine whether an unforeseeable emergency exists based on relevant facts and circumstances, and Treasury Regulation Section 1.457-6(c) or other regulatory guidance.
- (i) An unforeseeable emergency is defined as a severe financial hardship resulting from the following:
- (A) an illness or accident of the Participant or Beneficiary, the Participant's or Beneficiary's spouse, or the Participant's or Beneficiary's dependent or the Participant's "primary Beneficiary";
 - (B) loss of the Participant's or Beneficiary's property due to casualty (including the need to rebuild a home following damage to a home not otherwise covered by homeowner's insurance, e.g., as a result of a natural disaster);
 - (C) the need to pay for the funeral expenses of a Participant's or Beneficiary's spouse, Participant's or Beneficiary's dependent or "primary Beneficiary" of the Participant;
 - (D) the need to pay for medical expenses of the Participant or Beneficiary, the Participant's or Beneficiary's spouse, Participant's or Beneficiary's dependent or the Participant's "primary Beneficiary" which are not reimbursed or compensated by insurance or otherwise, including non-refundable deductibles, as well as for the cost of prescription drug medication;
 - (E) the imminent foreclosure of or eviction from the Participant's or Beneficiary's primary residence; or

- (F) other similar extraordinary and unforeseeable circumstances arising as a result of events beyond the control of the Participant or Beneficiary. However, except as otherwise specifically provided in this Section 6.10(a), certain circumstances are not considered an unforeseen emergency such as the purchase of a home or the payment of college tuition or credit card debt.

For purposes of this paragraph, if the Participant is not deceased, a "primary Beneficiary" shall be limited to a primary Beneficiary under the Plan, which is an individual who is named as a Beneficiary pursuant to Section 8.1 and has an unconditional right to all or a portion of the Participant's Account Balance upon the death of the Participant, and which shall not include a contingent beneficiary. Additionally, dependent shall be limited to the definition under Code Section 152(a), and, for taxable years beginning on or after January 1, 2005, without regard to Code Sections 152(b)(1), (b)(2) and (d)(1)(B).

- (ii) Unforeseeable emergency distribution standard. A distribution on account of unforeseeable emergency may not be made to the extent that such emergency is or may be relieved through reimbursement or compensation from insurance or otherwise; by liquidation of the Participant's assets, to the extent the liquidation of such assets would not itself cause severe financial hardship; or by cessation of deferrals under the Plan if the cessation of deferrals would alleviate the financial need.
- (iii) Distribution necessary to satisfy emergency need. Distributions because of an unforeseeable emergency may not exceed the amount reasonably necessary to satisfy the emergency need (which may include any amounts necessary to pay any federal, State, or local income taxes or penalties reasonably anticipated to result from the distribution).
- (b) De minimis Account Balance Distributions. A Participant before Severance of Employment may request a distribution of his or her total Account Balance (excluding the rollover contribution separate account), which shall be paid in a lump sum payment as soon as practical following the direction if (i) the total Account Balance does not exceed \$5,000 (or the dollar limit under Code Section 411(a)(11), if greater), (ii) the Participant has not previously received a distribution of their total Account Balance payable to the Participant under this Section 6.10(b), and (iii) no Annual Deferral has been made with respect to the Participant during the two-year period ending immediately before the date of the distribution.
- The Plan does not permit the Administrator to direct payments under the terms of this Section 6.10(b) without the Participant's consent.
- (c) Rollover Account Distributions. If a Participant has a separate account attributable to rollover contributions under the Plan, the Participant before Severance of Employment may at any time elect to receive an inservice distribution of all or any portion of the amount held in the rollover separate account. Any designated Roth contributions rolled

over to the Plan are treated as Roth Contributions for Plan purposes and are not eligible for inservice withdrawal under this Section 6.10(c).

- (d) Age 70 ½ Distributions. Prior to Severance from Employment, a Participant may withdraw all or a portion of his or her Account Balance on or after first day of the calendar year in which the Participant shall attain age 70½.
- (e) Qualified Military Service Deemed Severance Distributions. The Plan does not permit "qualified military service deemed severance withdrawals".
- (f) Qualified Military Reservist Distributions. Notwithstanding any other provision of the Plan to the contrary, a Participant who is a member of a reserve component (as defined in Section 101 of Title 37 of the United States Code) who is ordered or called to active duty for a period in excess of 179 days, or for an indefinite period, may elect to receive a withdrawal of all or any portion of his or her Annual Deferrals. Any distribution made to a Participant pursuant to this Section 6.10(f) must be made during the period beginning on the date the Participant is ordered or called to active duty and ending on the close of his active duty period.

6.11 Qualified Distributions for Retired Public Safety Officers

The Plan does not permit qualified distributions for retired public safety officers.

SECTION VII ROLLOVERS AND PLAN TRANSFERS

7.1 Eligible Rollover Contributions to the Plan

- (a) A Participant who is an Employee or a Participant who has separated from service and has an Account Balance and who is entitled to receive an eligible rollover distribution from another "eligible retirement plan", as defined in 6.9(b) excluding the direct rollover of after-tax contributions, may request to have all or a portion of the eligible rollover distribution paid to the Plan. The Administrator may require such documentation from the distributing plan as it deems necessary to effectuate the rollover in accordance with Code Section 402 and to confirm that such plan is an "eligible retirement plan" within the meaning of Code Section 402(c)(8)(B).
- (b) If an Employee makes a rollover contribution to the Plan of amounts that have previously been distributed to him or her, the Employee must deliver to the Administrator the cash that constitutes his or her rollover contribution within 60 days of receipt of the distribution from the distributing "eligible retirement plan". Such delivery must be made in the manner prescribed by the Administrator.
- (c) The Plan shall establish and maintain for the Participant a separate account for any eligible rollover distribution paid to the Plan from any "eligible retirement plan" that is an eligible governmental plan under Code Section 457(b). In addition, the Plan shall establish and maintain for the Participant a separate account for any eligible rollover distribution paid to the Plan from any "eligible retirement plan" that is not an eligible governmental plan under Code Section 457(b).
- (d) To the extent that the Plan accepts rollover contributions attributable to Roth Contributions, the Administrator shall account for such contributions separately from other rollover contributions. In administering rollover contributions attributable to Roth Contributions, the Administrator shall be entitled to rely on a statement from the distributing plan's administrator identifying (i) the Participant's basis in the rolled over amounts and (ii) the date on which the Participant's 5-taxable-year period of participation (as required under Code Section 402A(d)(2) for a qualified distribution of Roth Contributions) started under the distributing plan. If the 5-taxable-year period of participation under the distributing plan would end sooner than the Participant's 5-taxable-year period of participation under the Plan, the 5-taxable-year period of participation applicable under the distributing plan shall continue to apply with respect to the Roth Contributions included in the rollover contribution. Roth Contributions that are rolled over to the Plan shall be subject to the provisions of the Plan applicable to Roth Contributions rather than the provisions of the Plan applicable to rollover contributions.

7.2 Plan-to-Plan Transfers to the Plan

At the direction of the Employer, the Administrator may permit Participants or Beneficiaries who are participants or beneficiaries in another eligible governmental plan under Code Section 457(b)

to transfer assets to the Plan as provided in this Section 7.2. Such a transfer is permitted only if the other plan provides for the direct transfer of each Participant's or Beneficiary's interest therein to the Plan. The Administrator may require in its sole discretion that the transfer be in cash or other property acceptable to the Administrator. The Administrator may require such documentation from the other plan as it deems necessary to effectuate the transfer in accordance with Code Section 457(e)(10) and Treasury Regulation Section 1.457-10(b) and to confirm that the other plan is an eligible governmental plan as defined in Treasury Regulation Section 1.457-2(f). The amount so transferred shall be credited to the Participant's Account Balance and shall be held, accounted for, administered and otherwise treated in the same manner as an Annual Deferral by the Participant under the Plan, except that the transferred amount shall not be considered an Annual Deferral under the Plan in determining the maximum deferral under Section III.

7.3 Plan-to-Plan Transfers from the Plan

- (a) At the direction of the Employer, the Administrator may permit Participants or Beneficiaries to elect to have his or her Account Balance transferred to another eligible governmental plan within the meaning of Treasury Regulatory Section 1.457-2(f), if the other eligible governmental plan provides for the receipt of transfers, the Participant or Beneficiary whose amounts deferred are being transferred will have an amount deferred immediately after the transfer at least equal to the amount deferred with respect to that Participant or Beneficiary immediately before the transfer, and the conditions of subparagraph (i), (ii), or (iii) are met.
 - (i) A transfer from the Plan to another eligible governmental plan is permitted in the case of a transfer for a Participant if the Participant has had a Severance from Employment with the Employer and is performing services for the entity maintaining the other eligible governmental plan.
 - (ii) A transfer from the Plan to another eligible governmental plan is permitted if:
 - (A) The transfer is to another eligible governmental plan within the same State as the Plan;
 - (B) All the assets held by the Plan are transferred; and
 - (C) A Participant or Beneficiary whose amounts deferred are being transferred is not eligible for additional annual deferrals in the other eligible governmental plan unless he or she is performing services for the entity maintaining the other eligible governmental plan.
 - (iii) A transfer from the Plan to another eligible governmental plan of the Employer is permitted if:
 - (A) The transfer is to another eligible governmental plan of the Employer (and, for this purpose, an employer is not treated as the Employer if the Participant's compensation is paid by a different entity); and

- (B) A Participant or Beneficiary whose deferred amounts are being transferred is not eligible for additional annual deferrals in the other eligible governmental plan unless he or she is performing services for the entity maintaining the other eligible governmental plan.
- (b) Upon the transfer of assets under this Section 7.3, the Plan's liability to pay benefits to the Participant or Beneficiary under this Plan shall be discharged to the extent of the amount so transferred for the Participant or Beneficiary. The Administrator may require such documentation from the receiving plan as it deems appropriate or necessary to comply with this Section (for example, to confirm that the receiving plan is an eligible governmental plan under paragraph (a) of this Section 7.3, and to assure that the transfer is permitted under the receiving plan) or to effectuate the transfer pursuant to Treasury Regulation Section 1.457-10(b).

7.4 Permissive Service Credit Transfers

- (a) If a Participant is also a participant in a tax-qualified defined benefit governmental plan (as defined in Code Section 414(d)) that provides for the acceptance of plan-to-plan transfers with respect to the Participant, then the Participant may elect to have any portion of the Participant's Account Balance transferred to the defined benefit governmental plan. A transfer under this Section 7.4(a) may be made before the Participant has had a Severance from Employment and without regard to whether the defined benefit governmental plan is maintained by the Employer. The distribution rules applicable to the defined benefit governmental plan to which any amounts are transferred under this Section 7.4 shall apply to the transferred amounts and any benefits attributable to the transferred amounts.
- (b) A transfer may be made under Section 7.4(a) only if the transfer is either for the purchase of permissive service credit (as defined in Code Section 415(n)(3)(A)) under the receiving defined benefit governmental plan, including service credit for periods for which there is no performance of services, service credited in order to provide an increased benefit for service credit which a participant is receiving under the plan, and service (including parental, medical, sabbatical, and similar leave) as an employee (other than as an employee described in Code Section 415(n)(3)(C)(i)) of an educational organization described in Code Section 170(b)(1)(A)(ii) which is a public, private, or sectarian school which provides elementary or secondary education (through grade 12) or a comparable level of education, as determined under the applicable law of the jurisdiction in which the service was performed, without application of the limitations of Code Section 415(n)(3)(B) in determining whether the transfer is for the purchase of permissive service credit, or a repayment to which Code Section 415 does not apply by reason of Code Section 415(k)(3).

SECTION VIII BENEFICIARY

8.1 Beneficiary Designation

A Participant has the right, by written notice filed with the Administrator, to designate one or more beneficiaries to receive any benefits payable under the Plan in the event of the Participant's death prior to the complete distribution of benefits. The Participant accepts and acknowledges that he or she has the burden for executing and filing, with the Administrator, a proper beneficiary designation form.

The form for this purpose shall be provided by the Administrator. The form is not valid until it is signed, filed with the Administrator by the Participant, and accepted by the Administrator. Upon the Participant filing the form and acceptance by the Administrator, the form revokes all beneficiary designations filed prior to that date by the Participant.

If no such designation is in effect upon the Participant's death, or if no designated Beneficiary survives the Participant, the Beneficiary shall be the Participant's estate. If a Beneficiary dies after becoming entitled to receive a distribution under the Plan but before distribution is made to him or her in full the estate of the deceased Beneficiary shall be the Beneficiary as to the balance of the distribution.

SECTION IX ADMINISTRATION AND ACCOUNTING

9.1 Administrator

The Administrator shall have the responsibility and authority to control the operation and administration of the Plan in accordance with the terms of the Plan, the Code and regulations thereunder, and any State law as applicable.

The Administrator may contract with a financially responsible independent contractor to administer and coordinate the Plan under the direction of the Administrator. The Administrator shall have the right to designate a plan coordinator or other party of its choice to perform such services under this agreement as may be mutually agreed to between the Administrator and the plan coordinator or other party. Notwithstanding any other provisions to the contrary, the Administrator agrees that it shall be solely responsible to the Employer for any and all services performed by a plan coordinator, subcontractor, assignee, or designee under this agreement.

The Administrator has full and complete discretionary authority to determine all questions of Plan interpretation, policy, participation, or benefit eligibility in a manner consistent with the Plan's documents, such determinations shall be conclusive and binding on all persons except as otherwise provided by law.

9.2 Administrative Costs

All reasonable expenses of administration may be paid out of the Plan assets unless paid (or reimbursed) by the Employer. Such expenses shall include any expenses incident to the functioning of the Administrator, or any person or persons retained or appointed by any named fiduciary incident to the exercise of his or her duties under the Plan, including, but not limited to, fees of accountants, counsel, investment managers, agents (including nonfiduciary agents) appointed for the purpose of assisting the Administrator in carrying out the instructions of Participants as to the directed investment of his or her accounts and other specialists and his or her agents, and other costs of administering the Plan. In addition, unless specifically prohibited under statute, regulation or other guidance of general applicability, the Administrator may charge to the Account Balance of an individual a reasonable charge to offset the cost of making a distribution to the Participant, Beneficiary, or Alternate Payee or to the Participant for Plan loans. If liquid assets of the Plan are insufficient to cover the fees of the Administrator, then Plan assets shall be liquidated to the extent necessary for such fees. In the event any part of the Plan assets becomes subject to tax, all taxes incurred will be paid from the Plan assets. Until paid, the expenses shall constitute a liability of the Trust Fund described in Section 11.1.

9.3 Paperless Administration

The Administrator may use telephonic or electronic media to satisfy any notice requirements required by this Plan, to the extent permissible under regulations (or other generally applicable guidance). In addition, a Participant's consent to immediate distribution may be provided through telephonic or electronic means, to the extent permissible under regulations (or other generally

applicable guidance). The Administrator also may use telephonic or electronic media to conduct plan transactions such as enrolling participants, making (and changing) salary reduction elections, electing (and changing) investment allocations, applying for Participant Plan loans, and other transactions, to the extent permissible under regulations (or other generally applicable guidance).

SECTION X AMENDMENTS

10.1 Amendment

The Employer may at any time either prospectively or retroactively amend the Plan by notifying Participants of such action. The Employer shall not have the right to reduce or affect the value of any Participant's Account Balance or any rights accrued under the Plan prior to amendment.

10.2 Conformation

The Employer shall amend and interpret the Plan to the extent necessary to conform to the requirements of Code Section 457 and any other applicable law, regulation or ruling, including amendments that are retroactive. In the event the Plan is deemed by the Internal Revenue Code to be administered in a manner inconsistent with Code Section 457, the Employer shall correct such inconsistency within the period provided in Code Section 457(b).

10.3 Plan Termination

In the event of the termination of the Plan, all Account Balances shall be disposed to or for the benefit of each Participant or Beneficiary in accordance with the provisions of Section VI or Section VII as soon as reasonably practicable following the Plan's termination. The Employer shall not have the right to reduce or affect the value of any Participant's account or any rights accrued under the Plan prior to termination of the Plan. The Participant's or Beneficiary's written consent to the commencement of distribution shall not be required regardless of the value of his or her Account Balance.

SECTION XI TRUST FUND

11.1 Trust Fund

All amounts in a Participant's or Beneficiary's Account Balance, all property and rights purchased with such amounts, and all income attributable to such amounts, property, or rights shall be held and invested in the Trust Fund in accordance with this Plan. The Trust Fund, and any subtrust established under the Plan, shall be established pursuant to a written agreement that constitutes a valid trust, custodial agreement, annuity contract, or similar agreement under the laws of the State. All investments, amounts, property, and rights held under the Trust Fund shall be held in trust for the exclusive benefit of Participants and their Beneficiaries and defraying reasonable expenses of the Plan and of the Trust Fund. Prior to the satisfaction of all liabilities with respect to Participants and their Beneficiaries, no part of the assets and income of the Trust Fund may be used for, or diverted to, for purposes other than for the exclusive benefit of Participants and their Beneficiaries. The Employer has no beneficial interest in the Trust Fund and no part of the Trust Fund shall ever revert to the Employer, directly or indirectly, provided, however, that a contribution or any portion thereof made by the Employer through a mistake of fact under Section 12.4 shall upon written request of the Employer, reduced by losses attributable thereto, shall be returned to the Employer.

SECTION XII MISCELLANEOUS

12.1 Non-Assignability

Except as provided in Sections 12.2 and 12.3, no benefit under the Plan at any time shall be subject in any manner to anticipation, alienation, assignment (either at law or in equity), encumbrance, garnishment, levy, execution, or other legal or equitable process; and no person shall have power in any manner to anticipate, transfer, assign (either law or in equity), alienate or subject to attachment, garnishment, levy, execution, or other legal or equitable process, or in any way encumber his or her benefits under the Plan, or any part thereof, and any attempt to do so shall be void except to such extent as may be required by law.

12.2 Domestic Relation Orders

The Employer shall establish reasonable procedures to determine the status of domestic relations orders and to administer distributions under domestic relations orders which are deemed to be qualified orders. Such procedures shall be in writing and shall comply with the provisions of Code Section 414(p) and regulations issued thereunder.

Notwithstanding Section 12.1, the Administrator may affect a Participant's Account Balance for a "qualified domestic relations order" as defined in Code Section 414(p), and those other domestic relations orders permitted to be so treated by the Administrator under the provisions of the Retirement Equity Act of 1984. The amount of the Participant's Account Balance shall be paid in the manner and to the person or persons so directed in the qualified domestic relations order. Such payment shall be made without regard to whether the Participant is eligible for a distribution of benefits under the Plan.

12.3 IRS Levy

Notwithstanding Section 12.1, the Administrator may pay from a Participant's or Beneficiary's Account Balance the amount that the Administrator finds is lawfully demanded under a levy issued by the Internal Revenue Service to the Plan with respect to that Participant or Beneficiary or is sought to be collected by the United States Government under a judgment resulting from an unpaid tax assessment against the Participant or Beneficiary.

12.4 Mistaken Contributions

Notwithstanding any other provision of the Plan or the Trust Fund to the contrary, in the event any contribution of an Employer is made under a mistake of fact (and not a Plan operational error), such contribution may be returned to the Employer within one year after the payment of the contribution. Earnings attributable to the excess contribution may not be returned to the Employer, but losses attributable thereto must reduce the amount to be so returned.

12.5 Employment

Neither the establishment of the Plan nor any modification thereof, nor the establishment of any account, nor the payment of any benefits, shall be construed as giving to any Participant or other person any legal or equitable right against the Employer except as herein provided; and, in no event, shall the terms or employment of any Employee be modified or in any way affected hereby.

12.6 Successors and Assigns

The Plan shall be binding upon and shall inure to the benefit of the Employer, its successors and assigns, all Participants and Beneficiaries and their heirs and legal representatives.

12.7 Written Notice

Any notice or other communication required or permitted under the Plan shall be in writing, and if directed to the Administrator shall be sent to the designated office of the Administrator, and, if directed to a Participant or to a Beneficiary, shall be sent to such Participant or Beneficiary at his or her last known address as it appears on the Administrator's record. To the extent permitted by law, regulation or other guidance from an appropriate regulatory agency, the Administrator, Employer or any other party may provide any notice or disclosure, obtain any authorization or consent, or satisfy any other obligation under the Plan through the use of any other medium acceptable to the Administrator. Such other medium may include, but is not necessarily limited to, electronic or telephonic medium. In addition, any communication or disclosure to or from Participants or Beneficiaries that is required under the terms of the Plan to be made in writing may be provided in any other medium (electronic, telephonic, or otherwise) that is acceptable to the Administrator and permitted under applicable law.

12.8 Total Agreement

This Plan and Participant deferral election, and any subsequently adopted Plan amendment thereof, shall constitute the total agreement or contract between the Employer and the Participant regarding the Plan. No oral statement regarding the Plan may be relied upon by the Participant.

12.9 Gender

As used herein the masculine shall include the neuter and the feminine where appropriate.

12.10 Controlling Law

This Plan is created and shall be construed, administered and interpreted in accordance with Code Section 457 and the regulations thereunder, and under laws of the State as the same shall be at the time any dispute or issue is raised. If any portion of this Plan is held illegal, invalid or unenforceable, the legality, validity and enforceability of the remainder shall be unaffected.

IN WITNESS WHEREOF, the Employer has executed this Plan document this 13 day
of May, 2014.

JEA

SEAL

By Pat L. Maillis

Name Patricia L. Maillis

Title Director, Employee Services

Attest:

Title

(Witness)

**457(b) PLAN DOCUMENT
CERTIFICATION**

This form must be submitted to MassMutual along with your signed Specimen document.

Employer Name: JEA

Plan Name: JEA 457 Deferred Compensation Plan

Effective Date of Plan: May 19, 2014

MassMutual Group Number: 150057

Please select one of the following below:

☐ I, the undersigned employer representative, certify that the employer has adopted MassMutual's specimen 457(b) Plan Document without any modifications and have provided MassMutual with a copy of the adopted plan document.

☒ I, the undersigned employer representative, certify that the employer has adopted MassMutual's specimen 457(b) Plan Document with modifications and have provided MassMutual with a copy of the adopted document. I understand that the modifications will need to be approved by MassMutual to ensure that they conform to our Contract and Administrative Services Agreement with MassMutual, and their record keeping system and product. The provisions we have modified are as follows:

Plan Sections

Modifications

1-1, Definition of "Compensation" to exclude:

• Bonuses, Overtime, and Commissions

• Performance Pay

• Unused leave that a participant defers immediately prior to retirement to the JEA 457 Deferred Compensation Plan.

• Rollback and Sellback pay for annual leave.

Name of Authorized Signer: (please print)

Patricia L. Marulis

Signature:

Pat L. Marulis

Date:

5/13/14

III. G.
Electric System – Ten Year Site Plan



Building Community

AGENDA ITEM SUMMARYIII. G.
06/19/2018

May 29, 2018

SUBJECT: ELECTRIC SYSTEM - TEN YEAR SITE PLAN**Purpose:**☒ Information Only☐ Action Required☐ Advice/Direction

Issue: The Florida Public Service Commission (PSC) requires all Florida electric utilities to file an annual Ten Year Site Plan (TYSP) addressing their respective long term electric system generation plans.

Significance: The PSC uses this information to ensure that the state has sufficient generation to meet native load, that utilities are prudently planning their systems, and that the state maintains an adequate reserve margin of generation to ensure the reliable supply of electricity.

Effect: Continued, long term supply of reliable and affordable electricity to our customers is a primary goal of this planning effort. Electric System debt may be required to fund capital expenditures for new generation projects recommended in the TYSP. Projects included in this year's TYSP include the SJRPP decommissioning, Brandy Branch Combined Cycle Unit upgrade in the Spring of 2019, the Power Purchase Agreement (PPA) with the Municipal Electric Authority of Georgia for 200 MW of capacity and energy from Plant Vogtle Units 3 and 4 starting in 2021 and 2022, respectively. 27 MW of solar PPAs completed or scheduled to be completed during 2018, and annual and seasonal PPAs, as required.

Cost or Benefit: Included in the Capital Investment Plan.

Recommended Board action: No action is required by the Board; this item is submitted for information.

For additional information, contact: Steve McInall, (904) 665-4309

Submitted by: AFZ/RFW/JEO/RLH

**Commitments to Action**

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



III. G.
06/19/2018

INTER-OFFICE MEMORANDUM

May 29, 2018

SUBJECT: ELECTRIC SYSTEM - TEN YEAR SITE PLAN

FROM: Aaron F. Zahn, Interim Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

Each year JEA prepares a Ten Year Site Plan (TYSP) as required by the Florida Public Service Commission (PSC). The PSC uses this information to ensure that the state has sufficient generation to meet native load, that utilities are prudently planning their systems, and that the state maintains an adequate reserve margin of generation to ensure the reliable supply of electricity.

DISCUSSION:

One of the key drivers for additional electric system capacity is load growth. JEA annually prepares a peak demand and energy forecast for a ten year planning horizon. On average, JEA peak demand and energy is projected to grow at around 0.6 - 0.8% annually over the next ten years. Depending on the strength of the local economic recovery and other factors, actual future demand levels could be higher or lower.

With our relatively low projected load growth, the decommissioning of SJRPP, and a planned upgrade to two Brandy Branch CTs, annual and seasonal purchase power agreements are recommended in this 2018 TYSP to meet JEA's firm demand and reserves. This year's resource plan includes the SJRPP sales suspension and decommissioning, effective January 5, 2018, the upgrade to the Brandy Branch Combined Cycle Unit in the Spring of 2019, and the nuclear power purchase agreement with the Municipal Electric Authority of Georgia (MEAG) for our portion of the new Plant Vogtle Units 3 and 4 currently under construction. Included in this plan is 27 MW of solar photovoltaic (PV) for solar arrays fulfilling the Board's 2014 Solar Policy. Six MW of solar PV are scheduled for completion during the remainder of 2018. Twenty-one MW of solar PV were completed in 2017 and early 2018. The 250 MW of solar PV from the 5 x 50 MW sites is not reflected in this plan, because the bid evaluations are still in process.

RECOMMENDATION:

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

Aaron F. Zahn, Interim Managing Director/CEO

AFZ/MHD/MJB/SGM



Building Community®

June 2018

Electric System Ten Year Site Plan (TYSP)

Background

TYSP data is provided annually to Florida Reliability Coordinating Council (FRCC) in March and is the basis for studies conducted for the state.

TYSP reports from utilities throughout the state are due annually to the PSC on April 1.

- The Florida Public Service Commission (PSC) is responsible for ensuring that Florida's electric utilities plan, develop, and maintain a coordinated electric power grid throughout the state that ensures electric system reliability and integrity is maintained at a reasonable cost.
- The Ten Year Site Plan (TYSP) provides information and data that will facilitate the PSC's review.
- JEA's 2018 TYSP provides information related to JEA's power supply strategy to adequately meet the forecasted needs of our customers for the ten year planning period from January 1, 2018 to December 31, 2027.

Ten-Year Site Plan

The 2018 TYSP does not address any system changes that may be required in order to comply with EPA's Clean Power Plan (CPP) Rule.

President Trump signed an executive order that initiates a review of the CPP and unravels a handful of other energy orders and memorandums.

The TYSP addresses the following topics:

- Existing and Committed Facilities
 - Power Supply System Description
 - Transmission and Distribution
 - Demand Side Management
 - Clean Power and Renewable Energy
- Forecasts and Planning Assumptions
 - Electric Demand and Energy Forecast
 - Plug-in Electric Vehicle (PEV) Forecast
 - Energy Efficiency Forecast
 - Fuel Price Forecast
 - Economic Parameters
- Future Resource Needs

Total Demand & Energy Forecast

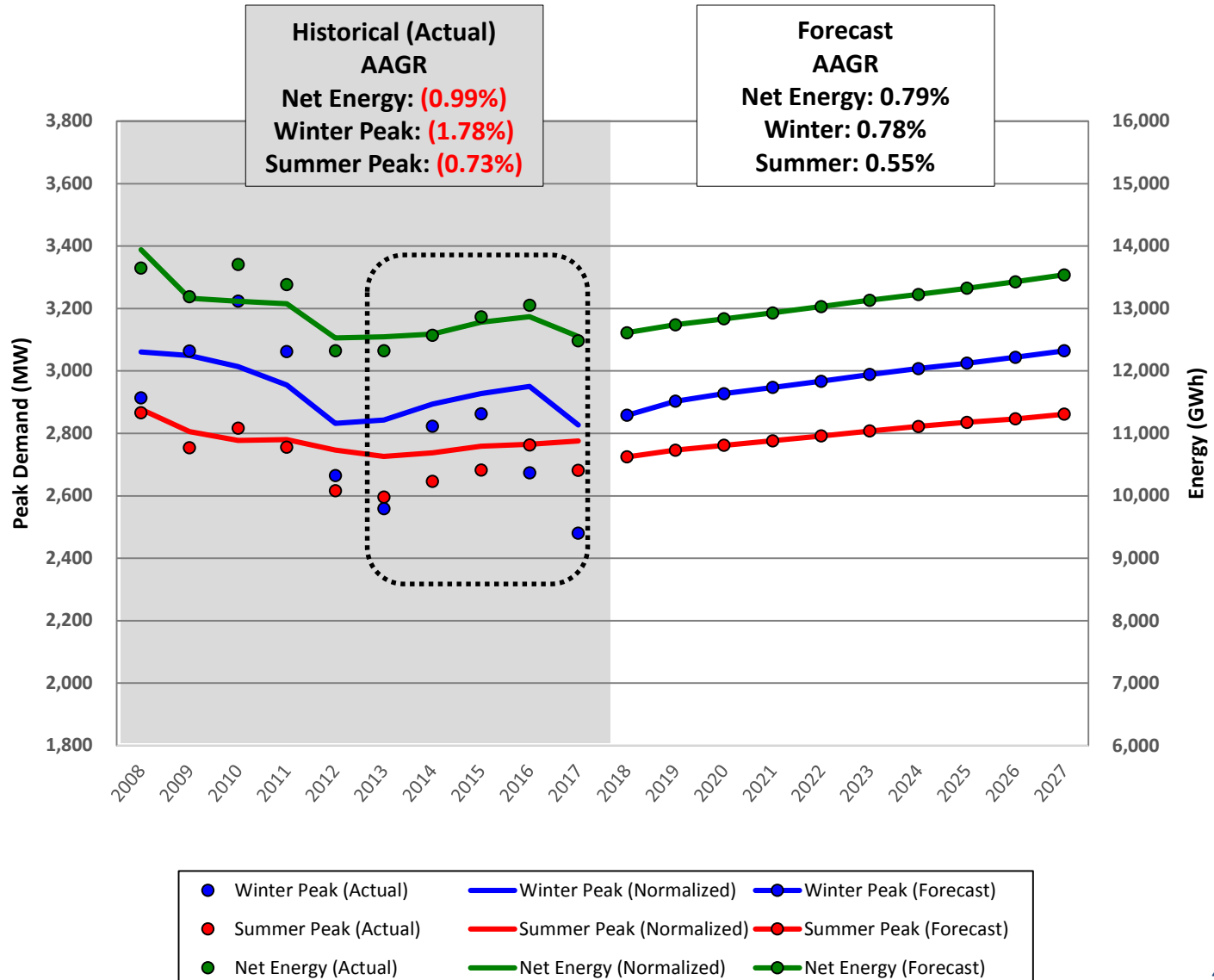
JEA experienced decline in demand and energy starting in 2007.

JEA began experiencing a slow recovery starting in 2012.

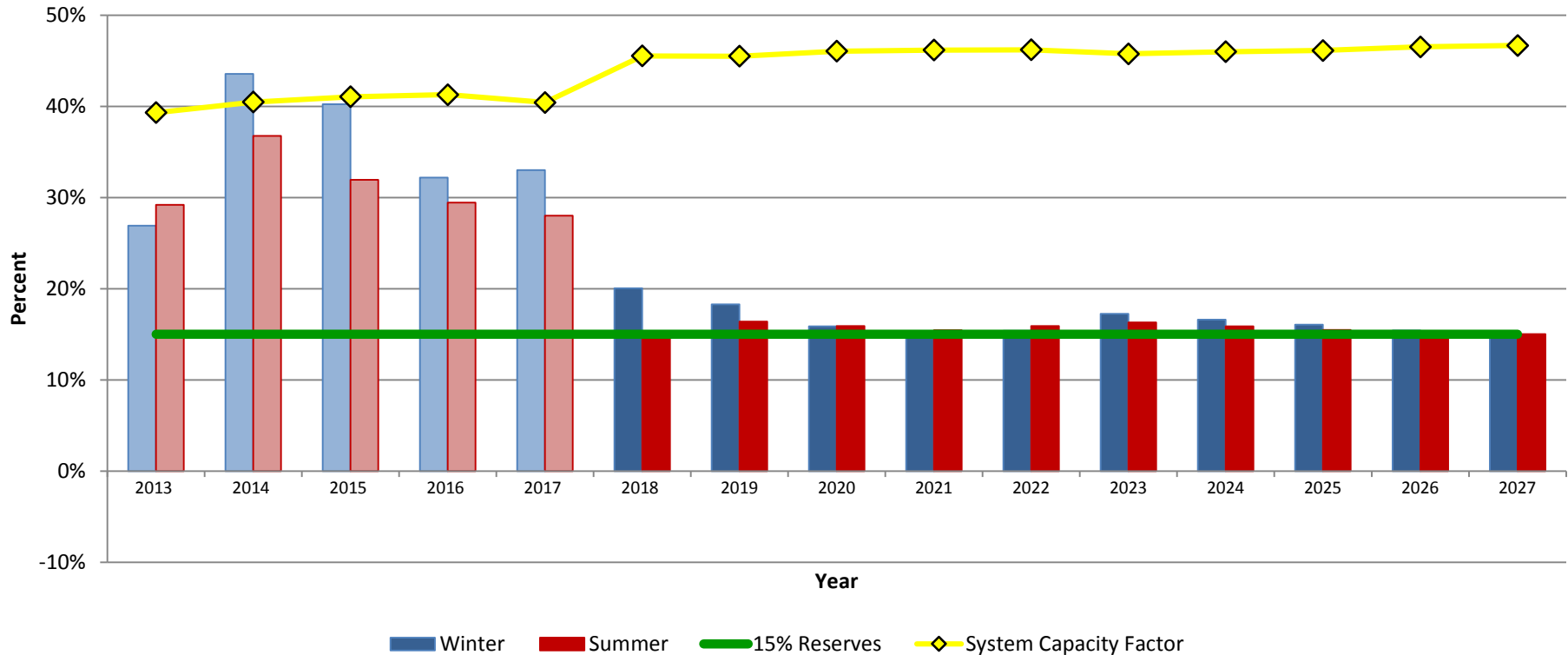
Normalized AAGR from 2012 to 2016
 Net Energy: 0.69%
 Winter Peak: 0.14%
 Summer Peak: 0.51%

FPU's wholesale power agreement ended December 31, 2017.

AAGR = Annual Average Growth Rate



Reserve Margin



Required minimum 15% reserve margin is maintained throughout the 10-year planning horizon.

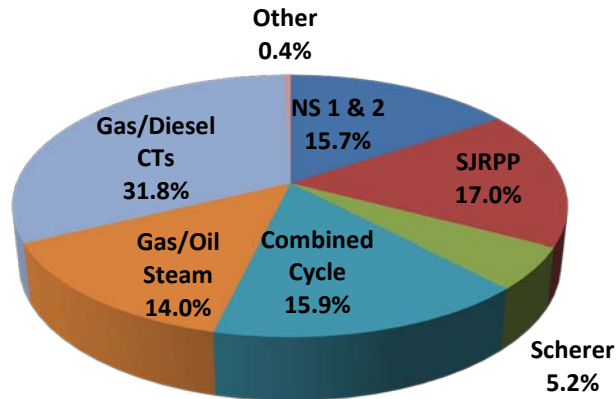
Annual and seasonal purchases (100-200 MW) are being utilized.

Fleet utilization (capacity factor) increased following SJRPP decommissioning.

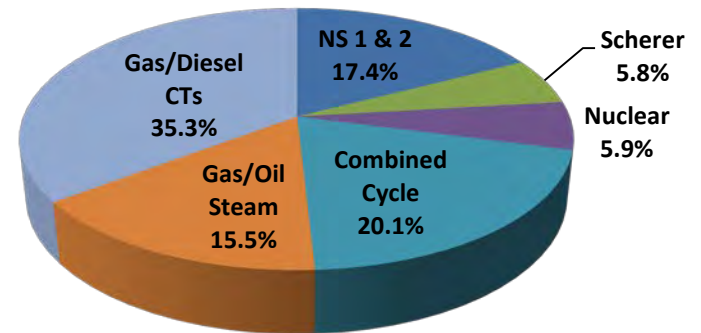
Fuel Mix for Electricity Production

Capacity

2017

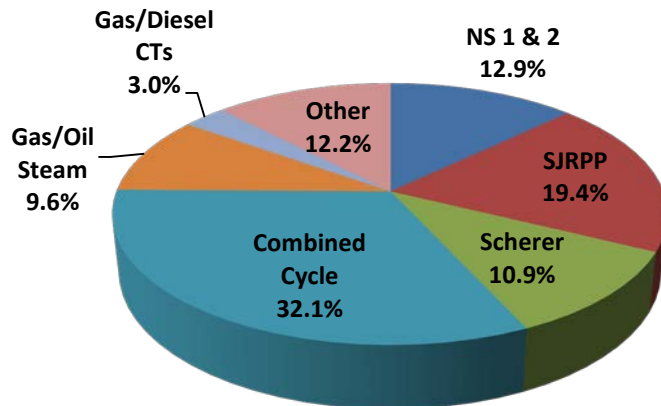


2027

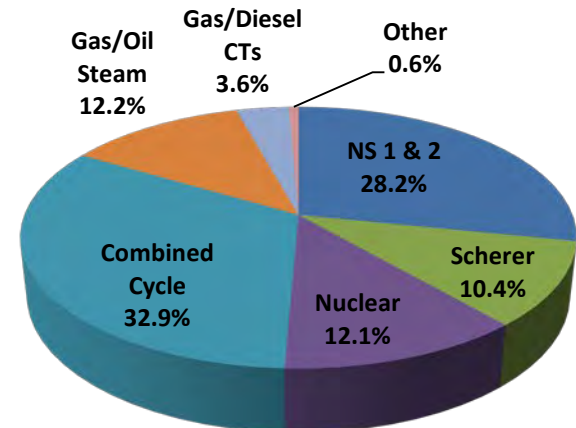


Energy

2017



2027



Generation Reference Plan

Notes

- (1) 27 MW of executed Solar PV PPAs included in this plan.
- (2) SJRPP sale ends and plant decommissioned 1/5/2018.
- (3) Southern Power annual combined cycle purchased power agreement in place for 2018 & 2019 (Wansley).
- (4) Current CODs for 100 MW each of Vogtle Units 3 & 4 are 11/2021 and 11/2022.
- (5) Annual and seasonal purchased power to be acquired by TEA no later than the season prior to need (0-100MW annual plus 0-100MW seasonal).

Year	Resource Plan
2018	SJRPP Decommissioned (-638 MW)
	SOCO Annual Contact (200 MW)
	TEA Seasonal Purchase (25 MW)
2019	SOCO Annual Contact (200 MW)
	Brandy Branch CC Upgrade (83 MW Summer/ 57 MW Winter)
2020	TEA Purchase (200 MW)
2021	MEAG Plant Vogtle 3 Purchase (100 MW)
	TEA Purchase (200 MW)
2022	MEAG Plant Vogtle 4 Purchase (100 MW)
	TEA Purchase (125 MW)
2023	TEA Seasonal Purchase (50 MW)
2024	
2025	
2026	
2027	Trail Ridge Contract Expires (-15 MW)
	TEA Purchases (25-50 MW)

Integrated Resource Planning Study

An Integrated Resource Plan (IRP) is a comprehensive decision-support tool for meeting an electric utility's objective of providing reliable and lowest-cost electric service to its customers while addressing the substantial risks and uncertainties inherent in the business.

- An IRP defines the company's resource plan, which describes the:
 - Planning environment
 - Resource portfolio modeling process and assumptions
 - Resource need
 - Preferred resource portfolio
 - Action plans
- Specific impacts to be considered:
 - Unit retirements at Northside (Unit 3 and the 4 fast-start CTs), along with potential capacity replacements
 - Combined cycle conversion and/or additions at Greenland Energy Center
 - Solar integration (250MW 2019 additions plus customer-owned DG systems)
 - Transmission limitations
- Schedule
 - Draft Report—early December 2018
 - Final Report—late January 2019

IV. A.

Shareholder Framework

June 13, 2018

SUBJECT:	SHAREHOLDER FRAMEWORK
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Purpose:	<input checked="" type="checkbox"/> Information Only	<input type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
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Issue: On April 17, 2018, the Board and Interim Managing Director/CEO contemplated a transition period and plan for JEA and its management ("Transition"). The Transition period contemplated by the Board included a process and mechanism for ensuring alignment of JEA with the City Council and Mayor's Office relative to financial, operational and community expectations of JEA.

Significance: Alignment of Board, management, City Council and Mayor is critically important to JEA's success. The City being a "Shareholder" and the City Council / Mayor being "Shareholder Trustees" is still a relatively new concept. Furthermore, ensuring alignment of Shareholder Trustees with JEA's strategic plan implemented by its Board and management team is a new concept. A full appreciation for alignment is a prerequisite for optimum corporate and operational structuring. Creating an optimum alignment among the stakeholders can dramatically improve organizational success. Failure to create alignment often leads directly to failure to execute financial, operational and community improvement strategies.

Effect: A consensus around the Shareholder Framework document will provide JEA with a simple measuring stick upon which to develop, implement and execute a corporate strategic plan through 2028.

Cost or Benefit: Long term planning and value creation for JEA.

Recommended Board action: This agenda item is provided for information only.

For additional information, contact: Aaron Zahn – 904-665-4396

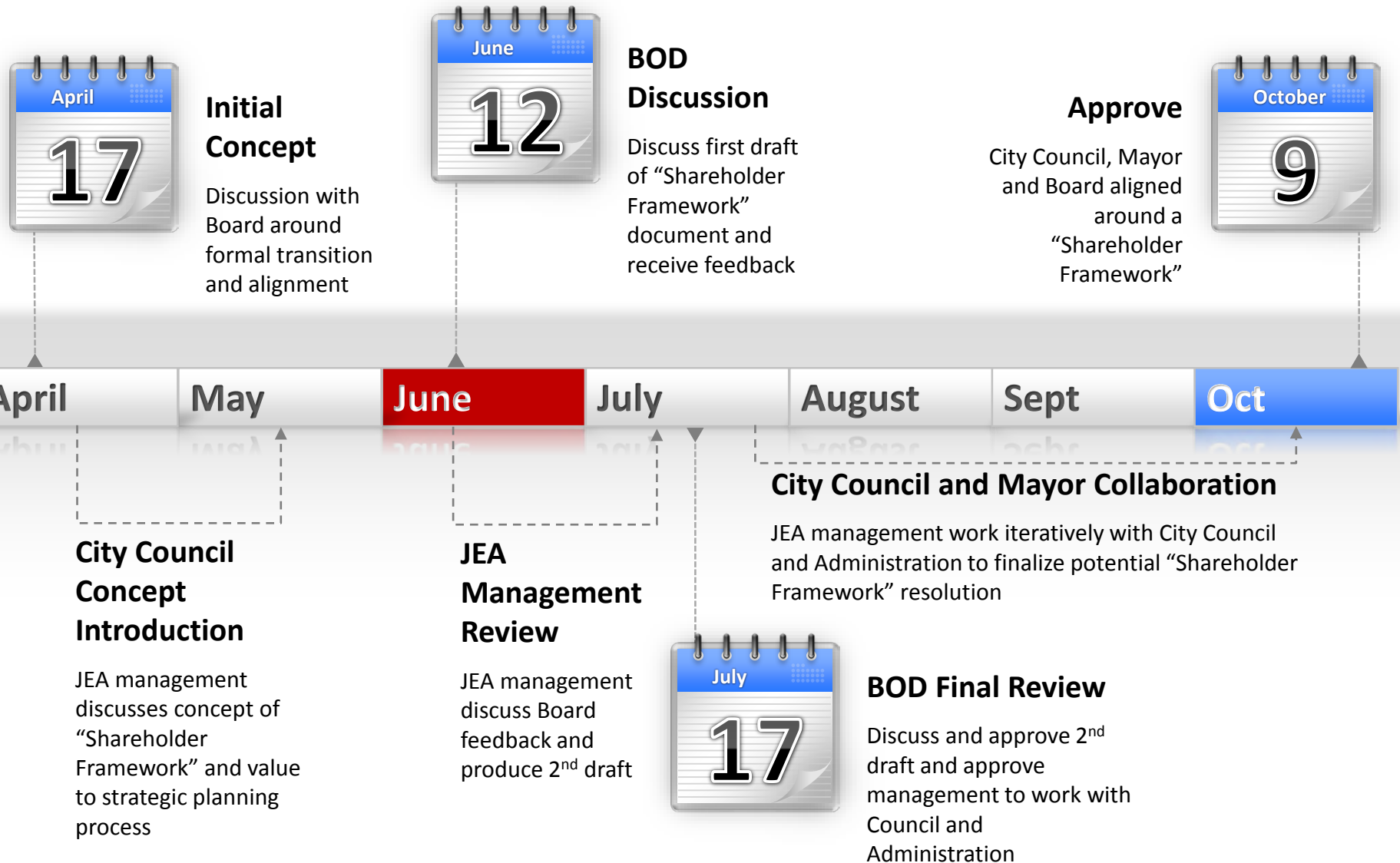
Submitted by: AFZ



Commitments to Action

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

Collaborative “Shareholder Framework” Timeline



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WHEREAS, JEA is the eighth largest publically owned utility in the United States and the largest in Florida; and

WHEREAS, JEA, in accordance with Article 21 of the Ordinance Code of Jacksonville, was created by the Florida Legislature to serve the citizens of Jacksonville and its surrounding communities; and,

WHEREAS, JEA makes an annual contribution to the City of

1 Jacksonville currently in the amount of \$116 million dollars annually
2 pursuant to that Article 21 Section 21.07 (collectively over time,
3 the "Contribution"); and

4 **WHEREAS**, the trends of technology and in the markets of JEA may
5 create a more competitive market for the existing business model of
6 JEA; and

7 **WHEREAS**, several stakeholders of the community of Jacksonville,
8 including but not limited to, the Mayor, the City Council, the
9 customers of JEA, and the employees of JEA, believe JEA must evaluate
10 its position and business plan within its core industries in order
11 best serve the citizens of Jacksonville; and

12 **WHEREAS**, JEA would benefit from a 10-year strategic plan that
13 identifies the resources and initiatives needed to effectively
14 anticipate and respond to the rapid changes in competition, technology
15 and the utility industry; and

16 **WHEREAS**, previously, the Council adopted Part 3 Chapter 21 of
17 the Ordinance Code of the City of Jacksonville, declaring, as City
18 policy that the "services provided by the Consolidated Government
19 should be delivered in the most expeditious and efficient manner
20 possible with delivery of said services being continually evaluated
21 so that inefficiency is eliminated and quality of services improved";
22 and

23 **WHEREAS**, the policies of the City and the State encourage review
24 of agencies in order to ensure "best in class" services are provided;
25 and

26 **WHEREAS**, pursuant to Article 21, Section 21.11, the Legislature
27 granted unique powers to the City Council to amend or repeal
28 provisions of Article 21; and

29 **WHEREAS**, the City Council of the City of Jacksonville desires
30 to express its will and intent as a fiduciary trustee for the City
31 of Jacksonville related to JEA ("Shareholder Trustee"); and

1 **WHEREA**, the City Council of the City of Jacksonville desires to
2 express its will and intent as a policy making body and advocate for
3 the citizens of Jacksonville ("Customer Advocate"); now therefore

4 **BE IT RESOLVED** by the City Council of the City of Jacksonville:

5 **Section 1. 2028 Strategic Plan.** The City Council, as both
6 a Shareholder Trustee and Customer Advocate, hereby encourages JEA
7 to update its strategic plan for the JEA as a whole, and for each of
8 its service divisions as outlined in the Charter ("Strategic Plan").

9 **Section 2. Shareholder Trustee Framework.** As Shareholder
10 Trustee, the City Council, invested in the financial and operational
11 success of JEA, and desiring to provide guidance to the JEA in
12 measuring the efficacy of a Strategic Plan, recommends to the Board
13 of JEA, the Strategic Plan establish financial and operational
14 initiatives that result in:

- 15 (a) maintain financial performance metrics necessary to
16 preserve Aa3 / AA- ratings, or similar 3rd party risk
17 measures as adopted and deemed appropriate by JEA from time
18 to time;
- 19 (b) preserve or increase the Contribution of JEA to the City;
- 20 (c) establish and maintain open and transparent communication
21 of the review, creation, deliberation, implementation and
22 execution of JEA's Strategic Plan;
- 23 (d) provide JEA customers with electric, water and wastewater
24 services at a rate structure equal to or less than industry
25 average;
- 26 (e) maintain customer service standards within the top quartile
27 of industry standards;
- 28 (f) continue investment and development of employment within
29 Jacksonville; and,
- 30 (g) establish growth initiatives with respect to electric,
31 water, sewer, natural gas and such other services, systems

and/or products.

Section 3. Customer Advocate Framework for Electric Services. As Customer Advocate, the City Council, desiring to provide guidance to the JEA in measuring the efficacy of a Strategic Plan, recommends to the Board of JEA that, the Strategic Plan, where possible while first meeting the prerequisite conditions of the Shareholder Trustee Framework, should:

- (a) provide for expansion of electric services within the current JEA service territory;
- (b) provide for overhead to underground transportation conversation;
- (c) provide value-add electric services behind the meter to enhance customer experience;
- (d) provide for renewable energy initiatives;
- (e) provide for economic development support within the JEA service territory;
- (f) provide for reduction in carbon emissions from electric generation; and,
- (g) provide for small and emerging business opportunities.

Section 4. Customer Advocate Framework for Water and Wastewater Services. As Customer Advocate, the City Council, desiring to provide guidance to the JEA in measuring the efficacy of a Strategic Plan, recommends to the Board of JEA that, the Strategic Plan, where possible while first meeting the prerequisite conditions of the Shareholder Trustee Framework, should:

- (a) provide for expansion of water and wastewater services within the current JEA service territory;
- (b) provide for environmental stewardship and improvement of surface and ground water quality within JEA service territory;
- (c) provide value-add water and wastewater services behind the

- meter to enhance customer experience;
- (d) provide for sustainable and efficient management of water supply within JEA service territory;
- (e) provide for economic development support within the JEA service territory; and,
- (f) provide for small and emerging business opportunities.

Section 5. Customer Advocate Framework for Other Services.

As Customer Advocate, the City Council, desiring to provide guidance to the JEA in measuring the efficacy of a Strategic Plan, recommends to the Board of JEA that, the Strategic Plan, where possible while first meeting the prerequisite conditions of the Shareholder Trustee Framework, should:

- (a) provide services, partnerships and support of Smart City enhancements with the City of Jacksonville;
- (b) provide services, partnerships and support for economic development with the City of Jacksonville;
- (c) provide for services and/or partnerships that enhance the environment of the City of Jacksonville; and,
- (d) provide for operational support and partnerships with the City of Jacksonville.

Section 6. Effective Date. This Resolution shall become effective upon signature by the Mayor or upon becoming effective without the Mayor's signature.

Form Approved:

IV. B.

Governance – Delegation of Authority

June 8, 2018

SUBJECT:	GOVERNANCE - DELEGATION OF AUTHORITY
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Purpose:	<input checked="" type="checkbox"/> Information Only	<input type="checkbox"/> Action Required	<input checked="" type="checkbox"/> Advice/Direction
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Issue: The Board has the authority to delegate any act authorized by the JEA Charter to any officer, employee or agent of JEA as it may deem necessary or desirable for prudent management of JEA (JEA Charter, sect. 21.04(s)). Additionally, Policy 4.2 of the JEA Board Policy Manual indicates that the Board would establish a Board-Management Delegation Policy that would specify how JEA's enumerated Chartered powers are delegated. The Board has historically delegated certain powers and responsibilities to the Managing Director/CEO and other staff members through specified actions brought before the Board. The various delegated responsibilities have been captured in numerous management directives and Board documents, but have not been captured in one overall document or policy. The Board should consider the adoption of a Board-Management Delegation Policy that would capture all the historical delegations and make adjustments where warranted. Attached is a table that describes the current delegations of authority to the various levels within the organization.

Significance: High.

Effect: Have one Board-Management Delegation Policy that specifies the delegated powers of the Board and the levels within the organization that has the delegated responsibility.

Cost or Benefit: The Board-Management Delegation Policy will provide organizational clarity necessary for the day-to-day management of the organization. Additionally, Board-Management Delegation Policy will address succession and/or emergency planning.

Recommended Board action: Direct staff to draft for the Board's consideration, a Board-Management Delegation Policy and to make recommendations to the Board of any warranted adjustments to the current delegations of authority.

For additional information, contact: Jody Brooks, 665-6383

Submitted by: AFZ/MHD/JLB



Commitments to Action

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

JEA Board-Management Delegation of Authority Policy

The levels of authorization according to this JEA Board-Management Delegation of Authority Policy (Policy) are defined as follows:

Level

- 0 Mayor
- 1 City Council
- 2 JEA Board of Directors (Board)
- 3 Managing Director/Chief Executive Officer (MD/CEO)
- 4 President/Chief Operating Officer (P/COO)
Chief Financial Officer (CFO)
Chief Public and Shareholder Affairs Officer (CPAO)
- 5 General Manager (GM)
Vice President (VP)
- 6 Chief Procurement Officer (CPO)
- 7 Designated Fuels Procurement Officer
- 8 Directors
- 9 Managers
- 10 Procurement Agents

Implementation of this Policy will require identification of all Level 7, 8, and 9 staff along with sample signatures.

Approval Authority may be delegated in case of absenteeism with approval of next higher level manager.

Individual Managers may impose more restrictive approval limits within their area(s) of responsibility.

All currency figures are in US Dollars.

Level	Title	Services and Supplies	Generation Fuel, By-Products, Environmental Allowances	Energy Market	Real Estate	Leases	Travel	Litigation Settlements	Budget Transfers
0	Mayor								
1	City Council								
2	JEA Board			>\$100M	>\$500K			>\$150K	>\$5M
3	MD/CEO	>\$300K	>\$1M	<\$100M	>\$500K		>\$7,500	<\$150K	<\$5M
4	COO, CFO, CPAO	>\$300K	>\$1M	<\$100M		>\$1M	<\$7,500		
5	VP	>\$300K	>\$1M		<\$500K	>\$1M	<\$7,500		
6	CPO	<\$300K							
7	CEO Desig Proc Off		<\$1M		<\$50K	<\$1M			
8	Directors	<\$10K		<\$75M			<\$3,000		
9	Managers	<\$10K		<\$75M					
10	Procurement Agents								
	Supervisor								
	Awards Committee	>\$300K			<\$500K				
	OGC								

Services and Supplies: Services and supplies that are procured through JEA's standard procurement process.

Generation Fuel, By-Products, Environmental Allowances: Purchase or sale of generation fuel; by-product processing/disposal, and environmental allowances.

Energy Market: Purchase and sales of electric energy made through The Energy Authority (TEA).

Real Estate: Purchase and sale of real property and property rights, including tangible property, e.g., poles, towers, telecom, fiber, etc.

Leases: Includes leasing agreements for real and tangible property, e.g., poles, towers, telecom, fiber, etc.

Travel: Authorized travel to conduct JEA business.

Litigation Settlements: Settlements in the interest of avoiding ongoing litigation.

Budget Transfers: Transfers between expense types that do not exceed the overall budget authorization.

Level	Title	Board Appointment	Asset Sale > 10%	Annual Budget Approval	Bond Ordinance	Financial Instruments	CEO Selection	External Auditor Selection	Bond Counsel
0	Mayor	XXX							
1	City Council	XXX	XXX	XXX	XXX				
2	JEA Board		XXX	XXX	XXX	XXX	XXX	XXX	XXX
3	MD/CEO		XXX	XXX	XXX	XXX			
4	COO, CFO, CPAO					XXX			
5	VP								
6	CPO								
7	CEO Desig Proc Off								
8	Directors								
9	Managers								
10	Procurement Agents								
	Supervisor								
	Awards Committee								
	OGC								XXX

Board Appointment: Appointment and confirmation of JEA Board members.

Asset Sale >10%: Sale of JEA assets with monetary value greater than 10% of JEA's total asset value.

Annual Budget Approval: Approval of JEA's Capital and O7M Budget for the upcoming Fiscal Year.

Bond Ordinance: Overall authorization for JEA's debt financing.

Budget Transfers: Transfers between expense types that do not exceed the overall budget authorization.

Financial Instruments: Includes interest rate Swaps, Caps, Floors, Collars, Options and related hedging instruments; Bond Insurance, surety policies, letters of credit, Forward Supply Agreements, float contracts, Guaranteed Investment Contracts.

CEO Selection: Includes CEO Selection, compensation, and performance appraisal.

External Auditor Selection: Selection of accounting firm who performs JEA's annual audits.

Bond Counsel: Legal firm selected to represent JEA in a bond transactions.

Level	Title	Procurement Code	Purchase Requisition	Purchase Order	Invoice Approval	Contracts Signatory	P-Card Expenditures	Annual Leave	Legal Services
0	Mayor								
1	City Council								
2	JEA Board								
3	MD/CEO	XXX							
4	COO, CFO, CPAO								
5	VP								
6	CPO			>\$100K		XXX			
7	CEO Desig Proc Off								
8	Directors								
9	Managers		XXX		XXX				
10	Procurement Agents			<\$100K					
	Supervisor						XXX	XXX	
	Awards Committee								
	OGC								XXX

Procurement Code: JEA's corporate procurement manual.

Purchase Requisition: Internal authorization to procure supplies and services.

Purchase Order: Authorization and contractual agreement with vendors for supplies and service.

Invoice Approval: Approval of invoices for authorized JEA procurements.

Contract signatory: Contractual document between JEA and outside parties.

P-Card Expenditures: Supplies and services purchased with a JEA Purchasing Card.

Annual Leave: Annual leave for JEA employees.

Legal Services: Attorney and legal related services including court reporters, consultants, and real estate property appraisers.

IV. C.

Transition Update

June 12, 2018

SUBJECT:	TRANSITION UPDATE
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Purpose:	<input checked="" type="checkbox"/> Information Only	<input type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
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Issue: On April 17, 2018, the Board contemplated a transition period and plan for JEA and its management ("Transition"). The Transition period contemplated by the Board was approximately 12 months starting April 17, 2018 and concluding April 30, 2019.

Significance: To provide additional clarity for the Board on the process, progress and future contemplated steps of management related to the Transition. To ensure management is aligned with the Board of Director's relative to Transition steps and actions.

Effect: The Transition and related plan is intended to accomplish the following key initiatives: 1) establish stability and focus on JEA's Core Business of providing electric, water, wastewater and other essential services to its customers; 2) create a 'framework' of understanding and measuring device for alignment of JEA's Board, JEA's management, City Council, the Mayor and other key stakeholders; and 3) establish a basis and foundation for a forward looking strategic planning process and permanent CEO placement.

Cost or Benefit: Long term planning and value creation for JEA.

Recommended Board action: This agenda item is provided for information only.

For additional information, contact: Aaron Zahn – 904-665-4396

Submitted by: AFZ



Commitments to Action

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





The BOLD Future of JEA



BOLD Safety

BOLD Service

BOLD Growth²

BOLD Accountability

BOLD Integrity

BOLD Ideas

////
**The BOLD Future
of JEA**





JUNE 2018

OCT 2018

OCT 2019



JUNE 2018



Where do we go now?



Each day, JEA delivers about 115 million gallons of water from the pristine Florida aquifer to our customers.


**The BOLD Future
of JEA**

JEA Wants Your *Ideas*





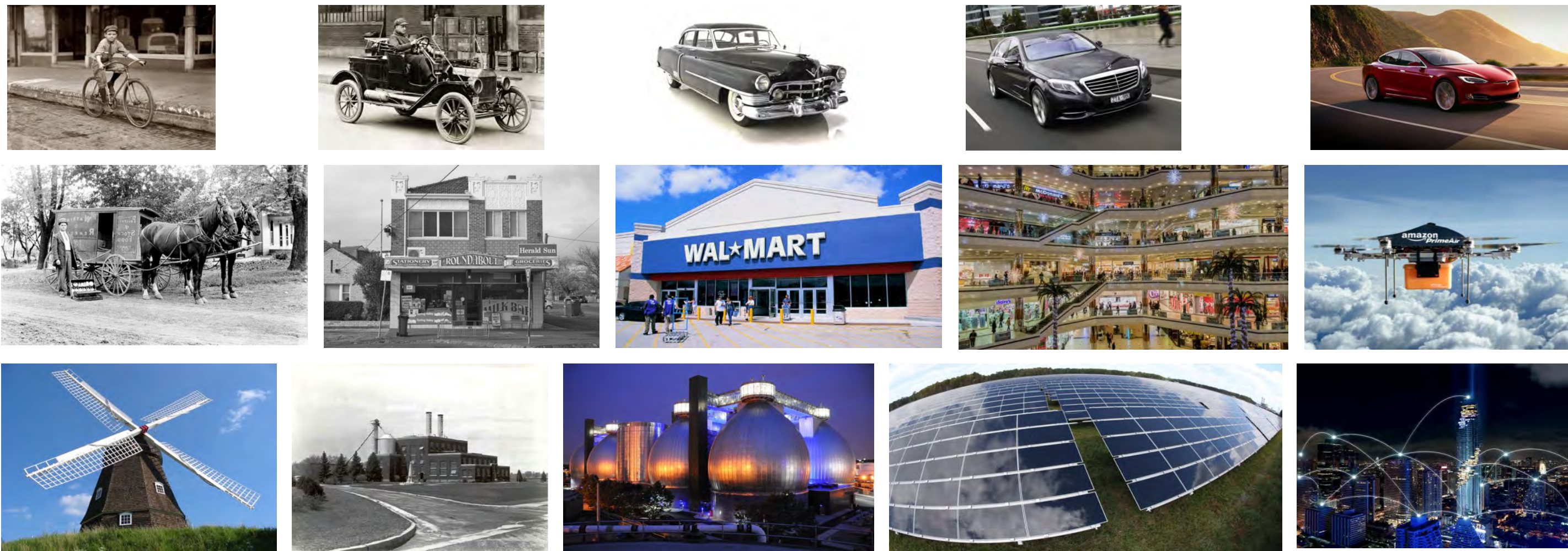
JEA is the largest community-owned utility in Florida and the eighth largest in the United States. We are committed to improving the quality of life in the communities we serve, with a spirit that has united our business for more than 100 years.



JEA's Questions

- 1) What should we continue doing?
- 2) What should we stop doing?
- 3) What should we start doing?
- 4) What are our 'hurdles' and/or 'blind spots'?

BOLD Leaders Drive Innovation




**The BOLD Future
of JEA**





JEA is adding new solar farms that will enable us to provide up to 300 MW of solar power, making JEA one of the leading solar cities in the nation.



Objectives by October 2018

1 Stakeholders (Customers, Employees Unions & Community)

- 1) Feedback & Ideas
- 2) Aligned with “2019 Year of Innovation” and asking “What if...”

2 Shareholders (Mayor & City Council)

- 1) Feedback & Ideas
- 2) Documented Expectations (e.g. “Shareholder Framework”)

3 Board & Leadership

- 1) Feedback & Ideas
- 2) Prepared to lead and execute on “2019 Year of Innovation”
- 3) Begin 2028 Strategic Plan

Serving our
Customer is our
#1 Commitment
to Action

In 2016, JEA reduced the monthly fuel charge by \$6.85 per megawatt hour, a 5.56 percent decrease in the electric portion of a residential customer bill. JEA rates are currently 4.7 percent below the national average.

////
The BOLD Future
of JEA

Focus on Core Business



We do this with our “Unbeatable Team”



BE BOLD – **BE JEA**

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**The BOLD Future
of JEA**

IV. D.

Southside Capital Allocation

June 13, 2018

SUBJECT:	SOUTHSIDE CAPITAL ALLOCATION
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Purpose:	<input checked="" type="checkbox"/> Information Only	<input type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
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Issue: On June 12, 2018, the Board received a letter from the Interim Managing Director/CEO “Re: How JEA may utilize Southside Generating Station resources to drive water and wastewater innovation.” The letter outlined an idea for consideration and discussion by the Board of Directors.

Significance: To ensure management is aligned with the Board of Directors relative to corporate resource utilization.

Effect: See attached analysis.

Cost or Benefit: The proposal will benefit the City in two ways: 1) a new approach to solving a long-standing City problem around water and wastewater for underserved citizens of the City of Jacksonville; and, 2) demonstrate JEA’s new Bold leadership approach that tries to find solutions for complex public problems. See attached analysis for cost analysis.

Recommended Board action: This agenda item is provided for information only.

For additional information, contact: Aaron Zahn – 904-665-4396

Submitted by: AFZ



Commitments to Action

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

WATER AND WASTEWATER INFRASTRUCTURE OVERVIEW

Providing central water and wastewater infrastructure has been a decades long issue. The issue was highlighted in the work leading up to city and county consolidation in the late 1960s and remains a concern within the community. Many infrastructure projects were accomplished over the years through City capital project initiatives and the work continues today with the current septic tank phase out program.

Approximately 65,000 septic tanks remain in the City. There are suburban and rural areas where septic tanks continue to be an adequate solution for on-site treatment due to lower density development, soil conditions and expense to connect to existing central mains and plant. Approximately 35,000 residential customers have private water wells.

Based on 2017 average per unit cost estimates, the cost to install central sewer for approximately 22,000 septic tanks was \$708 M and associated water service installation for the same neighborhoods was ~\$26 M. Many of these neighborhoods already have full or partial central water installed. These average costs are inclusive of connection fees such as tank abandonment, private plumbing connections and JEA meter and capacity fees.

Applying the average unit price yields ~\$2.1 B for sewer and ~\$280 M for water. These estimates are for Duval County and could be higher including counts from areas currently served by JEA in adjacent counties.

Not all wells or septic tanks will need to be phased out depending on development densities, soil conditions and proximity to backbone infrastructure.

Several prior reviews of central water and sewer infrastructure needs have focused the City's attention on neighborhoods that have a higher degree of failing septic tanks as a means to prioritize limited funding. These reviews relied largely on information developed by the Duval County Health Department over a couple of decades in order to address both health and environmental concerns. Additional interest includes provision of basic services to improve quality of life and to provide enhanced opportunities for economic development in areas without central services.

June 12, 2018

Board of Directors of JEA
21 W Church St
Jacksonville, FL 32202



Re: How JEA may utilize Southside Generating Station resources to drive water and wastewater innovation

Dear Members of JEA's Board of Directors:

As you know, JEA is currently under contract with Elements, LLC ("Elements") to purchase a portion of the former Southside Generating Station property with a contractual closing date by July 16, 2018. Per the terms of the agreement, JEA will receive ~\$18.6 million in proceeds from the transaction. On June 12, 2018, Elements finalized the legislative process with the Jacksonville City Council to approve a development agreement in support of the proposed project. Closing of the transaction would represent another step in a multi-year effort by JEA to support economic and downtown development. Furthermore, it demonstrates JEA's ability to be forward thinking about partnerships that benefit the City, JEA's financial position and our customers.

Development of this site will be a benefit to the community. However, I believe this transaction presents another opportunity to help move Jacksonville forward.

For many years, our community has discussed the lack of water and wastewater infrastructure in existing neighborhoods. This subject has been studied and partially addressed over a number of years through traditional means and methods and with a seemingly insurmountable expense (>\$2.5 billion). Joint COJ/JEA septic tank phase out programs have successfully completed many projects as a positive step forward in addressing this issue. In spite of the joint efforts, a comprehensive and affordable plan remains elusive.

In the past months, we have spoken about JEA's new BOLD vision. On June 8, we initiated our "Management Listening Tour" as part of a stepwise approach to a JEA of the Future: 1) listen, 2) innovate, 3) grow, and 4) excel. This 12-to-18 month process is part of a comprehensive look at JEA's entire business. On the matter of underserved water and sewer, we have listen to the basic needs of our community for long enough. Therefore, I propose it is time that JEA now innovate. New innovative technologies and methods may allow solutions that differ from JEA's traditional centralized services model with a potentially lower financial impact (<\$2.5 billion) while also being environmentally responsible. The ultimate solution will continue to require a joint commitment by the City, JEA and the entire community. However, this proposed step is JEA's opportunity to provide thought leadership to advance toward higher common ground and help the City in identifying solutions.



I recommend JEA reserve a portion of the proceeds from the Elements transaction to engage the best and brightest engineering and commercial minds to study the issue and propose previously unconsidered solutions. Additionally, I recommend JEA consider offering the balance of the proceeds (~\$15-16 million) to the City as a one-time contribution to support important community goals like septic tank phase out.

I believe this proposal is illustrative of the type of leadership and innovation JEA needs to undertake as we seek to move JEA toward the concept of being a “utility of the future.” I hope you will agree and look forward to discussing this opportunity with the Board of Directors at the June 19, 2018 Board Meeting.

AARON F. ZAHN



By:

Title: Interim Managing Director & CEO

Cc:

Mayor of Jacksonville
City Council of Jacksonville



Memo: SGS Proceeds Proposal for Water and Wastewater Innovation

Date: June 12, 2018

Background

JEA decommissioned its former Southside Generating Station (SGS) site in 2000. JEA is currently under contract with the developer to close on a significant portion of SGS property this fiscal year for approximately \$18.6 million dollars. The total book value of the land is approximately \$28 million dollars.

Proposal

One Time Distribution – JEA is proposing to use the proceeds as an additional contribution to the City

Analysis of JEA Impact

Financial Accounting Considerations

The sales transaction will have specific Electric System financial reporting implications depending on JEA's basis of accounting:

Budget basis: The sales proceeds of approximately \$18 million will be recorded to budget revenue line item "Other Revenue". There will be a corresponding expense of \$15 million to the budget expense line item "City Contribution Expense".

GAAP Accounting:

Balance Sheet – The book value of the land will be removed and the sale proceeds of approximately \$18 million will be recorded as cash.

Income Statement – Change in Net Position will be reduced by \$1 million this fiscal year and another \$15 million in FY19. In FY18, the \$1 million loss on sale of assets will be recorded in non-operating revenue and expenses, specifically to the line item, "Other Non-Operating Income, Net". The loss on sale of assets will not affect cash flow. In FY19, \$15 million of the \$18 million proceeds will be remitted as a COJ General Fund contribution resulting in an additional expense.

Debt Service Coverage: The \$1 million loss on sale of assets will not affect revenues for FY18 coverage since it is considered non-operating income. Currently, fixed charge



coverage in FY19 is projected to be 1.89. The additional \$15 million payment to the City in FY19 will result in fixed charge coverage of 1.82.

Treasury Flow of Funds: The sale proceeds of \$18 million will be received and deposited into the R&R fund. In turn, to disburse the city contribution from the operating fund in FY19, JEA may reduce the OCO contribution by that equal amount.

Bond Resolution Considerations – None

DRAFT

V. A.

JEA Hurricane Readiness & Communication

June 7, 2018

SUBJECT:	JEA HURRICANE READINESS & COMMUNICATION		
Purpose:	<input checked="" type="checkbox"/> Information Only	<input type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
Issue: Provide the Board a summary of JEA's hurricane readiness and communication process in preparation for 2018 storm season.			
Significance: JEA's hurricane preparedness activities are critical to JEA's ability to sustain operations and recover from threats and natural disasters, while supporting Duval and the surrounding counties Emergency Operation Centers.			
Effect: JEA's customer base in the City of Jacksonville and surrounding counties JEA serves.			
Cost or Benefit: Expense recovery related to incident preparation, response and recovery incurred by JEA due to an operational emergency which may involve Federal Emergency Management Agency (FEMA), State Emergency Management and recoverable insurance reimbursements as well as minimizing costs to our customers from potential interruptions of utility services.			
Recommended Board action: This item is provided for information only.			
For additional information, contact: Director of Emergency Preparedness & Business Continuity; Edwin Dendor; 904-665-6079			

Submitted by: AFZ/MHD/JPM/EHD

**Commitments to Action**

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



HURRICANE READINESS

2018

HURRICANE MATTHEW



- First hurricane to impact our service area in over a decade
- Mobilized largest workforce ever to restore power quickly and safely

HURRICANE IRMA



- Improved processes for mobilization of massive workforce
- Restored power faster than any other major city in Florida

TODAY: CONTINUOUS IMPROVEMENTS

- Continued to harden both electric and water/sewer systems so fewer people are impacted by storm outages
- Implemented technology advancements to speed restoration
- Improved communications with customers and the community



READY FOR 2018



BEFORE THE STORM

Continuous Preparation

- Electric System Improvements
- Water and Sewer Upgrades
- Storm Restoration Training
- Comprehensive Communications Plan

JEA, the City of Jacksonville and the State of Florida conducted a week-long exercise to ensure we are ready for this storm season

- Tested all aspects of storm readiness, including response improvements since Hurricanes Matthew and Irma, to ensure we are READY
- Close partnership with the City during this exercise ensures response will be seamless





Electric System

- Advanced equipment allows for better visibility into outages from control center, improving restoration times
- Pole replacements, tree trimming and other hardening programs help make the system more resilient
- Reviewing *undergrounding program* to improve awareness in those neighborhoods choosing to underground their overhead electric services



Outage Duration Reduction Program

- Earlier this year, JEA launched a new program aimed at reducing customer outage durations
- This \$30M program, over the next four years, will reduce the time it takes JEA staff to identify the location of a fault, isolate it, and complete restoration work
- Program components include monitored and controlled Automatic Reclosers and Switches, Fault Current Indicators and Trip Savers



2-WAY METERS = BETTER DATA

ONE TO TWO

Upgrading **1-Way Meters** to current technology of **2-Way Meters** allows JEA to improve visibility of outages on a customized, individual basis

PROGRESS

We have converted approximately 50% of all meters and are on track to achieve 100% by 2020

OUTCOME

In addition to improved outage information, the newer technology meters support:

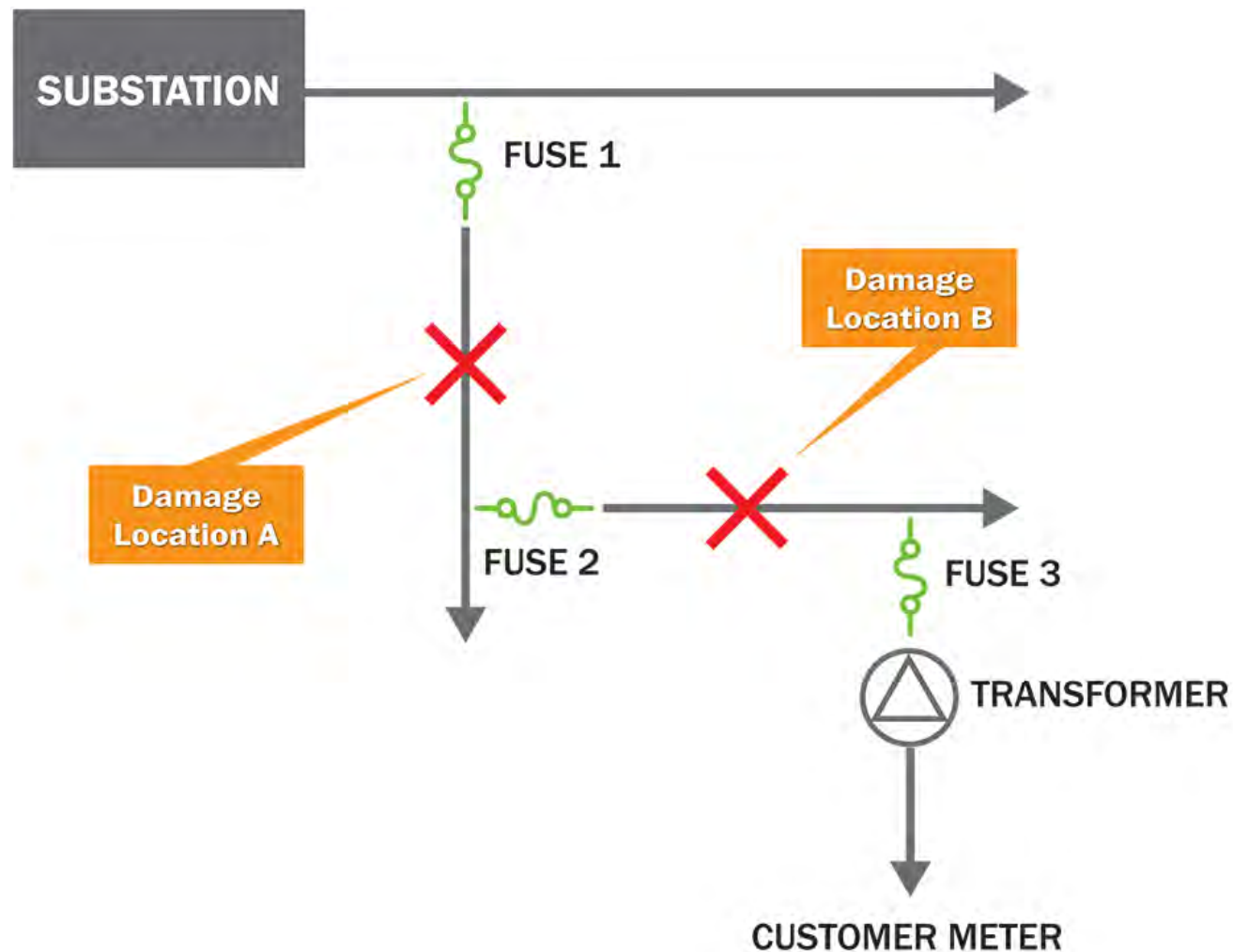
- Pre-paid service
- Remote connect/disconnect
- Outage & Abnormal Voltage/Tampering Reporting
- Demand Rate (future)



VEGETATION MANAGEMENT

Tree Trimming

- JEA's certified Arborists and degreed Foresters perform vegetation management on over 3,000 miles of overhead distribution lines every 2.5 years and 700 miles of transmission lines (including 300 miles of 230KV lines which must meet higher NERC Reliability Standards)
- JEA clears vegetation away from conductors, insulated secondary voltages and main feeders
- JEA spends about \$7M each year on vegetation management



MASKING

- When two separate faults occur in a short period of time, customer outage information can be “rolled up” incorrectly to one single outage ticket associated to Fuse 1
- When the fault at Location A is cleared and Fuse 1 is replaced, all downstream customers should be considered energized
- However, due to the other fault at Location B, all customers downstream of Fuse 2 remain out
- This “masking” caused some customers during Matthew and Irma to be indicated as “restored” in our systems, even though they remained out.
- Restoration 1-2-3 is designed to prevent this confusion in a future storm – and once we have 100% 2-way meter deployment, it will be resolved altogether



Underground Conversion Program

- Since 1970, all new developments in Jacksonville have been installed as underground systems
- Per Florida Statute and FPSC rules, a Contribution-In-Aid-of-Construction (CIAC) is required from the customer for new installations or underground conversions due to the higher up-front and ongoing costs for underground
- Of JEA's 6,870 circuit miles of electric distribution, 3,853 miles (56%) is currently underground



Underground Conversion Program

- The City of Jacksonville and JEA partnered in 2007 to establish a new ordinance in support of converting neighborhoods with existing overhead line to new underground construction
 - 75% must vote to approve the project, and 100% must participate
 - JEA “turn-keys” the project, incorporating telecom systems
 - Customers can pay JEA up front or over time (via a special assessment on their annual property tax bill)
 - Five neighborhoods have been undergrounded through this program – Morven Road, Edgewood/Challen Avenues (portions), Arbor Lane and Laurel Road, 1800 Block Seminole Road, Ortega Boulevard (portions)
- JEA is exploring enhanced communications to make undergrounding more accessible to customers

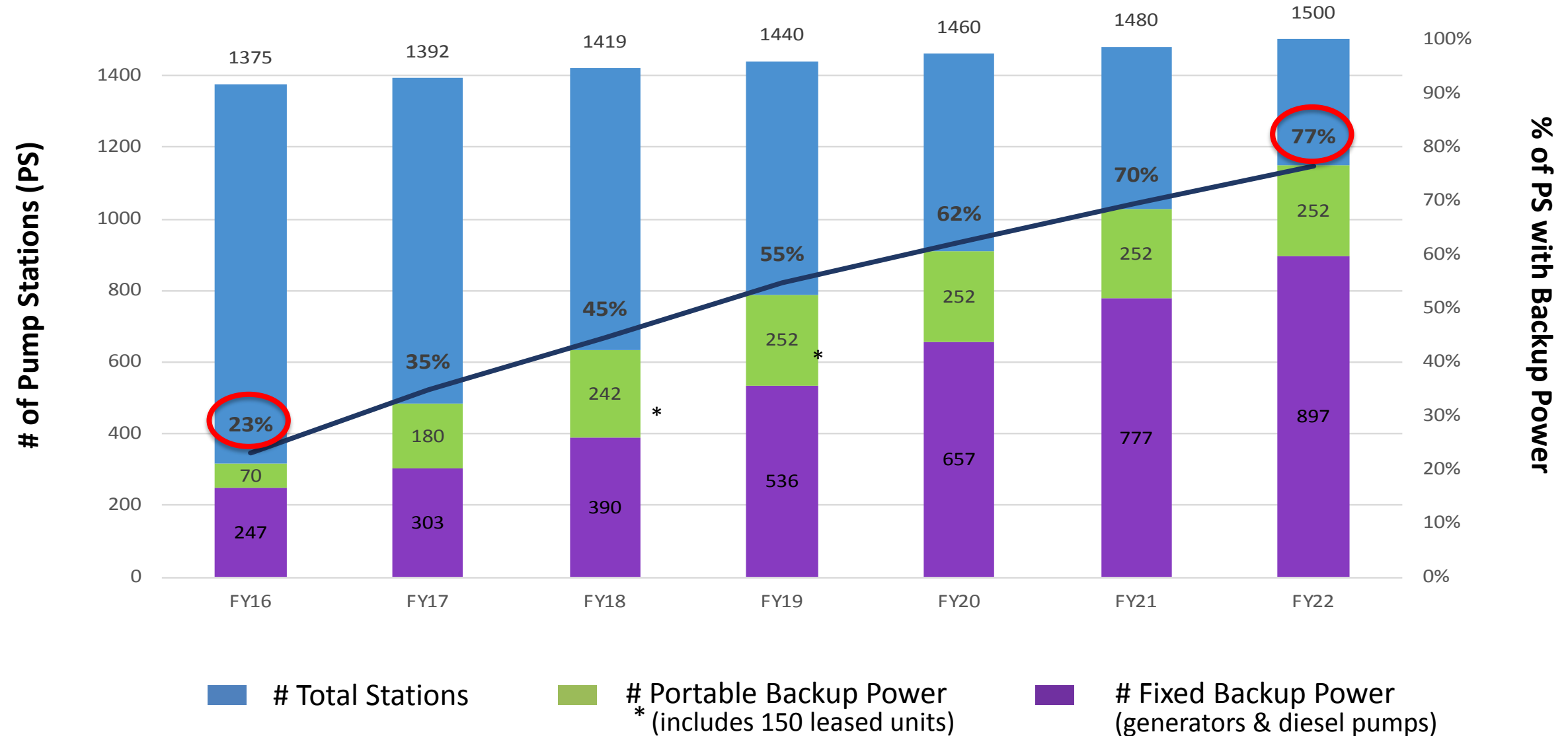


Water and Wastewater

JEA resiliency program is built around both hardening electric service to pump stations to make it less likely an outage will occur and expanding backup capability in case power is interrupted

- Hardened service through vegetation management and strategic service line improvements
- Our system now has 1,400 pump stations, more than any other wastewater system in the country
- Added 150 generators and diesel pumps to the existing fleet (500) to harden the sewer system
- Developed customer communications encouraging customers to work with JEA in a storm situation by conserving water

Pump Station *Backup* Power Coverage



JEA has 1419 Pump Stations – the most of any wastewater utility system in the country

Resiliency: Fortify Electric Power Supply

Power Supply Type

Conversion of Overhead services to Underground

Underground Conversion	Identified	In Design	Procurement	Construction Complete
Services	25	0	25	0
Laterals	66	4	0	11

Vegetation Exposure

Strategic vegetation mitigation

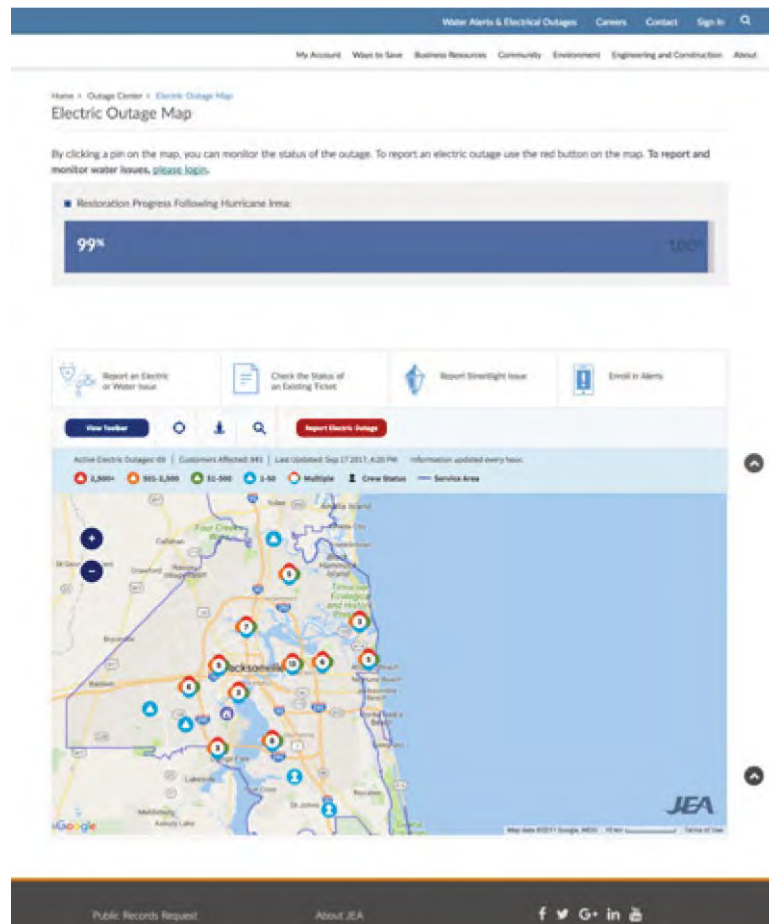
Power Supply Type	# JEA Stations	# Evaluated	Action Plans	# Complete
A) UG Svc, UG Lat, UG Feed	336	336	15	15
B) UG Svc, UG Lat, OH Feed	424	424	35	35
C) UG/ <u>OH Svc</u> , <u>OH Lat</u> , OH Feed	303	303	49	49
D) <u>OH Svc</u> , No Lat, OH Feed	192	192	24	24
Total	1255	1255	123	123





During Extreme Weather events, the following public announcements will be made during the restoration period:

- Minimize the usage of non-essential water during the initial days of a storm event to lower the impact on the volume of wastewater entering the system
- As a precaution, stay out of areas of standing water
- Precautionary Boil Water Advisories should be expected during a severe storm event so please prepare to have bottled water and refer to JEA.com, news reports, local signage or alerts for advisories



**TECHNOLOGY
IMPROVEMENTS**

By leveraging advances in technology, JEA is now able to:

- Provide better information to customers through jea.com applications on outages in their area
- Have improved visibility into specific outage information by triangulating meter and sensor data, allowing for faster restoration
- Utilize a more sophisticated work management system so a huge work force can restore power and water more effectively and efficiently



DATA CENTER MIGRATION

- Move Primary Data Center to a Cat 5 rated facility by September 2019
- Leverage JEA's Core Fiber Ring
- Significantly decrease physical footprint by accelerating deployment of virtualized systems
- Collocate backup Control Centers (Electric, W/WW)
- EOC grey sky event would leverage same facility

Restoration 1-2-3

1

JEA repairs its facilities and restores power to hospitals, shelters and critical public safety locations

2

JEA ready to accept outage reports from individual customers; repairs circuits that will return power to the most customers

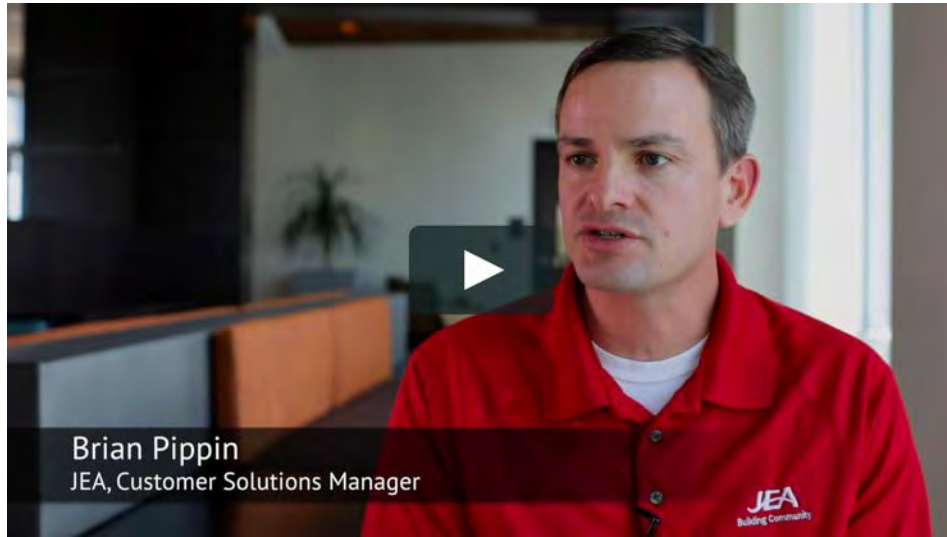
3

JEA completes power restoration, targeting smaller outages where a handful of customers may still be without power



INTENSIVE EMPLOYEE TRAINING

- Mandatory online training has been required for *all employees*
- Developing training with directors in critical grey sky areas (CCCs, Field Ops, Ticket Processors, Bus Acct. Reps, etc.)
- SLT and ICT Leadership exercises in addition to EOC Training



MESSAGING FOCUS

- Educate customers on restoration process and the importance of their partnership
- Set expectations for restoration and communication practices
- *Calls to action:*
 - 1) Update account contact information
 - 2) Download the JEA Storm Recovery Guide featuring *Restoration 1-2-3*
 - 3) Sign up for Outage Alert Preferences
 - 4) Once a storm subsides, visit jea.com outage map for outage information and updates





///
JULY, AUGUST, SEPT.
MULTIMEDIA CAMPAIGN

MULTIMEDIA CAMPAIGN

- 15/30-second television and radio spots
- JEA Minute
- Digital outdoor boards
- Times Union *Restoration 1-2-3 Guide* inserts
- Digital media advertising
- Social media posts
- Customer Service Center Handouts
- Employee communications
- Ambassador and Volunteer Events

PARTNER WITH OUTLETS

- Meet with key media
- Educate about the restoration process, provide talking points and Restoration 1-2-3 fact sheet
- Partner with media outlets to provide “expert” storm tips prior/during storm





INFORM SHAREHOLDERS

- Meet with shareholder trustees and key accounts to ensure open communication and partnership
- Providing talking points and educational materials
- Hurricane Preparedness Update scheduled for June 20 to inform Jax City Council, government shareholders and key stakeholders of important updates for 2018 storm season



DURING THE STORM

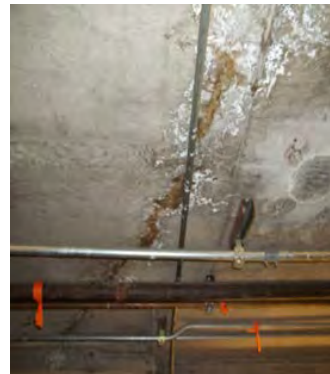
At the height of a major storm, JEA personnel are in place, monitoring the weather and assessing the impact on our facilities. Our Emergency Operations Center works around the clock. Key personnel are deployed out in the field to alert us to any serious system failures. And our linemen are in position, waiting for weather conditions to improve to the point that it is safe for them to begin restoring power.

CONTINUING RISKS WE ARE WORKING TO MITIGATE

Business Continuity Risk of Downtown Campus

Remaining risks to downtown campus (unmitigated):

- **Tower Basement Flooding** – air handlers, generator, electrical switchgear in basement affects the entire building systems
- **Water Intrusion** – window and wall leaks from blowing, heavy rains and risks to First Coast Radio Center equipment currently housed on T-18
- **Elevator Malfunctioning** – water intrusion, controls, electrical, *high wind shut down*
- **EOC operation** – requires off-site back-up for, current option has limited space remote location farther from COJ EOC
- **Call center back up location** – limited space likely limits ability to provide similar service levels following a future storm



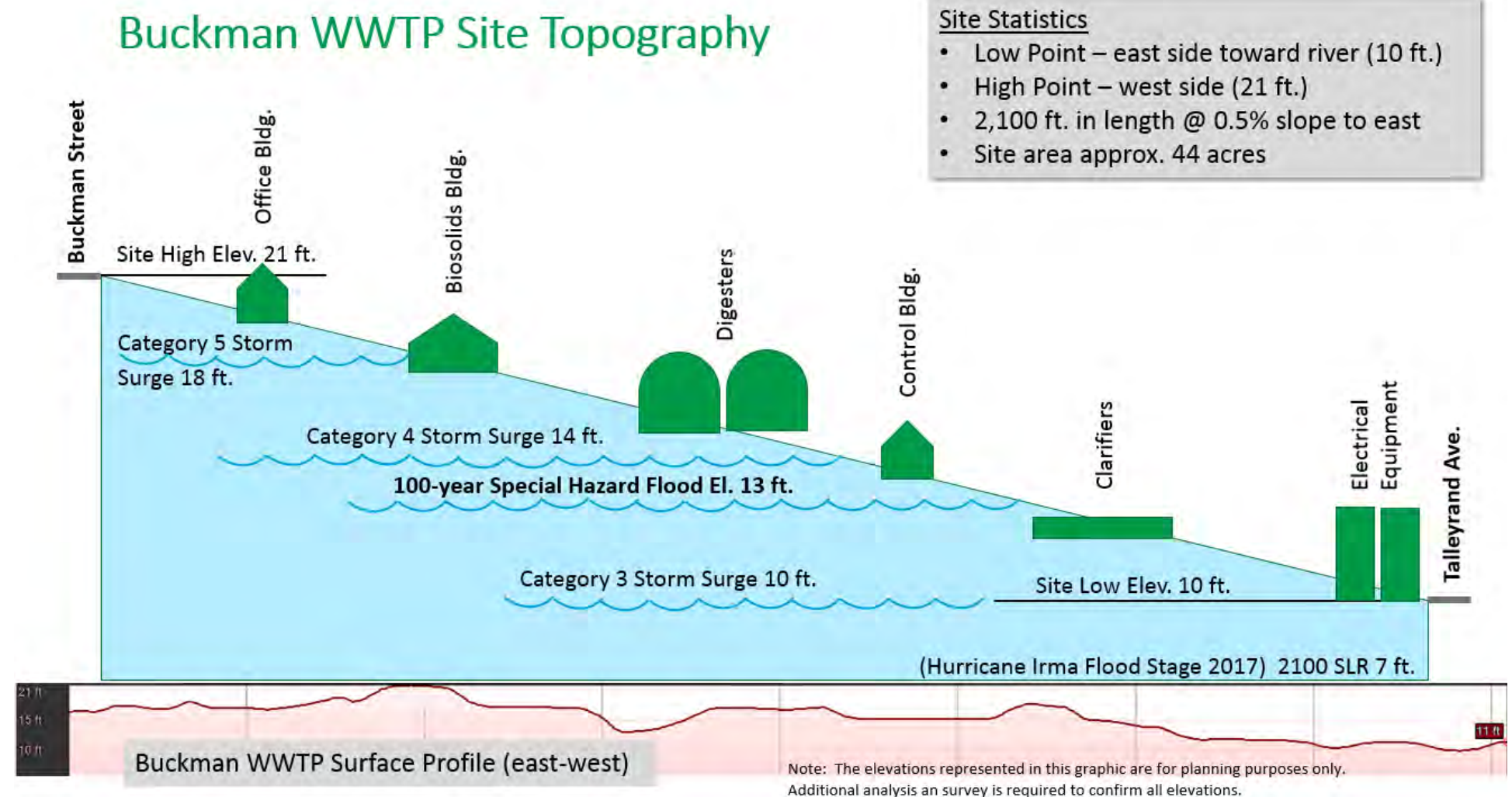
CONTINUING RISKS WE ARE WORKING TO MITIGATE

Sea level rise leads to greater storm surge

Water/Wastewater resiliency study is underway

Assessment Approach:

- Model extreme weather scenarios
- Identify at-risk systems, facilities and equipment
- Quantify risks with costs
- Prioritize mitigation requirements and investments
- Implement adaptation strategies



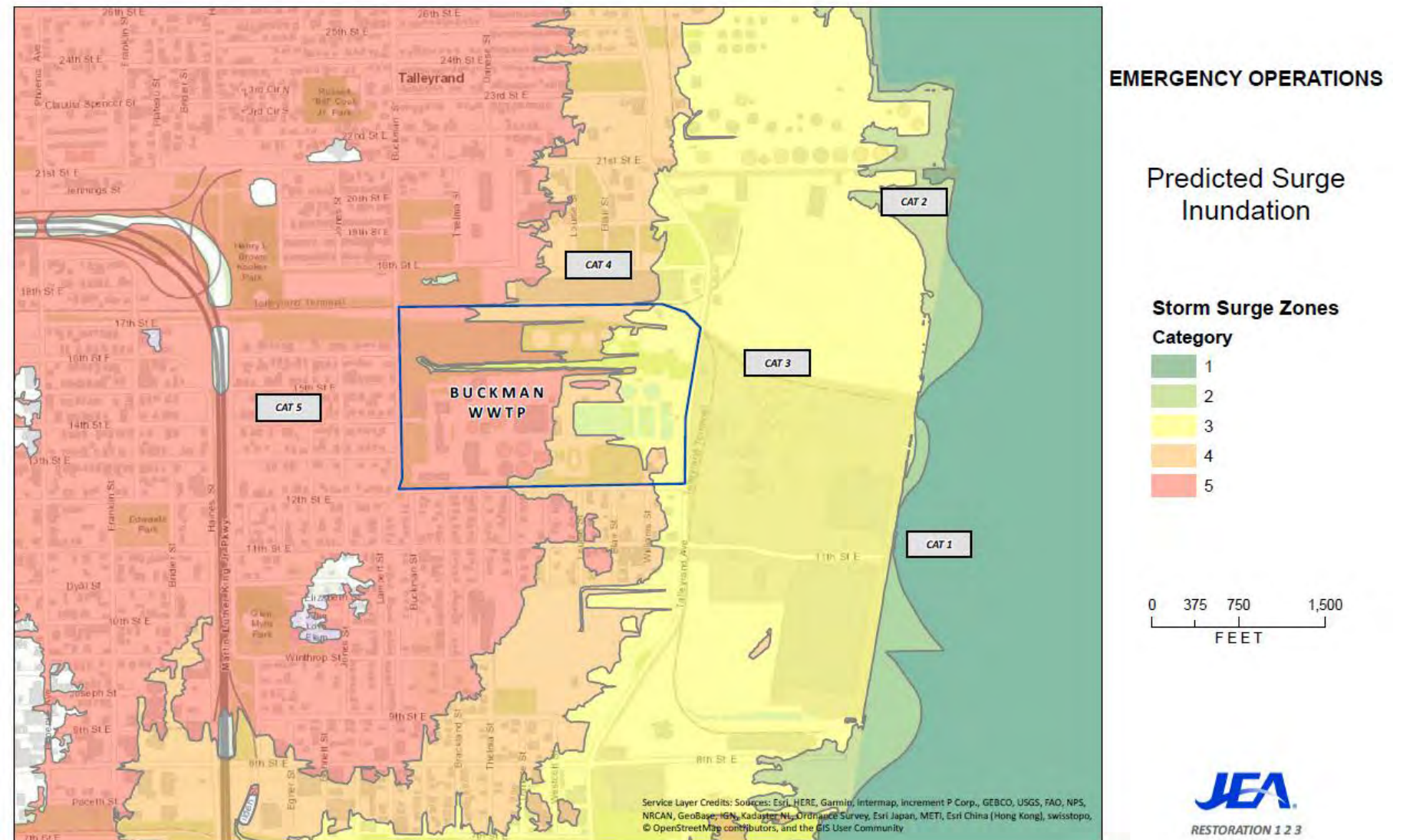
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- Model extreme weather scenarios
- Identify at-risk systems, facilities and equipment
- Quantify risks with costs
- Prioritize mitigation requirements and investments
- Implement adaptation strategies





AFTER THE STORM

- **Restoration 1-2-3**
- **Community Outreach and Aid**
- **News Media and Public Relations**
- **Enhanced Customer Communications**

POWER RESTORATION
1-2-3 | PHASE 1: PUBLIC SAFETY

ADVISORY

During a still weather advisory be aware that a weather advisory is issued for a specific neighborhood. JEA will make that information available through local media and all you can do is monitor weather and when necessary stay home. JEA will not be able to provide service to your neighborhood until the advisory is lifted.



WHAT JEA WILL DO

As soon as weather conditions permit, JEA begins assessing our facilities, making critical repairs to our power plants, transmission lines, substations, and water and sewer facilities. We then restore power to our local hospitals, shelters, and police and fire stations, and make repairs to the "backbone" of our electric grid that will bring the majority of our customers back into power as quickly as possible.



WHAT YOU CAN DO

SIT TIGHT AND STAY CALM:

Phase 1 is our public safety phase, and we appreciate your patience as we restore these critical services first. If possible, stay off the roads and avoid downed power lines.

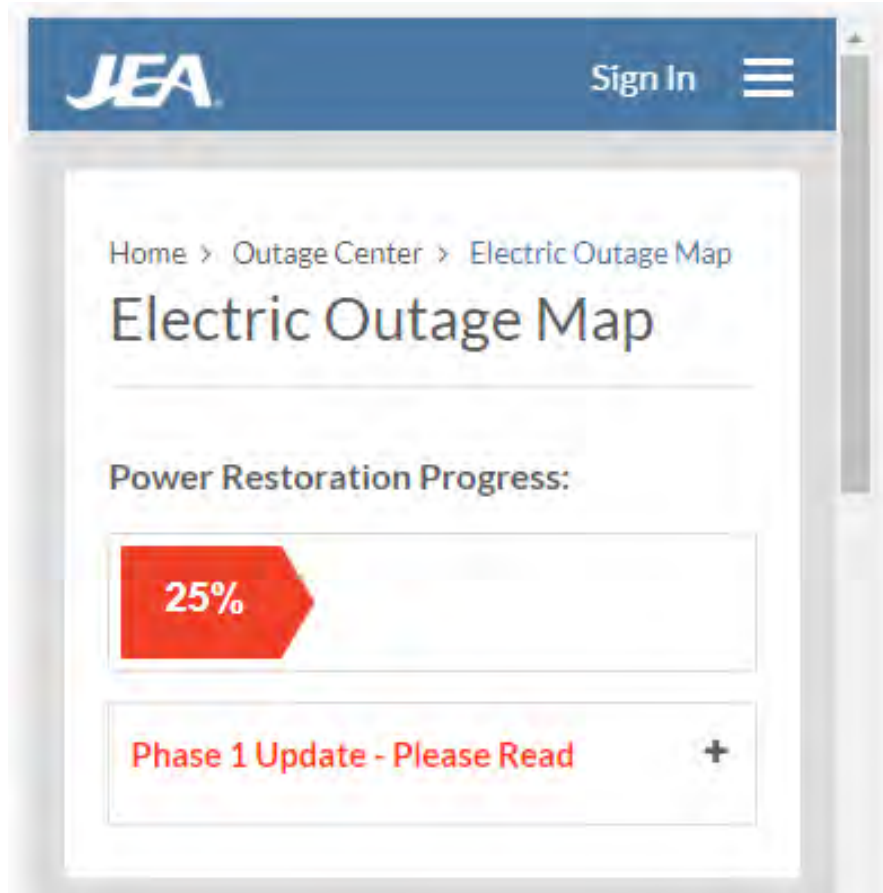
BE PATIENT:

Just as you'd pull over on the highway to let an ambulance pass, you can help us save lives and restore power to everyone faster by waiting for the announcement that JEA is ready to accept outage reports from individual customers.



PHASE 1

- Customer emails, news and social media updates are sent with real-time information
- Customers may speak to a CCC rep 24/7 to ensure personal service and reassurance
- Customers are reminded that in Phase 1 JEA repairs infrastructure and restores power to our public safety providers
- Key commercial accounts are contacted, with reps standing by to receive incoming calls



PHASE 1


- Customers are encouraged to visit map where polygons will show outage areas and density
- Outage Map and 665-6000 number will reassure customers that we are aware of widespread outages and to encourage them to update their contact information on jea.com
- Progress bar will be displayed on jea.com for customers to see restoration progress

POWER RESTORATION
1·2·3

PHASE 2: INDIVIDUAL CUSTOMERS

WHAT JEA WILL DO

With public safety repairs complete, JEA will announce that we are entering Phase 2 and are now ready to accept outage reports from individual customers. Utility crews now begin making repairs by electric "circuits" – repairing an entire circuit of approximately 2,500 homes before moving on to another circuit. Priority is given to making repairs that will restore power to the most customers at once.



WHAT YOU CAN DO

REPORT YOUR OUTAGE:
Call (804) 865-6000 or visit jea.com/outage to report your power outage. If you've already registered for JEA alerts, you can also text "OUT" to MyJEA (695532).

Important tip:
In order to receive customized alerts from JEA on the status of your power outage, you must call in and report your home's outage during Phase 2. If you assume your neighbors have already reported your neighborhood's outage, you'll miss the chance to have personalized progress updates sent to you.

Monitor the status of your outage on the JEA Outage Map (jea.com/outage), where you can see the location of outages across our community.



PHASE 2

- Emails continue to be sent out at least twice daily to all customers on file to alert them of updates, let them know that if still without power to go on outage map or call in to report through the JEA automated system
- Individual customers who sign up for personalized outage alerts will receive text/email/phone messages when a crew is assigned, when the crew working on their outage, and when repairs in the area have been completed

POWER RESTORATION
1·2·3 | PHASE 3: FINAL REPAIRS

WHAT JEA WILL DO

When repairs to all major circuits are complete, JEA will enter Phase 3, targeting the few remaining isolated outages. We know this phase can be the most frustrating for those few customers who are still without power, and we appreciate your continued patience as we direct all our resources toward completing the restoration process. Rest assured, we won't stop until everyone has power.



FINAL REPAIRS

PHASE 3

- Emails continue to be sent out at least twice daily to all customers on file to alert them of updates, let them know that if still without power to go on outage map or call in to report through the JEA automated system
- A request for customers will be made to call us if still without power since those remaining would be stragglers at the ends of laterals and other unique situations



CUSTOMER COMMUNICATIONS

Improved communications through a storm event across a variety of channels, focused on providing accurate and timely information

- Messaging continues to focus on restoration process, setting expectations and providing real-time information
- Continuation of multi-media advertising campaign that will reflect messaging based on the respective phase
- Focus on news media updates and live interviews
- Heightened focus on social media and digital messaging with 12 dedicated social media reps on hand; creative responses to customer questions through video



Post-Storm Community Outreach

- JEA liaisons visit impacted neighborhoods during assessment and restoration to answer questions and help as needed
- Mobile Stations located at shelters so those at the shelter and the surrounding area have on-site access for answers to account/outage questions and have water, snacks and children's goodies on hand
- Business Liaisons call and visit key accounts and businesses to ensure open communication and swift recovery

A decorative horizontal bar consisting of a series of parallel diagonal lines, alternating between dark blue and light blue, creating a striped effect.

Here in Florida, storms are an unfortunate part of our reality. Just as JEA has invested in making sure we are ready, now is the time to review your own readiness plans.

- Download the *JEA Restoration 1-2-3 Fact Sheet* on jea.com for details on what to expect if a storm hits and how JEA restores power to the First Coast
- Update your cell phone number and email address on jea.com
- Download the *JaxReady app* for your mobile phone
- Visit floridadisaster.org/getaplan for resources to make your family's plan
- If you have special needs, visit coj.net/specialneeds or call 253-2000 to register with the City Emergency Preparedness Division

III. A. – Appendix A:
Board Meeting Minutes May 15, 2018

JEA
BOARD MINUTES
May 15, 2018

The JEA Board met in regular session on Tuesday, May 15, 2018, on the 19th Floor, 21 W. Church Street, Jacksonville, Florida. Present were Alan Howard, Husein Cumber, Kelly Flanagan and April Green. Frederick Newbill attended telephonically.

Agenda Item I – Welcome

- A. The meeting was **called to order** at 12:02 PM by Chair Howard.
- B. A **Moment of Reflection** was observed by all.
- C. The **Pledge of Allegiance** was led by Chair Howard.
- D. **Adoption of Agenda** – The agenda was approved on **motion** by Ms. Flanagan and second by Ms. Green.
- E. The **Safety Briefing** was given by Aaron Zahn, Interim Managing Director/Chief Executive Officer.
- F. **Sunshine Law/Public Records Statement** – Jody Brooks, Office of General Counsel (OGC), stated this Board Meeting is being held in compliance with Florida's Government in the Sunshine Law, §286.011. The complete statement can be found in section I. F. of the Board package.

Agenda Item II – Presentations and Comments

- A. **Comments from the Public** – None
- B. **Council Liaison's Comments** – The Honorable Matt Schellenberg had no comments.
- C. **Office of the Mayor Liaison's Comment** – Dr. Johnny Gaffney was not in attendance.
- D. **Introduction to Board Agenda** – Mr. Zahn, Interim Managing Director/CEO highlighted the new agenda format, which was created to provide a more concise, open and transparent format for the Board and Senior Leadership Team to communicate with each other, as well as with the public. Mr. Zahn noted this format includes three distinct sections: Operations, Strategy and Subject Matter Exploration. This presentation was received for information.

Agenda Item III – Operations (Discussion / Action)

- A. **Consent Agenda** – used for items that require no explanation, discussion or presentation and are approved by one motion and vote. On **motion** by Vice Chair Cumber and second by Ms. Flanagan, Appendix A and B on the Consent Agenda were unanimously approved.

Appendix A: Special Board Meeting Minutes April 6, 2018 – approved
Appendix B: Board Meeting Minutes April 17, 2018 – approved
- B. **JEA FY2017 Annual Disclosure Reports** – Ryan Wannemacher, Interim Chief Financial Officer, advised the Board that based on feedback from the March 20 and April 17, 2018 Board Meetings, May 7, 2018 Finance and Audit Committee and individual Board Member comments, amended draft Annual Disclosure reports are available for Board Member's review and comment. Mr. Wannemacher stated updates include senior management changes, updated organizational structure, updated

management team biographies, language on the subject of privatization and Plant Vogtle material. Members of the Senior Leadership Team, as well as Office of General Counsel have previously reviewed and approved the previous drafts and current changes. On **motion** by Ms. Flanagan and second by Vice Chair Cumber, the Board unanimously approved and authorized the Annual Disclosure Reports for the systems in substantially the forms distributed on March 20, 2018, as amended through May 9, 2018, with additional changes as approved by the Interim Managing Director and Chief Executive Officer of JEA and authorized the filing and use of the Annual Disclosure Reports.

- C. Compensation Committee Recommendation – Executive Contracts** – Compensation Committee Chair Flanagan stated the Committee met on May 14, 2018 for the purposes of reviewing employment agreements for Aaron Zahn, Interim Managing Director/Chief Executive Officer and Melissa Dykes, President/Chief Operating Officer. Committee Chair Flanagan stated since the distribution of the contracts, the Committee recommended to revise the effective date to May 15, 2018 on both agreements, as well as remove the clause in section 2.5 providing 280 hours of leave during each year of employment. The remainder of the contract remains intact as negotiated by the Board Chair. The Committee also recommended an addendum adding a position description to the agreement of Ms. Dykes. The Committee felt it was important to provide additional time to Mr. Zahn to outline the roles and responsibilities of Ms. Dykes, while providing the delegation of authority to the Compensation Committee Chair to review upon completion. Ms. Brooks noted an error related to the effective date definition in the first paragraph of Ms. Dykes' agreement. On **motion** by Vice Chair Cumber and second by Secretary Newbill, the Board unanimously approved the employment agreements as recommended by the Compensation Committee, including the scrivener error, as well as providing delegated authority to the Compensation Committee to work with Ms. Dykes and Mr. Zahn on finalizing the position description for Ms. Dykes.

Agenda Item IV – Strategy (Discussion Only)

Agenda items were presented out of order; however, the minutes reflect the original order of the agenda.

- A. Reorganization/Transition Steps** – Mr. Zahn stated that customers, employees, and shareholders are JEA's top priority. Mr. Zahn noted that he has worked with Mayor Curry, City Council Members, and JEA's Senior Leadership Team and has completed a reorganization. Mr. Zahn stated he has merged into step two by engaging council members and listening to their perspective and focusing on a united community. Step three will be focused on creating a successful shareholder framework. Chair Howard stated he appreciated the work and effort of the Senior Leadership Team serving our customers. This presentation was received for information.
- B. CEO Search Update** – Compensation Committee Chair Flanagan stated the Committee met on May 14, 2018 and reviewed the selection of an executive search firm for the recruitment of the permanent Managing Director/CEO position. Ms. Flanagan thanked Angie Hiers, Vice President and Chief Human Resources Officer and John McCarthy, Vice President and Chief Supply Chain Officer for their work. Committee Chair Flanagan reviewed the process to date starting with the direction of the Board at the April 17, 2018 meeting for Committee Chair Flanagan to begin the request for proposal process to select a firm. Upon receipt of the proposals, Committee Chair Flanagan

narrowed the list down and conducted interviews with Heidrick & Struggles, Russell Reynolds, and ZRG. Committee Chair Flanagan identified two important criteria including the firm's benchmarking and success statistics of hiring at the President/CEO, Board of Directors, and senior management level, with the second criteria being fee structure. Committee Chair Flanagan stated that based on their experience at hiring at the President/CEO level, she recommends Heidrick & Struggles to conduct the search for the permanent position of the Managing Director/CEO. In transparency, Committee Chair Flanagan noted Heidrick & Struggles has the highest fee structure of the three firms with 33% of the total compensation, Russell Reynolds at 30% with \$120K minimum, and ZRG at 29% with an \$89K maximum. Based on this structure, and for the purposes of understanding the materiality of the contract, Heidrick & Struggles could cost \$132K based on a \$400K salary for the Managing Director/CEO. Committee Chair Flanagan noted that Heidrick & Struggles' experience outweighs the cost differential and noted Heidrick & Struggles is the recommendation as approved by the Compensation Committee at the May 14, 2018 meeting. Committee Chair Flanagan shared with the Board the final scoring for each firm: Heidrick & Struggles – 72 points, Russell Reynolds – 62 points, and ZRG – 65 points. Board Chair Howard called for a Board Workshop prior to the June Board Meeting to develop a process and timeline for the permanent CEO position. Board Members held discussions regarding the selection of the CEO search firm. Ms. Green discussed the need for the entire Board of Directors to meet and interview all three search firms. The basis for her request is transparency and for the entire Board of Directors to understand the strengths of the firm. Chair Howard called upon Ms. Hiers to provide additional information. Upon **motion** by Ms. Green to allow an opportunity for all three of the top search firms to provide a presentation to the Board, and with a second by Secretary Newbill, the Chair requested a roll call vote: Cumber – No, Flanagan – No, Green – Yes, Newbill – Yes, Chair Howard – No and the vote failed. Upon **motion** by Committee Chair Flanagan and second by Mr. Cumber, to engage Heidrick & Struggles as the executive search firm, the Chair requested a roll call vote: Cumber – Yes, Flanagan – Yes, Green – No, Newbill – Yes and Chair Howard – Yes. The motion passed and direction was provided to Ms. Hiers to begin working with Heidrick & Struggles to provide a contract to Ms. Brooks.

Chair Howard noted that he agrees with Ms. Green that the Board needs to be deliberate regarding the selection of the permanent CEO and the process will be thorough and transparent.

Agenda Item V – Subject Matter Exploration (Opportunities & Risks – Presentation)

A. Introduction to Subject Matter Exploration Concept – No comments were provided.

Agenda Item VI – Committee Reports

A. Finance & Audit Committee Report – Kelly Flanagan, Committee Chair reviewed the Finance and Audit Committee meeting held on May 7, 2018, bringing items to the Board for information.

1. Approval of Minutes – March 12, 2018 – received for information
2. FY2019 Budget Presentation – received for information
3. Quarterly Audit Services Update – received for information
4. Ethics Officer Quarterly Report – received for information

5. JEA Energy Market Risk Management Policy Report – received for information
 6. Annual Disclosure Report – Open Discussion – received for information
 7. Announcements
 - a. Next Meeting August 13, 2018, 8:00 – 10:00 am
 8. Committee Discussion Sessions
 - a. Ernest & Young
 - b. Director, Audit Services
 - c. Council Auditor's Office
- B. Compensation Committee Report** – Kelly Flanagan, Committee Chair, reviewed the Compensation Committee meeting held on May 14, 2018, bringing items to the Board for information.
1. Approval of Minutes – November 27, 2017 – received for information
 2. Executive Contracts – received for information
 3. Executive Search Firm Selection – received for information

Agenda Item VII – Other Business

A. Old Business –

1. **Dark Fiber Utility Services for the 21st Century Digital Utility** – Paul Cosgrave, Vice President and Chief Information Officer, presented the Board previously approved Resolution 2018-01 authorizing JEA to invest in expansion and enhancement of the existing fiber optic network with the intention to lease dark fiber. Staff stated they believed a broader opportunity to create value for JEA existed through partnership models. After further review and discussion, staff is requesting the Board rescind the previously approved resolution. On **motion** by Vice Chair Cumber and second by Ms. Green, Mr. Cumber made a statement that, as a Board, the Board should consider bringing new revenue opportunities as a holistic package. Chair Howard echoed Vice Chair Cumber's statement, and posed questions to think through and suggested before bringing dark fiber back for staff to take into consideration other opportunities to present to City Council. The Board unanimously approved to rescind Resolution #2018-01 and come back to the board with a more robust plan.

B. Other New Business – None

- C. Open Discussion** – Ms. Green provided clarification regarding statements previously made regarding the transparency of the CEO search process.

Chair Howard informed the Board of his receipt of a letter from Council President Brosche on May 10, 2018 and his intention to respond to her in writing. A copy of the letter from Council President Brosche has been provided to Board Members by staff, and a copy of Chair Howard's response will be provided to Board Members, as well.

Board Members discussed the need for JEA to be supportive of the JCC study and other similar 3rd party studies surrounding JEA in our community.

Board Members held discussions regarding indemnification for their role as Board Members.

Board Members requested information regarding Plant Vogtle and the statutes related to a shade meeting.

Mr. Cumber reminded the Board at a previous Finance & Audit Committee a request was made to have discussions related to rate restructuring.

Board Members held discussions regarding privatization. On **motion** by Vice Chair Cumber and second by Secretary Newbill, the Board unanimously approved, absent a future Board decision, any activities tied to a privatization effort would be put on hold.

- D. Interim Managing Director/CEO's Report** – Mr. Zahn announced the opening of the Northwest Regional Water Treatment Plant, a \$10M project. It increases capacity and reliability of public water supply for the northern edge of Duval County. Mr. Zahn commended Hai Vu, Manager Water Plants E&C and staff under the leadership of Brian Roche for completing the project on time and budget. Mr. Roche also acknowledged the soon to be completed Blacksford Wastewater Reclamation Facility, a \$65M project that will increase the capacity of the plant from 2 to 6 million gallons per day. Mr. Zahn commended Raynetta Marshall, Director Water/Wastewater Project Engineering & Construction. Mr. Zahn presented the Septic Tank Phase Out program, a \$38M partnership funded by JEA and the City of Jacksonville. There are three specific projects, which have been funded based on Health Department, and other community priorities, approved by City Council, and include Biltmore, Beverly Hills and Christobel. The Project Outreach team has acquired the 70% ownership participation threshold for two of the projects to move forward. The project will then move to the design/engineering, bid and construction phase. Mr. Zahn thanked Greg Corcoran and team for their work.
- E. Chair's Report** – Chair Howard thanked Board Members for their discussions. Chair Howard noted the Jacksonville Civic Council (JCC) is engaged in their own review of JEA as part of their Comparative Public Finance project. Staff continues to provide information to them to assist. A presentation was provided by Michael Ward, Jacksonville Civic Council Committee Chair to City Council on May 10, 2018. Chair Howard requested Aaron Zahn, and Melissa Charleroy, Executive Assistant to schedule a Board Workshop for the month of June and invited a representative from Heidrick & Struggles. The purpose of the workshop will be to formulate a process and timeline for the permanent Managing Director/CEO position.

Agenda Item VIII – Closing Considerations

- A. Announcements** – Next Board Meeting – June 19, 2018
- B. Adjournment**

With no further business claiming the attention of the Board, Chair Howard adjourned the meeting at 1:29 PM.

APPROVED BY:

SECRETARY

DATE: _____

Board Meeting recorded by:

Melissa M. Charleroy
Executive Assistant

III. A. – Appendix B: Monthly Financial Statements



Monthly Financial Statements

May 2018

Monthly Financial Statements

May 2018

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Statements of Net Position**(in thousands - unaudited) May 2018 and 2017**

	2018	2017
Assets		
Current assets:		
Cash and cash equivalents	\$ 210,467	\$ 266,042
Investments	237,343	261,630
Customer accounts receivable, net of allowance (\$1,627 in 2018 and \$1,937 in 2017)	190,204	188,827
Miscellaneous accounts receivable	15,799	26,955
Interest receivable	2,703	2,214
Inventories:		
Fuel inventory - Electric System	48,091	67,128
Fuel inventory - Plant Scherer	9,542	2,407
Materials and supplies - Water and Sewer	55,177	47,138
Materials and supplies - Electric System	23,831	19,171
Materials and supplies - Plant Scherer	2,127	1,975
Total current assets	795,284	883,487
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	139,867	39,075
Investments	674,715	879,384
Accounts and interest receivable	70	1,124
Total restricted assets	814,652	919,583
Costs to be recovered from future revenues	794,995	457,576
Investment in The Energy Authority	6,302	6,174
Other assets	18,425	19,655
Total noncurrent assets	1,634,374	1,402,988
Capital assets:		
Land and easements	194,644	193,309
Plant in service	11,196,387	10,929,659
Less accumulated depreciation	(6,404,549)	(5,654,596)
Plant in service, net	4,986,482	5,468,372
Construction work in progress	327,517	339,978
Net capital assets	5,313,999	5,808,350
Total assets	7,743,657	8,094,825
Deferred outflows of resources		
Unrealized pension contributions and losses	177,704	137,010
Unamortized deferred losses on refundings	147,507	138,248
Accumulated decrease in fair value of hedging derivatives	104,570	119,781
Unrealized asset retirement obligation	45,998	-
Total deferred outflows of resources	475,779	395,039
Total assets and deferred outflows of resources	\$ 8,219,436	\$ 8,489,864

Statements of Net Position**(in thousands - unaudited) May 2018 and 2017**

	2018	2017
Liabilities		
Current liabilities:		
Accounts and accrued expenses payable	\$ 82,391	\$ 98,675
Customer deposits	59,399	56,822
City of Jacksonville payable	9,732	9,678
Utility taxes and fees payable	6,943	7,518
Compensated absences due within one year	1,423	3,528
Total current liabilities	159,888	176,221
Current liabilities payable from restricted assets:		
Debt due within one year	185,790	229,095
Renewal and replacement reserve	101,973	79,728
Interest payable	25,958	28,722
Construction contracts and accounts payable	15,627	17,183
Total current liabilities payable from restricted assets	329,348	354,728
Noncurrent liabilities:		
Net pension liability	557,665	493,346
Asset retirement obligation	36,283	-
Compensated absences due after one year	29,058	26,187
Environmental liabilities	17,647	18,556
Other liabilities	7,036	4,733
Total noncurrent liabilities	647,689	542,822
Long-term debt:		
Bonds payable and commercial paper payable, less current portion	3,813,680	4,178,295
Unamortized premium, net	162,589	122,110
Fair value of debt management strategy instruments	100,909	119,614
Total long-term debt	4,077,178	4,420,019
Total liabilities	5,214,103	5,493,790
Deferred inflows of resources		
Revenues to be used for future costs	246,084	476,847
Unrealized pension gains	12,955	12,683
Total deferred inflows of resources	259,039	489,530
Net position		
Net investment in capital assets	1,885,013	1,649,211
Restricted	510,515	518,058
Unrestricted	350,766	339,275
Total net position	2,746,294	2,506,544
Total liabilities, deferred inflows of resources, and net position	\$ 8,219,436	\$ 8,489,864

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Assets							
Current assets:							
Cash and cash equivalents	\$ 115,135	\$ 20,634	\$ -	\$ 135,769	70,565	\$ 4,133	\$ 210,467
Investments	220,205	248	-	220,453	16,890	-	237,343
Customer accounts receivable, net of allowance (\$1,627)	140,653	-	-	140,653	48,981	570	190,204
Miscellaneous accounts receivable	14,968	2,016	(2,996)	13,988	1,811	-	15,799
Interest receivable	1,364	3	-	1,367	1,336	-	2,703
Inventories:							
Fuel inventory - Electric System	28,619	19,472	-	48,091	-	-	48,091
Fuel inventory - Plant Scherer	9,542	-	-	9,542	-	-	9,542
Materials and supplies - Water and Sewer	-	-	-	-	55,177	-	55,177
Materials and supplies - Electric System	-	23,831	-	23,831	-	-	23,831
Materials and supplies - Plant Scherer	2,127	-	-	2,127	-	-	2,127
Total current assets	532,613	66,204	(2,996)	595,821	194,760	4,703	795,284
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	223	137,470	-	137,693	320	1,854	139,867
Investments	353,397	5,999	-	359,396	315,319	-	674,715
Accounts and interest receivable	21	37	-	58	12	-	70
Total restricted assets	353,641	143,506	-	497,147	315,651	1,854	814,652
Costs to be recovered from future revenues	268,893	303,579	-	572,472	222,496	27	794,995
Investment in The Energy Authority	6,302	-	-	6,302	-	-	6,302
Other assets	12,966	-	-	12,966	5,454	5	18,425
Total noncurrent assets	641,802	447,085	-	1,088,887	543,601	1,886	1,634,374
Capital assets:							
Land and easements	123,707	6,660	-	130,367	61,226	3,051	194,644
Plant in service	5,420,932	1,316,051	-	6,736,983	4,403,975	55,429	11,196,387
Less accumulated depreciation	(2,998,905)	(1,312,431)	-	(4,311,336)	(2,067,883)	(25,330)	(6,404,549)
Plant in service, net	2,545,734	10,280	-	2,556,014	2,397,318	33,150	4,986,482
Construction work in progress	113,795	-	-	113,795	211,689	2,033	327,517
Net capital assets	2,659,529	10,280	-	2,669,809	2,609,007	35,183	5,313,999
Total assets	3,833,944	523,569	(2,996)	4,354,517	3,347,368	41,772	7,743,657
Deferred outflows of resources							
Unrealized pension contributions and losses	95,814	20,631	-	116,445	61,259	-	177,704
Unamortized deferred losses on refundings	87,951	4,255	-	92,206	55,103	198	147,507
Accumulated decrease in fair value of hedging derivatives	85,595	-	-	85,595	18,975	-	104,570
Unrealized asset retirement obligation	-	45,998	-	45,998	-	-	45,998
Total deferred outflows of resources	269,360	70,884	-	340,244	135,337	198	475,779
Total assets and deferred outflows of resources	\$ 4,103,304	\$ 594,453	\$ (2,996)	\$ 4,694,761	\$ 3,482,705	\$ 41,970	\$ 8,219,436

Combining Statement of Net Position
(in thousands - unaudited) May 2018

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Liabilities							
Current liabilities:							
Accounts and accrued expenses payable	\$ 63,788	\$ 9,235	\$ (2,033)	\$ 70,990	\$ 11,393	\$ 8	\$ 82,391
Customer deposits	44,002	-	-	44,002	15,397	-	59,399
City of Jacksonville payable	7,623	-	-	7,623	2,109	-	9,732
Utility taxes and fees payable	6,943	-	-	6,943	-	-	6,943
Compensated absences due within one year	1,115	-	-	1,115	304	4	1,423
Total current liabilities	123,471	9,235	(2,033)	130,673	29,203	12	159,888
Current liabilities payable from restricted assets:							
Debt due within one year	130,690	1,720	-	132,410	51,720	1,660	185,790
Renewal and replacement reserve	-	101,973	-	101,973	-	-	101,973
Interest payable	13,603	1,868	-	15,471	10,261	226	25,958
Construction contracts and accounts payable	3,322	2,509	(963)	4,868	10,756	3	15,627
Total current liabilities payable from restricted assets	147,615	108,070	(963)	254,722	72,737	1,889	329,348
Noncurrent liabilities:							
Net pension liability	330,025	16,640	-	346,665	211,000	-	557,665
Asset retirement obligation	-	36,283	-	36,283	-	-	36,283
Compensated absences due after one year	20,529	-	-	20,529	8,495	34	29,058
Environmental liabilities	17,647	-	-	17,647	-	-	17,647
Other liabilities	6,576	-	-	6,576	460	-	7,036
Total noncurrent liabilities	374,777	52,923	-	427,700	219,955	34	647,689
Long-term debt:							
Bonds payable and commercial paper payable, less current portion	2,019,350	278,885	-	2,298,235	1,480,620	34,825	3,813,680
Unamortized premium (discount), net	82,204	2,821	-	85,025	77,599	(35)	162,589
Fair value of debt management strategy instruments	81,934	-	-	81,934	18,975	-	100,909
Total long-term debt	2,183,488	281,706	-	2,465,194	1,577,194	34,790	4,077,178
Total liabilities	2,829,351	451,934	(2,996)	3,278,289	1,899,089	36,725	5,214,103
Deferred inflows of resources							
Revenues to be used for future costs	220,588	-	-	220,588	25,496	-	246,084
Unrealized pension gains	4,867	4,976	-	9,843	3,112	-	12,955
Total deferred inflows of resources	225,455	4,976	-	230,431	28,608	-	259,039
Net position							
Net investment in capital assets	568,309	42,478	-	610,787	1,275,298	(1,072)	1,885,013
Restricted	274,605	28,381	963	303,949	204,938	1,628	510,515
Unrestricted	205,584	66,684	(963)	271,305	74,772	4,689	350,766
Total net position	1,048,498	137,543	-	1,186,041	1,555,008	5,245	2,746,294
Total liabilities, deferred inflows of resources, and net position	\$ 4,103,304	\$ 594,453	\$ (2,996)	\$ 4,694,761	\$ 3,482,705	\$ 41,970	\$ 8,219,436

JEA
Combining Statement of Net Position
(in thousands - unaudited) May 2017

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	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Assets							
Current assets:							
Cash and cash equivalents	\$ 144,288	\$ 39,692	\$ -	\$ 183,980	\$ 77,626	\$ 4,436	\$ 266,042
Investments	255,346	5,961	-	261,307	323	-	261,630
Customer accounts receivable, net of allowance (\$1,937)	148,907	-	-	148,907	39,618	302	188,827
Miscellaneous accounts receivable	22,377	22,758	(19,152)	25,983	972	-	26,955
Interest receivable	1,193	22	-	1,215	999	-	2,214
Inventories:							
Fuel inventory - Electric System	34,283	32,845	-	67,128	-	-	67,128
Fuel inventory - Plant Scherer	2,407	-	-	2,407	-	-	2,407
Materials and supplies - Water and Sewer	-	-	-	-	47,138	-	47,138
Materials and supplies - Electric System	-	19,171	-	19,171	-	-	19,171
Materials and supplies - Plant Scherer	1,975	-	-	1,975	-	-	1,975
Total current assets	610,776	120,449	(19,152)	712,073	166,676	4,738	883,487
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	196	36,190	-	36,386	152	2,537	39,075
Investments	317,720	212,565	-	530,285	349,099	-	879,384
Accounts and interest receivable	48	1,064	-	1,112	12	-	1,124
Total restricted assets	317,964	249,819	-	567,783	349,263	2,537	919,583
Costs to be recovered from future revenues	240,367	6,774	-	247,141	210,435	-	457,576
Investment in The Energy Authority	6,174	-	-	6,174	-	-	6,174
Other assets	12,193	-	-	12,193	7,458	4	19,655
Total noncurrent assets	576,698	256,593	-	833,291	567,156	2,541	1,402,988
Capital assets:							
Land and easements	123,521	6,660	-	130,181	60,077	3,051	193,309
Plant in service	5,232,661	1,338,449	-	6,571,110	4,303,309	55,240	10,929,659
Less accumulated depreciation	(2,806,294)	(865,218)	-	(3,671,512)	(1,959,786)	(23,298)	(5,654,596)
Plant in service, net	2,549,888	479,891	-	3,029,779	2,403,600	34,993	5,468,372
Construction work in progress	167,905	10,296	-	178,201	160,473	1,304	339,978
Capital assets, net	2,717,793	490,187	-	3,207,980	2,564,073	36,297	5,808,350
Total assets	3,905,267	867,229	(19,152)	4,753,344	3,297,905	43,576	8,094,825
Deferred outflows of resources							
Unrealized pension contributions and losses	77,673	11,731	-	89,404	47,606	-	137,010
Unamortized deferred losses on refundings	81,032	12,333	-	93,365	44,677	206	138,248
Accumulated decrease in fair value of hedging derivatives	97,948	-	-	97,948	21,833	-	119,781
Total deferred outflows of resources	256,653	24,064	-	280,717	114,116	206	395,039
Total assets and deferred outflows of resources	\$ 4,161,920	\$ 891,293	\$ (19,152)	\$ 5,034,061	\$ 3,412,021	\$ 43,782	\$ 8,489,864

JEA
Combining Statement of Net Position
(in thousands - unaudited) May 2017

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	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Liabilities							
Current liabilities:							
Accounts and accrued expenses payable	\$ 69,899	\$ 20,078	\$ (5,141)	\$ 84,836	\$ 13,822	\$ 17	\$ 98,675
Customer deposits	42,020	-	-	42,020	14,802	-	56,822
City of Jacksonville payable	7,689	-	-	7,689	1,989	-	9,678
Utility taxes and fees payable	7,518	-	-	7,518	-	-	7,518
Compensated absences due within one year	2,025	660	-	2,685	811	32	3,528
Total current liabilities	129,151	20,738	(5,141)	144,748	31,424	49	176,221
Current liabilities payable from restricted assets:							
Debt due within one year	135,105	41,330	-	176,435	51,020	1,640	229,095
Renewal and replacement reserve	-	79,728	-	79,728	-	-	79,728
Interest payable	14,505	3,191	-	17,696	10,796	230	28,722
Construction contracts and accounts payable	2,829	15,599	(14,011)	4,417	12,173	593	17,183
Total current liabilities payable from restricted assets	152,439	139,848	(14,011)	278,276	73,989	2,463	354,728
Noncurrent liabilities:							
Net pension liability	297,819	12,993	-	310,812	182,534	-	493,346
Compensated absences due after one year	17,509	1,774	-	19,283	6,904	-	26,187
Environmental liabilities	18,556	-	-	18,556	-	-	18,556
Other liabilities	3,429	-	-	3,429	1,304	-	4,733
Total noncurrent liabilities	337,313	14,767	-	352,080	190,742	-	542,822
Long-term debt:							
Bonds payable and commercial paper payable, less current portion	2,171,305	408,885	-	2,580,190	1,561,620	36,485	4,178,295
Unamortized premium (discount), net	60,697	13,065	-	73,762	48,388	(40)	122,110
Fair value of debt management strategy instruments	97,781	-	-	97,781	21,833	-	119,614
Total long-term debt	2,329,783	421,950	-	2,751,733	1,631,841	36,445	4,420,019
Total liabilities	2,948,686	597,303	(19,152)	3,526,837	1,927,996	38,957	5,493,790
Deferred inflows of resources							
Revenues to be used for future costs	301,494	151,627	-	453,121	23,726	-	476,847
Unrealized pension gains	6,545	2,126	-	8,671	4,012	-	12,683
Total deferred inflows of resources	308,039	153,753	-	461,792	27,738	-	489,530
Net position							
Net investment in capital assets	465,268	15,705	-	480,973	1,170,413	(2,175)	1,649,211
Restricted	238,026	26,595	14,011	278,632	237,120	2,306	518,058
Unrestricted	201,901	97,937	(14,011)	285,827	48,754	4,694	339,275
Total net position	905,195	140,237	-	1,045,432	1,456,287	4,825	2,506,544
Total liabilities, deferred inflows of resources, and net position	\$ 4,161,920	\$ 891,293	\$ (19,152)	\$ 5,034,061	\$ 3,412,021	\$ 43,782	\$ 8,489,864

JEA
Schedule of Cash and Investments
(in thousands - unaudited) May 2018

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	Electric System and Bulk Power Supply System	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Unrestricted cash and investments						
Operations	\$ 82,070	\$ 2,503	\$ 84,573	\$ 46,562	\$ 1,396	\$ 132,531
Rate stabilization:						
Fuel	81,713	-	81,713	-	-	81,713
Debt management	29,884	-	29,884	14,209	2,737	46,830
Environmental	40,510	-	40,510	11,287	-	51,797
Purchased Power	17,476	-	17,476	-	-	17,476
DSM/Conservation	3,802	-	3,802	-	-	3,802
Total rate stabilization funds	173,385	-	173,385	25,496	2,737	201,618
Customer deposits	43,889	-	43,889	15,397	-	59,286
General reserve	-	18,379	18,379	-	-	18,379
Self insurance reserve funds:						
Self funded health plan	8,349	-	8,349	-	-	8,349
Property insurance reserve	10,000	-	10,000	-	-	10,000
Total self insurance reserve funds	18,349	-	18,349	-	-	18,349
Environmental liability reserve	17,647	-	17,647	-	-	17,647
Total unrestricted cash and investments	\$ 335,340	\$ 20,882	\$ 356,222	\$ 87,455	\$ 4,133	\$ 447,810
Restricted assets						
Renewal and replacement funds	\$ 190,170	\$ 102,164	\$ 292,334	\$ 167,647	\$ 521	\$ 460,502
Debt service reserve account	65,433	11,247	76,680	102,850	-	179,530
Debt service funds	99,813	3,117	102,930	44,519	1,333	148,782
Environmental funds	-	-	-	420	-	420
Construction funds	223	-	223	320	-	543
Subtotal	355,639	116,528	472,167	315,756	1,854	789,777
Unrealized holding gain (loss) on investments	(2,019)	79	(1,940)	(117)	-	(2,057)
Other funds	-	26,862	26,862	-	-	26,862
Total restricted cash and investments	\$ 353,620	\$ 143,469	\$ 497,089	\$ 315,639	\$ 1,854	\$ 814,582

JEA
Schedule of Cash and Investments
(in thousands - unaudited) May 2017

	Electric System and Bulk Power Supply System	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Unrestricted cash and investments						
Operations	\$ 70,427	\$ 22,903	\$ 93,330	\$ 39,420	\$ 1,699	\$ 134,449
Rate stabilization:						
Fuel	154,056	-	154,056	-	-	154,056
Debt management	29,884	-	29,884	20,290	2,737	52,911
Environmental	34,047	-	34,047	3,437	-	37,484
Purchased Power	28,985	-	28,985	-	-	28,985
DSM/Conservation	3,215	-	3,215	-	-	3,215
Total rate stabilization funds	250,187	-	250,187	23,727	2,737	276,651
Customer deposits	41,888	-	41,888	14,802	-	56,690
General reserve	-	22,750	22,750	-	-	22,750
Self insurance reserve funds:						
Self funded health plan	8,576	-	8,576	-	-	8,576
Property insurance reserve	10,000	-	10,000	-	-	10,000
Total self insurance reserve funds	18,576	-	18,576	-	-	18,576
Environmental liability reserve	18,556	-	18,556	-	-	18,556
Total unrestricted cash and investments	\$ 399,634	\$ 45,653	\$ 445,287	\$ 77,949	\$ 4,436	\$ 527,672
Restricted assets						
Renewal and replacement funds	\$ 156,465	\$ 79,572	\$ 236,037	\$ 194,083	\$ 1,213	\$ 431,333
Debt service reserve account	65,433	139,397	204,830	107,488	-	312,318
Debt service funds	95,716	28,002	123,718	44,560	1,324	169,602
Construction funds	196	-	196	152	-	348
Environmental funds	-	-	-	1,031	-	1,031
Subtotal	317,810	246,971	564,781	347,314	2,537	914,632
Unrealized holding gain (loss) on investments	106	(3,855)	(3,749)	1,937	-	(1,812)
Other funds	-	5,639	5,639	-	-	5,639
Total restricted cash and investments	\$ 317,916	\$ 248,755	\$ 566,671	\$ 349,251	\$ 2,537	\$ 918,459

DESCRIPTION	Electric System and Bulk Power Supply System	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Unfunded pension costs	239,078	985	240,063	152,853	-	392,916
SJRPP and Scherer	10,031	300,436	310,467	-	-	310,467
Water environmental projects	-	-	-	62,709	-	62,709
Storm costs to be recovered	16,407	-	16,407	4,595	27	21,029
Debt issue costs	3,377	2,158	5,535	2,339	-	7,874
Costs to be recovered from future revenues	268,893	303,579	572,472	222,496	27	794,995
Fuel stabilization	81,713	-	81,713	-	-	81,713
Environmental	40,510	-	40,510	11,287	-	51,797
Debt management stabilization	29,884	-	29,884	14,209	-	44,093
SJRPP and Scherer	38,853	-	38,853	-	-	38,853
Nonfuel purchased power	17,477	-	17,477	-	-	17,477
Self-insurance medical reserve	8,349	-	8,349	-	-	8,349
Customer benefit stabilization	3,802	-	3,802	-	-	3,802
Revenues to be used for future costs	220,588	-	220,588	25,496	-	246,084

DESCRIPTION	Electric System and Bulk Power Supply System	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JFA
Unfunded pension costs	226,691	3,388	230,079	138,940	-	369,019
SJRPP and Scherer	11,063	-	11,063	-	-	11,063
Water environmental projects	-	-	-	71,260	-	71,260
Debt issue costs	2,613	3,386	5,999	235	-	6,234
Costs to be recovered from future revenues	240,367	6,774	247,141	210,435	-	457,576
Fuel stabilization	154,056	-	154,056	-	-	154,056
Environmental	34,047	-	34,047	3,436	-	37,483
Debt management stabilization	29,884	-	29,884	20,290	-	50,174
SJRPP and Scherer	42,731	151,627	194,358	-	-	194,358
Nonfuel purchased power	28,985	-	28,985	-	-	28,985
Self-insurance medical reserve	8,576	-	8,576	-	-	8,576
Customer benefit stabilization	3,215	-	3,215	-	-	3,215
Revenues to be used for future costs	301,494	151,627	453,121	\$ 23,726	-	476,847

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

	Month May		Year-to-Date May	
	2018	2017	2018	2017
Operating revenues				
Electric - base	\$ 69,936	\$ 72,873	\$ 517,423	\$ 505,694
Electric - fuel and purchased power	36,152	53,365	316,714	345,632
Water and sewer	37,747	39,543	279,348	286,086
District energy system	640	666	5,161	5,099
Other	2,458	4,891	74,816	23,948
Total operating revenues	146,933	171,338	1,193,462	1,166,459
Operating expenses				
Operations and maintenance:				
Fuel	28,151	44,536	260,268	276,276
Purchased power	10,390	6,967	70,280	48,725
Maintenance and other operating expenses	35,475	35,189	297,247	249,817
Depreciation	28,499	33,185	245,909	255,172
Utility taxes and fees	5,301	5,844	44,926	43,235
Recognition of deferred costs and revenues, net	1,201	(596)	4,480	(2,313)
Total operating expenses	109,017	125,125	923,110	870,912
Operating income	37,916	46,213	270,352	295,547
Nonoperating revenues (expenses)				
Interest on debt	(11,614)	(13,398)	(104,789)	(111,257)
Debt management strategy	(1,038)	(1,292)	(9,183)	(11,092)
Investment income, net	1,314	1,391	6,103	2,975
Allowance for funds used during construction	1,048	901	6,894	7,780
Other nonoperating income, net	595	158	5,751	3,224
Earnings from The Energy Authority	62	522	2,512	4,543
Other interest, net	(111)	(6)	(1,342)	(309)
Total nonoperating expenses, net	(9,744)	(11,724)	(94,054)	(104,136)
Income before contributions and special items	28,172	34,489	176,298	191,411
Contributions (to) from				
General Fund, City of Jacksonville, Florida	(9,717)	(9,651)	(77,746)	(77,215)
Developers and other	10,415	6,106	48,923	45,516
Reduction of plant cost through contributions	(7,989)	(3,924)	(32,727)	(30,093)
Total contributions	(7,291)	(7,469)	(61,550)	(61,792)
Special items				
SJRPP deferred revenues, net	-	-	451,037	-
SJRPP impairment loss	-	-	(451,037)	-
Total special items	-	-	-	-
Change in net position	20,881	27,020	114,748	129,619
Net position, beginning of period	2,725,413	2,479,524	2,631,546	2,376,925
Net position, end of period	\$ 2,746,294	\$ 2,506,544	\$ 2,746,294	\$ 2,506,544

Combining Statement of Revenues, Expenses and Changes in Net Position
(in thousands - unaudited) for the month ended May 2018

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	\$ 70,221	\$ -	\$ -	\$ 70,221	\$ -	\$ -	\$ (285)	\$ 69,936
Electric - fuel and purchased power	36,546	2,243	(1,564)	37,225	-	-	(1,073)	36,152
Water and sewer	-	-	-	-	37,799	-	(52)	37,747
District energy system	-	-	-	-	-	671	(31)	640
Other	1,683	-	-	1,683	1,026	-	(251)	2,458
Total operating revenues	108,450	2,243	(1,564)	109,129	38,825	671	(1,692)	146,933
Operating expenses								
Operations and maintenance:								
Fuel	27,325	826	-	28,151	-	-	-	28,151
Purchased power	11,954	-	(1,564)	10,390	-	-	-	10,390
Maintenance and other operating expenses	22,062	1,432	-	23,494	13,345	328	(1,692)	35,475
Depreciation	16,299	34	-	16,333	11,966	200	-	28,499
Utility taxes and fees	4,397	-	-	4,397	904	-	-	5,301
Recognition of deferred costs and revenues, net	(228)	591	-	363	838	-	-	1,201
Total operating expenses	81,809	2,883	(1,564)	83,128	27,053	528	(1,692)	109,017
Operating income	26,641	(640)	-	26,001	11,772	143	-	37,916
Nonoperating revenues (expenses)								
Interest on debt	(6,184)	(876)	-	(7,060)	(4,439)	(115)	-	(11,614)
Debt management strategy	(840)	-	-	(840)	(198)	-	-	(1,038)
Investment income, net	653	124	-	777	528	9	-	1,314
Allowance for funds used during construction	350	-	-	350	692	6	-	1,048
Other nonoperating income, net	356	31	-	387	208	-	-	595
Earnings from The Energy Authority	62	-	-	62	-	-	-	62
Other interest, net	(110)	-	-	(110)	(1)	-	-	(111)
Total nonoperating expenses, net	(5,713)	(721)	-	(6,434)	(3,210)	(100)	-	(9,744)
Income before contributions	20,928	(1,361)	-	19,567	8,562	43	-	28,172
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(7,622)	-	-	(7,622)	(2,095)	-	-	(9,717)
Developers and other	149	-	-	149	10,266	-	-	10,415
Reduction of plant cost through contributions	(149)	-	-	(149)	(7,840)	-	-	(7,989)
Total contributions	(7,622)	-	-	(7,622)	331	-	-	(7,291)
Change in net position	13,306	(1,361)	-	11,945	8,893	43	-	20,881
Net position, beginning of period	1,035,192	138,904	-	1,174,096	1,546,115	5,202	-	2,725,413
Net position, end of period	\$ 1,048,498	\$ 137,543	\$ -	\$ 1,186,041	\$ 1,555,008	\$ 5,245	\$ -	\$ 2,746,294

Combining Statement of Revenues, Expenses and Changes in Net Position
(in thousands - unaudited) for the month ended May 2017

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	\$ 73,155	\$ -	\$ -	\$ 73,155	\$ -	\$ -	\$ (282)	\$ 72,873
Electric - fuel and purchased power	41,774	27,103	(14,454)	54,423	-	-	(1,058)	53,365
Water and sewer	-	-	-	-	39,559	-	(16)	39,543
District energy system	-	-	-	-	-	697	(31)	666
Other	4,228	-	-	4,228	852	-	(189)	4,891
Total operating revenues	119,157	27,103	(14,454)	131,806	40,411	697	(1,576)	171,338
Operating expenses								
Operations and maintenance:								
Fuel	25,608	18,928	-	44,536	-	-	-	44,536
Purchased power	21,421	-	(14,454)	6,967	-	-	-	6,967
Maintenance and other operating expenses	20,306	3,475	-	23,781	12,656	328	(1,576)	35,189
Depreciation	17,657	3,563	-	21,220	11,766	199	-	33,185
Utility taxes and fees	4,858	-	-	4,858	986	-	-	5,844
Recognition of deferred costs and revenues, net	(279)	(1,002)	-	(1,281)	685	-	-	(596)
Total operating expenses	89,571	24,964	(14,454)	100,081	26,093	527	(1,576)	125,125
Operating income	29,586	2,139	-	31,725	14,318	170	-	46,213
Nonoperating revenues (expenses)								
Interest on debt	(6,368)	(2,006)	-	(8,374)	(4,908)	(116)	-	(13,398)
Debt management strategy	(1,058)	-	-	(1,058)	(234)	-	-	(1,292)
Investment income, net	688	308	-	996	391	4	-	1,391
Allowance for funds used during construction	496	-	-	496	402	3	-	901
Other nonoperating income, net	367	32	-	399	(241)	-	-	158
Earnings from The Energy Authority	522	-	-	522	-	-	-	522
Other interest, net	(6)	-	-	(6)	-	-	-	(6)
Total nonoperating expenses, net	(5,359)	(1,666)	-	(7,025)	(4,590)	(109)	-	(11,724)
Income before contributions	24,227	473	-	24,700	9,728	61	-	34,489
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(7,689)	-	-	(7,689)	(1,962)	-	-	(9,651)
Developers and other	51	-	-	51	6,055	-	-	6,106
Reduction of plant cost through contributions	(51)	-	-	(51)	(3,873)	-	-	(3,924)
Total contributions	(7,689)	-	-	(7,689)	220	-	-	(7,469)
Change in net position	16,538	473	-	17,011	9,948	61	-	27,020
Net position, beginning of period	888,657	139,764	-	1,028,421	1,446,339	4,764	-	2,479,524
Net position, end of period	\$ 905,195	\$ 140,237	\$ -	\$ 1,045,432	\$ 1,456,287	\$ 4,825	\$ -	\$ 2,506,544

Combining Statement of Revenues, Expenses and Changes in Net Position
(in thousands - unaudited) for the eight months ended May 2018

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	\$ 519,688	\$ -	\$ -	\$ 519,688	\$ -	\$ -	\$ (2,265)	\$ 517,423
Electric - fuel and purchased power	296,211	79,462	(50,438)	325,235	-	-	(8,521)	316,714
Water and sewer	-	-	-	-	279,739	-	(391)	279,348
District energy system	-	-	-	-	-	5,391	(230)	5,161
Other	14,368	55,044	-	69,412	7,208	-	(1,804)	74,816
Total operating revenues	830,267	134,506	(50,438)	914,335	286,947	5,391	(13,211)	1,193,462
Operating expenses								
Operations and maintenance:								
Fuel	210,108	50,160	-	260,268	-	-	-	260,268
Purchased power	120,718	-	(50,438)	70,280	-	-	-	70,280
Maintenance and other operating expenses	154,098	57,037	-	211,135	96,585	2,738	(13,211)	297,247
Depreciation	136,948	10,859	-	147,807	96,509	1,593	-	245,909
Utility taxes and fees	38,007	-	-	38,007	6,919	-	-	44,926
Recognition of deferred costs and revenues, net	(1,816)	2,970	-	1,154	3,326	-	-	4,480
Total operating expenses	658,063	121,026	(50,438)	728,651	203,339	4,331	(13,211)	923,110
Operating income	172,204	13,480	-	185,684	83,608	1,060	-	270,352
Nonoperating revenues (expenses)								
Interest on debt	(50,067)	(16,788)	-	(66,855)	(37,019)	(915)	-	(104,789)
Debt management strategy	(7,413)	-	-	(7,413)	(1,770)	-	-	(9,183)
Investment income, net	3,538	385	-	3,923	2,123	57	-	6,103
Allowance for funds used during construction	2,185	-	-	2,185	4,670	39	-	6,894
Other nonoperating income, net	2,888	945	-	3,833	1,918	-	-	5,751
Earnings from The Energy Authority	2,512	-	-	2,512	-	-	-	2,512
Other interest, net	(1,118)	-	-	(1,118)	(224)	-	-	(1,342)
Total nonoperating expenses, net	(47,475)	(15,458)	-	(62,933)	(30,302)	(819)	-	(94,054)
Income before contributions	124,729	(1,978)	-	122,751	53,306	241	-	176,298
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(60,981)	-	-	(60,981)	(16,765)	-	-	(77,746)
Developers and other	1,090	-	-	1,090	47,833	-	-	48,923
Reduction of plant cost through contributions	(1,090)	-	-	(1,090)	(31,637)	-	-	(32,727)
Total contributions	(60,981)	-	-	(60,981)	(569)	-	-	(61,550)
Special items								
SJRPP deferred revenues, net	-	451,037	-	451,037	-	-	-	451,037
SJRPP impairment loss	-	(451,037)	-	(451,037)	-	-	-	(451,037)
Total special items	-	-	-	-	-	-	-	-
Change in net position	63,748	(1,978)	-	61,770	52,737	241	-	114,748
Net position, beginning of year	984,750	139,521	-	1,124,271	1,502,271	5,004	-	2,631,546
Net position, end of period	\$ 1,048,498	\$ 137,543	\$ -	\$ 1,186,041	\$ 1,555,008	\$ 5,245	\$ -	\$ 2,746,294

Combining Statement of Revenues, Expenses and Changes in Net Position
(in thousands - unaudited) for the eight months ended May 2017

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	\$ 507,923	\$ -	\$ -	\$ 507,923	\$ -	\$ -	\$ (2,229)	\$ 505,694
Electric - fuel and purchased power	272,633	169,225	(87,842)	354,016	-	-	(8,384)	345,632
Water and sewer	-	-	-	-	286,278	-	(192)	286,086
District energy system	-	-	-	-	-	5,448	(349)	5,099
Other	19,138	-	-	19,138	6,328	-	(1,518)	23,948
Total operating revenues	799,694	169,225	(87,842)	881,077	292,606	5,448	(12,672)	1,166,459
Operating expenses								
Operations and maintenance:								
Fuel	176,550	99,726	-	276,276	-	-	-	276,276
Purchased power	136,567	-	(87,842)	48,725	-	-	-	48,725
Maintenance and other operating expenses	137,919	32,047	-	169,966	89,803	2,720	(12,672)	249,817
Depreciation	130,248	28,503	-	158,751	94,850	1,571	-	255,172
Utility taxes and fees	36,274	-	-	36,274	6,961	-	-	43,235
Recognition of deferred costs and revenues, net	(2,230)	(8,022)	-	(10,252)	7,939	-	-	(2,313)
Total operating expenses	615,328	152,254	(87,842)	679,740	199,553	4,291	(12,672)	870,912
Operating income	184,366	16,971	-	201,337	93,053	1,157	-	295,547
Nonoperating revenues (expenses)								
Interest on debt	(54,667)	(16,053)	-	(70,720)	(39,607)	(930)	-	(111,257)
Debt management strategy	(8,869)	-	-	(8,869)	(2,223)	-	-	(11,092)
Investment income, net	1,766	257	-	2,023	931	21	-	2,975
Allowance for funds used during construction	4,475	-	-	4,475	3,296	9	-	7,780
Other nonoperating income, net	2,864	260	-	3,124	100	-	-	3,224
Earnings from The Energy Authority	4,543	-	-	4,543	-	-	-	4,543
Other interest, net	(277)	-	-	(277)	(32)	-	-	(309)
Total nonoperating expenses, net	(50,165)	(15,536)	-	(65,701)	(37,535)	(900)	-	(104,136)
Income before contributions	134,201	1,435	-	135,636	55,518	257	-	191,411
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(61,514)	-	-	(61,514)	(15,701)	-	-	(77,215)
Developers and other	842	-	-	842	44,674	-	-	45,516
Reduction of plant cost through contributions	(842)	-	-	(842)	(29,251)	-	-	(30,093)
Total contributions	(61,514)	-	-	(61,514)	(278)	-	-	(61,792)
Change in net position	72,687	1,435	-	74,122	55,240	257	-	129,619
Net position, beginning of year	832,508	138,802	-	971,310	1,401,047	4,568	-	2,376,925
Net position, end of period	\$ 905,195	\$ 140,237	\$ -	\$ 1,045,432	\$ 1,456,287	\$ 4,825	\$ -	\$ 2,506,544

Statement of Cash Flows
(in thousands - unaudited)

	Year-to-Date	
	May	
	2018	2017
Operating activities		
Receipts from customers	\$ 1,173,964	\$ 1,139,234
Payments to suppliers	(556,828)	(479,618)
Payments to employees	(186,370)	(164,274)
Other operating activities	75,815	22,436
Net cash provided by operating activities	506,581	517,778
Noncapital and related financing activities		
Contribution to General Fund, City of Jacksonville, Florida	(77,698)	(77,091)
Net cash used in noncapital financing activities	(77,698)	(77,091)
Capital and related financing activities		
Defeasance of debt	(993,690)	(153,210)
Proceeds from issuance of debt	821,000	90,405
Acquisition and construction of capital assets	(230,056)	(210,158)
Interest paid on debt	(172,435)	(183,778)
Repayment of debt principal	(229,095)	(181,525)
Capital contributions	16,197	15,424
Other capital financing activities	36,921	(2,811)
Net cash used in capital and related financing activities	(751,158)	(625,653)
Investing activities		
Purchase of investments	(781,014)	(1,232,228)
Proceeds from sale and maturity of investments	829,928	1,110,564
Investment income, net	7,185	10,309
Distributions from The Energy Authority	2,476	4,518
Net cash provided by (used in) investing activities	58,575	(106,837)
Net change in cash and cash equivalents	(263,700)	(291,803)
Cash and cash equivalents, beginning of year	614,034	596,920
Cash and cash equivalents, end of period	\$ 350,334	\$ 305,117
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 270,352	\$ 295,547
Adjustments:		
Depreciation and amortization	246,767	256,072
Recognition of deferred costs and revenues, net	4,480	(2,313)
Other nonoperating income, net	1,029	(1,105)
Changes in noncash assets and noncash liabilities:		
Accounts receivable	72,025	27,786
Accounts receivable, restricted	-	3
Inventories	3,727	(20,017)
Other assets	(2,031)	(1,623)
Accounts and accrued expenses payable	(46,862)	6,979
Current liabilities payable from restricted assets	(1,628)	(6,848)
Other noncurrent liabilities and deferred inflows	(41,278)	(36,703)
Net cash provided by operating activities	\$ 506,581	\$ 517,778
Noncash activity		
Contributions of capital assets	\$ 32,727	\$ 30,093
Unrealized losses on fair value of investments, net	\$ (856)	\$ (8,340)

JEA
Combining Statement of Cash Flows
(in thousands - unaudited) for the eight months ended May 2018

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	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating activities								
Receipts from customers	\$ 825,697	\$ 94,798	\$ (27,454)	\$ 893,041	\$ 286,959	\$ 5,371	\$ (11,407)	\$ 1,173,964
Payments to suppliers	(440,970)	(80,888)	27,454	(494,404)	(73,221)	(2,414)	13,211	(556,828)
Payments to employees	(112,324)	(30,765)	-	(143,089)	(42,899)	(382)	-	(186,370)
Other operating activities	14,814	55,044	-	69,858	7,761	-	(1,804)	75,815
Net cash provided by operating activities	287,217	38,189	-	325,406	178,600	2,575	-	506,581
Noncapital and related financing activities								
Contribution to General Fund, City of Jacksonville, Florida	(61,048)	-	-	(61,048)	(16,650)	-	-	(77,698)
Net cash used in noncapital financing activities	(61,048)	-	-	(61,048)	(16,650)	-	-	(77,698)
Capital and related financing activities								
Defeasance of debt	(405,105)	(128,280)	-	(533,385)	(460,305)	-	-	(993,690)
Proceeds from issuance of debt	383,840	-	-	383,840	437,160	-	-	821,000
Acquisition and construction of capital assets	(119,143)	-	-	(119,143)	(110,244)	(669)	-	(230,056)
Interest paid on debt	(89,320)	(16,685)	-	(106,005)	(65,059)	(1,371)	-	(172,435)
Repayment of debt principal	(135,105)	(41,330)	-	(176,435)	(51,020)	(1,640)	-	(229,095)
Capital contributions	-	-	-	-	16,197	-	-	16,197
Other capital financing activities	19,138	(7,158)	-	11,980	24,941	-	-	36,921
Net cash used in capital and related financing activities	(345,695)	(193,453)	-	(539,148)	(208,330)	(3,680)	-	(751,158)
Investing activities								
Purchase of investments	(335,620)	(225,471)	-	(561,091)	(219,923)	-	-	(781,014)
Proceeds from sale and maturity of investments	221,957	420,673	-	642,630	187,298	-	-	829,928
Investment income (loss), net	6,008	(2,861)	-	3,147	3,981	57	-	7,185
Distributions from The Energy Authority	2,476	-	-	2,476	-	-	-	2,476
Net cash provided by (used in) investing activities	(105,179)	192,341	-	87,162	(28,644)	57	-	58,575
Net change in cash and cash equivalents	(224,705)	37,077	-	(187,628)	(75,024)	(1,048)	-	(263,700)
Cash and cash equivalents, beginning of year	340,063	121,027	-	461,090	145,909	7,035	-	614,034
Cash and cash equivalents, end of period	\$ 115,358	\$ 158,104	\$ -	\$ 273,462	\$ 70,885	\$ 5,987	\$ -	\$ 350,334
Reconciliation of operating income to net cash provided by operating activities								
Operating income	\$ 172,204	\$ 13,480	\$ -	\$ 185,684	\$ 83,608	\$ 1,060	\$ -	\$ 270,352
Adjustments:								
Depreciation and amortization	136,948	10,859	-	147,807	97,367	1,593	-	246,767
Recognition of deferred costs and revenues, net	(1,816)	2,970	-	1,154	3,326	-	-	4,480
Other nonoperating income, net	74	700	-	774	255	-	-	1,029
Changes in noncash assets and noncash liabilities:								
Accounts receivable	56,636	14,636	-	71,272	773	(20)	-	72,025
Inventories	(108)	10,675	-	10,567	(6,840)	-	-	3,727
Other assets	(2,520)	-	-	(2,520)	494	(5)	-	(2,031)
Accounts and accrued expenses payable	(28,275)	(11,950)	-	(40,225)	(6,561)	(76)	-	(46,862)
Current liabilities payable from restricted assets	-	(1,628)	-	(1,628)	-	-	-	(1,628)
Other noncurrent liabilities and deferred inflows	(45,926)	(1,553)	-	(47,479)	6,178	23	-	(41,278)
Net cash provided by operating activities	\$ 287,217	\$ 38,189	\$ -	\$ 325,406	\$ 178,600	\$ 2,575	\$ -	\$ 506,581
Noncash activity								
Contributions of capital assets	\$ 1,090	\$ -	\$ -	\$ 1,090	\$ 31,637	\$ -	\$ -	\$ 32,727
Unrealized gains (losses) on fair value of investments, net	\$ (2,769)	\$ 4,164	\$ -	\$ 1,395	\$ (2,251)	\$ -	\$ -	\$ (856)

Combining Statement of Cash Flows

(in thousands - unaudited) for the eight months ended May 2017

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating activities								
Receipts from customers	\$ 776,029	\$ 164,180	\$ (81,511)	\$ 858,698	\$ 286,403	\$ 5,287	\$ (11,154)	\$ 1,139,234
Payments to suppliers	(383,060)	(128,139)	81,511	(429,688)	(60,083)	(2,519)	12,672	(479,618)
Payments to employees	(104,834)	(20,782)	-	(125,616)	(38,303)	(355)	-	(164,274)
Other operating activities	18,884	-	-	18,884	5,070	-	(1,518)	22,436
Net cash provided by operating activities	307,019	15,259	-	322,278	193,087	2,413	-	517,778
Noncapital and related financing activities								
Contribution to General Fund, City of Jacksonville, Florida	(61,468)	-	-	(61,468)	(15,623)	-	-	(77,091)
Net cash used in noncapital financing activities	(61,468)	-	-	(61,468)	(15,623)	-	-	(77,091)
Capital and related financing activities								
Defeasance of debt	(153,210)	-	-	(153,210)	-	-	-	(153,210)
Proceeds from issuance of debt	90,405	-	-	90,405	-	-	-	90,405
Acquisition and construction of capital assets	(103,110)	-	-	(103,110)	(106,061)	(987)	-	(210,158)
Interest paid on debt	(95,407)	(20,227)	-	(115,634)	(66,754)	(1,390)	-	(183,778)
Repayment of debt principal	(102,240)	(43,785)	-	(146,025)	(33,875)	(1,625)	-	(181,525)
Capital contributions	-	-	-	-	15,424	-	-	15,424
Other capital financing activities	(3,673)	195	-	(3,478)	667	-	-	(2,811)
Net cash used in capital and related financing activities	(367,235)	(63,817)	-	(431,052)	(190,599)	(4,002)	-	(625,653)
Investing activities								
Purchase of investments	(464,689)	(400,668)	-	(865,357)	(366,871)	-	-	(1,232,228)
Proceeds from sale and maturity of investments	426,853	392,839	-	819,692	290,872	-	-	1,110,564
Investment income, net	4,263	2,251	-	6,514	3,774	21	-	10,309
Distributions from The Energy Authority	4,518	-	-	4,518	-	-	-	4,518
Net cash provided by (used in) investing activities	(29,055)	(5,578)	-	(34,633)	(72,225)	21	-	(106,837)
Net change in cash and cash equivalents	(150,739)	(54,136)	-	(204,875)	(85,360)	(1,568)	-	(291,803)
Cash and cash equivalents, beginning of year	295,223	130,018	-	425,241	163,138	8,541	-	596,920
Cash and cash equivalents, end of period	\$ 144,484	\$ 75,882	\$ -	\$ 220,366	\$ 77,778	\$ 6,973	\$ -	\$ 305,117
Reconciliation of operating income to net cash provided by (used in) operating activities								
Operating income	\$ 184,366	\$ 16,971	\$ -	\$ 201,337	\$ 93,053	\$ 1,157	\$ -	\$ 295,547
Adjustments:								
Depreciation and amortization	130,248	28,503	-	158,751	95,750	1,571	-	256,072
Recognition of deferred costs and revenues, net	(2,230)	(8,022)	-	(10,252)	7,939	-	-	(2,313)
Other nonoperating income (loss), net	12	-	-	12	(1,117)	-	-	(1,105)
Changes in noncash assets and noncash liabilities:								
Accounts receivable	34,767	(5,045)	-	29,722	(1,775)	(161)	-	27,786
Accounts receivable, restricted	-	-	-	-	3	-	-	3
Inventories	(67)	(17,641)	-	(17,708)	(2,309)	-	-	(20,017)
Other assets	(1,462)	-	-	(1,462)	(157)	(4)	-	(1,623)
Accounts and accrued expenses payable	614	6,689	-	7,303	(214)	(110)	-	6,979
Current liabilities payable from restricted assets	-	(6,848)	-	(6,848)	-	-	-	(6,848)
Other noncurrent liabilities and deferred inflows	(39,229)	652	-	(38,577)	1,914	(40)	-	(36,703)
Net cash provided by operating activities	\$ 307,019	\$ 15,259	\$ -	\$ 322,278	\$ 193,087	\$ 2,413	\$ -	\$ 517,778
Noncash activity								
Contributions of capital assets	\$ 842	\$ -	\$ -	\$ 842	\$ 29,251	\$ -	\$ -	\$ 30,093
Unrealized losses on fair value of investments, net	\$ (2,838)	\$ (2,345)	\$ -	\$ (5,183)	\$ (3,157)	\$ -	\$ -	\$ (8,340)

Electric System and Plant Scherer

Changes in Debt Service, R & R and Construction Funds

(in thousands - unaudited) for the eight months ended May 2018 and May 2017

	May 2018			May 2017		
	Debt service funds	Renewal and replacement funds	Construction funds	Debt service funds	Renewal and replacement funds	Construction funds
Beginning balance	\$ 239,961	\$ 225,985	\$ -	\$ 210,066	\$ 193,947	\$ -
Additions:						
R & R and OCO	-	107,739	-	-	104,466	-
Revenue transfers for debt service	138,529	-	-	136,168	-	-
Debt issuance	-	-	805	-	-	430
Proceeds from property sales	-	342	-	-	-	-
Total additions	138,529	108,081	805	136,168	104,466	430
Deductions:						
Debt service payments	213,244	-	-	185,085	-	-
Increase in utility plant	-	107,384	-	-	95,724	-
Debt service reserve releases	-	-	-	-	37,200	-
Decrease in accounts payable	-	12,900	-	-	7,086	-
Debt issue costs and discounts	-	-	582	-	-	234
Total deductions	213,244	120,284	582	185,085	140,010	234
Ending balance	\$ 165,246	\$ 213,782	\$ 223	\$ 161,149	\$ 158,403	\$ 196
Recap:						
Renewal and replacement fund:						
Cash & investments		\$ 190,170			\$ 156,465	
Storm costs to be recovered		16,407			-	
Accounts / notes receivable:						
Accounts receivable		7,185			1,890	
Street light & other customer loans		20			48	
		<u>\$ 213,782</u>			<u>\$ 158,403</u>	
Construction fund:						
Generation projects			\$ 110			\$ 157
T&D and other capital projects			113			39
			<u>\$ 223</u>			<u>\$ 196</u>

Water and Sewer System

Changes in Debt Service, R & R and Construction Funds

(in thousands - unaudited) for the eight months ended May 2018 and May 2017

	May 2018				May 2017			
	Debt service funds	Renewal and replacement funds	Construction funds	Environmental funds	Debt service funds	Renewal and replacement funds	Construction funds	Environmental funds
Beginning balance	\$ 189,696	\$ 155,284	\$ 15	\$ 1,838	\$ 173,496	\$ 179,513	\$ 152	\$ 2,659
Additions:								
R & R and OCO	-	106,303	-	-	-	96,506	-	-
Revenue transfers for debt service	75,770	-	-	-	76,437	-	-	-
Contribution in aid of construction	-	16,197	-	-	-	15,424	-	-
Debt issuance	-	-	894	-	-	-	-	-
Proceeds from property sales	-	243	-	-	-	-	-	-
Septic tank phase out fees	-	-	-	-	-	86	-	-
Total additions	75,770	122,743	894	-	76,437	112,016	-	-
Deductions:								
Debt service payments	113,459	-	-	-	97,287	-	-	-
Increase in utility plant	-	79,439	-	-	-	82,489	-	-
Debt service reserve releases	4,638	-	-	-	598	-	-	-
Decrease in accounts payable	-	26,060	-	1,418	-	14,945	-	1,628
Debt issue costs and discounts	-	-	589	-	-	-	-	-
Total deductions	118,097	105,499	589	1,418	97,885	97,434	-	1,628
Ending balance	\$ 147,369	\$ 172,528	\$ 320	\$ 420	\$ 152,048	\$ 194,095	\$ 152	\$ 1,031
Renewal and replacement fund:								
Cash & investments		\$ 167,647				\$ 194,083		
Storm costs to be recovered		4,595				-		
Accounts / notes receivable:								
Accounts receivable		274				-		
Notes receivable		12				12		
		<u>\$ 172,528</u>				<u>\$ 194,095</u>		
Construction fund:								
Project funds			<u>\$ 320</u>				<u>\$ 152</u>	
			<u>\$ 320</u>				<u>\$ 152</u>	
Environmental fund:								
Cash & investments				<u>\$ 420</u>				<u>\$ 1,031</u>
				<u>\$ 420</u>				<u>\$ 1,031</u>

Electric System		Month				Prior Year Month	
Budget vs. Actual	ANNUAL BUDGET	BUDGET	ACTUAL	Variance		ACTUAL	Variance
May 2018 and 2017	2017-18	2017-18	2017-18	%		2016-17	%
Fuel Related Revenues & Expenses							
Fuel Rate Revenues	\$ 417,649,053	\$ 35,551,505	\$ 33,859,907	-4.76%		\$ 34,992,362	-3.24%
Fuel Expense and Purchased Power:							
Fuel Expense - Electric System	315,411,659	26,812,756	26,580,014			22,620,648	
Fuel Expense - SJRPP	37,886,015	-	511,571			11,305,896	
Other Purchased Power	96,315,996	9,173,143	9,361,025			7,154,105	
Subtotal Energy Expense	449,613,670	35,985,899	36,452,610	-1.30%		41,080,649	11.27%
Transfer to (from) Rate Stabilization, Net	(32,799,915)	-	(2,636,877)			(6,092,556)	
Fuel Related Uncollectibles	835,298	52,206	44,174			4,269	
Total	417,649,053	36,038,105	33,859,907	6.04%		34,992,362	3.24%
Fuel Balance	-	(486,600)	-			-	
Nonfuel Related Revenues							
Base Rate Revenues	802,292,405	68,293,468	64,475,624			67,524,128	
Conservation Charge Revenue	1,000,000	85,103	29,470			37,141	
Environmental Charge Revenue	7,942,200	676,063	642,321			664,760	
Investment Income	6,714,534	559,544	652,003			683,642	
Natural Gas Revenue Pass Through	2,383,913	198,659	44,478			36,459	
Other Revenues	30,551,894	2,545,991	1,982,909			4,534,837	
Total	850,884,946	72,358,828	67,826,805	-6.26%		73,480,967	-7.69%
Nonfuel Related Expenses							
Non-Fuel O&M	216,333,937	16,724,979	15,231,950			16,976,205	
DSM / Conservation O&M	7,892,054	689,103	761,552			433,330	
Environmental O&M	2,050,500	170,875	249,313			2,858	
Rate Stabilization - DSM	(382,054)	(31,838)	(278,283)			101,860	
Rate Stabilization - Environmental	5,891,700	490,975	393,008			661,902	
Natural Gas Expense Pass Through	2,290,414	194,777	58,321			44,399	
Debt Principal - Electric System	124,185,000	10,348,750	10,433,929			12,775,325	
Debt Interest - Electric System	94,262,937	7,855,245	7,296,014			7,661,157	
Bond Buy-Back Principal - Electric System	10,110,614	842,551	-			-	
R&R - Electric System	65,608,800	5,467,400	5,467,400			5,183,192	
Operating Capital Outlay	139,586,200	12,000,000	12,000,000			16,000,000	
City Contribution Expense	91,471,795	7,622,650	7,622,650			7,689,224	
Taxes & Uncollectibles	1,210,993	118,318	101,612			25,538	
Emergency Reserve	5,000,000	-	-			-	
Nonfuel Purchased Power:							
* SJRPP D/S Principal	7,812,969	651,081	143,333			2,208,073	
* SJRPP D/S Interest	12,150,065	1,012,505	903,151			1,317,009	
** Other Non-Fuel Purchased Power	65,409,021	5,689,752	6,823,347			3,175,512	
Total Nonfuel Expenses	850,884,946	69,847,123	67,207,297	3.78%		74,255,584	9.49%
Non-Fuel Balance	-	2,511,705	619,508			(774,617)	
Total Balance	-	2,025,105	619,508			(774,617)	
Total Revenues	1,268,533,999	107,910,333	101,686,712	-5.77%		108,473,329	-6.26%
Total Expenses	1,268,533,999	105,885,228	101,067,204	4.55%		109,247,946	7.49%
KWH Sold - Territorial	13,020,000,000	1,108,300,361	1,050,254,631	-5.24%		1,084,831,000	-3.19%
KWH Sold - Off System	-	-	2,754,000			17,020,000	
	13,020,000,000	1,108,300,361	1,053,008,631	-4.99%		1,101,851,000	-4.43%

* Gross debt service

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

Electric System

Electric System	Year-to-Date				Prior Year-to-Date	
Budget vs. Actual	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
May 2018 and 2017	2017-18	2017-18	2017-18	%	2016-17	%
Fuel Related Revenues & Expenses						
Fuel Rate Revenues	\$ 417,649,053	\$ 258,571,290	\$ 245,457,275	-5.07%	\$ 242,553,459	1.20%
Fuel Expense and Purchased Power:						
Fuel Expense - Electric System	315,411,659	196,764,045	195,097,225		152,069,855	
Fuel Expense - SJRPP	37,886,015	37,886,015	31,152,152		60,222,672	
Other Purchased Power	96,315,996	55,650,728	68,985,275		56,306,308	
Subtotal Energy Expense	449,613,670	290,300,788	295,234,652	-1.70%	268,598,835	-9.92%
Transfer to (from) Rate Stabilization, Net	(32,799,915)	-	(50,002,729)		(26,059,154)	
Fuel Related Uncollectibles	835,298	417,649	225,352		13,778	
Total	417,649,053	290,718,437	245,457,275	15.57%	242,553,459	-1.20%
Fuel Balance	-	(32,147,147)	-		-	
Nonfuel Related Revenues						
Base Rate Revenues	802,292,405	496,708,375	474,444,301		453,961,185	
Conservation Charge Revenue	1,000,000	619,094	482,989		223,090	
Environmental Charge Revenue	7,942,200	4,917,107	4,670,694		4,502,973	
Investment Income	6,714,534	4,476,356	6,297,062		4,581,700	
Natural Gas Revenue Pass Through	2,383,913	1,589,275	373,762		326,031	
Other Revenues	30,551,894	20,367,929	16,764,771		83,109,766	
Total	850,884,946	528,678,136	503,033,579	-4.85%	546,704,745	-7.99%
Nonfuel Related Expenses						
Non-Fuel O&M	216,333,937	133,473,810	124,949,958		120,887,637	
DSM / Conservation O&M	7,892,054	5,286,515	4,160,844		4,165,668	
Environmental O&M	2,050,500	1,367,000	577,512		430,652	
Rate Stabilization - DSM	(382,054)	(254,702)	106,456		(300,094)	
Rate Stabilization - Environmental	5,891,700	3,927,800	4,093,182		4,072,321	
Natural Gas Expense Pass Through	2,290,414	1,530,070	451,622		409,055	
Debt Principal - Electric System	124,185,000	82,790,000	83,244,286		78,798,700	
Debt Interest - Electric System	94,262,937	62,841,958	59,642,449		63,392,492	
Bond Buy-Back Principal - Electric System	10,110,614	6,740,409	-		69,099,658	
Rate Stabilization - Debt Management	-	-	-		(12,242,000)	
R&R - Electric System	65,608,800	43,739,200	43,739,200		41,465,533	
Operating Capital Outlay	139,586,200	64,000,000	64,000,000		63,000,000	
City Contribution Expense	91,471,795	60,981,197	60,981,197		61,513,795	
Taxes & Uncollectibles	1,210,993	946,545	577,290		174,088	
Emergency Reserve	5,000,000	-	-		-	
Nonfuel Purchased Power:						
* SJRPP D/S Principal	7,812,969	5,208,646	7,239,635		17,664,593	
* SJRPP D/S Interest	12,150,065	8,100,044	8,170,006		10,536,073	
** Other Non-Fuel Purchased Power	65,409,021	42,650,013	40,900,273		23,421,505	
Total Nonfuel Expenses	850,884,946	523,328,505	502,833,909	3.92%	546,489,676	7.99%
Non-Fuel Balance	-	5,349,631	199,670		215,069	
Total Balance	-	(26,797,516)	199,670		215,069	
Total Revenues	1,268,533,999	787,249,426	748,490,854	-4.92%	789,258,204	-5.17%
Total Expenses	1,268,533,999	814,046,942	748,291,184	8.08%	789,043,135	5.16%
KWH Sold - Territorial	13,020,000,000	8,060,830,491	7,622,873,432	-5.43%	7,344,467,342	3.79%
KWH Sold - Off System	-	-	30,278,000		119,514,000	
	13,020,000,000	8,060,830,491	7,653,151,432	-5.06%	7,463,981,342	2.53%

* Gross debt service

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

Water and Sewer System

Water and Sewer System		Month			Prior Year Month	
Budget vs. Actual May 2018 and 2017	ANNUAL BUDGET 2017-18	BUDGET 2017-18	ACTUAL 2017-18	Variance %	ACTUAL 2016-17	Variance %
REVENUES						
Water & Sewer Revenues	\$ 456,850,720	\$ 41,267,360	\$ 37,372,155		\$ 39,517,689	
Capacity & Extension Fees	21,000,000	2,234,756	2,402,313		2,168,313	
Capital Contributions	-	-	24,799		14,879	
Investment Income	4,854,301	404,525	528,012		383,129	
Other Income	34,091,486	2,047,518	2,525,648		617,991	
Total	516,796,507	45,954,159	42,852,927	-6.75%	42,702,001	0.35%
EXPENSES						
O & M Expenses	154,316,393	13,250,003	13,249,163		12,352,054	
Debt Principal - Water & Sewer	51,720,000	4,310,000	4,310,000		4,251,667	
Debt Interest - Water & Sewer	69,402,632	5,783,552	5,371,315		5,595,861	
Rate Stabilization - Environmental	-	-	426,725		895,754	
R&R - Water & Sewer	24,473,800	2,039,483	2,039,483		1,897,242	
Operating Capital Outlay	151,801,519	23,634,943	12,003,953		12,712,602	
Operating Capital Outlay - Capacity/Extension	21,000,000	1,750,000	2,402,313		2,168,313	
Operating Capital Outlay - Contributions	-	-	24,799		14,879	
Operating Capital Outlay - Environmental	17,248,866	591,933	837,444		684,375	
City Contribution Expense	25,148,020	2,095,668	2,095,668		1,962,688	
Uncollectibles & Fees	685,277	57,106	51,156		49,303	
Emergency Reserve	1,000,000	-	-		-	
Total Expenses	516,796,507	53,512,688	42,812,019	20.00%	42,584,738	-0.53%
Total Balance	\$ -	\$ (7,558,529)	\$ 40,908		\$ 117,263	
Sales kgals						
Water	42,000,000	4,077,105	3,269,864	-19.80%	3,735,864	-12.47%
Sewer	34,650,000	3,297,462	2,606,523	-20.95%	2,854,361	-8.68%
Total	76,650,000	7,374,567	5,876,387	-20.32%	6,590,225	-10.83%

	Year-To-Date				Prior Year to Date	
Budget vs. Actual	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
May 2018 and 2017	2017-18	2017-18	2017-18	%	2016-17	%
REVENUES						
Water & Sewer Revenues	\$ 456,850,720	\$ 297,608,286	\$ 279,281,803		\$ 281,165,296	
Capacity & Extension Fees	21,000,000	13,510,910	16,151,906		15,403,694	
Capital Contributions	-	-	44,638		19,839	
Investment Income	4,854,301	3,236,201	4,352,507		4,056,293	
Other Income	34,091,486	23,445,033	23,934,181		7,572,113	
Total	516,796,507	337,800,430	323,765,035	-4.15%	308,217,235	5.04%
EXPENSES						
O & M Expenses	154,316,393	100,626,645	94,003,020		88,914,554	
Debt Principal - Water & Sewer	51,720,000	34,480,000	34,480,000		34,013,333	
Debt Interest - Water & Sewer	69,402,632	46,268,422	43,819,472		45,464,314	
Rate Stabilization - Environmental	-	-	6,073,111		1,651,669	
R&R - Water & Sewer	24,473,800	16,315,867	16,315,867		15,177,933	
Operating Capital Outlay	151,801,519	89,987,383	89,987,383		81,327,955	
Operating Capital Outlay - Capacity/Extension	21,000,000	14,000,000	16,151,906		15,403,694	
Operating Capital Outlay - Contributions	-	-	44,638		19,839	
Operating Capital Outlay - Environmental	17,248,866	11,191,799	3,325,935		8,024,655	
City Contribution Expense	25,148,020	16,765,347	16,765,347		15,701,505	
Uncollectibles & Fees	685,277	456,851	389,056		106,026	
Interlocal Agreements	-	-	346,727		287,373	
Emergency Reserve	1,000,000	-	-		-	
Total Expenses	516,796,507	330,092,314	321,702,462	2.54%	306,092,850	-5.10%
Total Balance	\$ -	\$ 7,708,116	\$ 2,062,573		\$ 2,124,385	
Sales kgals						
Water	42,000,000	26,969,961	23,721,986	-12.04%	24,892,128	-4.70%
Sewer	34,650,000	22,032,650	19,346,201	-12.19%	19,983,365	-3.19%
Total	76,650,000	49,002,611	43,068,187	-12.11%	44,875,493	-4.03%

Budget vs. Actual May 2018 and 2017	Month				Prior Year Month	
	ANNUAL BUDGET 2017-18	BUDGET 2017-18	ACTUAL 2017-18	Variance %	ACTUAL 2016-17	Variance %
REVENUES						
Revenues	\$ 9,125,828	\$ 701,850	\$ 670,922		\$ 697,782	
Investment Income	-	-	9,423		3,919	
Total	9,125,828	701,850	680,345	-3.06%	701,701	-3.04%
EXPENSES						
O & M Expenses	5,139,991	409,765	325,654		351,127	
Debt Principal - DES	1,660,000	138,333	138,333		136,667	
Debt Interest - DES	1,359,084	113,257	113,257		115,204	
R&R - DES	440,362	36,697	36,404		36,471	
Operating Capital Outlay	526,391	43,866	-		-	
Total Expenses	9,125,828	741,918	613,648	17.29%	639,469	4.04%
Total Balance	\$ -	\$ (40,068)	\$ 66,697		\$ 62,232	

Budget vs. Actual May 2018 and 2017	Year-To-Date				Prior-Year-to-Date	
	ANNUAL BUDGET 2017-18	BUDGET 2017-18	ACTUAL 2017-18	Variance %	ACTUAL 2016-17	Variance %
REVENUES						
Revenues	\$ 9,125,828	\$ 5,544,196	\$ 5,391,245		\$ 5,448,323	
Investment Income	-	-	57,272		20,879	
Total	9,125,828	5,544,196	5,448,517	-1.73%	5,469,202	-0.38%
EXPENSES						
O & M Expenses	5,139,991	2,992,859	2,742,719		2,735,705	
Debt Principal - DES	1,660,000	1,106,667	1,106,667		1,093,333	
Debt Interest - DES	1,359,084	906,056	906,056		921,636	
R&R - DES	440,362	293,575	291,233		291,767	
Operating Capital Outlay	526,391	350,928	-		-	
Total Expenses	9,125,828	5,650,085	5,046,675	10.68%	5,042,441	-0.08%
Total Balance	\$ -	\$ (105,889)	\$ 401,842		\$ 426,761	

Electric System

Schedule of Debt Service Coverage

(in thousands - unaudited)

	Month May		Year-to-Date May	
	2018	2017	2018	2017
Revenues				
Electric	\$ 103,248	\$ 108,650	\$ 762,384	\$ 740,612
Investment income ⁽¹⁾	526	567	5,301	3,662
Earnings from The Energy Authority	62	522	2,512	4,543
Other, net ⁽²⁾	1,686	4,236	14,434	19,144
Plus: amount paid from the rate stabilization fund into the revenue fund	4,397	7,476	63,465	50,727
Less: amount paid from the revenue fund into the rate stabilization fund	(878)	(1,197)	(9,950)	(10,783)
Total revenues	109,041	120,254	838,146	807,905
Operating expenses ⁽³⁾				
Fuel	26,581	22,621	195,098	152,070
Purchased power ⁽⁴⁾	18,891	27,317	167,620	180,443
Other operations and maintenance	16,745	18,244	129,258	125,287
Utility taxes and fees	4,295	4,760	37,140	35,497
Total operating expenses	66,512	72,942	529,116	493,297
Net revenues	\$ 42,529	\$ 47,312	\$ 309,030	\$ 314,608
Debt service	\$ 6,063	\$ 5,974	\$ 47,833	\$ 47,668
Less: investment income on sinking fund	(128)	(121)	(1,007)	(942)
Less: Build America Bonds subsidy	(127)	(127)	(1,014)	(1,011)
Debt service requirement	\$ 5,808	\$ 5,726	\$ 45,812	\$ 45,715
Senior debt service coverage ⁽⁵⁾	7.32 x	8.26 x	6.75 x	6.88 x
Net revenues (from above)	\$ 42,529	\$ 47,312	\$ 309,030	\$ 314,608
Debt service requirement (from above)	\$ 5,808	\$ 5,726	\$ 45,812	\$ 45,715
Plus: aggregate subordinated debt service on outstanding subordinated bonds	10,816	13,399	86,183	84,283
Less: Build American Bonds subsidy	(170)	(173)	(1,363)	(1,380)
Total debt service requirement and aggregate subordinated debt service	\$ 16,454	\$ 18,952	\$ 130,632	\$ 128,618
Senior and subordinated debt service coverage ⁽⁶⁾	2.58 x	2.50 x	2.37 x	2.45 x
Fixed charge coverage ⁽⁷⁾	2.01 x	1.89 x	1.77 x	1.76 x

⁽¹⁾ Excludes investment income on sinking funds.⁽²⁾ Excludes the Build America Bonds subsidy.⁽³⁾ Excludes depreciation and recognition of deferred costs and revenues, net.⁽⁴⁾ In accordance with the requirements of the Electric System Resolution, all the contract debt payments from the Electric System to 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
Schedule of Debt Service Coverage
(in thousands - unaudited)

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	Month May		Year-to-Date May	
	2018	2017	2018	2017
Revenues				
Operating	\$ 6,938	\$ 5,896	\$ 46,902	\$ 43,876
Investment income	9	9	81	85
Total revenues	6,947	5,905	46,983	43,961
Operating expenses ⁽¹⁾				
Fuel	744	2,987	15,010	24,480
Other operations and maintenance	1,296	1,220	12,316	9,813
Total operating expenses	2,040	4,207	27,326	34,293
Net revenues	\$ 4,907	\$ 1,698	\$ 19,657	\$ 9,668
Aggregate debt service	\$ 829	\$ 807	\$ 6,629	\$ 6,453
Less: Build America Bonds subsidy	(56)	(58)	(445)	(466)
Aggregate debt service	\$ 773	\$ 749	\$ 6,184	\$ 5,987
Debt service coverage ⁽²⁾	6.35 x	2.27 x	3.18 x	1.61 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
St. Johns River Power Park System
Schedule of Debt Service Coverage - 1st Resolution
(in thousands - unaudited)

	Month May		Year-to-Date May	
	2018	2017	2018	2017
Revenues				
JEA	\$ -	\$ 13,408	\$ 98,013	\$ 82,677
FPL	-	12,649	28,360	81,383
Investment income	-	292	(4,289)	2,443
Total revenues	-	26,349	122,084	166,503
Operating expenses ⁽¹⁾				
Fuel	-	18,929	48,858	99,726
Other operations and maintenance	-	2,980	11,877	28,086
Total operating expenses	-	21,909	60,735	127,812
Net revenues	\$ -	\$ 4,440	\$ 61,349	\$ 38,691
Aggregate debt service	\$ -	\$ 3,960	\$ 11,260	\$ 31,680
Debt service coverage ⁽²⁾	N/A x	1.12 x	5.45 x	1.22 x

⁽¹⁾ Excludes depreciation and recognition of deferred costs and revenues, net.

⁽²⁾ Net revenues divided by aggregate debt service. Semiannual minimum coverage was 1.25x, however, there is currently no debt outstanding under the resolution and the resolution has been discharged and satisfied in accordance with its terms.

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

	Month May		Year-to-Date May	
	2018	2017	2018	2017
Revenues				
Operating	\$ 1,934	\$ 1,047	\$ 10,993	\$ 9,379
Investment income	276	15	509	159
Total revenues	2,210	1,062	11,502	9,538
Operating expenses	824	-	1,374	-
Net revenues	\$ 1,386	\$ 1,062	\$ 10,128	\$ 9,538
Aggregate debt service	\$ 1,867	\$ 1,079	\$ 7,900	\$ 8,634
Less: Build America Bonds subsidy	(61)	(32)	(245)	(260)
Aggregate debt service	\$ 1,806	\$ 1,047	\$ 7,655	\$ 8,374
Debt service coverage ⁽¹⁾	0.77 x	1.01 x	1.32 x	1.14 x

⁽¹⁾ Net revenues divided by aggregate debt service. Semiannual minimum coverage is 1.15x.

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

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	Month May		Year-to-Date May	
	2018	2017	2018	2017
Revenues				
Water	\$ 15,512	\$ 17,045	\$ 113,418	\$ 116,892
Water capacity fees	853	818	5,635	5,523
Sewer	22,714	23,409	172,394	171,123
Sewer capacity fees	1,549	1,350	10,517	9,881
Investment Income	528	391	4,373	4,088
Other ⁽¹⁾	1,026	852	7,463	6,328
Plus: amounts paid from the rate stabilization fund into the revenue fund	1,702	1,455	9,581	14,137
Less: amounts paid from the revenue fund into the rate stabilization fund	(2,129)	(2,350)	(15,654)	(15,874)
Total revenues	41,755	42,970	307,727	312,098
Operating expenses				
Operations and maintenance ⁽²⁾	14,249	13,642	103,504	96,764
Total operating expenses	14,249	13,642	103,504	96,764
Net revenues	\$ 27,506	\$ 29,328	\$ 204,223	\$ 215,334
Aggregate debt service	\$ 7,982	\$ 8,150	\$ 63,947	\$ 65,099
Less: Build America Bonds subsidy	(208)	(208)	(1,663)	(1,666)
Aggregate debt service	\$ 7,774	\$ 7,942	\$ 62,284	\$ 63,433
Senior debt service coverage ⁽³⁾	3.54 x	3.69 x	3.28 x	3.39 x
Net revenues (from above)	\$ 27,506	\$ 29,328	\$ 204,223	\$ 215,334
Aggregate debt service (from above)	\$ 7,774	\$ 7,942	\$ 62,284	\$ 63,433
Plus: aggregate subordinated debt service on outstanding subordinated debt	1,517	1,474	12,022	11,715
Total aggregate debt service and aggregate subordinated debt service	\$ 9,291	\$ 9,416	\$ 74,306	\$ 75,148
Senior and subordinated debt service coverage excluding capacity fees ⁽⁴⁾	2.70 x	2.88 x	2.53 x	2.66 x
Senior and subordinated debt service coverage including capacity fees ⁽⁴⁾	2.96 x	3.11 x	2.75 x	2.87 x
Fixed charge coverage	2.73 x	2.91 x	2.52 x	2.66 x

⁽¹⁾ Excludes the Build America Bonds subsidy.

⁽²⁾ Excludes depreciation and recognition of deferred costs and revenues, net.

⁽³⁾ Net revenues divided by aggregate debt service. Minimum annual coverage is 1.25x.

⁽⁴⁾ 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).

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

	Month May		Year-to-Date May	
	2018	2017	2018	2017
Revenues				
Service revenues	\$ 671	\$ 697	\$ 5,391	\$ 5,448
Investment income	9	4	57	21
Total revenues	680	701	5,448	5,469
Operating expenses ⁽¹⁾				
Operations and maintenance	328	328	2,738	2,720
Total operating expenses	328	328	2,738	2,720
Net revenues	\$ 352	\$ 373	\$ 2,710	\$ 2,749
Aggregate debt service ⁽²⁾	\$ 252	\$ 252	\$ 2,013	\$ 2,015
Debt service coverage ⁽³⁾	1.40 x	1.48 x	1.35 x	1.36 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.

Electric System, St. Johns River Power Park System and Scherer
Principal Amount of Debt Outstanding and Average Interest Rates
May 2018

Issue/Average Coupon Rate	Interest Rates	Principal Payment Dates	Par Amount Principal Outstanding	Current Portion of Long-Term Debt
Electric System - Fixed Rate Bonds				
Series Three 2004 A	5.000%	2039	\$ 5,000	\$ -
Series Three 2005 B	4.750%	2033	100,000	-
Series Three 2009 D - BABs	6.056%	2033-2044	45,955,000	-
Series Three 2010 A	4.000%	2018-2019	10,065,000	4,995,000
Series Three 2010 C	4.125 - 4.500%	2026-2031	1,950,000	-
Series Three 2010 D	4.250 - 5.000%	2018-2038	7,210,000	6,005,000
Series Three 2010 E - BABs	5.350 - 5.482%	2028-2040	34,255,000	-
Series Three 2012A	4.000 - 4.500%	2023-2033	16,995,000	-
Series Three 2012B	2.000 - 5.000%	2019-2039	85,615,000	-
Series Three 2013A	3.000 - 5.000%	2018-2026	74,865,000	9,100,000
Series Three 2013B	3.000 - 5.000%	2026-2038	7,500,000	-
Series Three 2013C	4.000 - 5.000%	2018-2030	19,335,000	4,295,000
Series Three 2014A	3.400 - 5.000%	2018-2034	12,870,000	2,060,000
Series Three 2015A	2.750 - 5.000%	2018-2041	69,975,000	145,000
Series Three 2015B	3.375 - 5.000%	2018-2031	23,900,000	6,675,000
Series Three 2017A	5.000%	2019	18,670,000	-
Series Three 2017B	3.375 - 5.000%	2026-2039	198,095,000	-
Total Fixed Rate Senior Bonds			627,360,000	33,275,000
2009 Series D	5.000%	2018	11,660,000	11,660,000
2009 Series E	4.000%	2018	295,000	295,000
2009 Series F - BABs	4.800 - 6.406%	2018-2034	63,670,000	1,515,000
2009 Series G	4.000 - 5.000%	2018-2019	16,090,000	1,425,000
2010 Series B	4.000 - 5.000%	2018-2024	4,605,000	925,000
2010 Series D - BABs	4.000 - 5.582%	2018-2027	44,125,000	2,075,000
2012 Series A	3.250 - 5.000%	2018-2033	62,440,000	5,950,000
2012 Series B	3.250 - 5.000%	2018-2037	52,995,000	2,580,000
2013 Series A	3.000 - 5.000%	2018-2030	44,585,000	1,530,000
2013 Series B	3.000 - 5.000%	2018-2026	21,275,000	2,740,000
2013 Series C	1.375 - 5.000%	2018-2038	78,330,000	1,175,000
2013 Series D	4.000 - 5.250%	2018-2035	88,660,000	14,125,000
2014 Series A	4.000 - 5.000%	2018-2039	121,320,000	10,990,000
2017 Series A	3.000 - 5.000%	2018-2019	31,790,000	30,500,000
2017 Series B	3.375 - 5.000%	2018-2034	185,745,000	795,000
Total Fixed Rate Subordinated Bonds			827,585,000	88,280,000
Total Fixed Rate Electric System Bonds/4.543%			1,454,945,000	121,555,000
Electric System - Variable Rate Bonds				
	Current Interest Rates (1)			
Series Three 2008 A	1.402%	2027-2036	51,680,000	-
Series Three 2008 B-1	1.834%	2018-2040	60,020,000	400,000
Series Three 2008 B-2	1.402%	2025-2040	41,900,000	-
Series Three 2008 B-3	1.402%	2024-2036	37,000,000	-
Series Three 2008 B-4	1.834%	2018-2036	49,410,000	400,000
Series Three 2008 C-1	1.440%	2024-2034	44,145,000	-
Series Three 2008 C-2	1.440%	2024-2034	43,900,000	-
Series Three 2008 C-3	1.830%	2030-2038	25,000,000	-
Series Three 2008 D-1	1.834%	2018-2036	108,900,000	2,625,000
Total Variable Rate Senior Bonds			461,955,000	3,425,000
Series 2000 A	1.345%	2021-2035	30,965,000	-
Series 2000 F-1	1.658%	2026-2030	37,200,000	-
Series 2000 F-2	1.357%	2026-2030	24,800,000	-
Series 2008 D	1.186%	2024-2038	39,455,000	-
Total Variable Rate Subordinated Bonds			132,420,000	-
Total Variable Rate Bonds			594,375,000	3,425,000
Total Electric System Bonds			2,049,320,000	124,980,000
St. Johns River Power Park - Fixed Rate Bonds				
Issue 3 Series 1	4.500%	2037	100,000	-
Issue 3 Series 2	5.000%	2034-2037	29,370,000	-
Issue 3 Series 4 - BABs	4.200 - 5.450%	2018-2028	22,410,000	1,720,000
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	-
Total Fixed Rate St. Johns River Power Park Bonds/4.012%			280,605,000	1,720,000
Bulk Power Supply System, Scherer 4 Project - Fixed Rate Bonds				
Series 2010A - BABs	4.250 - 5.920%	2018-2030	37,400,000	3,045,000
Series 2014A	2.000 - 5.000%	2018-2038	63,320,000	2,665,000
Total Fixed Rate Bulk Power Supply System Bonds/4.311%			100,720,000	5,710,000
Weighted Average Cost(2) / Total Outstanding Debt		3.411%	\$ 2,430,645,000	\$ 132,410,000

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

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

	Current YTD	Prior YTD	Year End Target
• Debt Ratio - Electric Enterprise Fund	74.3%	66.4%	71.1%
	Electric System	Power Park	Issue Three
• Remaining New Money Authorization	\$ 465,160,992	103,865,000	
• Remaining Senior Refunding Authorization	\$ 1,022,837,381	250,810,000	
• Remaining Subordinated Refunding Authorization	\$ 634,898,000	n/a	

Water and Sewer System

Principal Amount of Debt Outstanding and Average Interest Rates
May 2018

Issue/Average Coupon Rate	Interest Rates	Principal Payment Dates	Par Amount Principal Outstanding	Current Portion of Long-Term Debt
Fixed Rate Bonds				
2009 Series B	3.750 - 5.000%	2018-2019	\$ 18,295,000	\$ 9,380,000
2010 Series A - BABs	6.210 - 6.310%	2026-2044	83,115,000	-
2010 Series B - Taxable	4.700 - 5.700%	2018-2025	13,840,000	1,730,000
2010 Series C	5.000%	2020	3,000,000	-
2010 Series D	4.000 - 5.000%	2018-2039	42,525,000	3,900,000
2010 Series E	4.000 - 5.000%	2021-2039	11,865,000	-
2010 Series F - BABs	3.750 - 5.887%	2018-2040	44,275,000	2,180,000
2012 Series A	3.000 - 5.000%	2019-2041	162,430,000	-
2012 Series B	2.000 - 5.000%	2018-2037	76,380,000	1,780,000
2013 Series A	4.500 - 5.000%	2018-2027	63,660,000	11,940,000
2014 Series A	2.000 - 5.000%	2018-2040	217,790,000	4,830,000
2017 Series A	3.125 - 5.000%	2020-2041	378,220,000	-
Total Fixed Rate Senior Bonds			1,115,395,000	35,740,000
2010 Series A	5.000%	2018-2022	8,275,000	2,655,000
2010 Series B	3.000 - 5.000%	2020-2025	3,255,000	-
2012 Series A	3.000%	2021	1,440,000	-
2012 Series B	3.250 - 5.000%	2030-2043	29,685,000	-
2013 Series A	2.125 - 5.000%	2018-2029	37,435,000	5,705,000
2017 Series A	2.750 - 5.000%	2021-2034	58,940,000	-
Total Fixed Rate Subordinated Bonds			139,030,000	8,360,000
Total Fixed Rate Bonds/4.509%			1,254,425,000	44,100,000
Variable Rate Bonds				
	Current Interest Rates (1)			
2006 Series B - CPI Bonds	3.046% (2)	2018-2022	30,370,000	5,520,000
2008 Series A-2	1.519%	2028-2042	51,820,000	-
2008 Series B	1.419%	2023-2041	85,290,000	-
Total Variable Rate Senior Bonds			167,480,000	5,520,000
2008 Series A-1	1.186%	2018-2038	50,950,000	2,100,000
2008 Series A-2	1.429%	2030-2038	25,600,000	-
2008 Series B-1	1.414%	2030-2036	30,885,000	-
Total Variable Rate Subordinated Bonds			107,435,000	2,100,000
Total Variable Rate Bonds			274,915,000	7,620,000
Other Obligations				
Revolving Credit Agreement	2.981%	2018	3,000,000	-
Total Other Obligations			3,000,000	-
Weighted Average Cost(3) / Total Outstanding Debt		3.592%	\$ 1,532,340,000	\$ 51,720,000

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

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

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

	Current YTD	Prior YTD	Year End Target
• Debt Ratio - Water and Sewer	51.3%	55.5%	49.0%
• Remaining New Money Authorization	\$ 218,078,023		
• Remaining Refunding Authorization	\$ 794,813,942		

JEA

District Energy System

Principal Amount of Debt Outstanding and Average Interest Rates
May 2018

Issue/Average Coupon	Interest Rates	Principal Payment Dates	Par Amount Principal Outstanding	Current Portion of Long-Term Debt
Fixed Rate Bonds				
2013 Series A/4.036%	1.725 - 4.538%	2018-2034	\$ 36,485,000	\$ 1,660,000
Weighted Average Cost(1) / Total Outstanding Debt		4.141%	\$ 36,485,000	\$ 1,660,000

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

• Remaining New Money Authorization	\$ 54,321,245
• Remaining Refunding Authorization	\$ 106,670,000

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INVESTMENT PORTFOLIO REPORT
May 2018
All Funds

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INVESTMENT	BOOK VALUE	YIELD	% OF TOTAL	LAST MONTH	6 MONTH AVERAGE
* Treasuries	\$ 174,131,214	1.95%	13.71%	13.88%	9.43%
Agencies					
Federal Farm Credit Bank	97,507,549	1.60%	7.68%	7.77%	9.80%
Federal Home Loan Bank	251,189,477	1.66%	19.78%	20.02%	21.17%
Total	348,697,026	1.64%	27.45%	27.79%	30.97%
Municipal Bonds	220,337,165	2.52%	17.35%	17.32%	17.56%
Commercial Paper	175,915,201	2.14%	13.85%	14.02%	13.11%
U.S. Treasury Money Market Funds (1)	93,506,780	1.66%	7.36%	5.84%	8.09%
Agency Money Market Funds (2)	22,425,000	1.67%	1.77%	1.87%	0.74%
FEITF Money Market Fund	45,000,000	1.99%	3.54%	3.59%	3.32%
Florida Prime Fund	73,000,000	2.04%	5.75%	5.82%	5.72%
Wells Fargo Bank Accounts (3)					
Electric, Scherer	29,495,693	1.68%	2.32%	1.60%	2.45%
SJRPP	67,762,402	1.68%	5.33%	7.21%	7.09%
Water & Sewer, DES	19,907,524	1.68%	1.57%	1.07%	1.51%
Total Portfolio	\$ 1,270,178,004	1.96%	100.00%	100.00%	100.00%

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

Weighted Avg. Annual Yield for May 2018, Excluding Bank & Money Market Funds: 2.01%

Weighted Avg. Annual Yield for May 2018, Including Bank & Money Market Funds: 1.96%

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

- (1) Fidelity Treasury Fund
- (2) State Street Government Fund
- (3) Month-end bank balances

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Interest Rate Swap Position Report
May 2018

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JEA Debt Management Swaps Variable to Fixed

ID	Dealer	Effective Date	Termination Date	Electric System Allocation	Water/Sewer Allocation	Fixed Rate	Floating Rate (1)	Spread	Rate Cap	Index
1	Goldman Sachs	9/18/2003	9/18/2033	\$ 84,800,000	\$ -	3.717	1.297	2.420	n/a	68% 1 mth Libor
3	Morgan Stanley	1/27/2005	10/1/2039	82,575,000	-	4.351	1.434	2.917	n/a	SIFMA
4	JPMorgan	1/27/2005	10/1/2035	85,600,000	-	3.661	1.297	2.364	n/a	68% 1 mth Libor
6	JPMorgan	1/27/2005	10/1/2037	39,175,000	-	3.716	1.297	2.419	n/a	68% 1 mth Libor
7	Morgan Stanley	10/31/2006	10/1/2022	-	30,370,000	4.025	3.046	0.979	n/a	CPI
8	Morgan Stanley	1/31/2007	10/1/2031	62,980,000	-	3.907	1.434	2.473	n/a	SIFMA
9	Merrill Lynch	3/8/2007	10/1/2041	-	85,290,000	3.895	1.434	2.461	n/a	SIFMA
10	Goldman Sachs	1/31/2008	10/1/2036	51,680,000	-	3.836	1.434	2.402	n/a	SIFMA
Total				<u>\$ 406,810,000</u>	<u>\$ 115,660,000</u>	Wtd Avg Spread		2.417		

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

	Month May			Year-to-Date May		
	2018	2017	Variance	2018	2017	Variance
Electric revenues sales (000's omitted):						
Residential	\$ 49,199	\$ 51,860	-5.13%	\$ 373,556	\$ 343,767	8.67%
Commercial	34,905	35,232	-0.93%	246,117	245,930	0.08%
Industrial	18,065	18,159	-0.52%	129,663	128,847	0.63%
Public street lighting	1,071	1,085	-1.29%	8,563	8,769	-2.35%
Sales for resale - territorial	48	1,624	-97.04%	4,170	9,278	-55.05%
Electric revenues - territorial	103,288	107,960	-4.33%	762,069	736,591	3.46%
Sales for resale - off system	89	690	-87.10%	943	4,021	-76.55%
Electric revenues	103,377	108,650	-4.85%	763,012	740,612	3.02%
Less: rate stabilization & recovery	3,519	6,279	43.96%	53,515	39,944	-33.98%
Less: allowance for doubtful accounts	(129)	-		(628)	-	
Net electric revenues	106,767	114,929	-7.10%	815,899	780,556	4.53%
MWh sales						
Residential	430,235	454,542	-5.35%	3,252,892	2,982,096	9.08%
Commercial	361,746	360,459	0.36%	2,514,835	2,495,523	0.77%
Industrial	253,416	250,208	1.28%	1,776,793	1,747,157	1.70%
Public street lighting	4,857	5,227	-7.08%	39,714	45,291	-12.31%
Sales for resale - territorial	-	14,396	-100.00%	38,640	74,403	-48.07%
Total MWh sales - territorial	1,050,254	1,084,832	-3.19%	7,622,874	7,344,470	3.79%
Sales for resale - off system	2,754	17,020	-83.82%	30,278	119,514	-74.67%
Total MWh sales	1,053,008	1,101,852	-4.43%	7,653,152	7,463,984	2.53%
Number of accounts (1)						
Residential	411,013	403,954	1.75%	408,738	402,062	1.66%
Commercial	52,477	51,929	1.06%	52,276	51,790	0.94%
Industrial	196	205	-4.39%	198	204	-2.94%
Public street lighting	3,777	3,740	0.99%	3,763	3,714	1.32%
Sales for resale	1	2	-50.00%	1	2	-50.00%
Total average accounts	467,464	459,830	1.66%	464,976	457,772	1.57%
Residential averages						
Revenue per account - \$	119.70	128.38	-6.76%	913.93	855.01	6.89%
kWh per account	1,047	1,125	-6.93%	7,958	7,417	7.29%
Revenue per kWh - ¢	11.44	11.41	0.26%	11.48	11.53	-0.43%
Degree days						
Heating degree days	-	-	-	1,103	782	321
Cooling degree days	329	329	-	1,031	985	46
Total degree days	329	329	-	2,134	1,767	367
Degree days - 30 year average	293			2,112		

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

	Month May			Year-to-Date May		
	2018	2017	Variance	2018	2017	Variance
Water						
<i>Revenues (000's omitted):</i>						
Residential	\$ 8,310	\$ 8,930	-6.94%	\$ 61,090	\$ 61,724	-1.03%
Commercial and industrial	3,920	3,862	1.50%	31,166	30,568	1.96%
Irrigation	3,303	4,273	-22.70%	21,318	24,643	-13.49%
Total water revenues	15,533	17,065	-8.98%	113,574	116,935	-2.87%
Less: rate stabilization	(1,295)	(1,462)	-11.42%	(9,357)	(9,599)	-2.52%
Less: allowance for doubtful accounts	(21)	(20)	5.00%	(156)	(43)	262.79%
Net water revenues	\$ 14,217	\$ 15,583	-8.77%	\$ 104,061	\$ 107,293	-3.01%
<i>Kgal sales (000s omitted)</i>						
Residential	1,572,988	1,843,311	-14.67%	11,197,025	11,898,118	-5.89%
Commercial and industrial	1,112,131	1,082,152	2.77%	9,038,956	8,692,174	3.99%
Irrigation	584,745	810,401	-27.84%	3,486,005	4,301,836	-18.96%
Total kgals sales	3,269,864	3,735,864	-12.47%	23,721,986	24,892,128	-4.70%
<i>Number of accounts (1):</i>						
Residential	286,170	279,840	2.26%	284,137	277,664	2.33%
Commercial and industrial	25,748	25,473	1.08%	25,648	25,375	1.08%
Irrigation	37,123	36,907	0.59%	37,002	36,639	0.99%
Total average accounts	349,041	342,220	1.99%	346,787	339,678	2.09%
<i>Residential averages:</i>						
Revenue per account - \$	29.04	31.91	-8.99%	215.00	222.30	-3.28%
Kgals per account	5.50	6.59	-16.54%	39.41	42.85	-8.03%
Revenue per kgals - \$	5.28	4.84	9.09%	5.46	5.19	5.20%
Sewer						
<i>Revenues (000's omitted):</i>						
Residential	\$ 12,525	\$ 13,338	-6.10%	\$ 92,531	\$ 93,697	-1.24%
Commercial and industrial	8,954	8,620	3.87%	71,390	68,984	3.49%
Total sewer revenues	21,479	21,958	-2.18%	163,921	162,681	0.76%
Less: rate stabilization	868	567	53.09%	3,284	7,862	-58.23%
Less: allowance for doubtful accounts	(30)	(30)	0.00%	(233)	(64)	264.06%
Net sewer revenues	22,317	22,495	-0.79%	166,972	170,479	-2.06%
<i>Kgal sales (000s omitted)</i>						
Residential	1,360,448	1,580,524	-13.92%	9,672,437	10,262,453	-5.75%
Commercial and industrial	961,461	925,768	3.86%	7,693,266	7,500,405	2.57%
Total kgals sales	2,321,909	2,506,292	-7.36%	17,365,703	17,762,858	-2.24%
<i>Number of accounts (1):</i>						
Residential	253,279	247,155	2.48%	251,324	245,059	2.56%
Commercial and industrial	18,360	18,163	1.08%	18,314	18,118	1.08%
Total average accounts	271,639	265,318	2.38%	269,638	263,177	2.46%
<i>Residential averages:</i>						
Revenue per account - \$	49.45	53.97	-8.38%	368.17	382.34	-3.71%
kgals per account	5.37	6.39	-15.96%	38.49	41.88	-8.09%
Revenue per kgals - \$	9.21	8.44	9.12%	9.57	9.13	4.82%
Reuse						
<i>Revenues (000's omitted):</i>						
Reuse revenues	\$ 1,265	\$ 1,481	-14.58%	\$ 8,706	\$ 8,506	2.35%
<i>Kgal sales (000s omitted)</i>						
Reuse sales (kgals)	284,614	348,069	-18.23%	1,980,498	2,220,507	-10.81%
<i>Number of accounts (1):</i>						
Reuse accounts	11,770	9,624	22.30%	11,092	9,062	22.40%
Rainfall						
	Diff in inches			Diff in inches		
Normal	2.48	2.48		24.40	24.40	
Actual	5.91	8.65	(2.74)	27.69	27.68	0.01
Rain Days	12	10		61	41	

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

	Month May			Year-to-Date May		
	2018	2017	Variance	2018	2017	Variance
Generated power:						
Steam:						
<i>Fuel oil</i>						
Fuel expense	\$ -	\$ -		\$ 4,331,122	\$ 101,111	4183.53%
Barrels #6 oil consumed	-	-		40,030	935	4181.28%
\$/ per barrel consumed	\$ -	\$ -		\$ 108.20	\$ 108.14	0.05%
kWh oil generated (1)	-	-		23,686,188	376,100	6197.84%
Cost per MWh - oil	\$ -	\$ -		\$ 182.85	\$ 268.84	-31.98%
<i>Natural gas units #1-3</i>						
Gas expense - variable	\$ 7,126,752	\$ 7,656,267	-6.92%	\$ 30,450,754	\$ 22,749,557	33.85%
MMBTU's consumed	2,244,981	2,089,350	7.45%	9,473,387	6,732,860	40.70%
\$/ per MMBTU consumed	\$ 3.17	\$ 3.66	-13.37%	\$ 3.21	\$ 3.38	-4.87%
kWh - gas generated (1)	210,254,734	196,816,002	6.83%	870,209,107	617,645,732	40.89%
Cost per MWh - gas	\$ 33.90	\$ 38.90	-12.87%	\$ 34.99	\$ 36.83	-5.00%
Cost per MWh - gas & oil - steam	\$ 33.90	\$ 38.90	-12.87%	\$ 38.91	\$ 36.97	5.24%
<i>Coal</i>						
Coal expense	\$ 1,669,036	\$ 522,900	219.19%	\$ 16,352,165	\$ 7,968,473	105.21%
kWh generated	56,558,117	14,270,744	296.32%	486,778,241	271,154,570	79.52%
Cost per MWh - coal	\$ 29.51	\$ 36.64	-19.46%	\$ 33.59	\$ 29.39	14.31%
<i>Pet coke and limestone</i>						
Expense	\$ 3,089,761	\$ 1,356,212	127.82%	\$ 32,217,892	\$ 16,586,428	94.24%
kWh generated	78,379,211	35,117,290	123.19%	845,248,718	492,708,896	71.55%
Cost per MWh - pet coke and limestone	\$ 39.42	\$ 38.62	2.07%	\$ 38.12	\$ 33.66	13.23%
Cost per MWh - coal & petcoke - steam	\$ 35.27	\$ 38.05	-7.31%	\$ 36.46	\$ 32.15	13.43%
Combustion turbine:						
<i>Fuel oil</i>						
Fuel expense	\$ 91,986	\$ 46,833	96.41%	\$ 3,209,742	\$ 546,783	487.02%
Barrels #2 oil consumed	463	238	94.54%	34,193	4,477	663.75%
\$/ per barrel consumed	\$ 198.67	\$ 196.78	0.96%	\$ 93.87	\$ 122.13	-23.14%
kWh - oil generated	89,794	64,259	39.74%	13,598,473	1,457,517	832.99%
Cost per MWh - oil	\$ 1,024.41	\$ 728.82	40.56%	\$ 236.04	\$ 375.15	-37.08%
<i>Natural gas (includes landfill)</i>						
Gas expense Kennedy & landfill - variable	\$ 445,564	\$ 86,597	414.53%	\$ 1,774,561	\$ 746,321	137.77%
MMBTU's consumed	139,185	23,603	489.69%	533,753	225,518	136.68%
\$/ per MMBTU consumed	\$ 3.20	\$ 3.67	-12.75%	\$ 3.32	\$ 3.31	0.46%
kWh - gas generated (1)	11,852,693	1,620,357	631.49%	43,487,297	16,866,144	157.84%
Cost per MWh - gas	\$ 37.59	\$ 53.44	-29.66%	\$ 40.81	\$ 44.25	-7.78%
Gas expense BB simple - variable	\$ 777,468	\$ 478,379	62.52%	\$ 2,052,976	\$ 1,398,294	46.82%
MMBTU's consumed	\$ 276,489	156,516	76.65%	672,209	442,972	51.75%
\$/ per MMBTU consumed	\$ 2.81	\$ 3.06	-8.00%	\$ 3.05	\$ 3.16	-3.25%
kWh - gas generated (1)	24,905,192	13,817,558	80.24%	57,533,131	38,278,642	50.30%
Cost per MWh - gas simple	\$ 31.22	\$ 34.62	-9.83%	\$ 35.68	\$ 36.53	-2.32%
Gas expense BB combined - variable	\$ 7,316,811	\$ 6,896,026	6.10%	\$ 58,143,625	\$ 58,621,469	-0.82%
MMBTU's consumed	2,593,434	2,307,032	12.41%	19,265,097	18,563,321	3.78%
\$/ per MMBTU consumed	\$ 2.82	\$ 2.99	-5.62%	\$ 3.02	\$ 3.16	-4.43%
kWh - gas generated (1)	369,104,903	320,512,720	15.16%	2,742,013,934	2,646,688,401	3.60%
Cost per MWh - gas combined	\$ 19.82	\$ 21.52	-7.87%	\$ 21.20	\$ 22.15	-4.26%
Gas expense GEC simple - variable	\$ 714,466	\$ 817,954	-12.65%	\$ 6,804,746	\$ 3,385,565	100.99%
MMBTU's consumed	261,704	313,135	-16.42%	1,534,076	1,209,896	26.79%
\$/ per MMBTU consumed	\$ 2.73	\$ 2.61	4.51%	\$ 4.44	\$ 2.80	58.52%
kWh - gas generated	23,262,273	23,879,964	-2.59%	134,820,314	104,817,063	28.62%
Cost per MWh - gas simple	\$ 30.71	\$ 34.25	-10.33%	\$ 50.47	\$ 32.30	56.26%
Cost per MWh - gas & oil ct	\$ 21.78	\$ 23.13	-5.87%	\$ 24.06	\$ 23.04	4.44%
Natural gas expense - fixed	\$ 3,083,147	\$ 3,270,179	-5.72%	\$ 25,491,525	\$ 24,412,735	4.42%
Total generated power:						
Fuels expense	\$ 24,314,991	\$ 21,131,347	15.07%	\$ 180,829,108	\$ 136,516,736	32.46%
kWh generated	774,406,917	606,098,894	27.77%	5,217,375,403	4,189,993,065	24.52%
Cost per MWh	\$ 31.40	\$ 34.86	-9.94%	\$ 34.66	\$ 32.58	6.38%
Cost of fuels						
Fuel oil #6	\$ -	\$ -		\$ 4,331,122	\$ 101,111	
Natural gas units #1-3 with landfill - variable	7,126,752	7,656,267		30,450,754	22,749,557	
Coal	1,669,036	522,900		16,352,165	7,968,473	
Petcoke	3,089,761	1,356,212		32,217,892	16,586,428	
Fuel oil #2	91,986	46,833		3,209,742	546,783	
Natural gas - simple cycle (BB & GEC) - variable	1,937,498	1,382,930		10,632,283	5,530,180	
Natural gas - combined (BB) - variable	7,316,811	6,896,026		58,143,625	58,621,469	
Natural gas - fixed	3,083,147	3,270,179		25,491,525	24,412,735	
Total	\$ 24,314,991	\$ 21,131,347		\$ 180,829,108	\$ 136,516,736	

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

	Month May			Year-to-Date May		
	2018	2017	Variance	2018	2017	Variance
Production Statistics (Continued)						
Purchased power:						
<i>Plant Scherer</i>						
Purchases	\$ 6,164,016	\$ 5,148,191	19.73%	\$ 40,717,515	\$ 37,889,437	7.46%
kWh purchased	25,343,000	116,783,000	-78.30%	603,031,000	924,291,000	-34.76%
Cost per MWh	\$ 243.22	\$ 44.08	451.74%	\$ 67.52	\$ 40.99	64.71%
<i>TEA & other</i>						
Purchases	\$ 10,389,709	\$ 6,965,815	49.15%	\$ 70,280,434	\$ 48,724,966	44.24%
kWh purchased	285,214,205	141,048,879	102.21%	1,563,363,276	1,055,756,712	48.08%
Cost per MWh	\$ 36.43	\$ 49.39	-26.24%	\$ 44.95	\$ 46.15	-2.59%
<i>SJRPP</i>						
Purchases	\$ 1,564,467	\$ 14,454,263	-89.18%	\$ 50,438,020	\$ 87,841,646	-42.58%
kWh purchased	-	279,724,000	-100.00%	539,759,000	1,525,522,000	-64.62%
Cost per MWh		\$ 51.67		\$ 93.45	\$ 57.58	62.28%
Total purchased power:						
Purchases	\$ 18,118,192	\$ 26,568,269	-31.81%	\$ 161,435,969	\$ 174,456,049	-7.46%
kWh purchased	310,557,205	537,555,879	-42.23%	2,706,153,276	3,505,569,712	-22.80%
Cost per MWh	\$ 58.34	\$ 49.42	18.04%	\$ 59.66	\$ 49.77	19.87%
Subtotal - generated and purchased power:	\$ 42,433,183	\$ 47,699,616	-11.04%	\$ 342,265,077	\$ 310,972,785	10.06%
Fuel interchange sales	(88,980)	(689,361)	-87.09%	(943,199)	(4,020,647)	-76.54%
Earnings of The Energy Authority	(62,502)	(516,445)	-87.90%	(2,517,041)	(2,856,307)	-11.88%
EPA Allowance Purchases	-	-		-	233,775	-100.00%
Realized and Unrealized (Gains) Losses	(320,320)	-		(2,356,900)	301,200	-882.50%
Fuel procurement and handling	1,282,932	781,049	64.26%	7,733,477	7,331,023	5.49%
By product reuse	1,302,411	708,253	83.89%	8,891,540	7,687,123	15.67%
Total generated and net purchased power:						
Cost, net	44,546,724	47,983,112	-7.16%	353,072,954	319,648,952	10.46%
kWh generated and purchased	1,084,964,122	1,143,654,773	-5.13%	7,923,528,679	7,695,562,777	2.96%
Cost per MWh	\$ 41.06	\$ 41.96	-2.14%	\$ 44.56	\$ 41.54	7.28%
Reconciliation:						
Generated and purchased power per above	\$ 44,546,724	\$ 41.06		\$ 353,072,954	\$ 44.56	
SJRPP operating expenses:						
SJRPP O & M	2,557	0.00		(5,270,424)	(0.67)	
SJRPP debt service	(881,039)	(0.81)		(18,950,386)	(2.39)	
SJRPP R & R	(174,414)	(0.16)		4,934,943	0.62	
SCHERER operating expenses:						
Scherer power production	(720,655)	(0.66)		(7,260,536)	(0.92)	
Scherer R & R	(4,123,389)	(3.80)		(13,391,172)	(1.69)	
Scherer transmission	(472,291)	(0.44)		(4,187,819)	(0.53)	
Scherer taxes	(103,051)	(0.09)		(867,333)	(0.11)	
Florida and other capacity	(624,591)	(0.58)		(5,133,525)	(0.65)	
MEAG	(997,240)	(0.92)		(7,712,050)	(0.97)	
Rounding	(1)	(0.00)		-	-	
Energy expense per budget page	\$ 36,452,610	\$ 33.60		\$ 295,234,652	\$ 37.26	

	Month May		Year-to-Date May	
	2018	2017	2018	2017
MWh sales				
JEA	-	279,724	539,759	1,525,522
FPL saleback	-	188,085	332,467	998,008
FPL direct portion	-	116,952	218,056	630,883
Total MWh sales	-	584,761	1,090,282	3,154,413
Fuel costs	\$ 516,508	\$ 11,318,343	\$ 31,196,336	\$ 60,274,398
(Includes fuel handling expenses)				
Less interest credits: inventory bank	(4,654)	(12,987)	(50,672)	(58,712)
Plus (less): true-up interest	(283)	540	6,488	6,986
Total	511,571	11,305,896	31,152,152	60,222,672
Cost per MWh		\$ 40.42	\$ 57.71	\$ 39.48
Operating and maintenance expenses	(52,784)	1,854,066	5,231,017	17,508,555
Less: operations bank interest	(2,869)	(1,917)	(17,132)	(10,939)
Less: annual variable o & m true-up	-	-	3,444	(36,136)
Total	(55,653)	1,852,149	5,217,329	17,461,480
Cost per MWh		\$ 6.62	\$ 9.67	\$ 11.45
Debt service contribution				
Principal	143,333	2,208,073	7,239,635	17,664,593
Interest	933,773	1,349,442	8,414,975	10,795,539
Less credits:				
Reserve Issue 2	-	(194,803)	4,082,537	(1,642,229)
Reserve Issue 3	(9,171)	(13,186)	(183,861)	(106,621)
Debt service Issue 2	-	(4,559)	43,365	(30,127)
Debt service Issue 3	(1,129)	-	(10,926)	(6,698)
Bond proceeds COB	(12,431)	(3,474)	(35,522)	(57,569)
General reserve Issue 2	(17,023)	(11,608)	(129,479)	(104,735)
General reserve Issue 3	(8,283)	(1,962)	(46,202)	(45,653)
Build America Bonds subsidy	(30,621)	(32,433)	(244,968)	(259,465)
Inventory carrying costs	-	(65,721)	(323,456)	(542,343)
Total	998,448	3,229,769	18,806,098	25,664,692
Cost per MWh		\$ 11.55	\$ 34.84	\$ 16.82
R & R contribution	174,414	309,387	1,751,791	2,475,094
Less: interest credit	(64,313)	(61,938)	197,384	(532,496)
Less: cumulative capital recovery amount	-	(2,181,000)	(6,686,734)	(17,449,796)
Total	110,101	(1,933,551)	(4,737,559)	(15,507,198)
Cost per MWh		\$ (6.91)	\$ (8.78)	\$ (10.17)
Debt service coverage	-	-	2,022,000	4,215,000
Transfer to JEA	-	-	(2,022,000)	(4,215,000)
Total	-	-	-	-
Cost per MWh		\$ -	\$ -	\$ -
Total	\$ 1,564,467	\$ 14,454,263	\$ 50,438,020	\$ 87,841,646
kWh purchased	-	279,724,000	539,759,000	1,525,522,000
Cost per MWh		\$ 51.67	\$ 93.45	\$ 57.58

III. A. – Appendix C:
Monthly FY18 Communications & Engagement Calendar
and Plan Update

JEA Community Engagement Calendar - May - July 2018
(Events highlighted in blue are either JEA corporate or partner events)

	A	B	C	D	E
1	Date	Event/Activity	Location	Time	Type
2	May-18				
3	5/1 - 5/3/2018	VSA Festival	Cummer Museum of Art & Gardens	8:30am	Volunteer Activity
4	5/2/2018	JEA Power Pals	Henry Kite Elem.	9am	Ambassador Instructor
5	5/2/2018	Touch a Truck	Orange Pk Mall	9am	Ambassador Event
6	5/2 - 5/3/2018	PACE Prom Boutique	2933 University Blvd., N.	9:00am - 12:00pm	Volunteer Activity
7	5/4/2018	Catty Shack	1860 Starratt Way	10:00 - 3:00	Volunteer Activity
8	5/4/2018	Windy Hill Elem. Career Fair	3831 Forest Blvd.	8am	Ambassador Event
9	5/4/2018	Lake Shore Middle Career Fair	2519 Bayview Rd.	9am	Ambassador Event
10	5/4/2018	Venetia Elem. Career Fair	4300 Timuquana Rd.	9am	Ambassador Event
11	5/4/2018	JEA Power Pals	Rufus E Payne Elem.	12:30pm	Ambassador Instructor
12	5/5/2018	Jax AquaFest	MOSH	10am	Ambassador Event
13	5/7/2018	USO No Dough Dinner	2560 Mayport Rd., Atlantic Bch.	10am - 8pm	Volunteer Activity
14	5/10/2018	Lake Forest Career Fair	901 Kennard St	9am	Ambassador Event
15	5/10/2018	Councilmember Hurricane Prep Community Meeting	Highlands Library	6pm	Ambassador Event
16	5/10/2018	Rethreaded	820 Barnett St., 32209	1:00 - 4:30pm	Volunteer Activity
17	5/11/2018	Waterleaf Elem.	450 Kernan Blvd	8:30am	Ambassador Event
19	5/12/2018	Panama Park Neighborhood Assoc.	8029 Buffalo Ave.	5pm	Ambassador Speaker
20	5/14/2018	Barnabas Food Pantry	Weaver Center, 1303 Jasmine St., Fernandina Bch.	9:30am - 12:30 pm	Volunteer Activity
21	5/15/2018	The Bedford Franklin Group	Main St Lab Tour	11am	Ambassador Facility Tour
22	5/16/2018	ReStore	5800 Beach Blvd.	9:30am - 5:30 pm	Volunteer Activity

JEA Community Engagement Calendar - May - July 2018
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	A	B	C	D	E
23	5/16/2018	Long Branch Elem. Career Fair	3723 Franklin St	8:30am	Ambassador Event
24	5/16/2018	Chaffee Trail Elem. Career Fair	11400 Sam Caruso Way	8:30am	Ambassador Event
25	5/16/2018	Biscayne Elem. Career Fair	12230 Biscayne Blvd.	8:30am	Ambassador Event
26	5/16/2018	Normandy Village Elem. Career fair	8257 Herlong Rd.	9am	Ambassador Event
27	5/17/2018	Councilmember Hurricane Prep Community Meeting	NX Jax CDC	6pm	Ambassador Event
28	5/17/2018	New to You	930 S. 14th St. Fernandina Beach	12:30 - 4:30pm	Volunteer Activity
29	5/18/2018	Jr. Achievement School Takeover	Greenland Pines	9am	Ambassador Instructor
30	5/18/2018	Ruth Upson Career Fair	1090 Dancy St	8:30am	Ambassador Event
31	5/18/2018	Ruth Upson Career Fair	1090 Dancy St	8:30am	Ambassador Event
32	5/18/2018	Miracle on Ashley St.	Clara White Mission	10:00 - 2:00	Volunteer Activity
33	5/18/2018	Hope at Hand	3886 Atlantic Blvd.	8:30am - 4:30pm	Volunteer Activity
34	5/19/2018	Councilmember Hurricane Prep Community Meeting	Brandham-Brooks Library	10am	Ambassador Event
35	5/21/2018	USO No Dough Dinner	2560 Mayport Rd., Atlantic Bch.	10:00am	Volunteer Activity
36	5/22/2018	Tulsa Welding School	NW Jax Solar Farm	10am	Ambassador Facility Tour
37	5/23/2018	Feeding NE FL Food Bank	1116 Edgewood Ave.	8:30am	Volunteer Activity
38	5/23/2018	Garden City Elem. Career Day	2814 Dunn Ave.	8:30am	Ambassador Event
39	5/24/2018	Aging True	Cathedral Terrace Café	11am - 1pm	Volunteer Activity
40	5/24 - 5/27/2018	Jacksonville Jazz Festival	Multiple locations downtown	Multiple shifts	Volunteer Activity
41	5/24/2018	Youth Leadership Academy Career Day	900 Acorn St	9am	Ambassador Event
42	5/25/2018	Beauclerc Elem. Career Fair	4555 Craven Rd. W	8am	Ambassador Event
43	5/26/2018	Gateway Girl Scouts	Main St Lab Tour	10am	Ambassador Facility Tour

JEA Community Engagement Calendar - May - July 2018
(Events highlighted in blue are either JEA corporate or partner events)

	A	B	C	D	E
44	5/30/2018	Berry Good Farms	223 Mill Creek Rd., 32211	9am	Volunteer Activity
45	5/31/2018	Hyperion Brewing	Main St Lab Tour	10am	Ambassador Facility Tour
46					
47					
48					
49	Jun-18				
50	6/1/2018	Catty Shack	1860 Starratt Way	10am	Volunteer Activity
51	6/1/2018	Lutheran Service Head Start	1095 A. Philip Randolph	9 - 11am	Volunteer Activity
52	6/4/2018	Oasis Kids Ministry	Main St Lab Tour	10:30am	Ambassador Facility Tour
53	6/5/2018	American Water	Buckman Tour	2:30pm	Ambassador Facility Tour
54	6/6/2018	TOTE Maritime Fair	10550 Deerwood Park Blvd.	1pm	Ambassador Event
55	6/8/2018	High School Tech	Main St Lab Tour	11am	Ambassador Facility Tour
56	6/8/2018	AME South District Church Convention	1129 Labelle St.	10am	Ambassador Speaker
57	6/8 - 6/9/2018	IT Pro Camp Event	Keiser University	Multiple shifts	Volunteer Activity
58	6/6-6/9/2018	Mega Pet Adoption Event	Jacksonville Fairgrounds	Multiple shifts	Volunteer Activity
59	6/9/2018	World Ocean Day	Jax Zoo	10am	Ambassador Event
60	6/11/2018	USO No Dough Dinner	2560 Mayport Rd., Atlantic Bch.	10am	Volunteer Activity
61	6/11/2018	Barnabas Food Pantry	Weaver Center	9:30am	Volunteer Activity
62	6/13/2018	Men's Health Fair	Legends Center	10am	Ambassador Event
63	6/13/2018	The AC	3601 Kernan	10am	Ambassador Speaker
64	6/14/2018	Rethreaded	Barnett St.	1 - 4pm	Volunteer Activity
65	6/15/2018	ReStore	Beach Blvd.	9:30am - 4:30pm	Volunteer Activity
66	6/18/2018	New to You	930 S. 14th St.	12:30 - 4:30pm	Volunteer Activity
67	6/18/2018	UF/IFAS County Extension	Main St Lab Tour	11am	Ambassador Facility Tour
68	6/21/2018	Farm Share	Jessie St.	9am	Volunteer Activity
69	6/21/2018	Cathedral Terrace Café	Newnan St.	11am	Volunteer Activity
70	6/21/2018	Vision for Excellence Camp	8535 118th St	10am	Ambassador Speaker
71	6/21/2018	Kids Summer Jam Camp	Main St Lab Tour	10am	Ambassador Facility Tour

JEA Community Engagement Calendar - May - July 2018
(Events highlighted in blue are either JEA corporate or partner events)

	A	B	C	D	E
72	6/22/2018	Clay County 4-H	Solar Farm Tour	10am	Ambassador Facility Tour
73	6/22/2018	STEM Conference	UNF	1pm	Ambassador Event
74	6/22/2018	Groundworks	Main St Lab Tour	12pm	Ambassador Facility Tour
75	6/22/2018	JaxPark Summer Program	Hugenot Park	9am	Volunteer Activity
76	6/22/2018	Feeding NE FL Food Bank	1116 Edgewood Ave.	8:30am	Volunteer Activity
77	6/22/2018	Claud Nolan Wellness Fair	4700 Southside Blvd.	11am	Ambassador Event
78	6/25 - 6/26/2018	Sugar Hill Mosaic S-Line	2429 N. Davis St.	8:30 AM	Volunteer Activity
79	6/28/2018	Kids Summer Jam Camp	NW Jax Solar Tour	10am	Ambassador Facility Tour
80	6/29/2018	Catholic Charities Food Pantry	Church St.	9am	Volunteer Activity
81					
82					
83					
84					
85					
86	Jul-18				
87	7/3/2018	LIFT Support Group	850 Lane Ave. S	12pm	Ambassador Speaker
88	7/5/2018	July 5th Beaches Cleanup	Multiple Beach locations	7am	Volunteer Activity
89	7/6/2018	JaxPark Summer Program	Palmetto Regional Park	9am	Volunteer Activity
90	7/10/2018	Bright Horizons Summer Camp	9000 Southside Blvd.	9:30am	Ambassador Instructor
91	7/11/2018	Osher Lifelong Learning	Main St. Lab Tour	9:30am	Ambassador Facility Tour
92	7/13/2018	JaxPark Summer Program	Hanna Park	9am	Volunteer Activity
93	7/18/2018	YMCA Thingamajig	Prime Osborn	9am	Ambassador Event



FY18 Customer & Community Engagement Overview and June Update

Each month, we update the board on Customer & Community Engagement activities for the previous and current months. The purpose is to keep you apprised on these activities so that you are knowledgeable about JEA's efforts to keep our customers informed, assist them in the management of their utility services and be a good corporate citizen.

Customer Communications

Restoration 1-2-3

CCE team members began rolling out JEA's new messaging related to storm preparedness and outage communications. In addition to printing a 16-page Storm Recovery Guide and customer fact sheet, CCE distributed information to local emergency preparedness departments highlighting JEA's "Restoration 1-2-3" campaign aimed at educating customers about our process for restoring power after a major storm. Social media messages began encouraging customers to update their account contact information and sign up for alerts so that JEA may communicate with them more effectively should a major storm cause widespread power outages.



A special Restoration 1-2-3 training module was also created to familiarize all JEA employees with the campaign and assist them in answering any questions they may receive from customers. CCE is currently finalizing an ambitious public education campaign that will use TV and radio spots, digital billboards, customer communications, jea.com and social media to familiarize JEA customers and the community with Restoration 1-2-3.

Power of Thanks Campaign

In May, JEA continued its **“Power of Thanks” campaign** designed to encourage customers to sign up for one of JEA’s convenient billing and payment programs, including eBill, MyBudget and AutoPay. These programs make it easy for our customers to do business with JEA while reducing our administrative costs. All customers who were enrolled in one of these programs by May 31 were entered into a promotional drawing.

Community Engagement

JEA employees participated in a number of Ambassador events and Volunteer activities throughout the month of May, with Ambassadors participating in 33 activities and volunteers serving 258 hours in the community.

JEA Ambassadors

Upon request, JEA Ambassadors gave presentations on hurricane preparedness at town hall meetings organized by the City Council as well as SE CPAC. Ambassadors conducted several **facility tours** for groups and organizations such as Homeland Security, the Tulsa Welding School and a Girl Scout troop while also participating in several community events. In addition to serving as Junior Achievement instructors at Greenland Pines Elementary School, ambassadors wrapped up month-long presentations of JEA’s popular Power Pals electric safety program at the Rufus Payne and Henry Kite elementary schools.



JEA Ambassadors participate in the Panama Park Neighborhood Resource Fair, providing information about storm preparations and energy conservation.

Employee Volunteerism

In May, 60 JEA employees volunteered in the community, connecting with customers and assisting with numerous nonprofit projects and activities.



From volunteering at the Jacksonville Jazz Festival to serving meals with Feeding Northeast Florida, JEA employees gave generously of their time and talents for the benefit of our community.

Additional community groups that benefited from the assistance of JEA employee volunteers included Aging True’s Cathedral Terrace Café, Rethreaded, ReStore, New to You, Hope at Hand, Berry Good Farms, the Barnabas Food Pantry,

Catty Shack Ranch Wildlife Sanctuary, PACE Prom Boutique and the Clara White Miracle on Ashley Street. Volunteers also assisted at several events, including the “Very Special Arts” (VSA) Festival and the USO’s No Dough Dinner.

JEA employees take great pride in the Ambassador and Volunteer programs, which are a tangible demonstration for our customers and our community of the “Heart of JEA.”

Communications Contacts* Generated Year to Date	123,316,609
• Number of Paid Communications Contacts (Radio, Television, Out of Home, Online, Print)	83,921,424
• Number of Other Communications Contacts (Bill Insert, Bill Envelop, Brochure, etc.)	8,661,400
• Number of E-communications Contacts (jea.com Visitors, Email, Social Media, Videos)	30,040,422
• Number of Community Engagement Communications Contacts (Events, Public Speaking, Presentations, Training, Workshops, etc.)	693,297

*Communications Contacts are the opportunities JEA has to communicate information to our customers.