

JEA BOARD MEETING AGENDA

March 23, 2021 • 9:00 a.m.

JEA 21 West Church Street, Jacksonville, FL 32202



| | | | | |
|------|---|---|--|----------------------------------|
| I. | WELCOME | | | |
| | A. | Call to Order | | |
| | B. | Time of Reflection | | |
| | C. | Introductions | | |
| | D. | Adoption of the Agenda – Action | | |
| | E. | Safety Moment & Briefing – Anthony Long, Director Health & Safety Services and Brandon Edwards, Director Security | | |
| II. | COMMENTS / PRESENTATIONS | | | |
| | Item(s) | | Speaker/Title | |
| | A. | Council Liaison’s Comments | Council Member Randy DeFoor | |
| | B. | Comments from the Public | Public | |
| | C. | Managing Director/CEO Report | Jay Stowe, Managing Director/CEO | |
| III. | CONSENT AGENDA | | | |
| | Definition: 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. | | | |
| | Item(s) | | Discussion Action/Information | |
| | A. | Board Meeting Minutes February 25, 2021 | Action | |
| IV. | FOR BOARD CONSIDERATION | | | |
| | Item(s) | | Speaker/Title | Discussion Action/Information |
| | A. | Monthly Financial and Operations Report | | |
| | 1. | Finance | Juli Crawford, Director, Financial Planning & Analysis | Information |
| | 2. | Electric Systems | Ricky Erixton, VP Electric Systems | |
| | 3. | Water/Wastewater | Hai Vu, VP W/WW Systems | |
| | 4. | Customer Experience | Sheila Pressley, Chief Customer Officer | |
| | 5. | Monthly FY21 Corporate Communications and Community Outreach | David Goldberg, Director, Customer & Community Engagement | |
| | 6. | Monthly Financial Statements | Information Only | |
| | B. | Integrated Water Resource Plan (IWRP) | Hai Vu, VP W/WW Systems Robert Zammataro, Director, W/WW Planning & Development | Information |
| | C. | Water Conservation Month | Wayne Young, VP Environmental Services | Action |

| | | | | | |
|-------|-----------------------------|---|---|---|-----------------------------------|
| | D. | FY2020 Annual Disclosure Reports | | Joe Orfano, Interim VP Financial Services and Treasurer | Information |
| | E. | Extreme Weather Response | | Ricky Erixton, VP Electric Systems Garry Baker, Sr Director, Energy Operations | Information |
| V. | BOARD AND COMMITTEE REPORTS | | | | |
| | Item(s) | | | Speaker/Title | Discussion/Action/ Information |
| | A. | Finance and Audit Committee Report | | Marty Lanahan, Chair | Information |
| | | 1. | Approval of Revisions to JEA Energy Market Risk Management (EMRM) Policy | | Action |
| | B. | Nominating Committee | | John Baker, Chair | |
| | | 1. | Approval of Board Officers | | Action |
| VI. | OTHER BUSINESS | | | | |
| | Item(s) | | | Speaker/Title | |
| | A. | Old Business | | | |
| | B. | Other New Business | | | |
| | C. | Open Discussion | | | |
| | D. | Chair’s Report | | John Baker, Chair | |
| VII. | CLOSING CONSIDERATIONS | | | | |
| | Item(s) | | | | |
| | A. | Announcements – Next Board Meeting April 27, 2021 | | | |
| | B. | Adjournment | | | |
| VIII. | UPCOMING BOARD AGENDA ITEMS | | | | |
| | Item(s) | | | | |
| | A. | Approval of Annual Disclosure Reports | | | |
| | B. | Plant Vogtle Consultant Report | | | |
| | C. | Residential Customer Satisfaction Survey Results | | | |
| | D. | Procurement Code Policy | | | |
| IX. | ROUTINE REPORTS | | | | |
| | Item(s) | | | | Discussion Action/Information |
| | Appendix A: | Corporate Headquarters Update | | | Information |

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.

Board Calendar

Board Meetings

9:00 a.m. – Fourth Tuesday of Every Month (exception(s): November 16, 2021 and December 14, 2021)

Committees

- Finance & Audit Committee: March 12, 2021
- Governance Committee Meeting: May 6, 2021
- Board of Directors Planning Retreat: July 27, 2021 (Immediately Following Regular Board Meeting)
- Other Committee Meetings: TBD

A. Florida's Government in the Sunshine Law (Office of General Counsel) - This meeting is subject to Florida's Government in the Sunshine Law, §286.011, Florida Statutes, and shall be open to the public at all times.

B. 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.



Safety Moment and Briefing

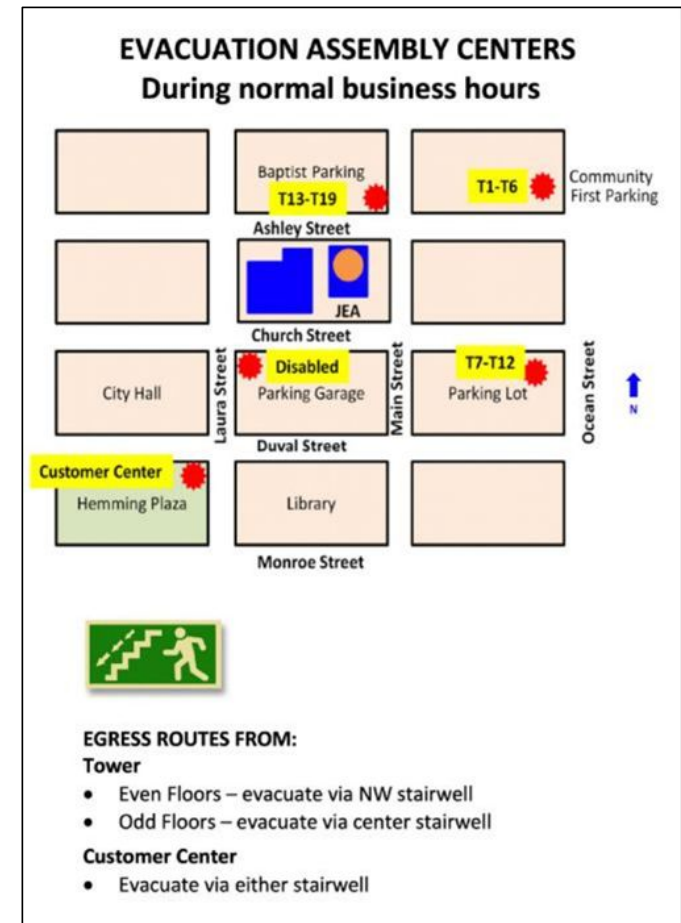
Tony Long
Director, Safety and Health Services

Brandon Edwards
Director of Security



Safety Briefing

- In the event of an emergency, call 9-911 and alert others
- Emergency Evacuation Route (use stairwell)
- Assembly Location: Baptist Parking Garage (corner of Ashley & Main St.)
- Safety Partner (person to your right)
- Medical Conditions / CPR
- Hazard & Situational Awareness
- Cell Phone Etiquette



Safety Moment

Employee Vigilance through the **Power of Hello**

Alert employees can spot suspicious activity and report it



OBSERVE

Stay vigilant of your surroundings



INITIATE A HELLO

Acknowledging a risk can deter a potential threat



NAVIGATE THE RISK

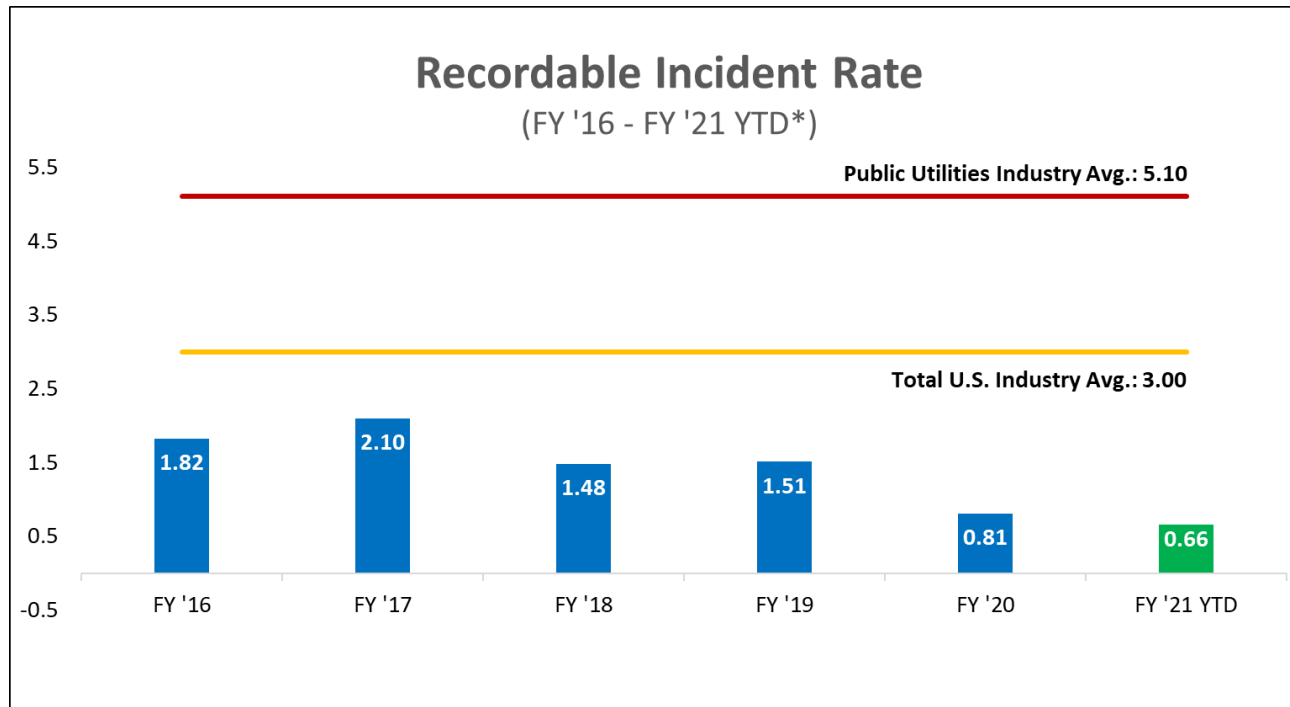
Determine if the behavior you observed is threatening or suspicious



OBTAIN HELP

Obtain help from management or authorities

Safety Performance Update



Recordable Incident Rate = [No. of OSHA Recordable Injuries ÷ Hours Worked] x 200,000



1st Place Awards
2020
Safety Performance



* Incident rates valued as of March 5, 2021

Safety Recognition

Electric Generating Predictive Maintenance Team:

L to R: Tony Cadle, Marty Nelson, Terry Baker & Nate Griffin



13-years without a recordable injury - Congratulations!!!



JEA BOARD MINUTES**February 25, 2021**

The JEA Board met in regular session on Thursday, February 25, 2021, on the 19th Floor, 21 W. Church Street, Jacksonville, Florida. Pursuant to City of Jacksonville Emergency Proclamation, attendees were required to wear masks, CDC guidelines and social distancing were required at the physical location, and the meeting was also accessible via WebEx. In attendance physically were John Baker, Dr. Leon Haley, Marty Lanahan, and Bobby Stein. Also in attendance was Jody Brooks, Office of General Counsel and Jay Stowe. Dr. Zachary Faison, General Joseph DiSalvo, and Tom VanOsdol participated in the meeting via WebEx.

Agenda Item I – Welcome

- A. Chair John Baker **called the meeting to order** at 9:00 am.
- B. **Time of Reflection** was observed by all.
- C. **Introductions** – Chair Baker recognizing there were no introductions to be made proceeded with the business of the meeting.

While waiting on quorum the order of the agenda was changed with agenda item I.E being presented prior to the adoption of the agenda.

- D. **(I. E.) Safety Briefing and Moment** – Anthony Long, Director Health and Safety Services, provided a presentation to include a Safety Briefing for those that attended the Board meeting in person. Jackie Scheel, Director Water/Wastewater Reuse Delivery & Collection presented the Safety Moment on traffic and vehicle safety. Ms. Scheel explained the pre-trip vehicle inspection, the Move Over Law for utility workers, and provided other safe driving tips. Mr. Long concluded the presentation with a safety performance update and recognizing the Buckman Water Reclamation Facility for going five years without an OSHA defined recordable injury.

Dr. Haley joined the meeting in person at 9:08 am.

- E. **(I. D.) Adoption of Agenda** – On *motion* by Marty Lanahan and seconded by Bobby Stein, the agenda was approved unanimously.
- F. **Sunshine Law/Public Records Statement** – Jody Brooks, Office of General Counsel (OGC), reaffirmed this Board Meeting is being held in compliance JEA's By-Laws and with Florida's Government in the Sunshine Law §286.011 which complete statement can be found in Section 1F. Ms. Brooks confirmed the meeting was duly noticed, and there was a quorum of Board members present in the room, and minutes would be taken and published.

Agenda Item II – Comments / Presentations

- A. **Council Liaison's Comments** – N/A

B. Comments from the Public –

Valerie Gutierrez – Addressed legislation 2020-529 on early retirement to include JEA employees. Ms. Gutierrez provided feedback that she received from current employees concerning taking advantage of the early retirement opportunity.

No virtual or emailed public comments.

C. Managing Director/CEO – Jay Stowe, Managing Director/CEO began his report by thanking Ms. Gutierrez for her comments and her service. Mr. Stowe stated Staff continues to make changes in the Board process and gave a heads up that the Finance and Audit Committee meeting would be coming up on March 12, and there would be topics on that agenda that will turn into a lot of work coming up in the next few months with the Board. Mr. Stowe went on to say that he spent a lot of time listening to understand what topics are important and he continues to focus on the three priorities: (1) COVID response (2) develop the Leadership Team (3) Water and Wastewater capital plan. Mr. Stowe then provided updates on the status of those three priorities. Mr. Stowe outlined the new Leadership Team, providing details on the new organizational structure and his plans to continue to fill roles to complete the team.

Mr. Stowe thanked Chair Baker for his participation in the Rating Agency meetings. In addition, Mr. Stowe discussed the Texas weather situation and their climate similarities to Jacksonville which prompted Staff to meet to discuss current emergency preparedness plans and will be kicking off a new task force focused on resiliency beyond hurricanes that will be led by the new Chief Strategy Officer.

Mr. Stowe revisited his discussion on Septic Tank Phase Out from last month's meeting and provided an update on the program with JEA and the City contributing additional funds. Mr. Stowe stated Staff will open negotiations with the Unions to discuss the pension legislation and provided details on the change of potential impact on the workforce which Staff thinks can be managed.

Mr. Stowe concluded his report by reiterating how proud he is to be a part of the JEA team and announced that after years of being out, the JEA light on the building will be fixed and turned back on letting people know that JEA is back.

Agenda Item III. Consent Agenda

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.

On ***motion*** by Marty Lanahan and seconded by Dr. Haley, the following agenda item was unanimously approved.

A. Board Meeting Minutes of January 28, 2021 – approved

Agenda Item IV. For Board Consideration**A. Monthly Financial and Operations Report**

1. **Finance** – Joe Orfano, Interim VP Financial Services referencing material provided to the Board in advance of the meeting, presented detailed updates on electric and water sales, financial forecast, pay for performance metrics, key financial metrics, combined outstanding debt, and rate comparisons for utilities in Florida.
2. **Electric Systems** – Ricky Erixton, Interim General Manager Electric Systems, referencing materials provided to the Board in advance of the meeting, presented an Electric Systems update to include the operations scorecard where he focused on the metric that is not green (SAIDI metrics). Mr. Erixton's update also included generating fleet reliability, environmental compliance, electric service reliability, power quality, CEMI-5, and other operational metrics. Mr. Erixton stated that metrics are a rolling 12 month average and expects them to improve in March when last February's metrics roll off.
3. **Water/Wastewater** – Hai Vu, Interim General Manager Water/Wastewater, referencing materials provided to the Board in advance of the meeting, presented the water/wastewater operations scorecard focusing on the remaining metrics not covered by the finance report and safety report. Mr. Vu provided detailed updates on system reliability, YTD System Consumption Use Permit, and the health of wastewater system.

This agenda item was received for information only.

- B. **Customer Experience Team Initiatives** – Sheila Pressley, Interim Customer Officer, began her presentation by stating that efforts are underway to reverse the unfavorable trend in customer satisfaction, as measured by the JDP Customer Service Satisfaction Survey, and Staff is listening to customers prioritizing improvements that are most important to them. Ms. Pressley provided examples of feedback from customers on what JEA is doing well and what JEA can improve on. Ms. Pressley also presented the relative movement of the most improved brands in overall satisfaction in 2018-2019 and provided updates on the customer experience team initiatives.

Ms. Pressley stated as long as there is continued focus on the critical areas, as well as others areas that were presented, there will be meaningful shifts in brand reputation and customer satisfaction results. Ms. Pressley concluded her presentation by highlighting the water/wastewater system operations and favorable customer response from a small business customer.

This agenda item was received for information only.

- C. **Rating Agency Presentation** – Joe Orfano, Interim VP Financial Services, opened the presentation by thanking Chair Baker for his involvement in the meetings with the Rating agencies. Mr. Stowe provided opening remarks with an overview of the beginning of the presentation flow to the rating agencies: highlights of Electric

System and Water/Wastewater System, Board member information, governance, economic snapshot and service territory. Mr. Orfano provided an overview of the financials portion of the presentation: historical financial metrics, debt management, financial results, unit sales, residential rates, financial projections and capital needs and funding sources for both the electric and water/wastewater systems.

Mr. Stowe stated that every dollar translates into something for our customers and Staff understands the impact of building projects to customers. Mr. Stowe also provided an overview of CO2 Emissions and JEA's environmental impact. Mr. Orfano concluded the presentation with an update on Plant Vogtle's Unit 3 & 4 and JEA's continued demonstration of consistently superior financial and operational performance.

This agenda item was received for information only.

- D. WateReuse Bill (Surface Water Discharge)** – Wayne Young, Interim Chief Environmental Officer presented the updates on the proposed WateReuse Bills. Mr. Young stated last year two bills were introduced concerning the use of reclaimed water throughout the State of Florida and contained a provision to eliminate nearly all surface water discharge. Mr. Young stated the Bills did not pass into law, however in anticipation of the Bills being reintroduced Staff began an early campaign to the legislative body to share concerns and make recommendations to assuage those concerns. Mr. Young also provided details of the actions Staff has taken thus far. Mr. Young reiterated that JEA does support the intent of the Bills, however the proposed deadlines are infeasible due to technological, economical, and environmental hardships and have requested adjustments. Mr. Young concluded his presentation by providing an update on the amendments in the House and Senate and the provisions to address potential hardships due to Bills implementation.

This agenda item was received for information only.

Agenda Item V – Board and Committee Reports

- A. N/A

Agenda Item VI– Other Business

- A. **Old Business** – None
- B. **Other New Business** – None
- C. **Open Discussion** – None
- D. **Chair's Report** – None

Agenda Item III – Closing Considerations

- A. **Announcements** – Jay Stowe announced that Dr. Faison, with the Mayor, is opening a new COVID vaccine site at Edward Waters College to serve the community.

Next Board Meeting March 23, 2021

JEA Board Minutes

February 25, 2021

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B. Adjournment

With no further business claiming the attention of the Board, Chair John Baker adjourned the meeting at 10:43am.

APPROVED BY:

SECRETARY

DATE: _____

Board Meeting recorded by:

Madricka Jones, Executive Staff Assistant



Monthly Financial and Operations Report

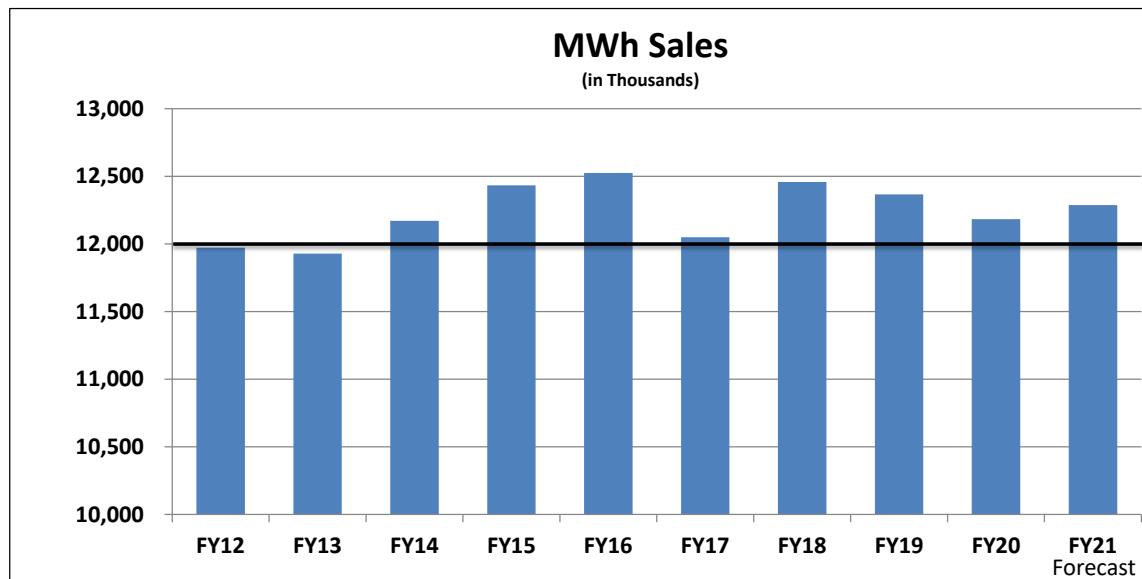
Board of Directors

*Juli Crawford
Director, Financial Planning & Analysis*



March 23, 2021

JEA Electric System MWh Sales



Unit Sales Driver: Residential unit sales are up 11.5%, due to a significant increase in degree days YTD and supported by 9,706 new customer accounts in the past twelve months.

| YTD Customer Accounts | | |
|-----------------------|---------|------|
| FY20 | FY21 | % |
| 481,934 | 491,640 | 2.0% |

| YTD Degree Days | | | |
|-----------------|-------|-------|-----|
| 30-yr. Avg. | FY20 | FY21 | Δ |
| 1,441 | 1,291 | 1,503 | 212 |

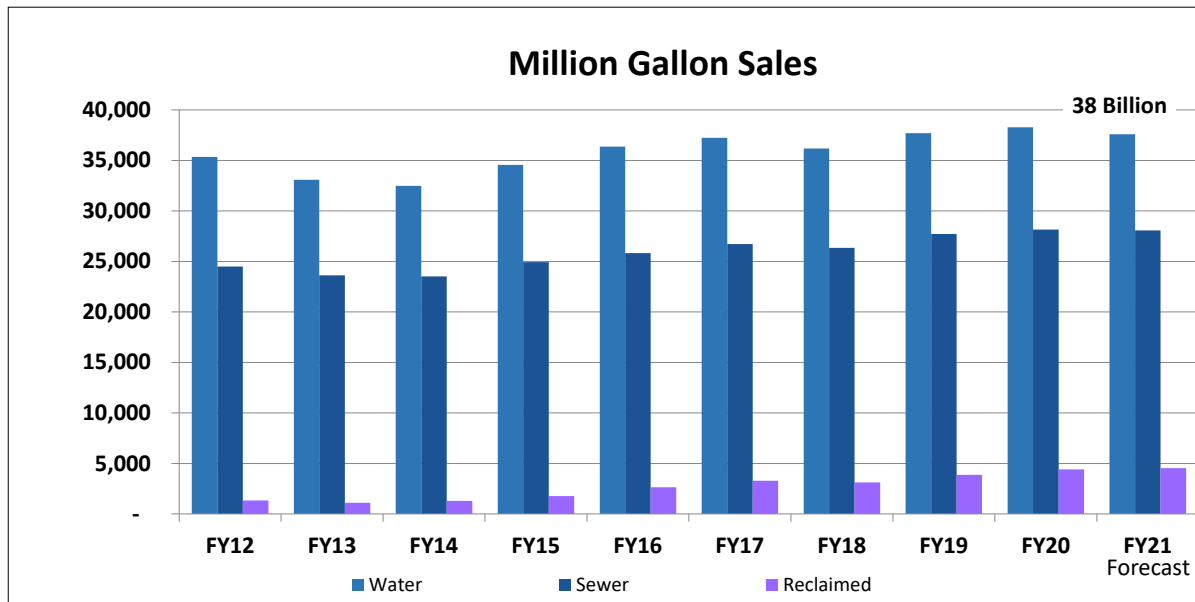
| Month | FY20 | FY21 | % |
|-----------------------|-------------------|-------------------|-------------|
| Oct | 1,051,888 | 1,023,521 | (2.7%) |
| Nov | 825,249 | 855,434 | 3.7% |
| Dec | 935,174 | 1,068,044 | 14.2% |
| Jan | 947,721 | 934,388 | (1.4%) |
| Feb | 828,828 | 858,434 | 3.6% |
| YTD | 4,588,859 | 4,739,821 | 3.3% |
| Mar | 954,440 | | |
| Apr | 854,707 | | |
| May | 1,032,730 | | |
| Jun | 1,117,064 | | |
| Jul | 1,266,372 | | |
| Aug | 1,248,005 | | |
| Sep | 1,122,383 | | |
| Total/Forecast | 12,184,561 | 12,287,599 | |

Forecast = YTD actual plus budget sales for future months

| Total System | 3.3% |
|--------------|--------|
| Residential | 11.5% |
| Commercial | (2.2%) |
| Industrial | (3.9%) |



JEA Water/Wastewater System Million Gallon Sales



Unit Sales Driver: Irrigation unit sales are down 25.6% driven by above average rain days YTD.

| YTD Customer Accounts | | |
|-----------------------|---------|------|
| FY20 | FY21 | % |
| 360,938 | 369,892 | 2.5% |

| YTD Rain | | | |
|----------|-------------|------|------|
| | 30-yr. Avg. | FY20 | FY21 |
| Inches | 15 | 16 | 16 |
| Days | 38 | 39 | 53 |

| Month | FY20 | FY21 | % |
|-----------------------|---------------|---------------|---------------|
| Oct | 3,294 | 3,041 | (7.7%) |
| Nov | 2,949 | 2,753 | (6.6%) |
| Dec | 2,934 | 2,914 | (0.7%) |
| Jan | 2,943 | 2,824 | (4.0%) |
| Feb | 2,642 | 2,389 | (9.6%) |
| YTD | 14,763 | 13,922 | (5.7%) |
| Mar | 3,429 | | |
| Apr | 3,068 | | |
| May | 3,990 | | |
| Jun | 3,135 | | |
| Jul | 3,642 | | |
| Aug | 3,235 | | |
| Sep | 3,010 | | |
| Total/Forecast | 38,272 | 37,596 | |

Forecast = YTD actual plus budget sales for future months

| Total System | (5.7%) |
|--------------|---------|
| Residential | (1.3%) |
| Commercial | (3.7%) |
| Irrigation | (25.6%) |

JEA Electric System Financial Forecast

Current Year Forecast

Revenues

- May 2020 \$24 million customer fuel credit, and higher unit sales results in a \$34 million variance

Expenses

- Increased fuel expenses due to higher projected fuel prices
- \$2 million higher O&M in FY21

Debt/Debt Service/Capital

- Budget basis: FY20 early debt retirement funded with prior years' funds and debt management rate stabilization
- \$107 million Early Debt Retirement from capital balances
- FY21 100% CAPEX funded with current year revenues

| \$ in millions ¹ | FY20 Actual | FY21 Forecast | Δ |
|-------------------------------------|----------------|------------------|--------------|
| Unit Sales - MWh | 12,184,561 | 12,287,599 | 103,038 |
| Current Year Revenues | \$1,169 | \$1,203 | \$34 |
| Prior Period - Budget Basis | \$25 | \$107 | \$82 |
| Total Revenues | \$1,194 | \$1,310 | \$116 |
| Fuel Expense | \$343 | \$406 | \$63 |
| O&M ¹ | \$218 | \$220 | \$2 |
| Non Fuel Purchased Power | \$72 | \$68 | (\$4) |
| Transfer to / (from) Fuel Reserve | \$26 | (\$11) | (\$37) |
| Net Revenues | \$535 | \$627 | \$92 |
| Total Debt Service | \$133 | \$126 | (\$7) |
| City Contribution | \$94 | \$94 | \$0 |
| R&R and OCO | \$283 | \$300 | \$17 |
| Early Debt Retirement | \$55 | \$107 | \$52 |
| Debt Mgmt Rate Stabilization | (\$30) | \$0 | \$30 |
| Other Expenses ² | \$0 | \$0 | \$0 |
| Balance | \$0 | \$0 | \$0 |
| Capital Expenditures (\$197 target) | \$194 | \$188 | (\$6) |



¹Includes DSM and Environmental Expenses

²Includes DSM and Environmental stabilization transfers, emergency reserve, uncollectibles, PSC fees and other debt financing costs

JEA Water/Wastewater System Financial Forecast

Current Year Forecast

System Sales Revenues

- \$5 million lower due to unit sales

Expenses

- O&M expenses are stable

Debt/Debt Service/Capital

- Debt service lower in FY21 due to early debt retirement extended through FY22
- Note: FY20 early debt retirement funded with prior years' funds and debt management rate stabilization on a budget basis
- FY21 CAPEX currently forecasted at \$258 million, funded with current year revenues and up to \$21 million of new debt

| Unit sales in million gallons \$ in millions | FY20 Actual | FY21 Forecast | Δ |
|---|----------------|------------------|---------------|
| Unit Sales – Water | 38,272 | 37,596 | (676) |
| Unit Sales – Sewer | 28,160 | 28,073 | (87) |
| Unit Sales – Reclaim | 4,427 | 4,531 | 104 |
| System Sales Revenues | \$454 | \$449 | (\$5) |
| Other Revenues ¹ | \$50 | \$48 | (\$2) |
| Prior Period – Budget Basis Capital | \$34 | \$0 | (\$34) |
| Total Revenues | \$538 | \$497 | (\$41) |
| O&M | \$171 | \$167 | (\$4) |
| Net Revenues | \$367 | \$330 | (\$37) |
| Total Debt Service | \$72 | \$59 | (\$13) |
| City Contribution | \$28 | \$27 | (\$1) |
| R&R and OCO | \$213 | \$237 | \$24 |
| Early Debt Retirement | \$48 | \$0 | (\$48) |
| Debt Mgmt Rate Stabilization | (\$14) | \$0 | \$14 |
| Other Expenses ² | \$11 | \$7 | (\$4) |
| Balance | \$9 | \$0 | \$9 |
| Capital Expenditures (\$297 target) | \$189 | \$258 | \$69 |



¹Includes Capacity Fees and Other Income

²Includes uncollectibles, Environmental stabilization transfers, emergency reserve, other debt financing costs and interlocal agreements

FY 2021 Pay for Performance Program Corporate Performance Factors

Safety

0.66 YTD

| | |
|----------------|-----------|
| Does Not Meet | RIR > 1.4 |
| Meets | RIR ≤ 1.4 |
| Exceeds | RIR ≤ 1.2 |

Customer Satisfaction

Residential

4th Quartile

| | |
|----------------------|--|
| Does Not Meet | ≤ 2 nd Quartile |
| Meets | > 2 nd Quartile |
| Exceeds | ≥ 50 th %tile of 1 st Quartile |

Commercial

4th Quartile

| | |
|----------------------|----------------------|
| Does Not Meet | < Top Ten Nationally |
| Meets | Top Ten Nationally |
| Exceeds | #1 Nationally |

Cost Control

(Forecast as of Feb-2021)

Electric

\$49.08/MWh

| | |
|----------------|----------------|
| Does Not Meet | cost > \$53.51 |
| Meets | cost ≤ \$53.51 |
| Exceeds | cost ≤ \$52.75 |

Water

\$5.21/Kgal

| | |
|---------------|----------------------|
| Does Not Meet | cost > \$5.31 |
| Meets | cost ≤ \$5.31 |
| Exceeds | cost ≤ \$5.20 |

Wastewater

\$8.95/Kgal

| | |
|----------------|----------------|
| Does Not Meet | cost > \$10.24 |
| Meets | cost ≤ \$10.24 |
| Exceeds | cost ≤ \$9.95 |

Current status of
Performance Factors
would result in a
payout of **3.0%** of
base salaries.



All participants shall be eligible for the same percentage of payout based on the achievement of the metrics, not to exceed 5% of base salary.
Achievement Value for each of the six corporate performance factors is 0.5% for meets target, and 0.83% for exceeds target.

Key Financial Metrics

| Electric System | FY21 YTD | FY21 Forecast | Target | Result | Moody's |
|---------------------------|----------|---------------|-----------------|--------|-------------------|
| Debt Service Coverage | 4.8x | 5.1x | ≥ 2.2x | ✓ | 2.2x ¹ |
| Days Liquidity | 376 | 314 | 150 to 250 days | ✓ | 254 ¹ |
| Days Cash on Hand | 203 | 148 | N/A | ✓ | 229 ¹ |
| Debt/Asset % | 60% | 52% | 50% | ✓ | 47% ¹ |
| Moody's/S&P/Fitch Ratings | A2/A+/AA | | | | A2 |

¹ Fiscal 2019 medians by public power utility – Top 30 City Owned Generators (By Debt Outstanding – Aa-rated). Moody's Sector In-Depth – Public Power Utilities – US, 2020-12-04.

| Water/Wastewater System | FY21 YTD | FY21 Forecast | Target | Result | Moody's |
|---------------------------|------------|---------------|-----------------|--------|-------------------|
| Debt Service Coverage | 5.7x | 5.7x | ≥ 1.8x | ✓ | 2.4x ² |
| Days Liquidity | 397 | 359 | 150 to 250 days | ✓ | - |
| Days Cash on Hand | 224 | 197 | N/A | ✓ | 504 ² |
| Debt/Asset % | 41% | 41% | 50% | ✓ | - |
| Moody's/S&P/Fitch Ratings | Aa3/AA+/AA | | | | Aa3 |

² Moody's Water and Sewer Utilities - 2018 medians US combined water and sewer utilities by rating category, Aa-rated. Moody's Sector in Depth – Water and Sewer Utilities – US, 2020-05-19.



Combined Debt Outstanding

Electric System (ES, BPSS, SJRPP)

- Debt outstanding: \$1,882, \$81 lower due to October 1st principal payments
- Unhedged Variable Rate Debt is planned to be reduced by \$78 million in FY21
- Total Debt is planned to be reduced in FY21 by \$287 million from \$1,963 to \$1,676

Water/Sewer System

- Debt outstanding: \$1,241, \$20 lower due to October 1st principal payments
- Variable rate debt: \$253 million, \$153 unhedged

JEA Combined

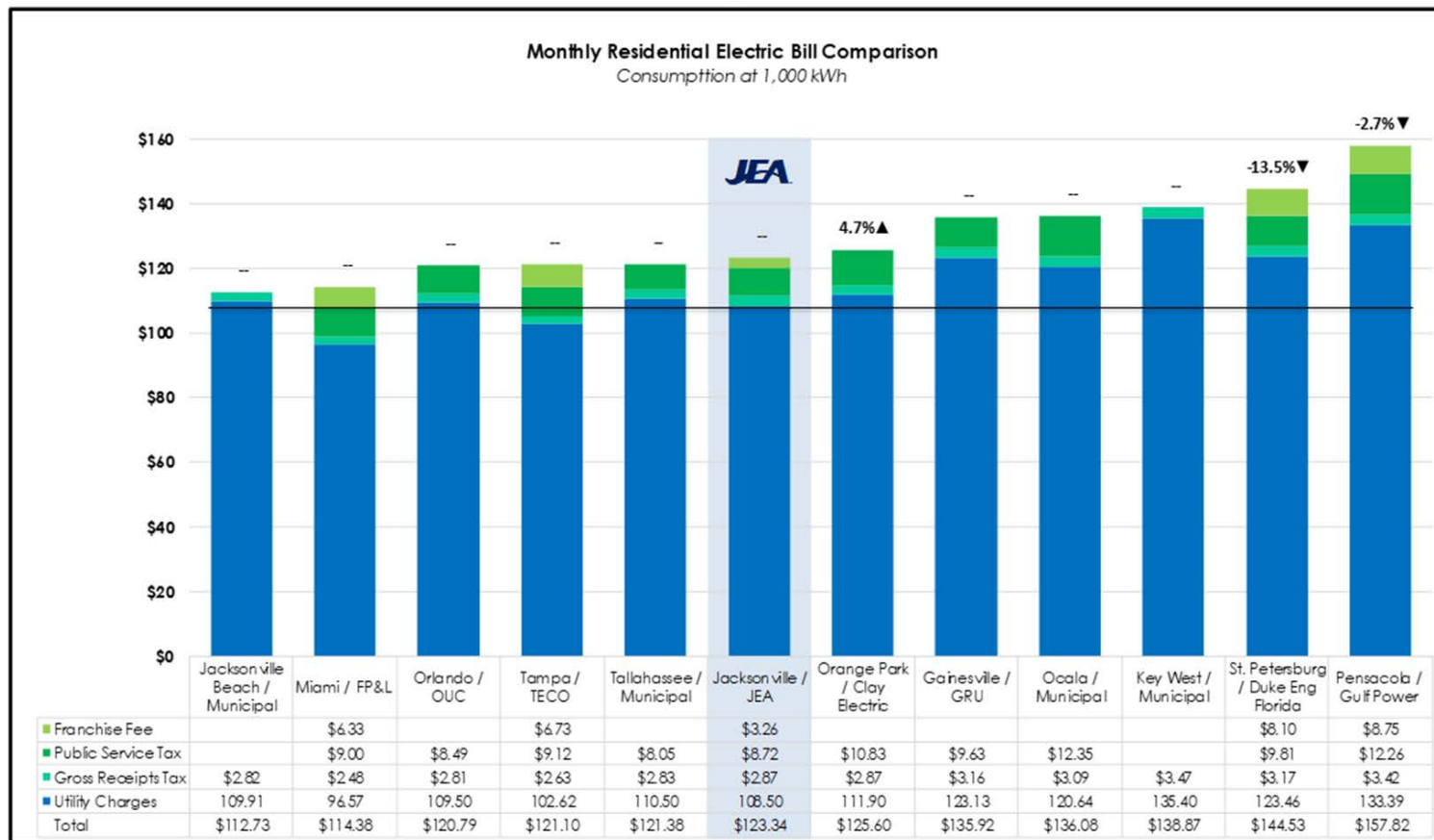
- Total Debt is projected to be reduced by \$309 million in FY21 from \$3,257 to \$2,948

| (\$ in millions) | Principal Sep 2020 | Principal Feb 2021 | Change | Feb 2021 Weighted Average Interest Rates |
|--|-----------------------|-----------------------|----------------|--|
| Electric System (ES) | | | | |
| Fixed rate bonds | \$1,022 | \$967 | (\$55) | 3.96% |
| Hedged variable rate bonds | 406 | 403 | (3) | 4.45% |
| Unhedged variable rate bonds | 181 | 178 | (3) | 0.70% |
| Revolving credit agreement | -- | -- | -- | -- |
| Total | \$1,609 | \$1,548 | (\$61) | 3.73% |
| Bulk Power Supply System (BPSS) | | | | |
| Fixed rate bonds | \$89 | \$82 | (7) | 3.89% |
| Total | \$89 | \$82 | (7) | 3.89% |
| (St. John's Power Park) SJRPP | | | | |
| Fixed rate bonds | \$265 | \$252 | (\$13) | 3.95% |
| Revolving credit agreement | -- | -- | -- | -- |
| Total | \$265 | \$252 | (\$13) | 3.95% |
| Combined ES, BPSS and SJRPP | \$1,963 | \$1,882 | (\$81) | 3.76% |
| Water and Sewer System | | | | |
| Fixed rate bonds | \$997 | \$988 | (\$9) | 3.93% |
| Hedged variable rate bonds | 104 | 95 | (9) | 4.50% |
| Unhedged variable rate bonds | 155 | 153 | (2) | 0.58% |
| Revolving credit agreement | 5 | 5 | -- | 1.27% |
| Total | \$1,261 | \$1,241 | (\$20) | 3.58% |
| District Energy System | | | | |
| Fixed rate bonds | \$33 | \$31 | (\$2) | 4.27% |
| Total | \$33 | \$31 | (\$2) | 4.27% |
| Total JEA Debt | \$3,257 | \$3,154 | (\$103) | 3.69% |

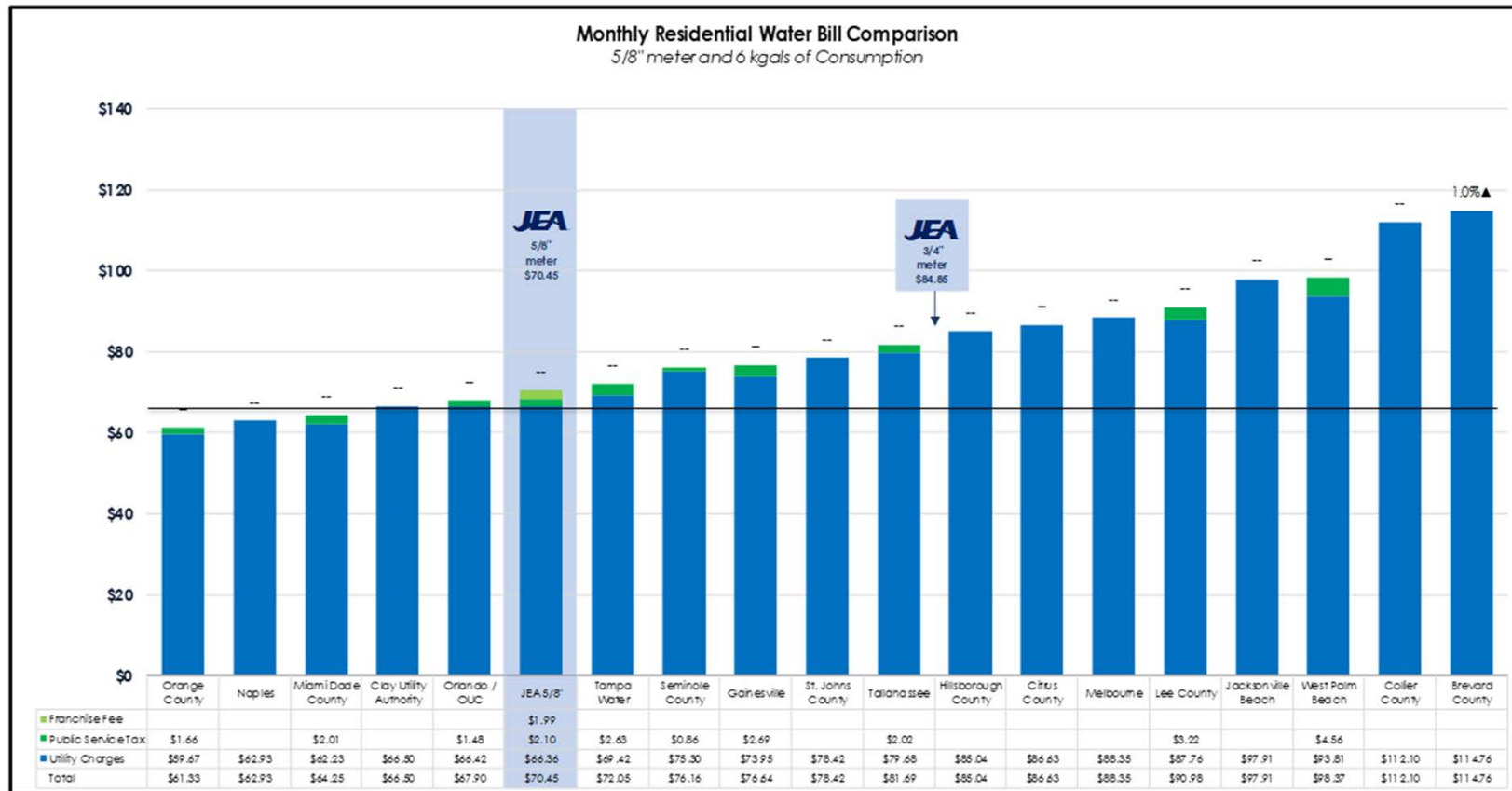


Interest rates are net of BABs subsidy, original issue premiums / discounts and includes variable debt liquidity / remarketing fees and interest rate swap payments.

Florida Utilities Monthly Bill Comparison - Electric



Florida Utilities Monthly Bill Comparison – Water/Wastewater



JEA currently has approximately 120,000 5/8" meters and 160,000 3/4" meters











Electric System Update

Ricky Erixton
VP Electric Systems



Operations Scorecard Electric System

| Electric System | FY2020 | FY2021 Goal | FY2021 | Status |
|---|--------|--------------|--------------|---|
| JEA Safety RIR (total JEA) | 0.81 | 1.2 - 1.4 | 0.66 |  |
| Sales Forecast (million MWh) | 12.2 | 12.2 | 12.29 |  |
| T&D Grid Performance Customer Outage | | | | |
| SAIFI Frequency (outages/year per customer) | 1.4 | 1.4 - 1.6 | 1.4 |  |
| SAIDI Duration (minutes/year per customer) | 89 | 75 - 80 | 78 |  |
| SARFI-80 (low voltage events/year per meter) | 41 | 45 | 37 |  |
| CEMI ₅ (% of customers > 5 outages/year) | 0.25% | 0.80% | 0.22% |  |
| Generating Plant Performance | | | | |
| Generation Fleet Reliability (forced outages rate) | 2.31% | 2.25% – 2.5% | 1.61% |  |
| Environmental Compliance (permit exceedances) | 1 | <4 | 0 |  |

Significant Occurrences or Concerns This Month

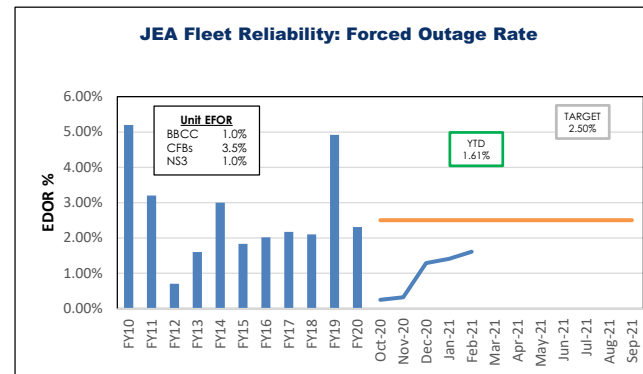
- **Reliability Metrics:** Metrics improved due to February 2020 rolling off , which was one of the worst metric reporting months in JEA metrics history.
- **CEMI₅:** Current reliability at 0.22% with 1,063 of 490,432 customers served experienced more than 5 outages in the last 12 months.
- **Environmental Permit Exceedances:** Electric Systems has not experienced any environmental permit exceedances in FY21.
- **EFOR:** The JEA Fleet Forced Outage Rate is currently at 1.61%.

FY2021 Electric System Update

| Generating Plant Performance | Metric | FY2019 | FY2020 | FY2021 Target | FY2021 |
|------------------------------|---------------------|--------|--------|---------------|--------|
| Generation Fleet Reliability | Forced Outages Rate | 4.9% | 2.31% | 2.25% - 2.50% | 1.61% |
| Environmental Compliance | Permit Exceedances | 0 | 1 | 4 | 0 |

Generating Fleet Reliability

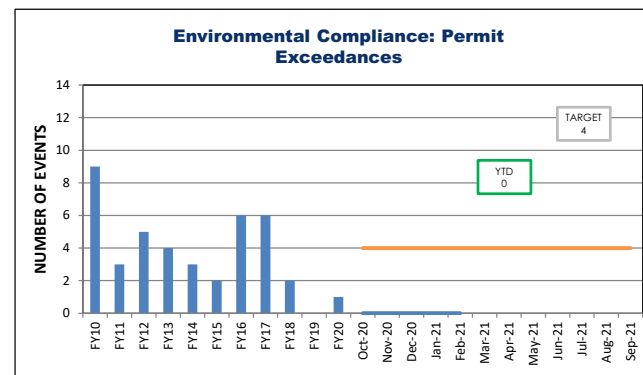
The JEA Fleet Forced Outage Rate is currently at 1.61% in February due to a unit forced outage and corresponding derate of approximately 50 mw/hour, starting February 11th and currently still in effect, on NGS U2. This forced outage and derate are due to a failed oil cooler line on the U2 Main Transformer.



Environmental Compliance

Electric Systems has not experienced any environmental permit exceedances in FY21

JEA remains actively engaged in preparing for all new and emerging environmental regulations



FY2021 Electric System Update

Electric Service Reliability

Outage frequency and duration have been reduced significantly over the last 10 years; running flat over last several years

The typical JEA customer sees 1.4 outages per year and a total outage duration of about 78 minutes

Power Quality

FY21 (37.2) is better than target

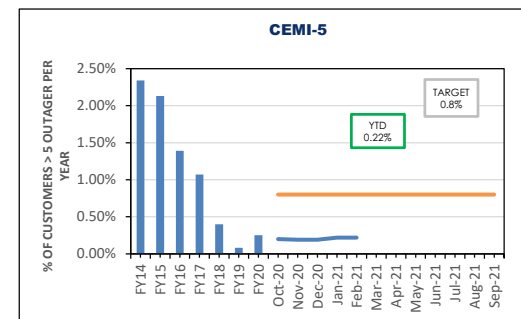
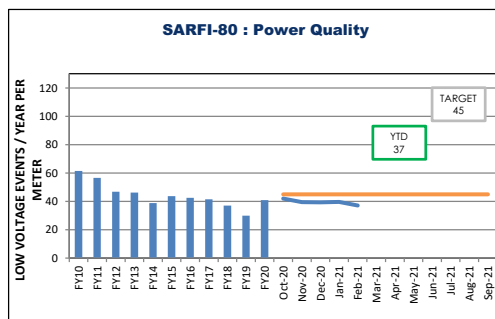
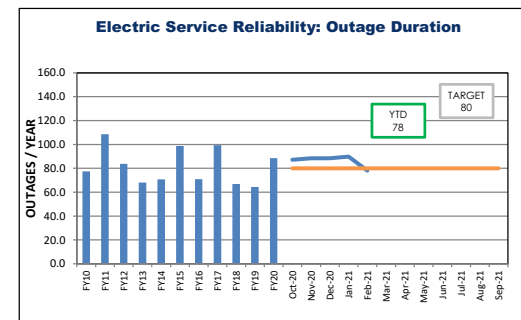
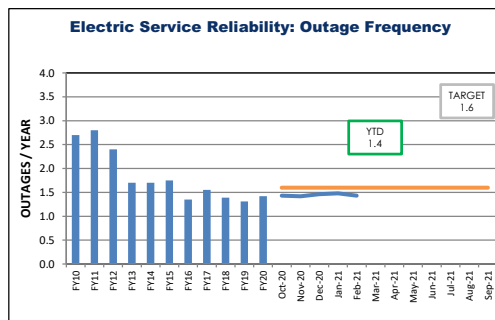
CEMI-5

Improvement trend over past three years for CEMI5. 1,063 (0.22%) of our 490,432 customers have experienced more than 5 outages in the past 12 months

Other Operational Metrics

Continue showing favorable trends over time

| T&D Grid Performance | Metric | FY2019 | FY2020 | FY2021 Target | FY2021 |
|---------------------------|-----------------------------------|--------|--------|---------------|--------|
| Customer Outage Frequency | # of Outages per Year | 1.3 | 1.4 | 1.4 - 1.6 | 1.4 |
| Electric Outage Duration | # of Minutes out per Year | 65 | 89 | 75 - 80 | 78.1 |
| SARFI-80 Power Quality | low voltage events/year per meter | 30.0 | 40.9 | 45.0 | 37.2 |
| CEMI ₅ | % Customers > 5 outages per yr | 0.08% | 0.25% | 0.8% | 0.22% |












Water/Wastewater Update

Hai Vu
VP Water/Wastewater System



Operations Scorecard Water/Wastewater System

| Water & Wastewater | FY2020 | FY2021 Goal | FY2021 | Status |
|------------------------------------|--------|-------------|---------|---|
| JEA Safety RIR (total JEA) | 0.81 | 1.2 | 0.66 |  |
| Sales Forecast (kGals in 1000's) | 38,272 | 38,000 | 37,596 |  |
| Water Unplanned Outages (# cust.) | 15,342 | 6,750 | 3,688 |  |
| CUP Compliance | Yes | Yes | Yes |  |
| Nitrogen to the River (tons) | 299 | 450 | 161 YTD |  |
| Sanitary Sewer Overflows (# SSO's) | 48 | 30 | 19 |  |
| Water Pressure (avg min < 30 psi) | 4.0 | 3.0 | 1.8 |  |

Significant Occurrences or Concerns This Month

- **Unplanned Water Main Outages:** We experienced 149 customers with an unplanned water outage due to 7 water main breaks this month. We had one outage this month that was a result of Third Party Damage, and is not included in this metric.
- **CUP:** Average daily flow of 104 MGD is 27% below CY21 limit of 142 MGD; reclaimed usage at 17 MGD.
- **Nitrogen to River:** FY21 Forecast is 416 tons. JEA has a limit of 683 tons per year and provides the COJ with 37 tons.
- **SSO's Impacting Waters of the US:** YTD: 19 occurrences, 0.36 per 100 miles of pipe. There were a total 4 SSO events in February. One of the SSO events was a result of Third Party Damage, which is not included in this metric. Root cause analysis is performed on each SSO.
- **Water Pressure Average Minutes < 30 psi:** 1.8 YTD. There were no major events during the month of February.



FY2021 Water/Wastewater System Update - System Reliability

Unplanned Water Outages

Percentage of customers affected by unplanned outages

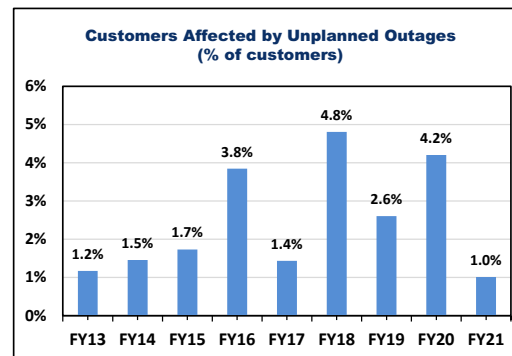
Water Pressure (minutes per month < 30 psi)

Measured by 359 pressure monitoring stations in the distribution system. Pressure must be greater than 30 psi, and is expected to be greater than 50 psi. Regulatory requirement is minimum 20 psi.

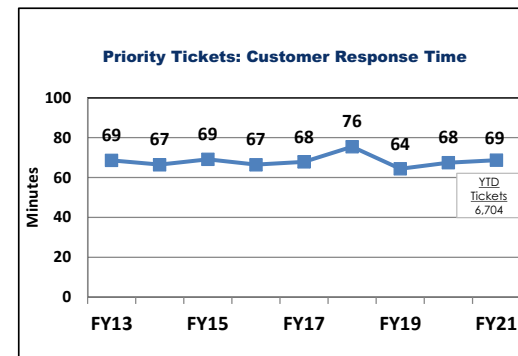
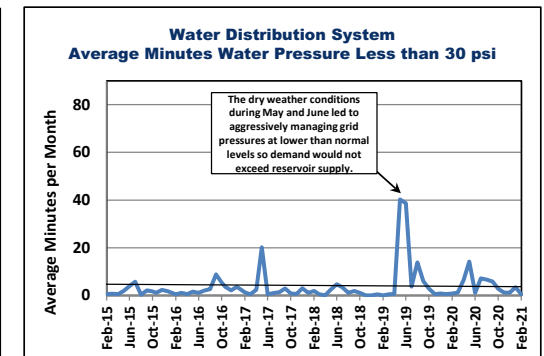
Customer Response Time

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

| Compliance | Metric | 2019 | 2020 | 2021 Target | FY2021 |
|--------------------|-------------------------|-------|--------|-------------|--------|
| Water Main Outages | # of Customers per Year | 9,268 | 15,342 | 6,750 | 3,688 |



*Excludes Third Party Damage



FY2021 Water/Wastewater System Update

Water System Consumption Use Permit St. Johns River Water Management District CUP

YTD CUP Allocation

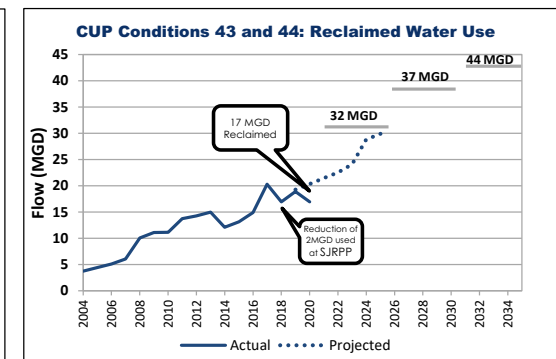
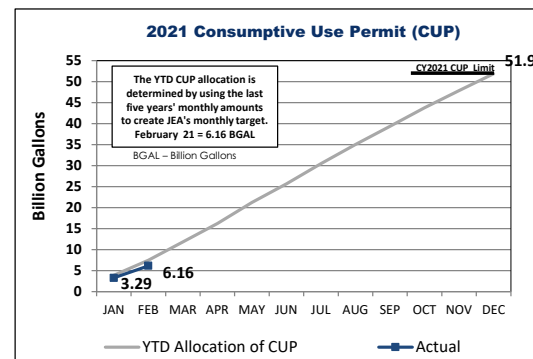
The YTD CUP allocation is determined by using the last five years' monthly amounts to create JEA's monthly target

February 2021 = 6.16 BGAL

Condition 18

YTD average daily flow is 27% below CY limit of 142 MGD

| Compliance | Metric – CY Basis | 2018 | 2019 | 2020 | 2021 Target | CY2021 |
|------------|----------------------------|----------------------|----------------------|----------------------|-------------|--------|
| Water | CUP Limits (MGD) | 112 (135 limit) | 119 (138 limit) | 118 (140 limit) | 142 limit | 104 |
| South Grid | Wellfield Allocation (MGD) | 46.35 (<50.23 limit) | 47.90 (<50.23 limit) | 47.70 (<50.23 limit) | 50.23 limit | 41.10 |
| Reclaim | Usage (MGD) | 17 | 19 | 20 | 21 | 17 |



CUP Condition 50 : South Grid Wellfield Allocation Limits

| Critical Wellfields | Actuals | | | | | | Post Sep-14 Permit Limit |
|-----------------------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------------------------|
| | 2016 | 2017 | 2018 | 2019 | 2020 | YTD 2021 | |
| Deerwood III | 7.88 | 7.64 | 7.17 | 7.18 | 7.17 | 5.45 | 7.00 |
| Ridenour | 7.64 | 6.68 | 6.54 | 6.75 | 6.71 | 6.08 | 6.85 |
| Oakridge | 5.79 | 5.49 | 5.55 | 5.41 | 5.50 | 4.60 | 5.65 |
| Greenland | 4.16 | 3.99 | 4.18 | 4.31 | 4.47 | 4.33 | 4.53 |
| Brierwood | 3.36 | 2.98 | 2.43 | 2.74 | 2.70 | 2.21 | 3.02 |
| Subtotal | 28.83 | 26.78 | 25.87 | 26.39 | 26.54 | 22.67 | 27.05 |
| Other Wellfields | 24.12 | 21.85 | 20.48 | 21.51 | 21.16 | 18.42 | 23.18 |
| Total South Grid | 52.95 | 48.62 | 46.35 | 47.90 | 47.70 | 41.10 | 50.23 |
| Total System ADF MGD | 107 | 114 | 112 | 118 | 118 | 104 | 142 |

FY2021 Water/Wastewater System Update

Wastewater System Environmental Compliance

Sanitary Sewer Outflows

(SSOs to US Waters)

FY04 – FY07: 54/yr average

FY08 – FY20: 34/yr average

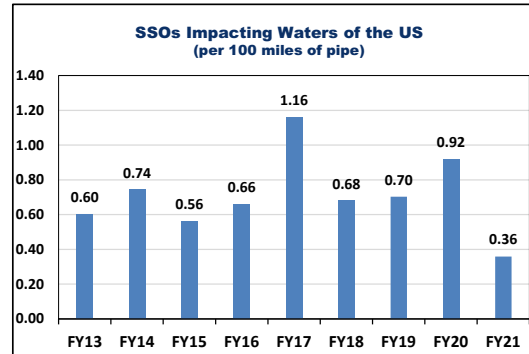
19 SSO's impacting US Waters during FY21

Nitrogen Discharge to St. Johns River

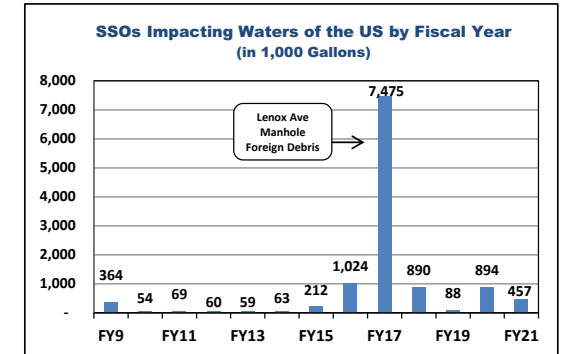
Total Maximum Daily Load (TMDL) Permit Limit is 683 tons (rolling 12 month total)

FY21 projection is 416 tons

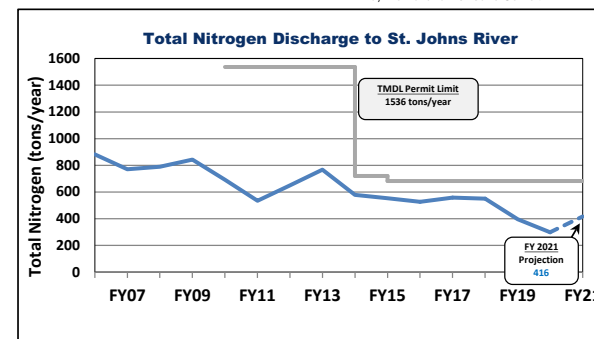
| Compliance | Metric | 2019 | 2020 | 2021 Target | FY2021 |
|------------|--|--------------------|--------------------|-------------|--------|
| Sewer | Nitrogen (N) Tons – FY basis | 397 (TMDL of 683*) | 299 (TMDL of 683*) | 450 | 161 |
| Sewer | SSOs – US Waters (per 100 miles of pipe) | 0.70 | 0.92 | 0.58 | 0.36 |



*Excludes Third Party Damage



*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.





Customer Experience

Focusing On Our Business Customers

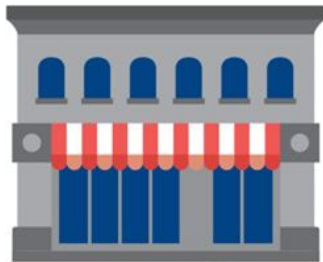
*Sheila Pressley
Chief Customer Officer*



March 2021

Who Are Our Business Customers?

JEA has more than 25,000 commercial customers, which represent around five percent of JEA's customer base – yet account for nearly half of JEA's revenue.




JEA partnered with
92
Jacksonville
Small and Emerging
Businesses in 2020.

JEA'S TOP 10 COMMERCIAL CUSTOMERS

| |
|--|
| US NAVY PUBLIC WORKS CTR |
| CMC STEEL US LLC |
| DUVAL CO SCHOOL DISTRICT |
| WESTROCK CP LLC |
| SOUTHERN BAPTIST HOSPITAL OF FLORIDA INC |
| PUBLIX SUPER MARKETS INC |
| JOHNSON AND JOHNSON VISION CARE INC |
| MAYO CLINIC JACKSONVILLE |
| ANHEUSER BUSCH CO INC |
| WALMART STORES EAST LP |



What Do Our Business Customers Care About Most?

- 
- 01 Fairness of pricing and monthly cost of service
 - 02 Efforts to develop energy supply plans for future
 - 03 Efforts to get feedback from business customers
 - 04 Availability of pricing options that meet needs
 - 05 Communication of topics/issues that are important to business
 - 06 Variety of energy efficiency programs
 - 07 Actions to take care of the environment

Voice of our Business Customers

“

A lot of scams going on. They need to gain the trust of the public.

Aside from price, they need to maintain infrastructure.

They fix outages and keep customers happy and safe.

*The way they solve my problems and they're really helpful.
I would use JEA any day.*

*Good service, on time for service needs and getting temp
service to work sites, friendly reps.*

”



Commercial Customer Service Spotlight

Business Call Center Team

I would like to commend LaShanda Sconiers for her professionalism in handling a special request for our business today.

Every year we request a Summary of Payments made to JEA to include with our expense spreadsheet when we submit our records to our Accountant.

LaShanda handled our request with great efficiency and true professionalism. She even followed up with a phone call to ensure she understood what we were requesting and further assisted me with another issue that we had on another account.

I cannot tell you how refreshing it is to speak with someone who really cares and is committed to addressing customers' concerns. Let me be crystal clear.... I speak with Customer Service Reps all day as an Insurance Professional and LaShanda should give classes to every industry professional that I interface with!!!

Please do something special for LaShanda and please let her know how grateful we are.



LaShanda Sconiers,
Business Call Center Representative

Heightened Focus on Small Businesses

We look beyond stand-alone experiences to create meaningful, ongoing engagement with our business customers.



For our focus, we are defining Small business customers as those organizations with utility costs under \$10k per month.

SMALL BUSINESS

SURVEY

Understand perceptions and experiences to determine ways to improve communications, services and other customer needs

SMALL BUSINESS HUB

Create special page for small business services, programs and information on jea.com.

E-NEWS

Send out special email messages tailored to benefit and educate small business customers on a more frequent basis

BUSINESS SPOTLIGHT

Feature different businesses on a rotating basis, especially those utilizing specific JEA services and programs

COMMUNITY IMPACT

Share employee volunteer activities and community outreach that serve to improve our community and local economy

Commercial Customer Messaging Calendar

A monthly messaging calendar is planned to ensure timely communications to our business customers.

Direct Mail • Email • Networking & Events • Webex • Direct Contact • On-site Visits • jea.com

Your business may be eligible for a Florida Sales Tax exemption or a tax refund. Find out if you're eligible.

JEA My Account Contact Us



Manufacturers' Sales Tax Exemption: Is Your Business Eligible?

As a manufacturer, taxes can make up a significant portion of your utility bill. But did you know your business may be eligible for a Florida Sales Tax exemption on your utility bills, or a refund of taxes already paid?

JEA recognizes and appreciates the contributions your business makes to our community, and that's why we want to make sure you are aware of benefits that could save you thousands of dollars each year.

JEA will issue a credit for any over-billed taxes for up to 36 months. Customers must submit requests in writing and provide documentation to support the retroactive refund/credit.

The JEA Tax Department is ready to help you navigate the process and provide the required affidavit. Contact us today to get started.



JEA My Account Contact Us



CUSTOMER CONNECTION

News & Helpful Hints for JEA Commercial Customers

Powering Your Business in Any Kind of Weather

Could JEA keep your business powered if we faced the same winter storm Texas did last week? Read more about what we're doing to safeguard the power you depend on.



As Seen in Jax Daily Record

Read More at jea.com

JEA

21 West Church Street
Jacksonville, Florida 32202-3139



Don't miss this opportunity to reduce your operating expenses, reduce maintenance costs and make a positive impact on your community and environment

Funding is currently available for conversion from diesel to electric school buses. The Florida Department of Environmental Protection has obtained funding specifically for this purpose, and JEA encourages you to apply for this program.

The application deadline has been extended to **Jan. 18, 2021, by 5 p.m. EST.**

EVs are emissions-free at the tailpipe, noise-free, pollution-free and fossil fuel-free and, when up and running, will help save on overall operating costs. Apply today to make a difference in the future.

Access to the application is available by scanning the QR code.





Monthly FY21 Corporate Communications & Community Outreach

David Goldberg
Director, Customer & Community Engagement



March 23, 2021

March 2021

CORPORATE COMMUNICATIONS & COMMUNITY OUTREACH



The Customer & Community Engagement Team develops engaging communications across a range of channels to educate our customers and community on JEA services and programs in order to help them save money, time and provide peace of mind.

ADVERTISING & SOCIAL MEDIA CAMPAIGNS • CUSTOMER COMMUNICATIONS • DIGITAL COMMUNICATIONS • VIDEOGRAPHY • COMMUNITY OUTREACH

CUSTOMER EDUCATION CAMPAIGN

JEA is Helping
to Preserve the
Environment
For Generations to Come



March 2021



During the month of March, the campaign focused on how JEA is planning and preserving our environment for the future. The bill insert shown on the left, which went to 340,000 customers, includes the following topics:

- **Keeping our water supply safe**
- **Leading the way for clean solar energy**
- **Promoting water conservation**
- **Protecting our wildlife**

MONTHLY CUSTOMER PAID IMPRESSIONS

| MEDIA | IMPRESSIONS |
|--------------------|-------------------|
| Television/Cable | 2,129,000 |
| Radio | 1,426,000 |
| Out-of-Home | 4,422,581 |
| Paid Social | 1,131,165 |
| Online Paid Search | 115,000 |
| Print | 3,000 |
| TOTAL: | 11,482,986 |

Through these channels, we encourage customers to engage with **DoMoreWithJEA.com**, a website that features tools, savings tips, and information for our residential and business customers about the ways JEA positively impacts our community.



<https://youtu.be/JV18ACjVzoY>

DIGITAL COMMUNICATION HIGHLIGHTS

Refreshed **Residential Connection and Commercial Connection e-newsletters** with a streamlined look and feel, and a focus on more action-oriented messages aligned with JD Power Satisfaction indicators.

Engaged new audiences via the **Nextdoor neighborhood** social media platform, adding a layer of communication to our existing notification process for JEA-related news.

Made additional enhancements to our **DoMoreWithJEA.com** awareness campaign to encourage new website visitors. Using paid and organic social channels, we promoted the chance for visitors to win prizes from local businesses, and reinforced our commitment to the community.



SOCIAL MEDIA ENGAGEMENT

Our social media engagement saw a strong shift in positive brand sentiment in February from the previous month. The main driver for the positive shift was having more total mentions around the brand this past month.

955%
increase
positive brand
sentiment

64%
decrease
negative brand
sentiment

18K

TOP SOCIAL POST

Our highest-engagement social communication the past month, has been the **LinkedIn announcement of our leadership team changes**. This post garnered **18,315 impressions** to-date.

TOP MEDIA STORIES

Jacksonville Daily Record

STOWE ANNOUNCES EXECUTIVE RESTRUCTURING AT JEA

The city-owned utility says it will contract a personnel search firm to find three top roles and made internal shifts and one new hire.

News4Jax

JEA: MULTIPLE SAFEGUARDS IN PLACE TO PROTECT WATER SYSTEM

JEA reassures its customers that water treated at the utility's facilities is safe to drink because of the layers of protocols in place.

Florida Times Union

JEA CEO JAY STOWE NAMES FOUR MEMBERS OF HIS EXECUTIVE TEAM

New additions to the Senior Leadership Team are announced.

Action News Jax

JACKSONVILLE AND JEA COMMIT MILLIONS TO, FINALLY, PHASE OUT SEPTIC TANKS IN THREE

NEIGHBORHOODS *The City of Jacksonville and JEA have committed to pump in millions of dollars to finally pump out septic tanks in three local neighborhoods.*

JEA WATER CONSUMPTIVE USE PERMIT REPORT



JEA has several consumptive use permits (CUPs), but the main one for most of our drinking water is a 20-year permit, issued in 2011, from the St. Johns River Water Management District. In compliance with the permit, we must submit a water conservation plan/report every five years. For the past several months the Customer & Community Engagement team worked on the report, which was submitted **Feb. 28**.

In addition to facts and figures highlighting our water conservation efforts, the report also includes a detailed discussion of our marketing and community outreach efforts.



JEA VIDEO SPOTLIGHT

Each month our Multimedia team produces numerous videos aimed at customer education and the things that impact the community we serve.

This month, JEA Forester Joe Anderson explains some of the methodology JEA uses when trimming trees.

For more on JEA's tree trimming practices visit www.jea.com/treetrimming.

Tree Trimming Video

<https://www.youtube.com/watch?v=00RY0lohfDI>

Answers to Your Questions About Tree Trimming



ENGAGING WITH OUR COMMUNITY

20
JEA Ambassadors
31
Events

Customer Education & Engagement Campaign

We continue our efforts to reach the community we serve, even though our tactics have been modified to ensure health and safety measures. Virtual events continue to take place and garner positive response.

For example, over the past month JEA Ambassadors held the **JEA Virtual Power Pals Program** and **Take Stock in Children Virtual Mentoring**. JEA Volunteers were excited to participate in the **St. Johns River Cleanup**, which was held in-person, with social distancing efforts in place.

116
Volunteer Hours
28
Activities

AMBASSADOR & VOLUNTEER SPOTLIGHTS

Our customers are at the heart of all we do. But our employees are the ones who make it happen. Without our team of dedicated Ambassadors and Volunteers, we couldn't accomplish our community outreach goals. During the month of March, we recognized the following JEA Ambassador and Volunteer and celebrated their contributions on our social media channels and on jea.com.

AMBASSADOR OF THE MONTH



Susan Pokorny

Associate Program Manager for Customer Solutions & Market Development

A year ago Susan would have said Power Pals was her favorite Ambassador event, as teaching children about electric and water at an early age is so important and the program is set up to be rewarding for both the students and the ambassadors. However, recently she has been making calls for DESC to clients that are in need of assistance. According to Susan, "Knowing I am helping people get assistance during these difficult times makes my heart happy and is very humbling." Susan can hear the appreciation in their voices, and to her — that's what it's all about — making the world a better place for everyone.

VOLUNTEER OF THE MONTH



Steve Lawrence

Associate Program Manager for Customer Solutions & Market Development

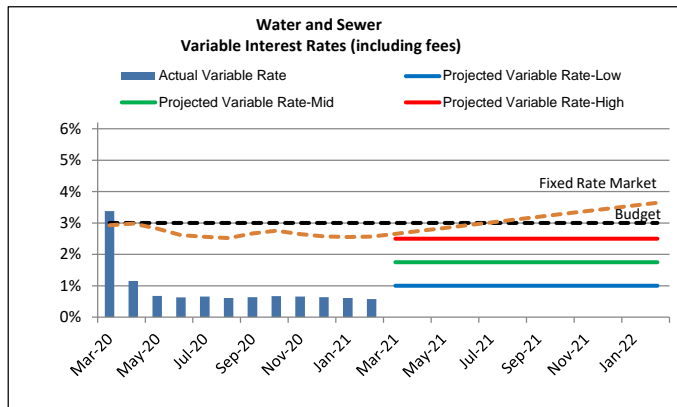
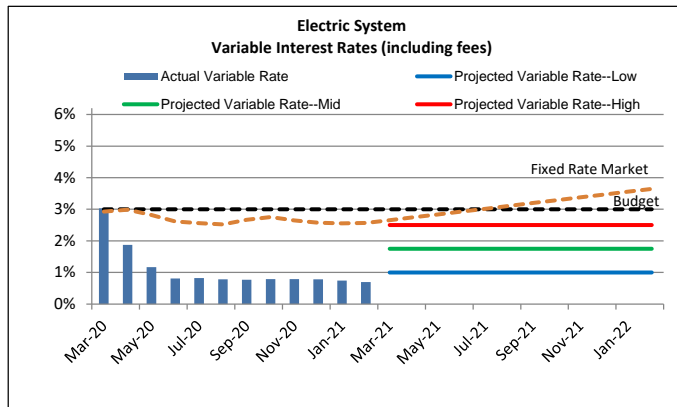
Steve's enthusiasm for volunteerism is based on his desire to help others. He is grateful that his job ties in perfectly with this goal. "I am fortunate that everything I work with — energy, efficiency, weatherization — all these efforts contribute to making people's lives easier or to save them money," according to Steve. "The thought that I've helped to make someone's situation better is very gratifying to me."



Supplemental Schedules



Variable Rate Debt Risk Analysis



Total variable rate debt of \$834 with \$498 swapped to fixed rate

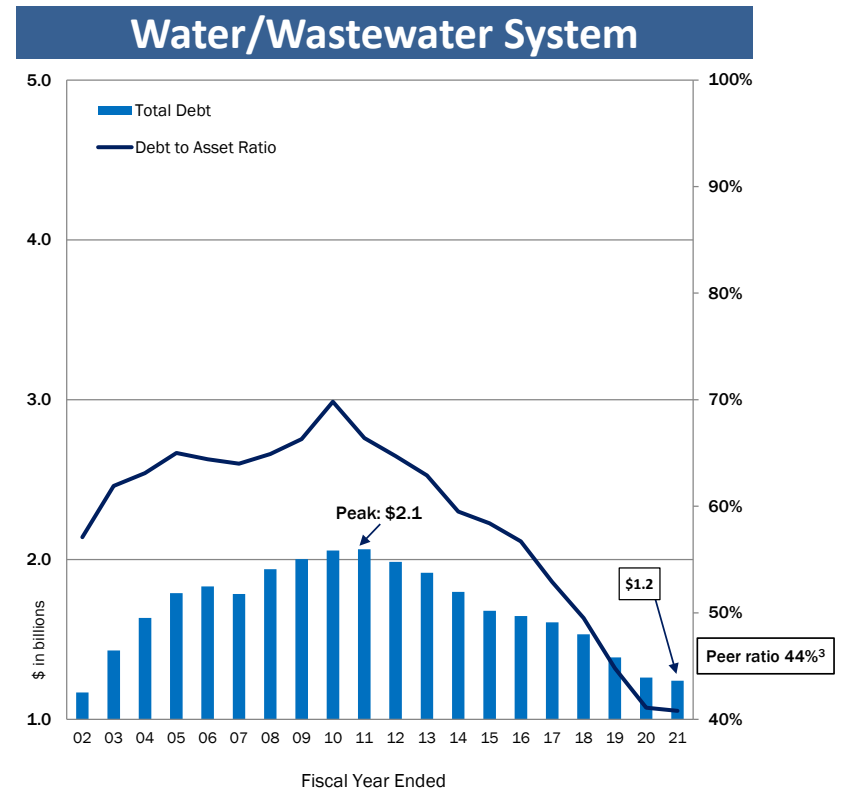
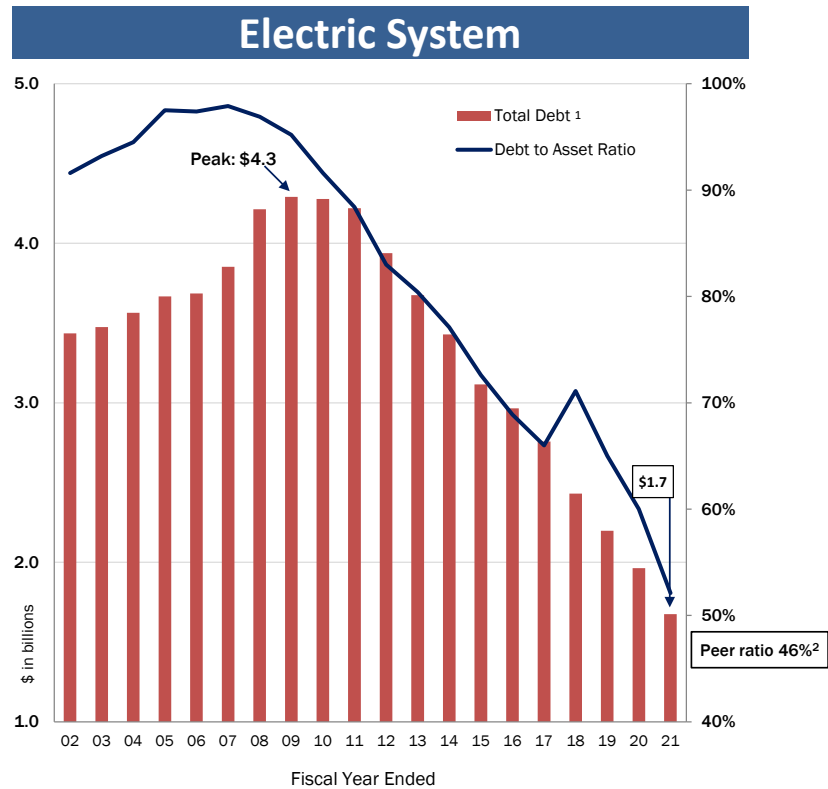
| Liquidity Facilities and Direct Purchase Bonds (DPBs) | | | |
|---|-------------------|------------------|----|
| Bank | Moody's/S&P/Fitch | \$ (in millions) | % |
| Wells Fargo Bank N.A. (100% DPBs) | Aa2/A+/AA- | \$205 | 25 |
| JP Morgan Chase Bank N.A. | Aa2/A+/AA | 199 | 24 |
| Royal Bank of Canada | A2/AA-/AA | 193 | 24 |
| US Bank, N.A. | A1/AA-/AA- | 139 | 17 |
| Sumitomo | A1/A/A | 52 | 6 |
| State Street Bank | Aa3/AA-/AA | 31 | 4 |
| Total | | \$819 | |

| Swap Providers | | | |
|---|-------------------|------------------|----|
| Bank | Moody's/S&P/Fitch | \$ (in millions) | % |
| Morgan Stanley Capital Services | A1/BBB+/A | \$155 | 31 |
| Goldman Sachs Mitsui Marine Derivative Products | Aa2/AA-/NR | 137 | 28 |
| JP Morgan Chase Bank N.A. | Aa2/A+/AA | 121 | 24 |
| Merrill Lynch | A2/A-/A+ | 85 | 17 |
| Total | | \$498 | |

Items of Interest

- Variable debt as a percentage of total debt:
 - Unhedged variable at 10% for Electric and 13% for Water and Sewer
 - Hedged variable at 21% for Electric and 8% for Water and Sewer
- Liquidity facilities / direct purchase bonds are with highly rated providers
- Next liquidity renewal in March 2021
- \$44M debt management strategy stabilization reserve utilized for Oct 2019 STAR Plan Phase 2
- \$75M early retirement of unhedged Electric variable debt in March 2021

Debt and Debt to Asset Ratios



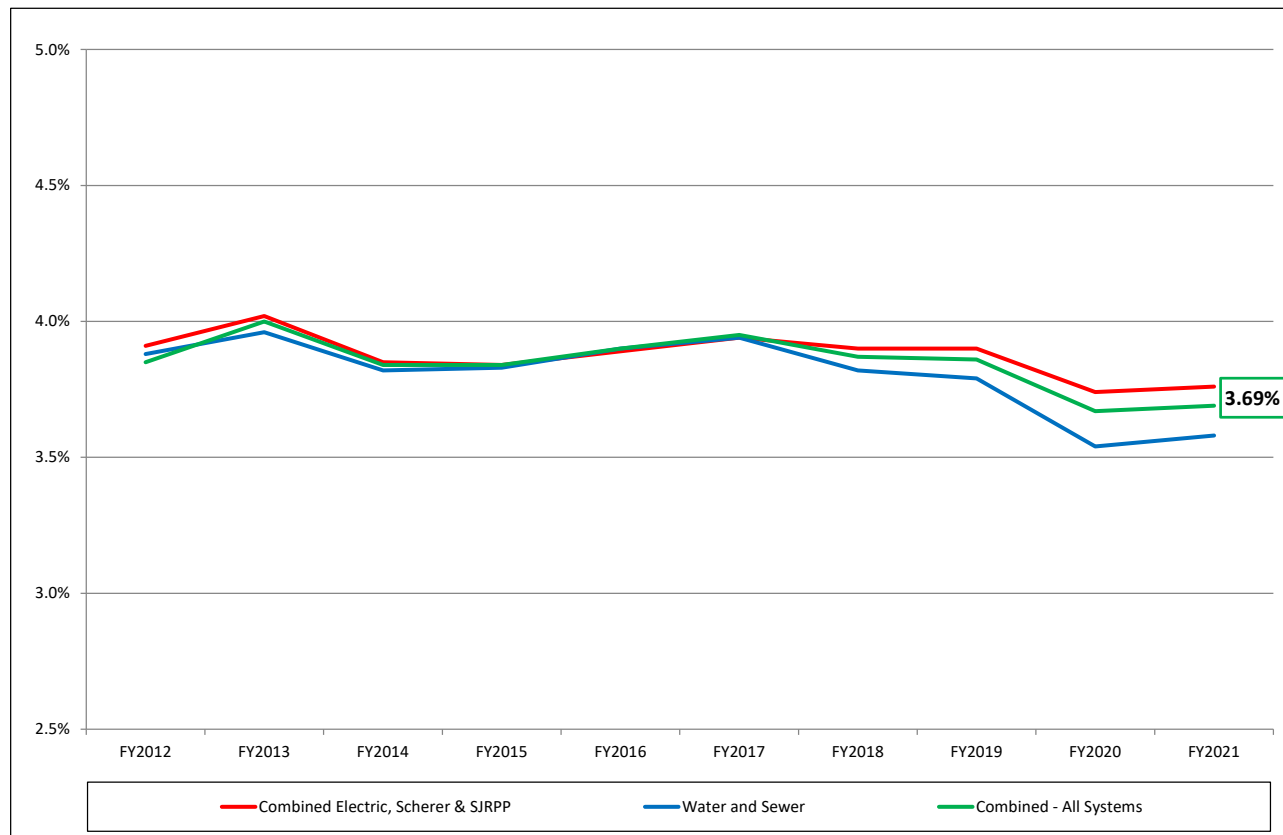
¹ Includes Electric System, Scherer, and SJRPP

² Per Exhibit 7 – Fiscal 2018 medians by public power utility subset and rating agency – Top 30 City Owned Generators (By Debt Outstanding – Aa-rated.)

Moody's Sector In-Depth – Public Power Utilities – US, 2019-09-11.

³ Calculated from Moody's Municipal Financial Ratio Analysis database of 195 Aa rated public water-sewer utilities, Nov. 9, 2020

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.





Monthly Financial Statements

February 2021

Monthly Financial Statements

February 2021

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**Statements of Net Position
(in thousands)**

| | February 2021 (unaudited) | September 2020 |
|--|--------------------------------------|-----------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 405,999 | \$ 387,148 |
| Investments | 5,578 | 3,107 |
| Customer accounts receivable, net of allowance (\$4,265 and \$3,864, respectively) | 182,218 | 219,814 |
| Inventories: | | |
| Materials and supplies | 61,521 | 61,663 |
| Fuel | 34,114 | 37,822 |
| Other current assets | 14,529 | 16,364 |
| Total current assets | <u>703,959</u> | <u>725,918</u> |
| Noncurrent assets: | | |
| Restricted assets: | | |
| Cash and cash equivalents | 181,395 | 253,984 |
| Investments | 368,792 | 311,130 |
| Accounts and interest receivable | 1,067 | 1,071 |
| Total restricted assets | <u>551,254</u> | <u>566,185</u> |
| Costs to be recovered from future revenues | 838,672 | 852,314 |
| Other assets | 37,050 | 32,221 |
| Total noncurrent assets | <u>1,426,976</u> | <u>1,450,720</u> |
| Capital assets: | | |
| Land and easements | 217,406 | 216,918 |
| Plant in service | 12,366,101 | 12,124,453 |
| Less accumulated depreciation | <u>(7,314,089)</u> | <u>(7,161,707)</u> |
| Plant in service, net | 5,269,418 | 5,179,664 |
| Construction work in progress | 203,262 | 331,511 |
| Net capital assets | <u>5,472,680</u> | <u>5,511,175</u> |
| Total assets | <u>7,603,615</u> | <u>7,687,813</u> |
| Deferred outflows of resources | | |
| Accumulated decrease in fair value of hedging derivatives | 164,236 | 179,286 |
| Unrealized pension contributions and losses | 143,881 | 143,881 |
| Unamortized deferred losses on refundings | 97,313 | 100,314 |
| Unrealized asset retirement obligations | 35,648 | 35,241 |
| Unrealized OPEB contributions and losses | 9,406 | 9,406 |
| Total deferred outflows of resources | <u>450,484</u> | <u>468,128</u> |
| Total assets and deferred outflows of resources | <u>\$ 8,054,099</u> | <u>\$ 8,155,941</u> |

JEA
Statements of Net Position
(in thousands)

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| | February 2021 (unaudited) | September 2020 |
|--|------------------------------|----------------|
| Liabilities | | |
| Current liabilities: | | |
| Customer deposits and prepayments | \$ 70,928 | \$ 71,304 |
| Accounts and accrued expenses payable | 60,574 | 67,279 |
| Billings on behalf of state and local governments | 20,730 | 25,959 |
| Compensation and benefits payable | 13,278 | 14,599 |
| City of Jacksonville payable | 10,421 | 10,255 |
| Asset retirement obligations | 3,465 | 4,136 |
| Total current liabilities | 179,396 | 193,532 |
| Current liabilities payable from restricted assets: | | |
| Debt due within one year | 91,535 | 102,700 |
| Interest payable | 46,481 | 52,856 |
| Construction contracts and accounts payable | 17,337 | 46,366 |
| Renewal and replacement reserve | 36,627 | 37,910 |
| Total current liabilities payable from restricted assets | 191,980 | 239,832 |
| Noncurrent liabilities: | | |
| Net pension liability | 641,086 | 641,086 |
| Asset retirement obligations | 32,184 | 31,105 |
| Compensation and benefits payable | 31,155 | 31,342 |
| Net OPEB liability | 10,582 | 10,091 |
| Other liabilities | 19,728 | 20,556 |
| Total noncurrent liabilities | 734,735 | 734,180 |
| Long-term debt: | | |
| Debt payable, less current portion | 3,063,055 | 3,154,590 |
| Unamortized premium, net | 165,616 | 174,205 |
| Fair value of debt management strategy instruments | 162,975 | 177,288 |
| Total long-term debt | 3,391,646 | 3,506,083 |
| Total liabilities | 4,497,757 | 4,673,627 |
| Deferred inflows of resources | | |
| Revenues to be used for future costs | 197,098 | 206,782 |
| Unrealized pension gains | 24,304 | 24,304 |
| Unrealized OPEB gains | 15,294 | 15,294 |
| Accumulated increase in fair value of hedging derivatives | 13,142 | 11,944 |
| Total deferred inflows of resources | 249,838 | 258,324 |
| Net position | | |
| Net investment in capital assets | 2,676,294 | 2,584,074 |
| Restricted for: | | |
| Capital projects | 262,861 | 204,855 |
| Debt service | 37,028 | 101,558 |
| Other purposes | 47,519 | 48,617 |
| Unrestricted | 282,802 | 284,886 |
| Total net position | 3,306,504 | 3,223,990 |
| Total liabilities, deferred inflows of resources, and net position | \$ 8,054,099 | \$ 8,155,941 |

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

| | Month February | | Year-to-Date February | |
|---|-------------------|--------------|--------------------------|--------------|
| | 2021 | 2020 | 2021 | 2020 |
| Operating revenues | | | | |
| Electric - base | \$ 61,925 | \$ 59,157 | \$ 333,602 | \$ 349,051 |
| Electric - fuel and purchased power | 31,366 | 22,296 | 153,009 | 129,320 |
| Water and sewer | 32,677 | 33,904 | 174,920 | 196,091 |
| District energy system | 519 | 609 | 2,972 | 3,219 |
| Other operating revenues | 2,625 | 2,808 | 14,851 | 15,898 |
| Total operating revenues | 129,112 | 118,774 | 679,354 | 693,579 |
| Operating expenses | | | | |
| Operations and maintenance: | | | | |
| Maintenance and other operating expenses | 29,623 | 28,901 | 147,720 | 168,380 |
| Fuel | 27,511 | 20,541 | 135,248 | 111,173 |
| Purchased power | 7,885 | 4,446 | 36,820 | 34,879 |
| Depreciation | 32,411 | 31,219 | 162,622 | 151,286 |
| State utility and franchise taxes | 5,263 | 5,087 | 28,594 | 28,115 |
| Recognition of deferred costs and revenues, net | 1,959 | 2,820 | 10,175 | 12,085 |
| Total operating expenses | 104,652 | 93,014 | 521,179 | 505,918 |
| Operating income | 24,460 | 25,760 | 158,175 | 187,661 |
| Nonoperating revenues (expenses) | | | | |
| Interest on debt | (9,566) | (10,651) | (49,600) | (61,780) |
| Investment income | 538 | 1,971 | 2,249 | 6,760 |
| Allowance for funds used during construction | 613 | 1,691 | 3,134 | 8,990 |
| Other nonoperating income, net | 558 | 581 | 2,862 | 3,166 |
| Earnings from The Energy Authority | 642 | (138) | 1,159 | 482 |
| Other interest, net | (2) | (130) | 37 | 12 |
| Total nonoperating expenses, net | (7,217) | (6,676) | (40,159) | (42,370) |
| Income before contributions | 17,243 | 19,084 | 118,016 | 145,291 |
| Contributions (to) from | | | | |
| General Fund, City of Jacksonville, Florida | (10,001) | (9,903) | (50,005) | (49,510) |
| Developers and other | 10,108 | 6,334 | 33,649 | 38,952 |
| Reduction of plant cost through contributions | (6,575) | (3,685) | (19,146) | (24,861) |
| Total contributions, net | (6,468) | (7,254) | (35,502) | (35,419) |
| Change in net position | 10,775 | 11,830 | 82,514 | 109,872 |
| Net position, beginning of period | 3,295,729 | 3,050,775 | 3,223,990 | 2,952,733 |
| Net position, end of period | \$ 3,306,504 | \$ 3,062,605 | \$ 3,306,504 | \$ 3,062,605 |

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Statement of Cash Flows
(in thousands - unaudited)

| | Year-to-Date February | |
|--|----------------------------------|-------------------|
| | 2021 | 2020 |
| Operating activities | | |
| Receipts from customers | \$ 693,092 | \$ 683,911 |
| Payments to suppliers | (257,983) | (264,578) |
| Payments for salaries and benefits | (104,697) | (115,645) |
| Other operating activities | 16,298 | 21,472 |
| Net cash provided by operating activities | <u>346,710</u> | <u>325,160</u> |
| Noncapital and related financing activities | | |
| Contribution to General Fund, City of Jacksonville, Florida | (49,891) | (49,425) |
| Net cash used in noncapital and related financing activities | <u>(49,891)</u> | <u>(49,425)</u> |
| Capital and related financing activities | | |
| Defeasance of debt | - | (93,495) |
| Acquisition and construction of capital assets | (147,594) | (185,864) |
| Repayment of debt principal | (102,700) | (192,555) |
| Interest paid on debt | (61,399) | (74,598) |
| Capital contributions | 14,504 | 14,091 |
| Other capital financing activities | 3,927 | (8,938) |
| Net cash used in capital and related financing activities | <u>(293,262)</u> | <u>(541,359)</u> |
| Investing activities | | |
| Purchase of investments | (109,873) | (154,910) |
| Proceeds from sale and maturity of investments | 49,220 | 122,692 |
| Investment income | 2,457 | 6,921 |
| Distributions from The Energy Authority | 901 | (110) |
| Net cash used in investing activities | <u>(57,295)</u> | <u>(25,407)</u> |
| Net change in cash and cash equivalents | (53,738) | (291,031) |
| Cash and cash equivalents at beginning of year | 641,132 | 680,222 |
| Cash and cash equivalents at end of period | <u>\$ 587,394</u> | <u>\$ 389,191</u> |
| Reconciliation of operating income to net cash provided by operating activities | | |
| Operating income | \$ 158,175 | \$ 187,661 |
| Adjustments: | | |
| Depreciation and amortization | 163,093 | 151,780 |
| Recognition of deferred costs and revenues, net | 10,175 | 12,085 |
| Other nonoperating income, net | 58 | 311 |
| Changes in noncash assets and noncash liabilities: | | |
| Accounts receivable | 37,569 | 44,090 |
| Inventories | 3,850 | (9,159) |
| Other assets | (3,272) | 1,605 |
| Accounts and accrued expenses payable | (13,260) | (21,727) |
| Current liabilities payable from restricted assets | (1,448) | (2,311) |
| Other noncurrent liabilities and deferred inflows | (8,230) | (39,175) |
| Net cash provided by operating activities | <u>\$ 346,710</u> | <u>\$ 325,160</u> |
| Noncash activity | | |
| Contribution of capital assets from developers | \$ 19,146 | \$ 24,861 |
| Unrealized investment fair market value changes, net | \$ (522) | \$ (410) |

JEA
Combining Statement of Net Position
(in thousands - unaudited) February 2021

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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 | \$ 280,157 | \$ 49,448 | \$ - | \$ 329,605 | 75,334 | \$ 1,060 | \$ 405,999 |
| Investments | - | 5,578 | - | 5,578 | - | - | 5,578 |
| Customer accounts receivable, net of allowance (\$4,265) | 134,415 | - | - | 134,415 | 47,285 | 518 | 182,218 |
| Inventories: | | | | | | | |
| Materials and supplies | 2,340 | - | - | 2,340 | 59,181 | - | 61,521 |
| Fuel | 34,114 | - | - | 34,114 | - | - | 34,114 |
| Other current assets | 13,031 | 5,150 | (9,309) | 8,872 | 5,657 | - | 14,529 |
| Total current assets | 464,057 | 60,176 | (9,309) | 514,924 | 187,457 | 1,578 | 703,959 |
| Noncurrent assets: | | | | | | | |
| Restricted assets: | | | | | | | |
| Cash and cash equivalents | 20,994 | 79,742 | - | 100,736 | 77,790 | 2,869 | 181,395 |
| Investments | 266,575 | 9,701 | - | 276,276 | 92,516 | - | 368,792 |
| Accounts and interest receivable | 1,053 | 7 | - | 1,060 | 7 | - | 1,067 |
| Total restricted assets | 288,622 | 89,450 | - | 378,072 | 170,313 | 2,869 | 551,254 |
| Costs to be recovered from future revenues | 344,510 | 228,331 | - | 572,841 | 265,801 | 30 | 838,672 |
| Other assets | 35,436 | 4,501 | (4,500) | 35,437 | 1,589 | 24 | 37,050 |
| Total noncurrent assets | 668,568 | 322,282 | (4,500) | 986,350 | 437,703 | 2,923 | 1,426,976 |
| Capital assets: | | | | | | | |
| Land and easements | 123,748 | 6,660 | - | 130,408 | 83,947 | 3,051 | 217,406 |
| Plant in service | 5,983,890 | 1,316,043 | - | 7,299,933 | 5,005,421 | 60,747 | 12,366,101 |
| Less accumulated depreciation | (3,523,955) | (1,313,549) | - | (4,837,504) | (2,446,268) | (30,317) | (7,314,089) |
| Plant in service, net | 2,583,683 | 9,154 | - | 2,592,837 | 2,643,100 | 33,481 | 5,269,418 |
| Construction work in progress | 66,363 | - | - | 66,363 | 136,679 | 220 | 203,262 |
| Net capital assets | 2,650,046 | 9,154 | - | 2,659,200 | 2,779,779 | 33,701 | 5,472,680 |
| Total assets | 3,782,671 | 391,612 | (13,809) | 4,160,474 | 3,404,939 | 38,202 | 7,603,615 |
| Deferred outflows of resources | | | | | | | |
| Accumulated decrease in fair value of hedging derivatives | 130,085 | - | - | 130,085 | 34,151 | - | 164,236 |
| Unrealized pension contributions and losses | 74,505 | 17,601 | - | 92,106 | 51,775 | - | 143,881 |
| Unamortized deferred losses on refundings | 54,724 | 3,216 | - | 57,940 | 39,209 | 164 | 97,313 |
| Unrealized asset retirement obligations | 34,008 | 1,640 | - | 35,648 | - | - | 35,648 |
| Unrealized OPEB contributions and losses | 5,549 | - | - | 5,549 | 3,857 | - | 9,406 |
| Total deferred outflows of resources | 298,871 | 22,457 | - | 321,328 | 128,992 | 164 | 450,484 |
| Total assets and deferred outflows of resources | \$ 4,081,542 | \$ 414,069 | \$ (13,809) | \$ 4,481,802 | \$ 3,533,931 | \$ 38,366 | \$ 8,054,099 |

JEA
Combining Statement of Net Position
(in thousands - unaudited) February 2021

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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: | | | | | | | |
| Customer deposits and prepayments | \$ 53,772 | \$ - | \$ - | \$ 53,772 | \$ 17,156 | \$ - | \$ 70,928 |
| Accounts and accrued expenses payable | 53,605 | 5,415 | (5,135) | 53,885 | 6,672 | 17 | 60,574 |
| Billings on behalf of state and local governments | 17,395 | - | - | 17,395 | 3,335 | - | 20,730 |
| Compensation and benefits payable | 9,669 | - | - | 9,669 | 3,574 | 35 | 13,278 |
| City of Jacksonville payable | 8,188 | - | - | 8,188 | 2,233 | - | 10,421 |
| Asset retirement obligations | 1,824 | 1,641 | - | 3,465 | - | - | 3,465 |
| Total current liabilities | 144,453 | 7,056 | (5,135) | 146,374 | 32,970 | 52 | 179,396 |
| Current liabilities payable from restricted assets: | | | | | | | |
| Debt due within one year | 66,220 | 14,175 | - | 80,395 | 9,370 | 1,770 | 91,535 |
| Interest payable | 22,210 | 4,122 | - | 26,332 | 19,626 | 523 | 46,481 |
| Construction contracts and accounts payable | 3,984 | 4,799 | (4,174) | 4,609 | 12,714 | 14 | 17,337 |
| Renewal and replacement reserve | - | 36,627 | - | 36,627 | - | - | 36,627 |
| Total current liabilities payable from restricted assets | 92,414 | 59,723 | (4,174) | 147,963 | 41,710 | 2,307 | 191,980 |
| Noncurrent liabilities: | | | | | | | |
| Net pension liability | 373,642 | 7,794 | - | 381,436 | 259,650 | - | 641,086 |
| Asset retirement obligations | 32,184 | - | - | 32,184 | - | - | 32,184 |
| Compensation and benefits payable | 22,252 | - | - | 22,252 | 8,835 | 68 | 31,155 |
| Net OPEB liability | 6,238 | - | - | 6,238 | 4,344 | - | 10,582 |
| Other liabilities | 19,728 | 4,500 | (4,500) | 19,728 | - | - | 19,728 |
| Total noncurrent liabilities | 454,044 | 12,294 | (4,500) | 461,838 | 272,829 | 68 | 734,735 |
| Long-term debt: | | | | | | | |
| Debt payable, less current portion | 1,563,630 | 237,590 | - | 1,801,220 | 1,232,195 | 29,640 | 3,063,055 |
| Unamortized premium (discount), net | 91,367 | 595 | - | 91,962 | 73,676 | (22) | 165,616 |
| Fair value of debt management strategy instruments | 128,824 | - | - | 128,824 | 34,151 | - | 162,975 |
| Total long-term debt | 1,783,821 | 238,185 | - | 2,022,006 | 1,340,022 | 29,618 | 3,391,646 |
| Total liabilities | 2,474,732 | 317,258 | (13,809) | 2,778,181 | 1,687,531 | 32,045 | 4,497,757 |
| Deferred inflows of resources | | | | | | | |
| Revenues to be used for future costs | 163,184 | 5,821 | - | 169,005 | 28,093 | - | 197,098 |
| Unrealized pension gains | 11,988 | 3,986 | - | 15,974 | 8,330 | - | 24,304 |
| Unrealized OPEB gains | 9,023 | - | - | 9,023 | 6,271 | - | 15,294 |
| Accumulated increase in fair value of hedging derivatives | 13,142 | - | - | 13,142 | - | - | 13,142 |
| Total deferred inflows of resources | 197,337 | 9,807 | - | 207,144 | 42,694 | - | 249,838 |
| Net position | | | | | | | |
| Net investment in (divestment of) capital assets | 1,009,754 | (5,885) | - | 1,003,869 | 1,669,963 | 2,462 | 2,676,294 |
| Restricted for: | | | | | | | |
| Capital projects | 178,993 | - | - | 178,993 | 82,259 | 1,609 | 262,861 |
| Debt service | 26,307 | 6,273 | - | 32,580 | 3,711 | 737 | 37,028 |
| Other purposes | 5,268 | 31,855 | 4,174 | 41,297 | 6,222 | - | 47,519 |
| Unrestricted | 189,151 | 54,761 | (4,174) | 239,738 | 41,551 | 1,513 | 282,802 |
| Total net position | 1,409,473 | 87,004 | - | 1,496,477 | 1,803,706 | 6,321 | 3,306,504 |
| Total liabilities, deferred inflows of resources, and net position | \$ 4,081,542 | \$ 414,069 | \$ (13,809) | \$ 4,481,802 | \$ 3,533,931 | \$ 38,366 | \$ 8,054,099 |

JEA
Combining Statement of Net Position
(in thousands) September 2020

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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 | \$ 266,683 | \$ 51,814 | \$ - | \$ 318,497 | \$ 67,036 | \$ 1,615 | \$ 387,148 |
| Investments | - | 3,107 | - | 3,107 | - | - | 3,107 |
| Customer accounts receivable, net of allowance (\$3,864) | 165,515 | - | - | 165,515 | 54,176 | 123 | 219,814 |
| Inventories: | | | | | | | |
| Materials and supplies | 2,378 | - | - | 2,378 | 59,285 | - | 61,663 |
| Fuel | 37,822 | - | - | 37,822 | - | - | 37,822 |
| Other current assets | 14,981 | 5,361 | (9,519) | 10,823 | 5,541 | - | 16,364 |
| Total current assets | 487,379 | 60,282 | (9,519) | 538,142 | 186,038 | 1,738 | 725,918 |
| Noncurrent assets: | | | | | | | |
| Restricted assets: | | | | | | | |
| Cash and cash equivalents | 89,193 | 89,318 | - | 178,511 | 71,232 | 4,241 | 253,984 |
| Investments | 202,036 | 10,227 | - | 212,263 | 98,867 | - | 311,130 |
| Accounts and interest receivable | 1,053 | 11 | - | 1,064 | 7 | - | 1,071 |
| Total restricted assets | 292,282 | 99,556 | - | 391,838 | 170,106 | 4,241 | 566,185 |
| Costs to be recovered from future revenues | 348,740 | 234,170 | - | 582,910 | 269,374 | 30 | 852,314 |
| Other assets | 30,649 | 4,500 | (4,500) | 30,649 | 1,569 | 3 | 32,221 |
| Total noncurrent assets | 671,671 | 338,226 | (4,500) | 1,005,397 | 441,049 | 4,274 | 1,450,720 |
| Capital assets: | | | | | | | |
| Land and easements | 123,748 | 6,660 | - | 130,408 | 83,459 | 3,051 | 216,918 |
| Plant in service | 5,835,887 | 1,316,043 | - | 7,151,930 | 4,912,993 | 59,530 | 12,124,453 |
| Less accumulated depreciation | (3,439,442) | (1,313,379) | - | (4,752,821) | (2,379,631) | (29,255) | (7,161,707) |
| Plant in service, net | 2,520,193 | 9,324 | - | 2,529,517 | 2,616,821 | 33,326 | 5,179,664 |
| Construction work in progress | 154,702 | - | - | 154,702 | 175,783 | 1,026 | 331,511 |
| Net capital assets | 2,674,895 | 9,324 | - | 2,684,219 | 2,792,604 | 34,352 | 5,511,175 |
| Total assets | 3,833,945 | 407,832 | (14,019) | 4,227,758 | 3,419,691 | 40,364 | 7,687,813 |
| Deferred outflows of resources | | | | | | | |
| Accumulated decrease in fair value of hedging derivatives | 141,605 | - | - | 141,605 | 37,681 | - | 179,286 |
| Unrealized pension contributions and losses | 74,505 | 17,601 | - | 92,106 | 51,775 | - | 143,881 |
| Unamortized deferred losses on refundings | 56,693 | 3,300 | - | 59,993 | 40,152 | 169 | 100,314 |
| Unrealized asset retirement obligations | 32,368 | 2,873 | - | 35,241 | - | - | 35,241 |
| Unrealized OPEB contributions and losses | 5,549 | - | - | 5,549 | 3,857 | - | 9,406 |
| Total deferred outflows of resources | 310,720 | 23,774 | - | 334,494 | 133,465 | 169 | 468,128 |
| Total assets and deferred outflows of resources | \$ 4,144,665 | \$ 431,606 | \$ (14,019) | \$ 4,562,252 | \$ 3,553,156 | \$ 40,533 | \$ 8,155,941 |

JEA
Combining Statement of Net Position
(in thousands) September 2020

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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: | | | | | | | |
| Customer deposits and prepayments | \$ 53,779 | \$ - | \$ - | \$ 53,779 | \$ 17,525 | \$ - | \$ 71,304 |
| Accounts and accrued expenses payable | 57,387 | 6,269 | (5,376) | 58,280 | 8,855 | 144 | 67,279 |
| Billings on behalf of state and local governments | 22,125 | - | - | 22,125 | 3,834 | - | 25,959 |
| Compensation and benefits payable | 10,301 | - | - | 10,301 | 4,262 | 36 | 14,599 |
| City of Jacksonville payable | 8,159 | - | - | 8,159 | 2,096 | - | 10,255 |
| Asset retirement obligations | 1,263 | 2,873 | - | 4,136 | - | - | 4,136 |
| Total current liabilities | 153,014 | 9,142 | (5,376) | 156,780 | 36,572 | 180 | 193,532 |
| Current liabilities payable from restricted assets: | | | | | | | |
| Debt due within one year | 67,765 | 13,340 | - | 81,105 | 19,870 | 1,725 | 102,700 |
| Interest payable | 24,871 | 5,222 | - | 30,093 | 22,115 | 648 | 52,856 |
| Construction contracts and accounts payable | 15,109 | 4,964 | (4,143) | 15,930 | 30,389 | 47 | 46,366 |
| Renewal and replacement reserve | - | 37,910 | - | 37,910 | - | - | 37,910 |
| Total current liabilities payable from restricted assets | 107,745 | 61,436 | (4,143) | 165,038 | 72,374 | 2,420 | 239,832 |
| Noncurrent liabilities: | | | | | | | |
| Net pension liability | 373,642 | 7,794 | - | 381,436 | 259,650 | - | 641,086 |
| Asset retirement obligations | 31,105 | - | - | 31,105 | - | - | 31,105 |
| Compensation and benefits payable | 22,271 | - | - | 22,271 | 9,002 | 69 | 31,342 |
| Net OPEB liability | 5,954 | - | - | 5,954 | 4,137 | - | 10,091 |
| Other liabilities | 20,556 | 4,500 | (4,500) | 20,556 | - | - | 20,556 |
| Total noncurrent liabilities | 453,528 | 12,294 | (4,500) | 461,322 | 272,789 | 69 | 734,180 |
| Long-term debt: | | | | | | | |
| Debt payable, less current portion | 1,629,850 | 251,765 | - | 1,881,615 | 1,241,565 | 31,410 | 3,154,590 |
| Unamortized premium (discount), net | 95,677 | 783 | - | 96,460 | 77,769 | (24) | 174,205 |
| Fair value of debt management strategy instruments | 139,607 | - | - | 139,607 | 37,681 | - | 177,288 |
| Total long-term debt | 1,865,134 | 252,548 | - | 2,117,682 | 1,357,015 | 31,386 | 3,506,083 |
| Total liabilities | 2,579,421 | 335,420 | (14,019) | 2,900,822 | 1,738,750 | 34,055 | 4,673,627 |
| Deferred inflows of resources | | | | | | | |
| Revenues to be used for future costs | 177,589 | 5,821 | - | 183,410 | 23,372 | - | 206,782 |
| Unrealized pension gains | 11,988 | 3,986 | - | 15,974 | 8,330 | - | 24,304 |
| Unrealized OPEB gains | 9,023 | - | - | 9,023 | 6,271 | - | 15,294 |
| Accumulated increase in fair value of hedging derivatives | 11,944 | - | - | 11,944 | - | - | 11,944 |
| Total deferred inflows of resources | 210,544 | 9,807 | - | 220,351 | 37,973 | - | 258,324 |
| Net position | | | | | | | |
| Net investment in (divestment of) capital assets | 952,894 | (13,503) | - | 939,391 | 1,643,320 | 1,363 | 2,584,074 |
| Restricted for: | | | | | | | |
| Capital projects | 139,308 | - | - | 139,308 | 63,679 | 1,868 | 204,855 |
| Debt service | 66,487 | 13,706 | - | 80,193 | 19,640 | 1,725 | 101,558 |
| Other purposes | 5,772 | 32,163 | 4,143 | 42,078 | 6,539 | - | 48,617 |
| Unrestricted | 190,239 | 54,013 | (4,143) | 240,109 | 43,255 | 1,522 | 284,886 |
| Total net position | 1,354,700 | 86,379 | - | 1,441,079 | 1,776,433 | 6,478 | 3,223,990 |
| Total liabilities, deferred inflows of resources, and net position | \$ 4,144,665 | \$ 431,606 | \$ (14,019) | \$ 4,562,252 | \$ 3,553,156 | \$ 40,533 | \$ 8,155,941 |

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Combining Statement of Revenues, Expenses, and Changes in Net Position
(in thousands - unaudited) for the month ended February 2021

| | 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 | \$ 62,585 | \$ - | \$ - | \$ 62,585 | \$ - | \$ - | \$ (660) | \$ 61,925 |
| Electric - fuel and purchased power | 31,950 | 2,224 | (2,224) | 31,950 | - | - | (584) | 31,366 |
| Water and sewer | - | - | - | - | 32,704 | - | (27) | 32,677 |
| District energy system | - | - | - | - | - | 541 | (22) | 519 |
| Other operating revenues | 1,750 | 25 | - | 1,775 | 1,035 | - | (185) | 2,625 |
| Total operating revenues | 96,285 | 2,249 | (2,224) | 96,310 | 33,739 | 541 | (1,478) | 129,112 |
| Operating expenses | | | | | | | | |
| Operations and maintenance: | | | | | | | | |
| Maintenance and other operating expenses | 18,350 | 585 | - | 18,935 | 11,943 | 223 | (1,478) | 29,623 |
| Fuel | 27,511 | - | - | 27,511 | - | - | - | 27,511 |
| Purchased power | 10,109 | - | (2,224) | 7,885 | - | - | - | 7,885 |
| Depreciation | 17,991 | 34 | - | 18,025 | 14,173 | 213 | - | 32,411 |
| State utility and franchise taxes | 4,458 | - | - | 4,458 | 805 | - | - | 5,263 |
| Recognition of deferred costs and revenues, net | 529 | 1,156 | - | 1,685 | 274 | - | - | 1,959 |
| Total operating expenses | 78,948 | 1,775 | (2,224) | 78,499 | 27,195 | 436 | (1,478) | 104,652 |
| Operating income | 17,337 | 474 | - | 17,811 | 6,544 | 105 | - | 24,460 |
| Nonoperating revenues (expenses) | | | | | | | | |
| Interest on debt | (5,107) | (815) | - | (5,922) | (3,537) | (107) | - | (9,566) |
| Investment income | 320 | 9 | - | 329 | 209 | - | - | 538 |
| Allowance for funds used during construction | 174 | - | - | 174 | 438 | 1 | - | 613 |
| Other nonoperating income, net | 330 | 24 | - | 354 | 204 | - | - | 558 |
| Earnings from The Energy Authority | 642 | - | - | 642 | - | - | - | 642 |
| Other interest, net | (2) | - | - | (2) | - | - | - | (2) |
| Total nonoperating expenses, net | (3,643) | (782) | - | (4,425) | (2,686) | (106) | - | (7,217) |
| Income before contributions | 13,694 | (308) | - | 13,386 | 3,858 | (1) | - | 17,243 |
| Contributions (to) from | | | | | | | | |
| General Fund, City of Jacksonville, Florida | (7,801) | - | - | (7,801) | (2,200) | - | - | (10,001) |
| Developers and other | 53 | - | - | 53 | 10,055 | - | - | 10,108 |
| Reduction of plant cost through contributions | (53) | - | - | (53) | (6,522) | - | - | (6,575) |
| Total contributions, net | (7,801) | - | - | (7,801) | 1,333 | - | - | (6,468) |
| Change in net position | 5,893 | (308) | - | 5,585 | 5,191 | (1) | - | 10,775 |
| Net position, beginning of period | 1,403,580 | 87,312 | - | 1,490,892 | 1,798,515 | 6,322 | - | 3,295,729 |
| Net position, end of period | \$ 1,409,473 | \$ 87,004 | \$ - | \$ 1,496,477 | \$ 1,803,706 | \$ 6,321 | \$ - | \$ 3,306,504 |

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Combining Statement of Revenues, Expenses, and Changes in Net Position
(in thousands - unaudited) for the month ended February 2020

| | 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 | \$ 59,825 | \$ - | \$ - | \$ 59,825 | \$ - | \$ - | \$ (668) | \$ 59,157 |
| Electric - fuel and purchased power | 22,899 | 2,085 | (2,085) | 22,899 | - | - | (603) | 22,296 |
| Water and sewer | - | - | - | - | 33,919 | - | (15) | 33,904 |
| District energy system | - | - | - | - | - | 632 | (23) | 609 |
| Other operating revenues | 2,427 | - | - | 2,427 | 631 | - | (250) | 2,808 |
| Total operating revenues | 85,151 | 2,085 | (2,085) | 85,151 | 34,550 | 632 | (1,559) | 118,774 |
| Operating expenses | | | | | | | | |
| Operations and maintenance: | | | | | | | | |
| Maintenance and other operating expenses | 18,272 | 187 | - | 18,459 | 11,711 | 290 | (1,559) | 28,901 |
| Fuel | 20,541 | - | - | 20,541 | - | - | - | 20,541 |
| Purchased power | 6,531 | - | (2,085) | 4,446 | - | - | - | 4,446 |
| Depreciation | 17,479 | 34 | - | 17,513 | 13,501 | 205 | - | 31,219 |
| State utility and franchise taxes | 4,251 | - | - | 4,251 | 836 | - | - | 5,087 |
| Recognition of deferred costs and revenues, net | 980 | 1,103 | - | 2,083 | 737 | - | - | 2,820 |
| Total operating expenses | 68,054 | 1,324 | (2,085) | 67,293 | 26,785 | 495 | (1,559) | 93,014 |
| Operating income | 17,097 | 761 | - | 17,858 | 7,765 | 137 | - | 25,760 |
| Nonoperating revenues (expenses) | | | | | | | | |
| Interest on debt | (5,720) | (844) | - | (6,564) | (3,979) | (108) | - | (10,651) |
| Investment income | 550 | 1,185 | - | 1,735 | 232 | 4 | - | 1,971 |
| Allowance for funds used during construction | 637 | - | - | 637 | 1,050 | 4 | - | 1,691 |
| Other nonoperating income, net | 351 | 26 | - | 377 | 204 | - | - | 581 |
| Earnings from The Energy Authority | (138) | - | - | (138) | - | - | - | (138) |
| Other interest, net | (129) | - | - | (129) | (1) | - | - | (130) |
| Total nonoperating expenses, net | (4,449) | 367 | - | (4,082) | (2,494) | (100) | - | (6,676) |
| Income before contributions | 12,648 | 1,128 | - | 13,776 | 5,271 | 37 | - | 19,084 |
| Contributions (to) from | | | | | | | | |
| General Fund, City of Jacksonville, Florida | (7,823) | - | - | (7,823) | (2,080) | - | - | (9,903) |
| Developers and other | 210 | - | - | 210 | 6,124 | - | - | 6,334 |
| Reduction of plant cost through contributions | (210) | - | - | (210) | (3,475) | - | - | (3,685) |
| Total contributions, net | (7,823) | - | - | (7,823) | 569 | - | - | (7,254) |
| Change in net position | 4,825 | 1,128 | - | 5,953 | 5,840 | 37 | - | 11,830 |
| Net position, beginning of period | 1,236,395 | 92,595 | - | 1,328,990 | 1,715,646 | 6,139 | - | 3,050,775 |
| Net position, end of period | \$ 1,241,220 | \$ 93,723 | \$ - | \$ 1,334,943 | \$ 1,721,486 | \$ 6,176 | \$ - | \$ 3,062,605 |

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Combining Statement of Revenues, Expenses, and Changes in Net Position
(in thousands - unaudited) for the five months ended February 2021

| | 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 | \$ 337,030 | \$ - | \$ - | \$ 337,030 | \$ - | \$ - | \$ (3,428) | \$ 333,602 |
| Electric - fuel and purchased power | 156,133 | 11,112 | (11,112) | 156,133 | - | - | (3,124) | 153,009 |
| Water and sewer | - | - | - | - | 175,060 | - | (140) | 174,920 |
| District energy system | - | - | - | - | - | 3,100 | (128) | 2,972 |
| Other operating revenues | 10,526 | 87 | - | 10,613 | 5,162 | - | (924) | 14,851 |
| Total operating revenues | 503,689 | 11,199 | (11,112) | 503,776 | 180,222 | 3,100 | (7,744) | 679,354 |
| Operating expenses | | | | | | | | |
| Operations and maintenance: | | | | | | | | |
| Maintenance and other operating expenses | 88,611 | 718 | - | 89,329 | 64,465 | 1,670 | (7,744) | 147,720 |
| Fuel | 135,248 | - | - | 135,248 | - | - | - | 135,248 |
| Purchased power | 47,932 | - | (11,112) | 36,820 | - | - | - | 36,820 |
| Depreciation | 89,458 | 171 | - | 89,629 | 71,931 | 1,062 | - | 162,622 |
| State utility and franchise taxes | 24,300 | - | - | 24,300 | 4,294 | - | - | 28,594 |
| Recognition of deferred costs and revenues, net | 2,715 | 5,782 | - | 8,497 | 1,678 | - | - | 10,175 |
| Total operating expenses | 388,264 | 6,671 | (11,112) | 383,823 | 142,368 | 2,732 | (7,744) | 521,179 |
| Operating income | 115,425 | 4,528 | - | 119,953 | 37,854 | 368 | - | 158,175 |
| Nonoperating revenues (expenses) | | | | | | | | |
| Interest on debt | (26,772) | (4,076) | - | (30,848) | (18,222) | (530) | - | (49,600) |
| Investment income | 1,140 | 51 | - | 1,191 | 1,057 | 1 | - | 2,249 |
| Allowance for funds used during construction | 1,103 | - | - | 1,103 | 2,027 | 4 | - | 3,134 |
| Other nonoperating income, net | 1,706 | 122 | - | 1,828 | 1,034 | - | - | 2,862 |
| Earnings from The Energy Authority | 1,159 | - | - | 1,159 | - | - | - | 1,159 |
| Other interest, net | 16 | - | - | 16 | 21 | - | - | 37 |
| Total nonoperating expenses, net | (21,648) | (3,903) | - | (25,551) | (14,083) | (525) | - | (40,159) |
| Income before contributions | 93,777 | 625 | - | 94,402 | 23,771 | (157) | - | 118,016 |
| Contributions (to) from | | | | | | | | |
| General Fund, City of Jacksonville, Florida | (39,004) | - | - | (39,004) | (11,001) | - | - | (50,005) |
| Developers and other | 298 | - | - | 298 | 33,351 | - | - | 33,649 |
| Reduction of plant cost through contributions | (298) | - | - | (298) | (18,848) | - | - | (19,146) |
| Total contributions, net | (39,004) | - | - | (39,004) | 3,502 | - | - | (35,502) |
| Change in net position | 54,773 | 625 | - | 55,398 | 27,273 | (157) | - | 82,514 |
| Net position, beginning of year | 1,354,700 | 86,379 | - | 1,441,079 | 1,776,433 | 6,478 | - | 3,223,990 |
| Net position, end of period | \$ 1,409,473 | \$ 87,004 | \$ - | \$ 1,496,477 | \$ 1,803,706 | \$ 6,321 | \$ - | \$ 3,306,504 |

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Combining Statement of Revenues, Expenses, and Changes in Net Position
(in thousands - unaudited) for the five months ended February 2020

| | 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 | \$ 352,540 | \$ - | \$ - | \$ 352,540 | \$ - | \$ - | \$ (3,489) | \$ 349,051 |
| Electric - fuel and purchased power | 132,475 | 10,270 | (10,270) | 132,475 | - | - | (3,155) | 129,320 |
| Water and sewer | - | - | - | - | 196,190 | - | (99) | 196,091 |
| District energy system | - | - | - | - | - | 3,355 | (136) | 3,219 |
| Other operating revenues | 11,359 | 58 | - | 11,417 | 5,777 | - | (1,296) | 15,898 |
| Total operating revenues | 496,374 | 10,328 | (10,270) | 496,432 | 201,967 | 3,355 | (8,175) | 693,579 |
| Operating expenses | | | | | | | | |
| Operations and maintenance: | | | | | | | | |
| Maintenance and other operating expenses | 101,939 | 7,336 | - | 109,275 | 65,478 | 1,802 | (8,175) | 168,380 |
| Fuel | 111,173 | - | - | 111,173 | - | - | - | 111,173 |
| Purchased power | 45,149 | - | (10,270) | 34,879 | - | - | - | 34,879 |
| Depreciation | 83,552 | 171 | - | 83,723 | 66,535 | 1,028 | - | 151,286 |
| State utility and franchise taxes | 23,673 | - | - | 23,673 | 4,442 | - | - | 28,115 |
| Recognition of deferred costs and revenues, net | 4,544 | 5,045 | - | 9,589 | 2,496 | - | - | 12,085 |
| Total operating expenses | 370,030 | 12,552 | (10,270) | 372,312 | 138,951 | 2,830 | (8,175) | 505,918 |
| Operating income | 126,344 | (2,224) | - | 124,120 | 63,016 | 525 | - | 187,661 |
| Nonoperating revenues (expenses) | | | | | | | | |
| Interest on debt | (34,062) | (4,222) | - | (38,284) | (22,950) | (546) | - | (61,780) |
| Investment income | 3,298 | 2,107 | - | 5,405 | 1,308 | 47 | - | 6,760 |
| Allowance for funds used during construction | 3,544 | - | - | 3,544 | 5,429 | 17 | - | 8,990 |
| Other nonoperating income, net | 1,749 | 132 | - | 1,881 | 1,285 | - | - | 3,166 |
| Earnings from The Energy Authority | 482 | - | - | 482 | - | - | - | 482 |
| Other interest, net | (124) | - | - | (124) | 136 | - | - | 12 |
| Total nonoperating expenses, net | (25,113) | (1,983) | - | (27,096) | (14,792) | (482) | - | (42,370) |
| Income before contributions | 101,231 | (4,207) | - | 97,024 | 48,224 | 43 | - | 145,291 |
| Contributions (to) from | | | | | | | | |
| General Fund, City of Jacksonville, Florida | (39,113) | - | - | (39,113) | (10,397) | - | - | (49,510) |
| Developers and other | 568 | - | - | 568 | 38,384 | - | - | 38,952 |
| Reduction of plant cost through contributions | (568) | - | - | (568) | (24,293) | - | - | (24,861) |
| Total contributions, net | (39,113) | - | - | (39,113) | 3,694 | - | - | (35,419) |
| Change in net position | 62,118 | (4,207) | - | 57,911 | 51,918 | 43 | - | 109,872 |
| Net position, beginning of year | 1,179,102 | 97,930 | - | 1,277,032 | 1,669,568 | 6,133 | - | 2,952,733 |
| Net position, end of period | \$ 1,241,220 | \$ 93,723 | \$ - | \$ 1,334,943 | \$ 1,721,486 | \$ 6,176 | \$ - | \$ 3,062,605 |

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Combining Statement of Cash Flows**(in thousands - unaudited) for the five months ended February 2021**

| | 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 | \$ 510,530 | \$ 11,112 | \$ (11,105) | \$ 510,537 | \$ 186,671 | \$ 2,704 | \$ (6,820) | \$ 693,092 |
| Payments to suppliers | (230,524) | (2,823) | 11,105 | (222,242) | (41,953) | (1,532) | 7,744 | (257,983) |
| Payments for salaries and benefits | (74,006) | - | - | (74,006) | (30,403) | (288) | - | (104,697) |
| Other operating activities | 12,062 | 62 | - | 12,124 | 5,098 | - | (924) | 16,298 |
| Net cash provided by operating activities | 218,062 | 8,351 | - | 226,413 | 119,413 | 884 | - | 346,710 |
| Noncapital and related financing activities | | | | | | | | |
| Contribution to General Fund, City of Jacksonville, Florida | (39,026) | - | - | (39,026) | (10,865) | - | - | (49,891) |
| Net cash used in noncapital and related financing activities | (39,026) | - | - | (39,026) | (10,865) | - | - | (49,891) |
| Capital and related financing activities | | | | | | | | |
| Acquisition and construction of capital assets | (74,238) | - | - | (74,238) | (72,917) | (439) | - | (147,594) |
| Repayment of debt principal | (67,765) | (13,340) | - | (81,105) | (19,870) | (1,725) | - | (102,700) |
| Interest paid on debt | (31,731) | (5,222) | - | (36,953) | (23,798) | (648) | - | (61,399) |
| Capital contributions | - | - | - | - | 14,504 | - | - | 14,504 |
| Other capital financing activities | 2,530 | 160 | - | 2,690 | 1,237 | - | - | 3,927 |
| Net cash used in capital and related financing activities | (171,204) | (18,402) | - | (189,606) | (100,844) | (2,812) | - | (293,262) |
| Investing activities | | | | | | | | |
| Purchase of investments | (106,933) | (2,501) | - | (109,434) | (439) | - | - | (109,873) |
| Proceeds from sale and maturity of investments | 41,891 | 550 | - | 42,441 | 6,779 | - | - | 49,220 |
| Investment income | 1,584 | 60 | - | 1,644 | 812 | 1 | - | 2,457 |
| Distributions from The Energy Authority | 901 | - | - | 901 | - | - | - | 901 |
| Net cash provided by (used in) investing activities | (62,557) | (1,891) | - | (64,448) | 7,152 | 1 | - | (57,295) |
| Net change in cash and cash equivalents | (54,725) | (11,942) | - | (66,667) | 14,856 | (1,927) | - | (53,738) |
| Cash and cash equivalents at beginning of year | 355,876 | 141,132 | - | 497,008 | 138,268 | 5,856 | - | 641,132 |
| Cash and cash equivalents at end of period | \$ 301,151 | \$ 129,190 | \$ - | \$ 430,341 | \$ 153,124 | \$ 3,929 | \$ - | \$ 587,394 |
| Reconciliation of operating income to net cash provided by operating activities | | | | | | | | |
| Operating income | \$ 115,425 | \$ 4,528 | \$ - | \$ 119,953 | \$ 37,854 | \$ 368 | \$ - | \$ 158,175 |
| Adjustments: | | | | | | | | |
| Depreciation and amortization | 89,458 | 171 | - | 89,629 | 72,402 | 1,062 | - | 163,093 |
| Recognition of deferred costs and revenues, net | 2,715 | 5,782 | - | 8,497 | 1,678 | - | - | 10,175 |
| Other nonoperating income, net | 58 | - | - | 58 | - | - | - | 58 |
| Changes in noncash assets and noncash liabilities: | | | | | | | | |
| Accounts receivable | 31,099 | (25) | - | 31,074 | 6,890 | (395) | - | 37,569 |
| Inventories | 3,746 | - | - | 3,746 | 104 | - | - | 3,850 |
| Other assets | (2,890) | 197 | - | (2,693) | (558) | (21) | - | (3,272) |
| Accounts and accrued expenses payable | (8,561) | (854) | - | (9,415) | (3,717) | (128) | - | (13,260) |
| Current liabilities payable from restricted assets | - | (1,448) | - | (1,448) | - | - | - | (1,448) |
| Other noncurrent liabilities and deferred inflows | (12,988) | - | - | (12,988) | 4,760 | (2) | - | (8,230) |
| Net cash provided by operating activities | \$ 218,062 | \$ 8,351 | \$ - | \$ 226,413 | \$ 119,413 | \$ 884 | \$ - | \$ 346,710 |
| Noncash activity | | | | | | | | |
| Contribution of capital assets from developers | \$ 298 | \$ - | \$ - | \$ 298 | \$ 18,848 | \$ - | \$ - | \$ 19,146 |
| Unrealized investment fair market value changes, net | \$ (504) | \$ (6) | \$ - | \$ (510) | \$ (12) | \$ - | \$ - | \$ (522) |

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Combining Statement of Cash Flows**(in thousands - unaudited) for the five months ended February 2020**

| | 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 | \$ 498,941 | \$ 10,270 | \$ (10,798) | \$ 498,413 | \$ 189,383 | \$ 2,994 | \$ (6,879) | \$ 683,911 |
| Payments to suppliers | (235,045) | (3,454) | 10,798 | (227,701) | (43,406) | (1,646) | 8,175 | (264,578) |
| Payments for salaries and benefits | (78,260) | (6,306) | - | (84,566) | (30,786) | (293) | - | (115,645) |
| Other operating activities | 15,542 | 83 | - | 15,625 | 7,143 | - | (1,296) | 21,472 |
| Net cash provided by operating activities | 201,178 | 593 | - | 201,771 | 122,334 | 1,055 | - | 325,160 |
| Noncapital and related financing activities | | | | | | | | |
| Contribution to General Fund, City of Jacksonville, Florida | (39,036) | - | - | (39,036) | (10,389) | - | - | (49,425) |
| Net cash used in noncapital and related financing activities | (39,036) | - | - | (39,036) | (10,389) | - | - | (49,425) |
| Capital and related financing activities | | | | | | | | |
| Defeasance of debt | (48,070) | - | - | (48,070) | (45,425) | - | - | (93,495) |
| Acquisition and construction of capital assets | (103,111) | - | - | (103,111) | (82,133) | (620) | - | (185,864) |
| Repayment of debt principal | (122,380) | (13,780) | - | (136,160) | (54,705) | (1,690) | - | (192,555) |
| Interest paid on debt | (39,648) | (5,564) | - | (45,212) | (28,721) | (665) | - | (74,598) |
| Capital contributions | - | - | - | - | 14,091 | - | - | 14,091 |
| Other capital financing activities | (6,409) | - | - | (6,409) | (2,529) | - | - | (8,938) |
| Net cash used in capital and related financing activities | (319,618) | (19,344) | - | (338,962) | (199,422) | (2,975) | - | (541,359) |
| Investing activities | | | | | | | | |
| Purchase of investments | (125,984) | (11,846) | - | (137,830) | (17,080) | - | - | (154,910) |
| Proceeds from sale and maturity of investments | 79,082 | 11,922 | - | 91,004 | 31,688 | - | - | 122,692 |
| Investment income | 3,477 | 2,120 | - | 5,597 | 1,277 | 47 | - | 6,921 |
| Distributions from The Energy Authority | (110) | - | - | (110) | - | - | - | (110) |
| Net cash provided by (used in) investing activities | (43,535) | 2,196 | - | (41,339) | 15,885 | 47 | - | (25,407) |
| Net change in cash and cash equivalents | (201,011) | (16,555) | - | (217,566) | (71,592) | (1,873) | - | (291,031) |
| Cash and cash equivalents at beginning of year | 356,655 | 161,592 | - | 518,247 | 153,732 | 8,243 | - | 680,222 |
| Cash and cash equivalents at end of period | \$ 155,644 | \$ 145,037 | \$ - | \$ 300,681 | \$ 82,140 | \$ 6,370 | \$ - | \$ 389,191 |
| Reconciliation of operating income to net cash provided by operating activities | | | | | | | | |
| Operating income | \$ 126,344 | \$ (2,224) | \$ - | \$ 124,120 | \$ 63,016 | \$ 525 | \$ - | \$ 187,661 |
| Adjustments: | | | | | | | | |
| Depreciation and amortization | 83,552 | 171 | - | 83,723 | 67,029 | 1,028 | - | 151,780 |
| Recognition of deferred costs and revenues, net | 4,544 | 5,045 | - | 9,589 | 2,496 | - | - | 12,085 |
| Other nonoperating income (loss), net | 49 | - | - | 49 | 262 | - | - | 311 |
| Changes in noncash assets and noncash liabilities: | | | | | | | | |
| Accounts receivable | 40,001 | 25 | - | 40,026 | 4,426 | (362) | - | 44,090 |
| Inventories | (8,888) | 52 | - | (8,836) | (323) | - | - | (9,159) |
| Other assets | 918 | 11 | - | 929 | 695 | (19) | - | 1,605 |
| Accounts and accrued expenses payable | (18,495) | 674 | - | (17,821) | (3,765) | (141) | - | (21,727) |
| Current liabilities payable from restricted assets | - | (2,311) | - | (2,311) | - | - | - | (2,311) |
| Other noncurrent liabilities and deferred inflows | (26,847) | (850) | - | (27,697) | (11,502) | 24 | - | (39,175) |
| Net cash provided by operating activities | \$ 201,178 | \$ 593 | \$ - | \$ 201,771 | \$ 122,334 | \$ 1,055 | \$ - | \$ 325,160 |
| Noncash activity | | | | | | | | |
| Contribution of capital assets from developers | \$ 568 | \$ - | \$ - | \$ 568 | \$ 24,293 | \$ - | \$ - | \$ 24,861 |
| Unrealized investment fair market value changes, net | \$ (212) | \$ (8) | \$ - | \$ (220) | \$ (190) | \$ - | \$ - | \$ (410) |

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Debt Service Coverage**February 2021****(unaudited)**

| | Month February | | Year-to-Date February | |
|--|-------------------|--------|--------------------------|--------|
| | 2021 | 2020 | 2021 | 2020 |
| Electric System | | | | |
| Senior debt service coverage, (annual minimum 1.20x) | 9.71 x | 8.31 x | 11.07 x | 9.98 x |
| Senior and subordinated debt service coverage, (annual minimum 1.15x) | 4.23 x | 3.74 x | 4.83 x | 4.52 x |
| Bulk Power Supply System | | | | |
| Debt service coverage, (annual minimum 1.15x) | 1.23 x | 1.67 x | 1.35 x | 2.03 x |
| St. Johns River Power Park, Second Resolution | | | | |
| Debt service coverage, (annual minimum 1.15x) | 1.14 x | 1.67 x | 1.14 x | 1.27 x |
| Water and Sewer System | | | | |
| Senior debt service coverage, (annual minimum 1.25x) | 6.35 x | 4.97 x | 6.51 x | 5.89 x |
| Senior and subordinated debt service coverage excluding capacity fees ⁽¹⁾ | 4.76 x | 3.94 x | 5.04 x | 4.72 x |
| Senior and subordinated debt service coverage including capacity fees ⁽¹⁾ | 5.55 x | 4.41 x | 5.69 x | 5.21 x |
| District Energy System | | | | |
| Debt service coverage, (annual minimum 1.15x) | 1.26 x | 1.38 x | 1.14 x | 1.27 x |

⁽¹⁾ Annual minimum 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).

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Electric System

Operating Statistics

February 2021 and 2020 (unaudited)

| | Month | | | Year-to-Date | | |
|--|----------------|----------------|---------------|----------------|----------------|--------------|
| | 2021 | 2020 | Variance | 2021 | 2020 | Variance |
| Electric revenues sales (000s omitted): | | | | | | |
| Residential | \$ 48,127 | \$ 41,841 | 15.02% | \$ 251,356 | \$ 226,769 | 10.84% |
| Commercial | 25,884 | 27,508 | -5.90% | 146,627 | 150,147 | -2.34% |
| Industrial | 13,067 | 13,929 | -6.19% | 75,139 | 78,018 | -3.69% |
| Public street lighting | 1,130 | 1,113 | 1.53% | 5,689 | 5,584 | 1.88% |
| Electric revenues - territorial | 88,208 | 84,391 | 4.52% | 478,811 | 460,518 | 3.97% |
| Sales for resale - off system | 405 | 11 | 3581.82% | 1,343 | 457 | 193.87% |
| Electric revenues | 88,613 | 84,402 | 4.99% | 480,154 | 460,975 | 4.16% |
| Rate stabilization & recovery | 6,170 | (1,566) | -494.00% | 14,330 | 24,274 | -40.97% |
| Allowance for doubtful accounts | (248) | (112) | 121.43% | (1,321) | (234) | 464.53% |
| Net electric revenues | 94,535 | 82,724 | 14.28% | 493,163 | 485,015 | 1.68% |
| MWh sales | | | | | | |
| Residential | 418,609 | 362,185 | 15.58% | 2,193,294 | 1,967,148 | 11.50% |
| Commercial | 260,082 | 275,616 | -5.64% | 1,493,013 | 1,526,338 | -2.18% |
| Industrial | 175,307 | 186,577 | -6.04% | 1,030,195 | 1,072,254 | -3.92% |
| Public street lighting | 4,435 | 4,450 | -0.34% | 23,319 | 23,119 | 0.87% |
| Total MWh sales - territorial | 858,433 | 828,828 | 3.57% | 4,739,821 | 4,588,859 | 3.29% |
| Sales for resale - off system | 2,455 | 610 | 302.46% | 2,974 | 14,388 | -79.33% |
| Total MWh sales | 860,888 | 829,438 | 3.79% | 4,742,795 | 4,603,247 | 3.03% |
| Average number of accounts | | | | | | |
| Residential | 435,232 | 425,940 | 2.18% | 433,543 | 424,455 | 2.14% |
| Commercial | 54,035 | 53,467 | 1.06% | 53,937 | 53,360 | 1.08% |
| Industrial | 195 | 196 | -0.51% | 196 | 196 | 0.00% |
| Public street lighting | 3,968 | 3,933 | 0.89% | 3,964 | 3,923 | 1.05% |
| Total average accounts | 493,430 | 483,536 | 2.05% | 491,640 | 481,934 | 2.01% |
| Residential averages | | | | | | |
| Revenue per account - \$ | 110.58 | 98.23 | 12.57% | 579.77 | 534.26 | 8.52% |
| kWh per account | 962 | 850 | 13.11% | 5,059 | 4,635 | 9.16% |
| Revenue per kWh - ¢ | 11.50 | 11.55 | -0.48% | 11.46 | 11.53 | -0.59% |
| Degree days | | | | | | |
| Heating degree days | 223 | 198 | 25 | 1,001 | 763 | 238 |
| Cooling degree days | 29 | 56 | (27) | 502 | 528 | (26) |
| Total degree days | 252 | 254 | (2) | 1,503 | 1,291 | 212 |
| Degree days - 30 year average | 275 | | | 1,441 | | |

JEA
Water and Sewer System
Operating Statistics
February 2021 and 2020 (unaudited)

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| | Month | | | | | | | | |
|------------------------------------|--------------|------------|----------|------------|------------|----------|-----------|-----------|----------|
| | Water | | | Sewer | | | Reuse | | |
| | 2021 | 2020 | Variance | 2021 | 2020 | Variance | 2021 | 2020 | Variance |
| Revenues (000s omitted): | | | | | | | | | |
| Residential | \$ 7,546 | \$ 7,146 | 5.60% | \$ 11,234 | \$ 10,646 | 5.52% | \$ 844 | \$ 928 | -9.05% |
| Commercial and industrial | 3,573 | 3,808 | -6.17% | 8,177 | 8,968 | -8.82% | 323 | 340 | -5.00% |
| Irrigation | 1,813 | 2,324 | -21.99% | N/A | N/A | N/A | 34 | 16 | 112.50% |
| Gross revenues | 12,932 | 13,278 | -2.61% | 19,411 | 19,614 | -1.03% | 1,201 | 1,284 | -6.46% |
| Rate stabilization | (287) | (85) | 237.65% | (430) | (640) | -32.81% | (25) | 510 | -104.90% |
| Allowance for doubtful accounts | (37) | (16) | 131.25% | (57) | (20) | 185.00% | (4) | (6) | -33.33% |
| Net revenues | \$ 12,608 | \$ 13,177 | -4.32% | \$ 18,924 | \$ 18,954 | -0.16% | \$ 1,172 | \$ 1,788 | -34.45% |
| Kgal sales (000s omitted) | | | | | | | | | |
| Residential | 1,214,968 | 1,216,023 | -0.09% | 1,062,286 | 1,044,183 | 1.73% | 95,133 | 134,882 | -29.47% |
| Commercial and industrial | 956,449 | 1,070,056 | -10.62% | 848,469 | 950,604 | -10.74% | 64,659 | 69,494 | -6.96% |
| Irrigation | 217,887 | 355,985 | -38.79% | N/A | N/A | N/A | 126,951 | 33,644 | 277.34% |
| Total kgal sales | 2,389,304 | 2,642,064 | -9.57% | 1,910,755 | 1,994,787 | -4.21% | 286,743 | 238,020 | 20.47% |
| Average number of accounts: | | | | | | | | | |
| Residential | 307,220 | 298,722 | 2.84% | 273,671 | 265,334 | 3.14% | 18,563 | 16,004 | 15.99% |
| Commercial and industrial | 26,439 | 26,161 | 1.06% | 18,781 | 18,612 | 0.91% | 719 | 635 | 13.23% |
| Irrigation | 37,774 | 37,392 | 1.02% | N/A | N/A | N/A | 41 | 36 | 13.89% |
| Total average accounts | 371,433 | 362,275 | 2.53% | 292,452 | 283,946 | 3.00% | 19,323 | 16,675 | 15.88% |
| Residential averages: | | | | | | | | | |
| Revenue per account - \$ | 24.56 | 23.92 | 2.68% | 41.05 | 40.12 | 2.32% | 45.47 | 57.99 | -21.59% |
| Kgals per account | 3.95 | 4.07 | -2.95% | 3.88 | 3.94 | -1.52% | 5.12 | 8.43 | -39.26% |
| Revenue per kgals - \$ | 6.21 | 5.88 | 5.61% | 10.58 | 10.20 | 3.73% | 8.87 | 6.88 | 28.92% |
| | Year-to-Date | | | | | | | | |
| | Water | | | Sewer | | | Reuse | | |
| | 2021 | 2020 | Variance | 2021 | 2020 | Variance | 2021 | 2020 | Variance |
| Revenues (000s omitted): | | | | | | | | | |
| Residential | \$ 38,924 | \$ 39,299 | -0.95% | \$ 59,380 | \$ 59,071 | 0.52% | \$ 5,150 | \$ 5,201 | -0.98% |
| Commercial and industrial | 19,034 | 19,603 | -2.90% | 44,874 | 46,468 | -3.43% | 1,894 | 2,284 | -17.08% |
| Irrigation | 10,918 | 13,173 | -17.12% | N/A | N/A | N/A | 131 | 85 | 54.12% |
| Gross revenues | 68,876 | 72,075 | -4.44% | 104,254 | 105,539 | -1.22% | 7,175 | 7,570 | -5.22% |
| Rate stabilization | (1,804) | 4,372 | -141.26% | (2,730) | 5,311 | -151.40% | (187) | 1,550 | -112.06% |
| Allowance for doubtful accounts | (200) | (88) | 127.27% | (303) | (121) | 150.41% | (21) | (18) | 16.67% |
| Net revenues | \$ 66,872 | \$ 76,359 | -12.42% | \$ 101,221 | \$ 110,729 | -8.59% | \$ 6,967 | \$ 9,102 | -23.46% |
| Kgal sales (000s omitted) | | | | | | | | | |
| Residential | 6,928,235 | 7,017,091 | -1.27% | 6,065,317 | 6,101,182 | -0.59% | 731,995 | 816,729 | -10.37% |
| Commercial and industrial | 5,419,403 | 5,628,230 | -3.71% | 4,816,247 | 5,013,052 | -3.93% | 388,363 | 483,339 | -19.65% |
| Irrigation | 1,574,180 | 2,117,199 | -25.65% | N/A | N/A | N/A | 492,250 | 239,051 | 105.92% |
| Total kgal sales | 13,921,818 | 14,762,520 | -5.69% | 10,881,564 | 11,114,234 | -2.09% | 1,612,608 | 1,539,119 | 4.77% |
| Average number of accounts: | | | | | | | | | |
| Residential | 305,737 | 297,451 | 2.79% | 272,214 | 264,117 | 3.07% | 18,136 | 15,565 | 16.52% |
| Commercial and industrial | 26,374 | 26,123 | 0.96% | 18,756 | 18,603 | 0.82% | 708 | 624 | 13.46% |
| Irrigation | 37,781 | 37,364 | 1.12% | N/A | N/A | N/A | 40 | 37 | 8.11% |
| Total average accounts | 369,892 | 360,938 | 2.48% | 290,970 | 282,720 | 2.92% | 18,884 | 16,226 | 16.38% |
| Residential averages: | | | | | | | | | |
| Revenue per account - \$ | 127.31 | 132.12 | -3.64% | 218.14 | 223.65 | -2.46% | 283.97 | 334.15 | -15.02% |
| Kgals per account | 22.66 | 23.59 | -3.94% | 22.28 | 23.10 | -3.55% | 40.36 | 52.47 | -23.08% |
| Revenue per kgals - \$ | 5.62 | 5.60 | 0.36% | 9.79 | 9.68 | 1.14% | 7.04 | 6.37 | 10.52% |

| | Month | | | | Year-to-Date | | | |
|------------------------|-------|------|----------|-------------|--------------|-------|----------|-------------|
| | 2021 | 2020 | Variance | 30 Year Avg | 2021 | 2020 | Variance | 30 Year Avg |
| Rain statistics | | | | | | | | |
| Rainfall | 6.63 | 4.25 | 2.38 | 3.19 | 16.44 | 16.28 | 0.16 | 15.33 |
| Rain Days | 12 | 8 | 4 | 8 | 53 | 39 | 14 | 38 |

Appendix

JEA
Schedule of Cash and Investments
(in thousands - unaudited) February 2021

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| | Electric System and Bulk Power Supply | SJRPP System | Total Electric Enterprise Fund | Water and Sewer Enterprise Fund | District Energy System Fund | Total JEA |
|---|--|-----------------|--------------------------------------|--|-----------------------------------|------------|
| Unrestricted cash and investments | | | | | | |
| Operations | \$ 75,896 | \$ 34,313 | \$ 110,209 | \$ 30,662 | \$ 1,060 | \$ 141,931 |
| Rate stabilization: | | | | | | |
| Fuel | 69,787 | - | 69,787 | - | - | 69,787 |
| Environmental | 21,437 | - | 21,437 | 28,093 | - | 49,530 |
| Purchased Power | 25,029 | - | 25,029 | - | - | 25,029 |
| DSM/Conservation | 6,332 | - | 6,332 | - | - | 6,332 |
| Total rate stabilization funds | 122,585 | - | 122,585 | 28,093 | - | 150,678 |
| Customer deposits | 43,689 | - | 43,689 | 16,579 | - | 60,268 |
| General reserve | - | 20,713 | 20,713 | - | - | 20,713 |
| Self insurance reserve funds: | | | | | | |
| Self funded health plan | 11,419 | - | 11,419 | - | - | 11,419 |
| Property insurance reserve | 10,000 | - | 10,000 | - | - | 10,000 |
| Total self insurance reserve funds | 21,419 | - | 21,419 | - | - | 21,419 |
| Environmental liability reserve | 16,568 | - | 16,568 | - | - | 16,568 |
| Total unrestricted cash and investments | \$ 280,157 | \$ 55,026 | \$ 335,183 | \$ 75,334 | \$ 1,060 | \$ 411,577 |
| Restricted assets | | | | | | |
| Renewal and replacement funds | \$ 177,787 | \$ 36,627 | \$ 214,414 | \$ 58,703 | \$ 1,609 | \$ 274,726 |
| Debt service reserve account | 55,844 | 10,566 | 66,410 | 58,664 | - | 125,074 |
| Debt service funds | 48,517 | 10,395 | 58,912 | 23,168 | 1,260 | 83,340 |
| Construction funds | 67 | - | 67 | 23,549 | - | 23,616 |
| Environmental funds | 86 | - | 86 | 343 | - | 429 |
| Subtotal | 282,301 | 57,588 | 339,889 | 164,427 | 2,869 | 507,185 |
| Unrealized holding gain (loss) on investments | 5,268 | 96 | 5,364 | 5,879 | - | 11,243 |
| Other funds | - | 31,759 | 31,759 | - | - | 31,759 |
| Total restricted cash and investments | \$ 287,569 | \$ 89,443 | \$ 377,012 | \$ 170,306 | \$ 2,869 | \$ 550,187 |
| Total cash and investments | \$ 567,726 | \$ 144,469 | \$ 712,195 | \$ 245,640 | \$ 3,929 | \$ 961,764 |

JEA
Schedule of Cash and Investments
(in thousands) September 2020

| | Electric System and Bulk Power Supply | SJRPP System | Total Electric Enterprise Fund | Water and Sewer Enterprise Fund | District Energy System Fund | Total JEA |
|---|--|-----------------|--------------------------------------|--|-----------------------------------|------------|
| Unrestricted cash and investments | | | | | | |
| Operations | \$ 48,670 | \$ 34,212 | \$ 82,882 | \$ 26,738 | \$ 1,615 | \$ 111,235 |
| Rate stabilization: | | | | | | |
| Fuel | 73,347 | - | 73,347 | - | - | 73,347 |
| Environmental | 21,818 | - | 21,818 | 23,372 | - | 45,190 |
| Purchased Power | 36,326 | - | 36,326 | - | - | 36,326 |
| DSM/Conservation | 5,423 | - | 5,423 | - | - | 5,423 |
| Total rate stabilization funds | 136,914 | - | 136,914 | 23,372 | - | 160,286 |
| Customer deposits | 43,641 | - | 43,641 | 16,926 | - | 60,567 |
| General reserve | - | 20,709 | 20,709 | - | - | 20,709 |
| Self insurance reserve funds: | | | | | | |
| Self funded health plan | 10,890 | - | 10,890 | - | - | 10,890 |
| Property insurance reserve | 10,000 | - | 10,000 | - | - | 10,000 |
| Total self insurance reserve funds | 20,890 | - | 20,890 | - | - | 20,890 |
| Environmental liability reserve | 16,568 | - | 16,568 | - | - | 16,568 |
| Total unrestricted cash and investments | \$ 266,683 | \$ 54,921 | \$ 321,604 | \$ 67,036 | \$ 1,615 | \$ 390,255 |
| Restricted assets | | | | | | |
| Renewal and replacement funds | \$ 137,643 | \$ 37,910 | \$ 175,553 | \$ 38,131 | \$ 1,868 | \$ 215,552 |
| Debt service reserve account | 55,844 | 10,544 | 66,388 | 58,228 | - | 124,616 |
| Debt service funds | 91,358 | 18,928 | 110,286 | 41,660 | 2,373 | 154,319 |
| Construction funds | 311 | - | 311 | 25,541 | - | 25,852 |
| Environmental funds | 301 | - | 301 | 649 | - | 950 |
| Subtotal | 285,457 | 67,382 | 352,839 | 164,209 | 4,241 | 521,289 |
| Unrealized holding gain (loss) on investments | 5,772 | 101 | 5,873 | 5,890 | - | 11,763 |
| Other funds | - | 32,062 | 32,062 | - | - | 32,062 |
| Total restricted cash and investments | \$ 291,229 | \$ 99,545 | \$ 390,774 | \$ 170,099 | \$ 4,241 | \$ 565,114 |
| Total cash and investments | \$ 557,912 | \$ 154,466 | \$ 712,378 | \$ 237,135 | \$ 5,856 | \$ 955,369 |

JEA
INVESTMENT PORTFOLIO REPORT
February 2021
(unaudited)
All Funds

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| INVESTMENT | BOOK VALUE | YIELD | % OF TOTAL |
|--------------------------------------|-------------------|--------------|-------------------|
| Federal Home Loan Bank | \$ 86,634,692 | 2.42% | 9.16% |
| Municipal Bonds | 121,016,261 | 3.26% | 12.79% |
| Commercial Paper | 155,459,628 | 0.21% | 16.43% |
| U.S. Treasury Money Market Funds (1) | 185,693,072 | 0.03% | 19.63% |
| Agency Money Market Funds (2) | 84,575,000 | 0.03% | 8.94% |
| PALM Money Market Fund | 40,500,000 | 0.10% | 4.28% |
| Florida Prime Fund | 117,703,000 | 0.15% | 12.44% |
| Wells Fargo Bank Accounts (3) | | | |
| Electric, Scherer | 93,876,578 | 0.16% | 9.92% |
| SJRPP | 22,193,116 | 0.16% | 2.35% |
| Water & Sewer, DES | 38,520,009 | 0.16% | 4.07% |
| Total Portfolio | \$ 946,171,356 | 0.76% | 100.00% |

Weighted Avg. Annual Yield for February 2021, Excluding Bank & Money Market Funds: 1.75%

Weighted Avg. Annual Yield for February 2021, Including Bank & Money Market Funds: 0.76%

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

- (1) Treasury Funds: Federated, Fidelity, Goldman Sachs, State Street
- (2) State Street Government Fund
- (3) Month-end bank balances

JEA
Schedule of Outstanding Indebtedness
February 2021

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| | Interest Rates | Principal Payment Dates | Par Amount Principal Outstanding | Current Portion of Long-Term Debt |
|-----------------------------------|-------------------------|------------------------------------|---|--|
| Electric Enterprise | | | | |
| <i>Electric System</i> | | | | |
| Fixed Rate Senior | 3.000-6.056% | 2021-2044 | 466,610,000 | 15,705,000 |
| Fixed Rate Subordinated | 3.375-6.406% | 2021-2039 | 500,505,000 | 31,870,000 |
| Variable Rate Senior | 0.032-0.531% | 2021-2040 | 448,430,000 | 8,595,000 |
| Variable Rate Subordinated | 0.029-0.126% | 2021-2038 | 132,420,000 | 2,970,000 |
| Total Electric System | <u>2.641% (wtd avg)</u> | <u>2021-2044</u> | <u>1,547,965,000</u> | <u>59,140,000</u> |
| <i>Bulk Power Supply System</i> | | | | |
| Fixed Rate Senior | 2.250-5.920% | 2021-2038 | 81,885,000 | 7,080,000 |
| <i>St. Johns River Power Park</i> | | | | |
| Fixed Rate Senior | 2.250-5.450% | 2021-2039 | 251,765,000 | 14,175,000 |
| Total Electric Enterprise | <u>2.860% (wtd avg)</u> | <u>2021-2044</u> | <u>1,881,615,000</u> | <u>80,395,000</u> |
| Water and Sewer System | | | | |
| Fixed Rate Senior | 3.000-6.310% | 2021-2044 | 899,860,000 | 2,060,000 |
| Fixed Rate Subordinated | 2.750-5.000% | 2023-2040 | 88,845,000 | - |
| Variable Rate Senior | 0.035-1.981% | 2021-2042 | 147,025,000 | 4,860,000 |
| Variable Rate Subordinated | 0.016-0.041% | 2021-2038 | 100,835,000 | 2,450,000 |
| Other Obligations | 1.270% | 2021 | 5,000,000 | - |
| Total Water and Sewer System | <u>3.220% (wtd avg)</u> | <u>2021-2044</u> | <u>1,241,565,000</u> | <u>9,370,000</u> |
| District Energy System | | | | |
| Fixed Rate Senior | 2.694 - 4.538% | 2021-2034 | 31,410,000 | 1,770,000 |
| Total JEA | <u>3.016% (wtd avg)</u> | <u>2021-2044</u> | <u>3,154,590,000</u> | <u>91,535,000</u> |

JEA
Debt Ratio
February 2021

| | Current YTD |
|------------------------|--------------------|
| Electric Enterprise | 59.6% |
| Water and Sewer System | 41.0% |

JEA
Interest Rate Swap Position Report
February 2021
(unaudited)

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JEA Debt Management Swaps Variable to Fixed

| ID | Dealer | Effective Date | Termination Date | Allocation | Fixed Rate | Floating Rate (1) | Spread | Rate Cap | Index |
|---------------------------|----------------|----------------|------------------|-----------------------|----------------|-------------------|--------------|----------|-----------------|
| <i>Electric System</i> | | | | | | | | | |
| 1 | Goldman Sachs | 9/18/2003 | 9/16/2033 | \$ 84,800,000 | 3.717 | 0.084 | 3.633 | n/a | 68% 1 mth Libor |
| 3 | Morgan Stanley | 1/27/2005 | 10/1/2039 | 82,575,000 | 4.351 | 0.031 | 4.320 | n/a | SIFMA |
| 4 | JPMorgan | 1/27/2005 | 10/1/2035 | 81,575,000 | 3.661 | 0.084 | 3.577 | n/a | 68% 1 mth Libor |
| 6 | JPMorgan | 1/27/2005 | 10/1/2037 | 39,175,000 | 3.716 | 0.084 | 3.632 | n/a | 68% 1 mth Libor |
| 8 | Morgan Stanley | 1/31/2007 | 10/1/2031 | 62,980,000 | 3.907 | 0.031 | 3.876 | n/a | SIFMA |
| 10 | Goldman Sachs | 1/31/2008 | 10/1/2036 | 51,680,000 | 3.836 | 0.031 | 3.805 | n/a | SIFMA |
| Total | | | | <u>402,785,000</u> | | | | | |
| <i>Water/Sewer System</i> | | | | | | | | | |
| 7 | Morgan Stanley | 10/31/2006 | 10/1/2022 | 9,915,000 | 4.075 | 1.981 | 2.094 | n/a | CPI |
| 9 | Merrill Lynch | 3/8/2007 | 10/1/2041 | 85,290,000 | 3.895 | 0.031 | 3.864 | n/a | SIFMA |
| Total | | | | <u>95,205,000</u> | | | | | |
| Grand Total | | | | <u>\$ 497,990,000</u> | Wtd Avg Spread | | <u>3.795</u> | | |

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

JEA
Electric System
Production Statistics
February 2021 and 2020 (unaudited)

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| | Month | | | Year-to-Date | | |
|---|---------------|---------------|----------|----------------|---------------|----------|
| | 2021 | 2020 | Variance | 2021 | 2020 | Variance |
| Generated power: | | | | | | |
| Steam: | | | | | | |
| <i>Fuel oil</i> | | | | | | |
| Fuel expense | \$ 1,779,898 | \$ - | | \$ 2,028,047 | \$ 32,788 | 6085.33% |
| Barrels #6 oil consumed | 16,409 | - | | 18,697 | 303 | 6070.63% |
| \$/ per barrel consumed | \$ 108.47 | \$ - | | \$ 108.47 | \$ 108.21 | 0.24% |
| kWh oil generated (1) | 9,564,240 | - | | 9,564,240 | 141,446 | 6661.76% |
| Cost per MWh - oil | \$ 186.10 | \$ - | | \$ 212.04 | \$ 231.81 | -8.52% |
| <i>Natural gas units #1-3</i> | | | | | | |
| Gas expense - variable | \$ 2,770,988 | \$ 2,268,016 | 22.18% | \$ 22,453,753 | \$ 16,738,957 | 34.14% |
| MMBTU's consumed | 888,600 | 1,388,015 | -35.98% | 8,267,054 | 7,276,706 | 13.61% |
| \$/ per MMBTU consumed | \$ 3.12 | \$ 1.63 | 90.84% | \$ 2.72 | \$ 2.30 | 18.07% |
| kWh - gas generated (1) | 82,932,285 | 122,099,622 | -32.08% | 745,772,069 | 669,562,652 | 11.38% |
| Cost per MWh - gas | \$ 33.41 | \$ 18.58 | 79.88% | \$ 30.11 | \$ 25.00 | 20.43% |
| Cost per MWh - gas & oil - steam | \$ 49.20 | \$ 18.58 | 164.87% | \$ 32.41 | \$ 25.04 | 29.42% |
| <i>Coal</i> | | | | | | |
| Coal expense | \$ 1,496,813 | \$ 1,688,328 | -11.34% | \$ 7,207,836 | \$ 6,635,612 | 8.62% |
| kWh generated | 59,965,041 | 72,069,094 | -16.80% | 283,096,877 | 270,181,336 | 4.78% |
| Cost per MWh - coal | \$ 24.96 | \$ 23.43 | 6.55% | \$ 25.46 | \$ 24.56 | 3.67% |
| <i>Pet coke and limestone</i> | | | | | | |
| Expense | \$ 2,969,131 | \$ 4,266,043 | -30.40% | \$ 15,888,509 | \$ 14,476,128 | 9.76% |
| kWh generated | 82,894,867 | 180,760,629 | -54.14% | 443,035,847 | 612,198,988 | -27.63% |
| Cost per MWh - pet coke and limestone | \$ 35.82 | \$ 23.60 | 51.77% | \$ 35.86 | \$ 23.65 | 51.66% |
| Cost per MWh - coal & petcoke - steam | \$ 31.26 | \$ 23.55 | 32.74% | \$ 31.81 | \$ 23.93 | 32.94% |
| Combustion turbine: | | | | | | |
| <i>Fuel oil</i> | | | | | | |
| Fuel expense | \$ 480,433 | \$ 130,260 | 268.83% | \$ 1,042,365 | \$ 787,134 | 32.43% |
| Barrels #2 oil consumed | 4,860 | 1,005 | 383.58% | 8,909 | 6,208 | 43.51% |
| \$/ per barrel consumed | \$ 98.85 | \$ 129.61 | -23.73% | \$ 117.00 | \$ 126.79 | -7.72% |
| kWh - oil generated | 2,394,977 | 282,524 | 747.71% | 3,878,061 | 2,313,465 | 67.63% |
| Cost per MWh - oil | \$ 200.60 | \$ 461.06 | -56.49% | \$ 268.79 | \$ 340.24 | -21.00% |
| <i>Natural gas (includes landfill)</i> | | | | | | |
| Gas expense Kennedy & landfill - variable | \$ 648,927 | \$ 94,233 | 588.64% | \$ 2,243,592 | \$ 1,264,425 | 77.44% |
| MMBTU's consumed | 209,237 | 57,412 | 264.45% | 824,983 | 523,390 | 57.62% |
| \$/ per MMBTU consumed | \$ 3.10 | \$ 1.64 | 88.95% | \$ 2.72 | \$ 2.42 | 12.57% |
| kWh - gas generated (1) | 18,356,776 | 4,334,546 | 323.50% | 72,859,469 | 44,117,474 | 65.15% |
| Cost per MWh - gas | \$ 35.35 | \$ 21.74 | 62.61% | \$ 30.79 | \$ 28.66 | 7.44% |
| Gas expense BB simple - variable | \$ 440,257 | \$ 54,193 | 712.39% | \$ 2,614,489 | \$ 609,576 | 328.90% |
| MMBTU's consumed | \$ 124,964 | 27,550 | 353.59% | 981,278 | 254,249 | 285.95% |
| \$/ per MMBTU consumed | \$ 3.52 | \$ 1.97 | 79.10% | \$ 2.66 | \$ 2.40 | 11.13% |
| kWh - gas generated (1) | 11,333,468 | 2,248,899 | 403.96% | 92,078,968 | 31,175,686 | 195.36% |
| Cost per MWh - gas simple | \$ 38.85 | \$ 24.10 | 61.20% | \$ 28.39 | \$ 19.55 | 45.22% |
| Gas expense BB combined - variable | \$ 9,293,790 | \$ 5,189,967 | 79.07% | \$ 39,900,935 | \$ 30,965,854 | 28.85% |
| MMBTU's consumed | 2,567,383 | 2,616,653 | -1.88% | 14,011,928 | 13,094,904 | 7.00% |
| \$/ per MMBTU consumed | \$ 3.62 | \$ 1.98 | 82.51% | \$ 2.85 | \$ 2.36 | 20.42% |
| kWh - gas generated (1) | 384,712,461 | 401,871,285 | -4.27% | 2,085,786,282 | 1,964,905,074 | 6.15% |
| Cost per MWh - gas combined | \$ 24.16 | \$ 12.91 | 87.06% | \$ 19.13 | \$ 15.76 | 21.39% |
| Gas expense GEC simple - variable | \$ 1,525,190 | \$ 167,427 | 810.96% | \$ 5,448,222 | \$ 2,539,708 | 114.52% |
| MMBTU's consumed | 414,012 | 63,018 | 556.97% | 1,429,343 | 1,001,714 | 42.69% |
| \$/ per MMBTU consumed | \$ 3.68 | \$ 2.66 | 38.66% | \$ 3.81 | \$ 2.54 | 50.34% |
| kWh - gas generated | 34,652,952 | 4,964,257 | 598.05% | 125,563,721 | 89,929,629 | 39.62% |
| Cost per MWh - gas simple | \$ 44.01 | \$ 33.73 | 30.50% | \$ 43.39 | \$ 28.24 | 53.64% |
| Cost per MWh - gas & oil ct | \$ 27.44 | \$ 13.62 | 101.43% | \$ 21.53 | \$ 16.96 | 26.96% |
| Natural gas expense - fixed | \$ 3,171,675 | \$ 3,153,077 | 0.59% | \$ 16,501,150 | \$ 16,329,560 | 1.05% |
| Total generated power: | | | | | | |
| Fuels expense | \$ 24,577,102 | \$ 17,011,544 | 44.47% | \$ 115,328,898 | \$ 90,379,742 | 27.60% |
| kWh generated | 686,807,067 | 788,630,856 | -12.91% | 3,861,635,534 | 3,684,525,750 | 4.81% |
| Cost per MWh | \$ 35.78 | \$ 21.57 | 65.89% | \$ 29.87 | \$ 24.53 | 21.75% |

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

JEA
Electric System
Production Statistics (Continued)
February 2021 and 2020 (unaudited)

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| | Month | | | Year-to-Date | | |
|---|----------------------|----------------------|----------------|-----------------------|----------------------|---------------|
| | 2021 | 2020 | Variance | 2021 | 2020 | Variance |
| Production Statistics (Continued) | | | | | | |
| Cost of fuels | | | | | | |
| Natural gas | \$ 17,850,827 | \$ 10,926,913 | 63.37% | \$ 89,162,141 | \$ 68,448,080 | 30.26% |
| Petcoke | 2,969,131 | 4,266,043 | -30.40% | 15,888,509 | 14,476,128 | 9.76% |
| Coal | 1,496,813 | 1,688,328 | -11.34% | 7,207,836 | 6,635,612 | 8.62% |
| Fuel oil #2 | 480,433 | 130,260 | 268.83% | 1,042,365 | 787,134 | 32.43% |
| Fuel oil #6 | 1,779,898 | - | | 2,028,047 | 32,788 | 6085.33% |
| Total | <u>\$ 24,577,102</u> | <u>\$ 17,011,544</u> | <u>44.47%</u> | <u>\$ 115,328,898</u> | <u>\$ 90,379,742</u> | <u>27.60%</u> |
| Purchased power: | | | | | | |
| <i>Plant Scherer</i> | | | | | | |
| Purchases | \$ 3,989,997 | \$ 3,679,936 | 8.43% | \$ 21,644,734 | \$ 20,695,070 | 4.59% |
| kWh purchased | 100,217,000 | 32,190,000 | 211.33% | 458,996,000 | 330,046,000 | 39.07% |
| Cost per MWh | \$ 39.81 | \$ 114.32 | -65.17% | \$ 47.16 | \$ 62.70 | -24.79% |
| <i>TEA & other</i> | | | | | | |
| Purchases | \$ 7,885,546 | \$ 4,446,231 | 77.35% | \$ 36,820,923 | \$ 34,878,955 | 5.57% |
| kWh purchased | 92,212,818 | 61,275,746 | 50.49% | 577,885,266 | 751,119,398 | -23.06% |
| Cost per MWh | \$ 85.51 | \$ 72.56 | 17.85% | \$ 63.72 | \$ 46.44 | 37.21% |
| <i>SJRPP</i> | | | | | | |
| Purchases | \$ 2,223,510 | \$ 2,085,104 | 6.64% | \$ 11,111,544 | \$ 10,270,426 | 8.19% |
| Total purchased power: | | | | | | |
| Purchases | <u>\$ 14,099,053</u> | <u>\$ 10,211,271</u> | <u>38.07%</u> | <u>\$ 69,577,201</u> | <u>\$ 65,844,451</u> | <u>5.67%</u> |
| kWh purchased | <u>192,429,818</u> | <u>93,465,746</u> | <u>105.88%</u> | <u>1,036,881,266</u> | <u>1,081,165,398</u> | <u>-4.10%</u> |
| Cost per MWh | <u>\$ 73.27</u> | <u>\$ 109.25</u> | <u>-32.94%</u> | <u>\$ 67.10</u> | <u>\$ 60.90</u> | <u>10.18%</u> |
| Subtotal - generated and purchased power: | \$ 38,676,155 | \$ 27,222,815 | 42.07% | \$ 184,906,099 | \$ 156,224,193 | 18.36% |
| Fuel interchange sales | (196,491) | (10,735) | 1730.38% | (217,496) | (351,007) | -38.04% |
| Earnings of The Energy Authority | (641,321) | 138,004 | -564.71% | (1,158,806) | (481,798) | 140.52% |
| Realized and Unrealized (Gains) Losses | (520,180) | 1,530,780 | -133.98% | (1,650,110) | 4,945,780 | -133.36% |
| Fuel procurement and handling | 1,055,712 | 995,679 | 6.03% | 5,708,550 | 5,407,563 | 5.57% |
| By product reuse | 971,821 | 310,103 | 213.39% | 3,576,643 | 1,319,969 | 170.96% |
| Total generated and net purchased power: | | | | | | |
| Cost, net | <u>39,345,696</u> | <u>30,186,646</u> | <u>30.34%</u> | <u>191,164,880</u> | <u>167,064,700</u> | <u>14.43%</u> |
| kWh generated and purchased | <u>879,236,885</u> | <u>882,096,602</u> | <u>-0.32%</u> | <u>4,898,516,800</u> | <u>4,765,691,148</u> | <u>2.79%</u> |
| Cost per MWh | <u>\$ 44.75</u> | <u>\$ 34.22</u> | <u>30.77%</u> | <u>\$ 39.03</u> | <u>\$ 35.06</u> | <u>11.32%</u> |
| Reconciliation: | | | | | | |
| Generated and purchased power per above | \$ 39,345,696 | \$ 44.75 | | \$ 191,164,880 | \$ 39.03 | |
| SJRPP operating expenses: | | | | | | |
| SJRPP debt service | (1,975,798) | (2.25) | | (9,872,986) | (2.02) | |
| SJRPP R & R | (247,712) | (0.28) | | (1,238,558) | (0.25) | |
| Scherer operating expenses: | | | | | | |
| Scherer power production | (1,171,879) | (1.33) | | (4,093,585) | (0.84) | |
| Scherer R & R | (189,213) | (0.22) | | (1,406,517) | (0.29) | |
| Scherer transmission | (1,088,192) | (1.24) | | (3,258,896) | (0.67) | |
| Scherer taxes | (113,773) | (0.13) | | (601,558) | (0.12) | |
| Florida and other capacity | (758,400) | (0.86) | | (3,491,066) | (0.71) | |
| MEAG | (2,047,858) | (2.33) | | (11,296,787) | (2.31) | |
| Rounding | - | - | | (1) | (0.00) | |
| Energy expense per budget page | <u>\$ 31,752,871</u> | <u>\$ 36.11</u> | | <u>\$ 155,904,926</u> | <u>\$ 31.83</u> | |

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| Electric System | | Month | | | | Prior Year Month | |
|---|----------------|---------------|---------------|----------|----|------------------|----------|
| Budget vs. Actual | ANNUAL BUDGET | BUDGET | ACTUAL | Variance | | ACTUAL | Variance |
| February 2021 and 2020 (unaudited) | 2020-21 | 2020-21 | 2020-21 | % | | 2019-20 | % |
| Fuel Related Revenues & Expenses | | | | | | | |
| Fuel Rate Revenues | \$ 410,912,775 | \$ 28,909,503 | \$ 27,670,111 | -4.29% | \$ | 26,701,695 | 3.63% |
| Fuel Expense and Purchased Power: | | | | | | | |
| Fuel Expense - Electric System | 307,626,283 | 22,902,843 | 26,084,455 | | | 19,848,107 | |
| Other Purchased Power | 66,547,723 | 3,869,809 | 5,668,416 | | | 3,039,361 | |
| Subtotal Energy Expense | 374,174,006 | 26,772,652 | 31,752,871 | -18.60% | | 22,887,468 | -38.73% |
| Transfer to (from) Rate Stabilization, Net | 35,506,030 | 2,034,123 | (4,165,040) | | | 3,776,759 | |
| Fuel Related Uncollectibles | 1,232,739 | 102,728 | 82,280 | | | 37,468 | |
| Total | 410,912,775 | 28,909,503 | 27,670,111 | 4.29% | | 26,701,695 | -3.63% |
| Fuel Balance | - | - | - | | | - | |
| Nonfuel Related Revenues | | | | | | | |
| Base Rate Revenues | 793,579,500 | 55,831,774 | 55,730,445 | | | 52,924,129 | |
| Conservation Charge Revenue | 768,600 | 54,074 | 49,636 | | | 23,305 | |
| Environmental Charge Revenue | 7,814,100 | 549,756 | 526,700 | | | 508,398 | |
| Investment Income | 7,962,574 | 663,548 | 319,874 | | | 550,455 | |
| Natural Gas Revenue Pass Through | 967,784 | 80,649 | 69,717 | | | 62,904 | |
| Other Revenues | 25,141,212 | 2,095,101 | 2,031,325 | | | 1,944,071 | |
| Total | 836,233,770 | 59,274,902 | 58,727,697 | -0.92% | | 56,013,262 | 4.85% |
| Nonfuel Related Expenses | | | | | | | |
| Non-Fuel O&M | 239,699,869 | 16,289,390 | 13,932,820 | | | 14,177,996 | |
| DSM / Conservation O&M | 6,422,909 | 521,110 | 474,423 | | | 450,474 | |
| Environmental O&M | 1,891,598 | 156,047 | 8,068 | | | 123,990 | |
| Rate Stabilization - DSM | 750,691 | 62,558 | 21,285 | | | 2,728 | |
| Rate Stabilization - Environmental | (9,423,646) | (785,304) | 21,996 | | | (668,418) | |
| Natural Gas Expense Pass Through | 915,183 | 75,361 | 90,904 | | | 68,608 | |
| Debt Principal - Electric System | 59,140,000 | 4,928,333 | 4,928,333 | | | 5,065,833 | |
| Debt Interest - Electric System | 72,033,417 | 6,002,785 | 5,275,124 | | | 5,685,801 | |
| R&R - Electric System | 64,012,472 | 5,334,373 | 5,211,688 | | | 5,468,637 | |
| Operating Capital Outlay | 217,292,441 | 13,000,000 | 13,000,000 | | | 10,000,000 | |
| Operating Capital Outlay - Environmental | 9,640,680 | - | 593,610 | | | 1,052,825 | |
| City Contribution Expense | 93,609,555 | 7,800,796 | 7,800,796 | | | 7,822,581 | |
| Taxes & Uncollectibles | 2,606,030 | 217,169 | 183,320 | | | 91,663 | |
| Emergency Reserve | 5,000,000 | - | - | | | - | |
| Nonfuel Purchased Power: | | | | | | | |
| * SJRPP D/S Principal | 14,175,000 | 1,181,250 | 1,181,250 | | | 1,111,667 | |
| * SJRPP D/S Interest | 9,893,940 | 824,495 | 800,443 | | | 843,913 | |
| ** Other Non-Fuel Purchased Power | 48,573,631 | 4,047,803 | 4,398,991 | | | 4,640,044 | |
| Total Nonfuel Expenses | 836,233,770 | 59,656,166 | 57,923,051 | 2.91% | | 55,938,342 | -3.55% |
| Non-Fuel Balance | - | (381,264) | 804,646 | | | 74,920 | |
| Total Balance | - | (381,264) | 804,646 | | | 74,920 | |
| Total Revenues | 1,247,146,545 | 88,184,405 | 86,397,808 | -2.03% | | 82,714,957 | 4.45% |
| Total Expenses | 1,247,146,545 | 88,565,669 | 85,593,162 | 3.36% | | 82,640,037 | -3.57% |
| KWH Sold - Territorial | 12,810,000,000 | 901,239,000 | 858,433,779 | -4.75% | | 828,827,836 | 3.57% |
| KWH Sold - Off System | - | - | 2,455,000 | | | 610,000 | |
| | 12,810,000,000 | 901,239,000 | 860,888,779 | -4.48% | | 829,437,836 | 3.79% |

* Gross debt service

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

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| Electric System | | Year-to-Date | | | | Prior Year-to-Date | |
|---|-----------------------|----------------------|----------------------|----------|----|----------------------|----------|
| Budget vs. Actual | ANNUAL BUDGET | BUDGET | ACTUAL | Variance | | ACTUAL | Variance |
| February 2021 and 2020 (unaudited) | 2020-21 | 2020-21 | 2020-21 | % | | 2019-20 | % |
| Fuel Related Revenues & Expenses | | | | | | | |
| Fuel Rate Revenues | \$ 410,912,775 | \$ 156,729,361 | \$ 152,791,207 | -2.51% | \$ | 147,831,273 | 3.36% |
| Fuel Expense and Purchased Power: | | | | | | | |
| Fuel Expense - Electric System | 307,626,283 | 116,677,676 | 122,963,980 | | | 102,053,055 | |
| Other Purchased Power | 66,547,723 | 23,956,887 | 32,940,946 | | | 30,065,718 | |
| Subtotal Energy Expense | 374,174,006 | 140,634,563 | 155,904,926 | -10.86% | | 132,118,773 | -18.00% |
| Transfer to (from) Rate Stabilization, Net | 35,506,030 | 15,581,157 | (3,559,900) | | | 15,630,233 | |
| Fuel Related Uncollectibles | 1,232,739 | 513,641 | 446,181 | | | 82,267 | |
| Total | 410,912,775 | 156,729,361 | 152,791,207 | 2.51% | | 147,831,273 | -3.36% |
| Fuel Balance | - | - | - | | | - | |
| Nonfuel Related Revenues | | | | | | | |
| Base Rate Revenues | 793,579,500 | 302,685,186 | 299,757,260 | | | 286,229,942 | |
| Conservation Charge Revenue | 768,600 | 293,158 | 274,478 | | | 167,431 | |
| Environmental Charge Revenue | 7,814,100 | 2,980,435 | 2,908,468 | | | 2,811,542 | |
| Investment Income | 7,962,574 | 3,317,739 | 1,644,012 | | | 3,511,303 | |
| Natural Gas Revenue Pass Through | 967,784 | 403,243 | 314,957 | | | 300,390 | |
| Other Revenues | 25,141,212 | 10,475,505 | 10,963,948 | | | 35,682,303 | |
| Total | 836,233,770 | 320,155,266 | 315,863,123 | -1.34% | | 328,702,911 | -3.91% |
| Nonfuel Related Expenses | | | | | | | |
| Non-Fuel O&M | 239,699,869 | 106,598,023 | 78,723,022 | | | 86,533,599 | |
| DSM / Conservation O&M | 6,422,909 | 2,666,341 | 1,774,586 | | | 2,322,856 | |
| Environmental O&M | 1,891,598 | 789,752 | 254,340 | | | 374,012 | |
| Rate Stabilization - DSM | 750,691 | 312,788 | 908,288 | | | 212,788 | |
| Rate Stabilization - Environmental | (9,423,646) | (3,926,519) | (381,070) | | | (2,470,447) | |
| Natural Gas Expense Pass Through | 915,183 | 382,239 | 384,299 | | | 337,636 | |
| Debt Principal - Electric System | 59,140,000 | 24,641,667 | 24,641,667 | | | 25,329,167 | |
| Debt Interest - Electric System | 72,033,417 | 30,013,924 | 27,612,197 | | | 29,791,850 | |
| Early Debt Retirement | - | - | - | | | 55,154,065 | |
| Rate Stabilization - Debt Management | - | - | - | | | (29,884,152) | |
| R&R - Electric System | 64,012,472 | 26,671,864 | 26,058,438 | | | 27,343,188 | |
| Operating Capital Outlay | 217,292,441 | 84,000,000 | 84,000,000 | | | 55,000,000 | |
| Operating Capital Outlay - Environmental | 9,640,680 | - | 3,035,199 | | | 4,907,976 | |
| City Contribution Expense | 93,609,555 | 39,003,981 | 39,003,981 | | | 39,112,903 | |
| Taxes & Uncollectibles | 2,606,030 | 1,085,846 | 968,894 | | | 249,248 | |
| Emergency Reserve | 5,000,000 | - | - | | | - | |
| * SJRPP D/S Principal | 14,175,000 | 5,906,250 | 5,906,250 | | | 5,558,333 | |
| * SJRPP D/S Interest | 9,893,940 | 4,122,475 | 4,000,400 | | | 4,219,564 | |
| ** Other Non-Fuel Purchased Power | 48,573,631 | 20,239,013 | 18,231,688 | | | 23,823,848 | |
| Total Nonfuel Expenses | 836,233,770 | 342,507,644 | 315,122,179 | 8.00% | | 327,916,434 | 3.90% |
| Non-Fuel Balance | - | (22,352,378) | 740,944 | | | 786,477 | |
| Total Balance | - | (22,352,378) | 740,944 | | | 786,477 | |
| Total Revenues | 1,247,146,545 | 476,884,627 | 468,654,330 | -1.73% | | 476,534,184 | -1.65% |
| Total Expenses | 1,247,146,545 | 499,237,005 | 467,913,386 | 6.27% | | 475,747,707 | 1.65% |
| KWH Sold - Territorial | 12,810,000,000 | 4,885,960,000 | 4,739,820,710 | -2.99% | | 4,588,858,844 | 3.29% |
| KWH Sold - Off System | - | - | 2,974,000 | | | 14,388,000 | |
| | 12,810,000,000 | 4,885,960,000 | 4,742,794,710 | -2.93% | | 4,603,246,844 | 3.03% |

* Gross debt service

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

JEA

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Water and Sewer System

| Budget vs. Actual February 2021 and 2020 (unaudited) | Month | | | | Prior Year Month | |
|---|----------------|---------------------|---------------------|----------|---------------------|----------|
| | ANNUAL BUDGET | BUDGET | ACTUAL | Variance | ACTUAL | Variance |
| | 2020-21 | 2020-21 | 2020-21 | % | 2019-20 | % |
| REVENUES | | | | | | |
| Water & Sewer Revenues | \$ 465,323,338 | \$ 34,489,196 | \$ 32,738,324 | | \$ 33,340,158 | |
| Capacity & Extension Fees | 29,388,151 | 1,678,783 | 3,523,389 | | 2,649,114 | |
| Capital Contributions | - | - | 10,000 | | - | |
| Investment Income | 2,975,171 | 247,931 | 208,874 | | 231,109 | |
| Other Income | 14,600,000 | 7,927,861 | 1,233,976 | | 1,330,169 | |
| Total | 512,286,660 | 44,343,771 | 37,714,563 | -14.95% | 37,550,550 | 0.44% |
| EXPENSES | | | | | | |
| O & M Expenses | 177,824,583 | 14,032,368 | 11,511,819 | | 11,421,147 | |
| Debt Principal - Water & Sewer | 9,370,000 | 780,833 | 780,833 | | 1,655,833 | |
| Debt Interest - Water & Sewer | 56,066,531 | 4,672,211 | 4,154,970 | | 4,425,830 | |
| Rate Stabilization - Environmental | - | - | 741,645 | | 215,443 | |
| R&R - Water & Sewer | 26,606,100 | 2,217,175 | 2,217,175 | | 2,094,913 | |
| Operating Capital Outlay | 167,449,118 | 12,712,602 | 12,712,602 | | 12,712,602 | |
| Operating Capital Outlay - Capacity/Extension | 29,388,151 | 2,449,013 | 3,523,389 | | 2,649,114 | |
| Operating Capital Outlay - Contributions | - | - | 10,000 | | - | |
| Operating Capital Outlay - Environmental | 16,783,512 | 1,398,626 | 273,635 | | 737,198 | |
| City Contribution Expense | 26,402,695 | 2,200,225 | 2,200,225 | | 2,079,420 | |
| Uncollectibles & Fees | 1,395,970 | 116,331 | 98,000 | | 41,987 | |
| Interlocal Agreements | - | - | - | | - | |
| Emergency Reserve | 1,000,000 | - | - | | - | |
| Total Expenses | 512,286,660 | 40,579,384 | 38,224,293 | 5.80% | 38,033,487 | -0.50% |
| Total Balance | \$ - | \$ 3,764,387 | \$ (509,730) | | \$ (482,937) | |
| Sales kgals | | | | | | |
| Water | 40,425,000 | 2,769,684 | 2,389,304 | -13.73% | 2,642,064 | -9.57% |
| Sewer | 34,650,000 | 2,457,142 | 2,197,498 | -10.57% | 2,232,807 | -1.58% |
| Total | 75,075,000 | 5,226,827 | 4,586,802 | -12.24% | 4,874,871 | -5.91% |

| Budget vs. Actual February 2021 and 2020 (unaudited) | Year-To-Date | | | | Prior Year to Date | |
|---|----------------|-----------------------|---------------------|----------|---------------------|----------|
| | ANNUAL BUDGET | BUDGET | ACTUAL | Variance | ACTUAL | Variance |
| | 2020-21 | 2020-21 | 2020-21 | % | 2019-20 | % |
| REVENUES | | | | | | |
| Water & Sewer Revenues | \$ 465,323,338 | \$ 184,787,744 | \$ 176,010,186 | | \$ 180,741,995 | |
| Capacity & Extension Fees | 29,388,151 | 10,294,309 | 14,442,468 | | 14,091,176 | |
| Capital Contributions | - | - | 61,057 | | - | |
| Investment Income | 2,975,171 | 1,239,655 | 1,067,392 | | 1,496,528 | |
| Other Income | 14,600,000 | 9,555,561 | 6,141,356 | | 40,623,349 | |
| Total | 512,286,660 | 205,877,269 | 197,722,459 | -3.96% | 236,953,048 | -16.56% |
| EXPENSES | | | | | | |
| O & M Expenses | 177,824,583 | 74,790,767 | 62,587,822 | | 63,657,596 | |
| Debt Principal - Water & Sewer | 9,370,000 | 3,904,167 | 3,904,168 | | 8,279,168 | |
| Debt Interest - Water & Sewer | 56,066,531 | 23,361,055 | 21,307,839 | | 22,585,803 | |
| Early Debt Retirement | - | - | - | | 48,195,881 | |
| Rate Stabilization - Debt Management | - | - | - | | (14,209,250) | |
| Rate Stabilization - Environmental | - | - | 4,720,911 | | 2,976,421 | |
| R&R - Water & Sewer | 26,606,100 | 11,085,875 | 11,085,875 | | 10,474,563 | |
| Operating Capital Outlay | 167,449,118 | 64,463,010 | 64,463,008 | | 66,163,009 | |
| Operating Capital Outlay - Capacity/Extension | 29,388,151 | 12,245,063 | 14,442,468 | | 14,091,176 | |
| Operating Capital Outlay - Contributions | - | - | 61,057 | | - | |
| Operating Capital Outlay - Environmental | 16,783,512 | 6,993,130 | 1,677,688 | | 2,495,901 | |
| City Contribution Expense | 26,402,695 | 11,001,123 | 11,001,123 | | 10,397,101 | |
| Uncollectibles & Fees | 1,395,970 | 581,654 | 523,880 | | 227,132 | |
| Interlocal Agreements | - | - | 942,201 | | 536,771 | |
| Emergency Reserve | 1,000,000 | - | - | | - | |
| Total Expenses | 512,286,660 | 208,425,844 | 196,718,040 | 5.62% | 235,871,272 | 16.60% |
| Total Balance | \$ - | \$ (2,548,575) | \$ 1,004,419 | | \$ 1,081,776 | |
| Sales kgals | | | | | | |
| Water | 40,425,000 | 15,567,338 | 13,921,818 | -10.57% | 14,762,520 | -5.69% |
| Sewer | 34,650,000 | 13,534,491 | 12,494,172 | -7.69% | 12,653,353 | -1.26% |
| Total | 75,075,000 | 29,101,828 | 26,415,990 | -9.23% | 27,415,873 | -3.65% |

JEA

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District Energy System

| | Month | | | | Prior Year Month | |
|------------------------------------|---------------|--------------------|------------------|----------|------------------|----------|
| Budget vs. Actual | ANNUAL BUDGET | BUDGET | ACTUAL | Variance | ACTUAL | Variance |
| February 2021 and 2020 (unaudited) | 2020-21 | 2020-21 | 2020-21 | % | 2019-20 | % |
| REVENUES | | | | | | |
| Revenues | \$ 9,328,327 | \$ 640,273 | \$ 540,683 | | \$ 632,571 | |
| Investment Income | - | - | 184 | | 4,697 | |
| Total | 9,328,327 | 640,273 | 540,867 | -15.53% | 637,268 | -15.13% |
| EXPENSES | | | | | | |
| O & M Expenses | 5,193,927 | 415,296 | 219,029 | | 287,621 | |
| Debt Principal - Water & Sewer | 1,770,000 | 147,500 | 147,500 | | 143,750 | |
| Debt Interest - Water & Sewer | 1,253,891 | 104,491 | 104,491 | | 107,963 | |
| R&R - Water & Sewer | 437,313 | 36,443 | 36,079 | | 49,100 | |
| Operating Capital Outlay | 673,196 | - | - | | - | |
| Total Expenses | 9,328,327 | 703,730 | 507,099 | 27.94% | 588,434 | 13.82% |
| Total Balance | \$ - | \$ (63,457) | \$ 33,768 | | \$ 48,834 | |

| | Year-To-Date | | | | Prior-Year-to-Date | |
|------------------------------------|---------------|------------------|--------------------|----------|--------------------|----------|
| Budget vs. Actual | ANNUAL BUDGET | BUDGET | ACTUAL | Variance | ACTUAL | Variance |
| February 2021 and 2020 (unaudited) | 2020-21 | 2020-21 | 2020-21 | % | 2019-20 | % |
| REVENUES | | | | | | |
| Revenues | \$ 9,328,327 | \$ 3,652,988 | \$ 3,099,846 | | \$ 3,355,262 | |
| Investment Income | - | - | 1,318 | | 47,314 | |
| Total | 9,328,327 | 3,652,988 | 3,101,164 | -15.11% | 3,402,576 | -8.86% |
| EXPENSES | | | | | | |
| O & M Expenses | 5,193,927 | 2,148,015 | 1,686,746 | | 1,797,951 | |
| Debt Principal - Water & Sewer | 1,770,000 | 737,500 | 737,500 | | 718,750 | |
| Debt Interest - Water & Sewer | 1,253,891 | 522,455 | 522,455 | | 539,813 | |
| R&R - Water & Sewer | 437,313 | 182,214 | 180,396 | | 245,500 | |
| Operating Capital Outlay | 673,196 | - | - | | - | |
| Total Expenses | 9,328,327 | 3,590,184 | 3,127,097 | 12.90% | 3,302,014 | 5.30% |
| Total Balance | \$ - | \$ 62,804 | \$ (25,933) | | \$ 100,562 | |



INTER-OFFICE MEMORANDUM

March 11, 2021

SUBJECT: INTEGRATED WATER RESOURCE PLAN (IWRP)

FROM: Jay Stowe, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

JEA engaged CDM Smith engineers in April 2019 to perform an Integrated Water Resource Plan (IWRP) that provides for mid and long-term planning of water supply sources. Currently the source of supply for the JEA potable water system is groundwater from the Floridan aquifer. In the future, alternative water supplies in addition to the aquifer will be needed to meet future demands. The objectives of the IWRP are to evaluate water supply alternatives based on the requirements of water supply certainty, reliability, sustainability and cost effectiveness.

The IWRP study encompassed the entire JEA water service area. JEA's water distribution system is divided into six distinct service grids serving most of Duval County and parts of St. Johns, Clay and Nassau Counties. These service grids are identified as North, South, Nassau, Ponte Vedra, Ponce de Leon and Mayport consisting of 38 water treatment facilities with 137 wells. The North and South grids are considered the Major Grids in the system and are currently interconnected via 30" and 36" transmission mains that cross the St. Johns River in downtown Jacksonville, commonly referred to as the Total Water Management Plan (TWMP) mains.

JEA is operating under a twenty-year consolidated Consumptive Use Permit (CUP) issued by the St. Johns River Water Management District (SJRWMD) in May in 2011. Through 50 regulatory conditions in the CUP, JEA has a permitted total allocation in 2021 equaling to an annual average of 142 million gallons per day (MGD) from the Floridan aquifer. Each water treatment facility has an annual volume withdrawal allocation, however, through Condition 19 each facility has operational flexibility of 20% or 28% above the facility's individual allocation, depending on the facility's location, as long as the overall total JEA withdrawal does not exceed 142 MGD.

In 2000 JEA started a reclaimed water system so irrigation demands in areas of new growth no longer use potable water. That system has now expanded to one of the largest reclaimed water systems in Florida. Current usage is 20 MGD; approximately 14 MGD are delivered to retail customers including residential homes, commercial customers, and bulk users such as golf courses and common areas in large developments, and 6 MGD are utilized at JEA facilities.

The addition of reclaimed water as well as conservation measures including tiered rates and public messaging have beneficially reduced per capita water demands. In the last ten years the average per capita demand for residential customers has decreased from ~100 gallons per day to ~75 gallons per day. Serving approximately one million water customers, these efforts save 9.1 billion gallons of water per year that would otherwise need to be withdrawn from the aquifer.

Conservation and reclaimed water will continue to be expanded and be part of the solution, but will not be enough to sustain the community's future needs. Alternative water supplies must be implemented and the IWRP identified the best options for the JEA community.

DISCUSSION:

JEA recognizes that the current water supply, the groundwater from the Floridan Aquifer, is a finite resource and alternative water supply must be implemented. Management, utilization and future planning of this resource directly impact the community, environment and economy of Northeast Florida.

JEA is committed to planning and managing the available resources by identifying projects and programs to develop traditional and alternative water supplies. Selecting projects which balance usage demand, long-term sustainability, reliability, environmental impact, effluent management, and cost effectiveness will be a challenge. JEA's Integrated Water Resource Planning activity is an integral part of JEA's commitment in meeting the challenge.

Recommendations from the IWRP center on alternative water supply sources such as continuing expansion of the reclaimed system, embarking on Water Purification facilities to further treat excess available reclaimed water to drinking water quality standards for aquifer recharge, treating brackish groundwater, and expanding customer conservation programs. These alternatives provide a diverse portfolio of water supply sources, where no single project or program alone will meet the communities' needs. The supplies are safe, reliable and sustainable while also protecting the water resources of the region. The IWRP includes a proposed a capital improvement plan of several strategic water supply programs and projects for JEA's consideration spanning a 20-year planning horizon.

The proposed IWRP marks a departure from JEA's traditional planning, as the groundwater supply certainty is unknown after the CUP expiration in 2031. Northeast Florida is in a transitional period where there are many potential environmental regulations and legislative changes on the horizon. The IWRP was designed as a dynamic planning tool to be updated as regulatory, environmental and community goals change.

FINANCIAL IMPACT:

JEA's traditional groundwater supply results in the lowest possible production costs available, so any alternative will cost more than the existing supply. The capital cost for implementing alternative water sources is estimated at \$500M over the next 20 years. This estimated cost is growth dependent and primarily funded by capacity fees. By 2040, approximately 15% of the JEA water supply portfolio could be from alternative water sources, alternatives will be implemented incrementally which minimizes the impact to the overall system production costs.

RECOMMENDATION:

That the Board receive the presentation for information and consideration, and provide feedback where Staff will provide additional information and recommendations in the future. No action by the Board is required at this time.

Jay Stowe, Managing Director/CEO

JCS/HXV/RJZ



Integrated Water Resource Plan (IWRP)

IWRP Report Update

*Hai Vu,
VP Water/Wastewater Systems*

*Robert Zammataro
Director Water/Wastewater Planning &
Development*



Agenda

IWRP Study

Supply Options

Regional Drivers and Factors

Planning Objectives

IWRP Recommendations

Water Transfer Between grids

Water Conservation Program

Reclaimed Water System

Alternative Water Supplies

Next Steps





IWRP Study

INTEGRATED WATER RESOURCES MANAGEMENT

*ALL WATER IS VIEWED IN AN INTERCONNECTED SYSTEM.
RESOURCES ARE MAXIMIZED BY IMPLEMENTING
MULTIPURPOSE PROJECTS, AND DISCHARGES TO
ENVIRONMENT ARE REDUCED.*



Water Supply Options



Traditional Groundwater

Unit Cost: \$0.65/kgal



Water Conservation

Supply: 3 to 7 MGD

Unit Cost: \$1.3 to \$2.4/kgal



Traditional Reclaimed

Supply: 2 to 16 MGD

Unit Cost: \$3.0 to \$5.3/kgal



Stormwater Augmentation

Supply: up to 5 MGD

Unit Cost: \$3.0/kgal



Potable Reuse

Supply: 5 to 32 MGD

Unit Cost: \$2.9 to \$6.1/kgal



Brackish GW Desalination

Supply: 2 to 24 MGD

Unit Cost: \$2.6 to \$5.3/kgal



Surface Water Desalination

Supply: 4 to 30 MGD

Unit Cost: \$4.2 to \$7.2/kgal

State & Regional Drivers

North Florida Regional Water Supply Plan

- Potential limits on future groundwater
- More emphasis on conservation and reuse
- Water quality and aquifer sustainability
- Minimum Flows and Levels
 - Sand Hill Lakes MFLs (Keystone Heights)
 - Upper Santa Fe MFL (Waldo/Hampton)

SB 64: Reclaimed Water & Effluent Discharge

Expected Continued Economic Growth in Region

North Florida Regional Water Supply Partnership

Meetings

Current activities

Accomplishments

Home

Water supply planning

Minimum flows and levels

SJRWMD

SRWMD

North Florida-Southeast Georgia (NF SEG) regional groundwater flow model

SRWMD projects

SJRWMD projects

Water conservation

SJRWMD

SRWMD

Contacts

Accessibility statement

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North Florida Regional Water Supply Plan

2020-2045 North Florida Regional Water Supply Plan

The districts have begun the reevaluation of the 2015-2035 North Florida Regional Water Supply Plan (NFRWSP), which was approved at a joint meeting of the SJRWMD and SRWMD governing boards in January 2017. This reevaluation is being conducted to meet the requirements of Section 373.709 of the Florida Statutes, which requires the districts to reevaluate their determinations concerning the need for a water supply plan at least every five years. The development of the 2020-2045 NFRWSP will be conducted in an open process involving local governments and other stakeholders. Below are tentative milestones guiding the development of the 2020-2045 NFRWSP:

- » Spring 2021 – Draft assessment of water resource constraints
- » Summer 2021 – Solutions and projects
- » Summer/Fall 2021 – Plan development
- » Winter 2021/Spring 2022 – Plan development
- » Summer/Fall 2022 – Plan approval

IWRP Planning Objectives

| | | | | |
|--|---|--|---|---|
|  Water Supply Certainty |  Cost- Effectiveness |  Environmental Stewardship |  Community Acceptance/ Implementation Ease |  Operational Flexibility |
| Ability to meet seasonal water demands during average and dry weather conditions | Accounts for both near-term change in customer water rates and long-term levelized unit cost of water supply | Reduces treated wastewater discharge to St. Johns River and increases groundwater sustainability | Addresses community concerns and ease of implementation of projects | Ability to move water supplies from part of water service area to another to maximize reliability |



IWRP Recommendations

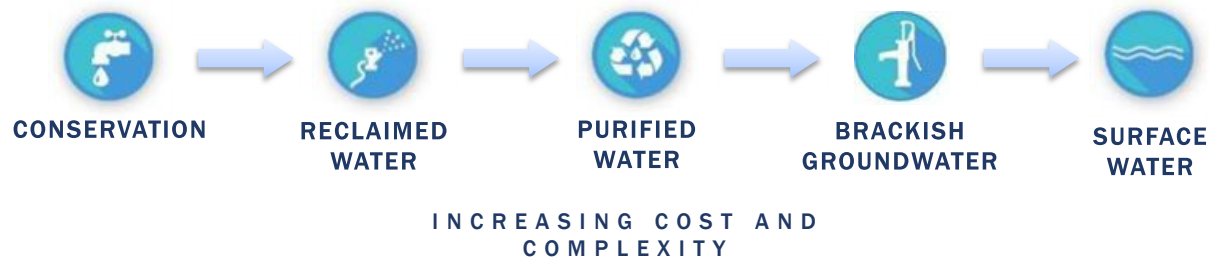
A DELICATE BALANCE

JEA RECOGNIZES THE CHALLENGE OF BALANCING THE GOALS OF PROVIDING THE WATER NEEDED BY THE COMMUNITY, SUSTAINABILITY OF WATER SOURCES, ENVIRONMENTAL IMPACT, CONSTRUCTION OF ROBUST RELIABLE DELIVERY AND COLLECTION SYSTEMS, ALL AT THE LOWEST COST PRACTICAL.



IWRP Recommendations

- Continue water transfer between grids - Total Water Management Plan (TWMP) and Southside Integrated Piping System (SIPS) program
- Implement Comprehensive 10-Year Conservation Program
- Continue expansion of JEA's reclaimed water system
- Bring Alternative Water Supplies (AWS) online by 2028:
 - Aquifer Recharge (indirect potable reuse)
 - Brackish groundwater desalination where excess reclaimed water is not readily available

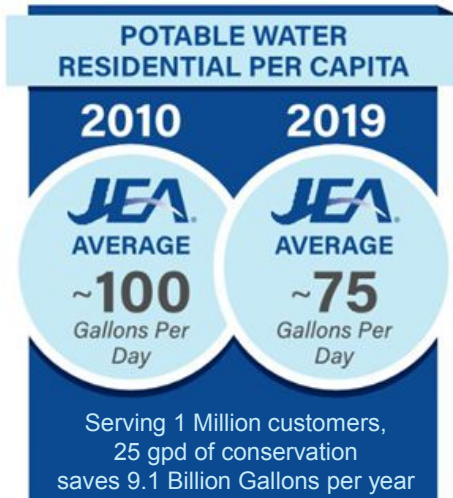


Continue Water Supply Transfer (TWMP & SIPS Program)

- River Crossings completed in 2004 and 2014 to convey water from North Grid
- The SIPS program builds on the previous work completed under the TWMP program
- Utilizes cost effective, existing water sources to the fullest extent



Water Conservation Programs



Single Family High Efficiency Toilet Direct Installation



Multi Family High Efficiency Toilet Direct Installation



Single Family High Efficiency Clothes Washer Rebate



Green Restaurant Program



Ice Machine Program



Cooling Tower Cost Sharing



Smart irrigation Controller Rebate

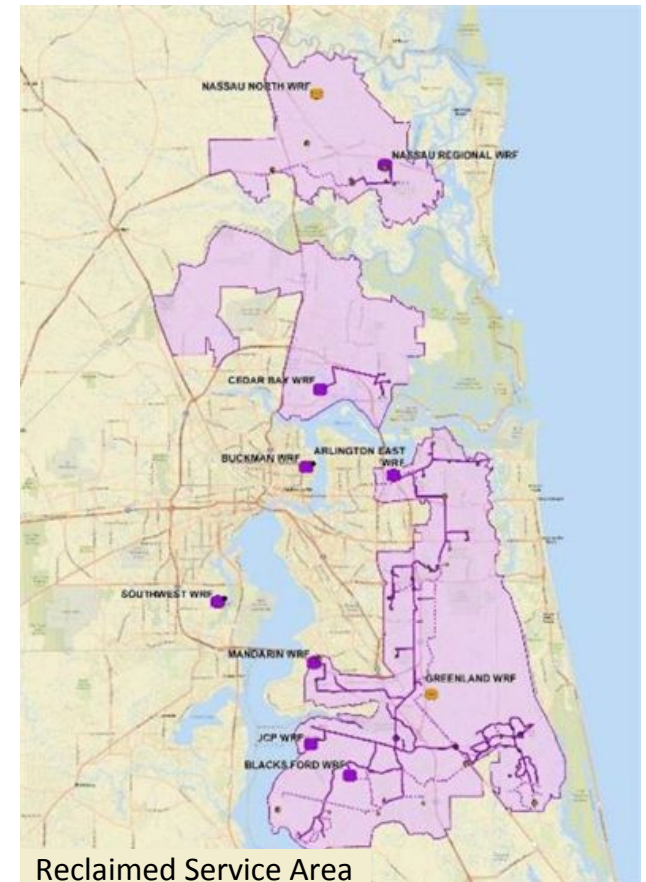


Water Savings up to 6.5 MGD (with Targeted Conservation Program)

Reclaimed Water

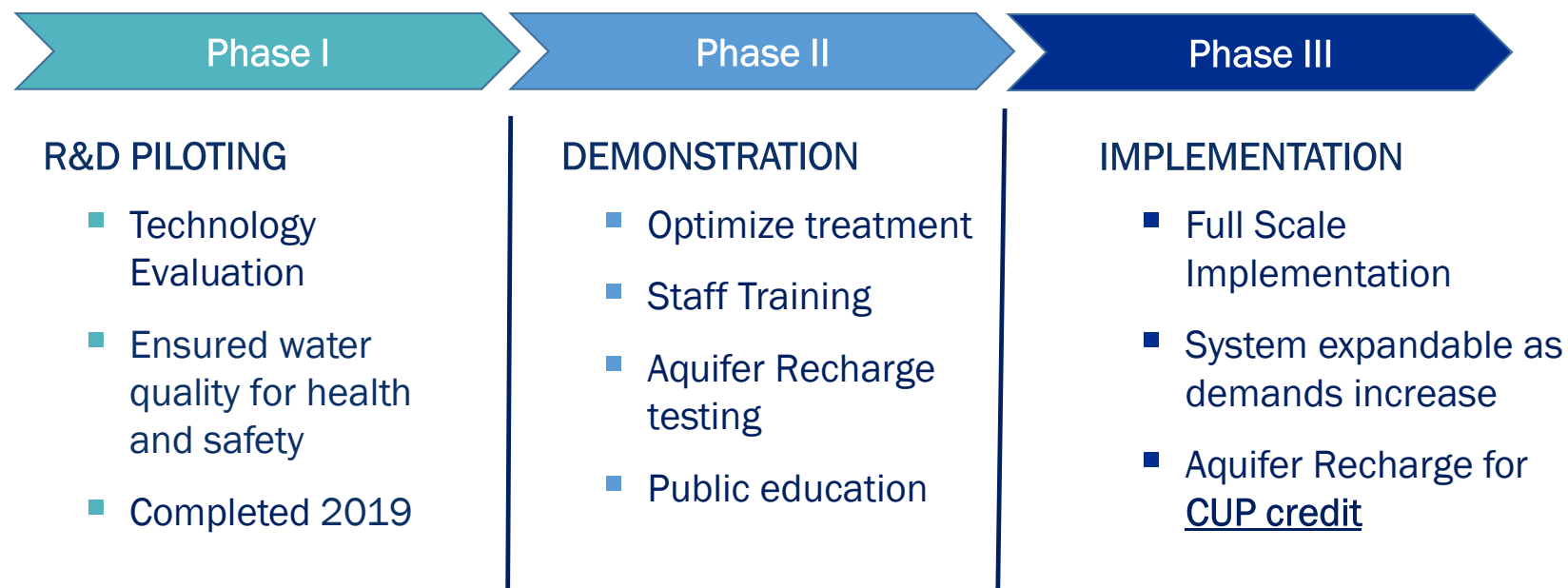
- Started in year 2000 with bulk users such as golf courses, power plants and University of North Florida
- Use has grown to 20 MGD in 2020 to over 18,000 customers and is increasing 23% annually over the past 5 years
- Retrofit of existing neighborhoods is not economically feasible
- Additional Reclaimed Water Service Areas include Nassau County and North Duval County

BY EXPANDING THE RECLAIMED WATER SYSTEM JEA REDUCES THE DEPENDENCY ON THE FLORIDAN AQUIFER



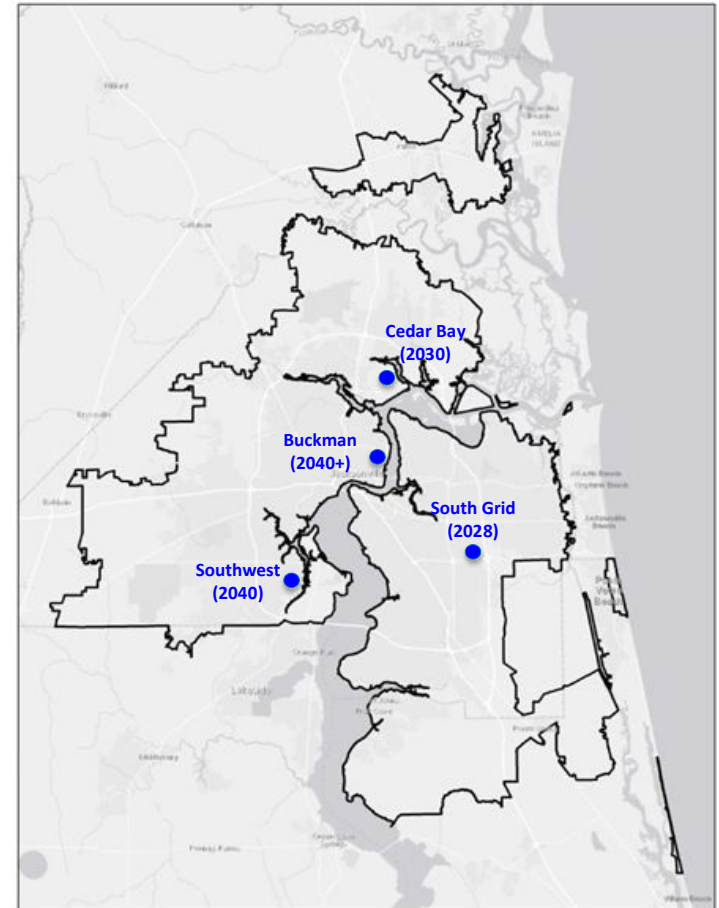
Reclaimed Service Area

Purified Water Program (H2.0)



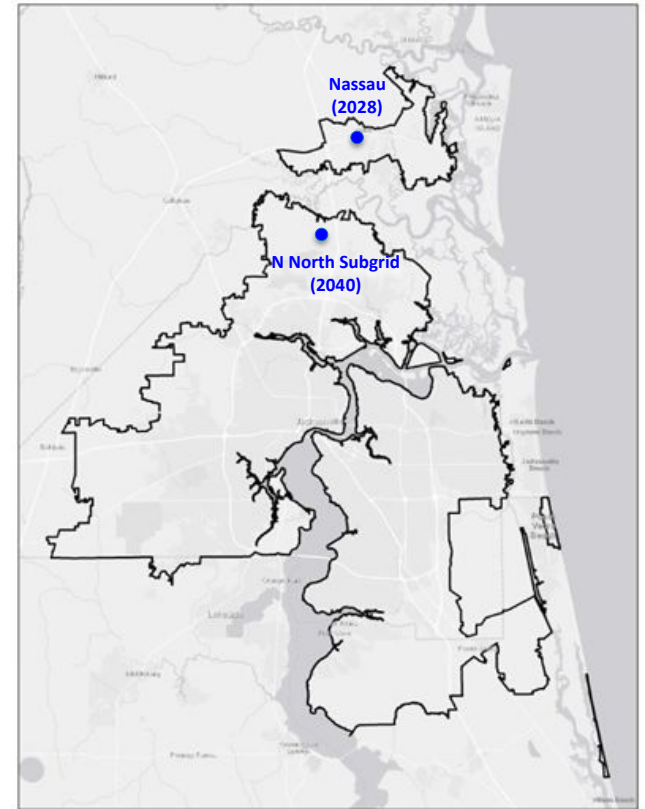
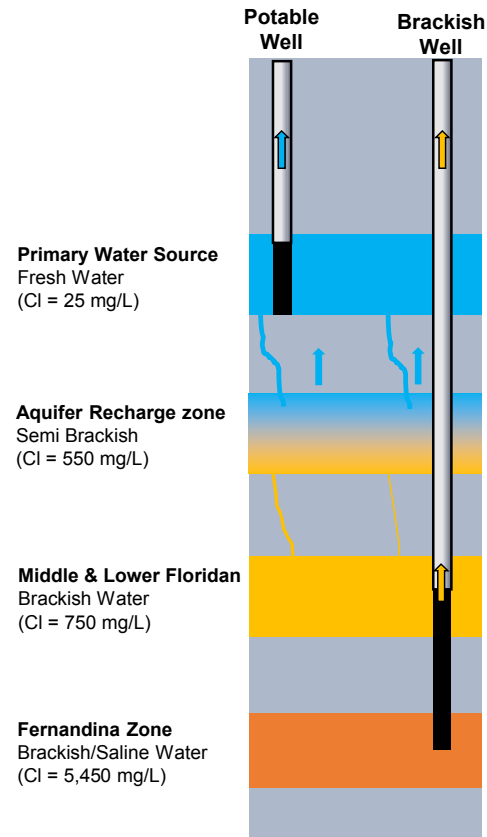
Aquifer Recharge (Indirect Potable)

- Provides long term sustainability of primary groundwater source by creating a fresh water barrier between the primary supply zone and deeper poor water quality zones
- Directly decreases effluent to the river
- Utilizes purified water as the supply for recharging the aquifer







































Brackish Groundwater





- Brackish Groundwater utilizes a layer of the aquifer not currently being used.
- Projects implemented where a source for purified water is not readily available.
- Salinity ranges from 1,000 to 6,000 mg/L, (Ocean 35,000 mg/L) which will require reverse osmosis treatment.
- Option does not reduce discharge to the St. Johns River.



IWRP Capital Improvement Plan

The recommended CIP through 2040 totals to approximately \$425M

| CIP Phase | Project | Grid | Capacity ¹ Size (MGD) | 2020 to 2024 | 2025 to 2029 | 2030 to 2034 | 2035 to 2039 | 2040 |
|-----------|--|-------------|----------------------------------|---|---|---|---|---|
| 10 Year | Purified Water S. Grid (1.0 MGD Demonstration) | S Arlington | 0.0 |     |    | | | |
| | Aquifer Recharge South Grid | S Arlington | 3.0 | |    | | | |
| | Brackish GW Desalination – Nassau | Nassau East | 2.0 / 3.0 |   |     | | |  |
| | Aquifer Recharge at Cedar Bay | N North | 2.0 / 4.0 | |      |  |  | |
| 20 Year | Aquifer Recharge at Southwest | N West | 3.0 | | |      |  | |
| | Brackish GW Desalination – North | N North | 2.0 | | | |      |  |

 Design & Permit
  Construction
  Demonstration & Training
  Operational



1. Capacity is in reference to the volume of permeate of the facility, IWRP assumes 80% recovery on membrane treatment.
2. Water Supply is the water being utilized to offset groundwater use, IWRP assumes 90% recovery of Aquifer Recharge for CUP Credit

Next Steps

Move forward with Demonstration Phase of the Purified Water Program

Establish a long term financial plan for the implementation of the IWRP Capital Improvement Plan

Share the IWRP with Stakeholders including St. Johns River Water Management District & Florida Department of Environmental Protection





Discussion

- ✓ SAFE
- ✓ RELIABLE
- ✓ SUSTAINABLE
- ✓ COST EFFECTIVE
- ✓ ENVIRONMENTALLY RESPONSIBLE
- ✓ BEST VALUE





INTER-OFFICE MEMORANDUM

March 11, 2021

SUBJECT: WATER CONSERVATION MONTH

FROM: Jay Stowe, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

The state designates April as Florida's Water Conservation Month. JEA partners with the State and Water Management District in joint messaging to promote conservation.

DISCUSSION:

The Floridian Aquifer is our source of water. Conservation is a key component to ensure sustainability of the aquifer, and JEA supports and promotes these efforts through messaging such as Water Conservation Month.

RECOMMENDATION:

Staff recommends that Resolution 2021-06 be adopted by the Board to highlight and support April 2021 as Florida's Water Conservation Month.

Jay Stowe, Managing Director/CEO

JCS/OWY



Water Conservation Month

Wayne Young
VP Environmental Services



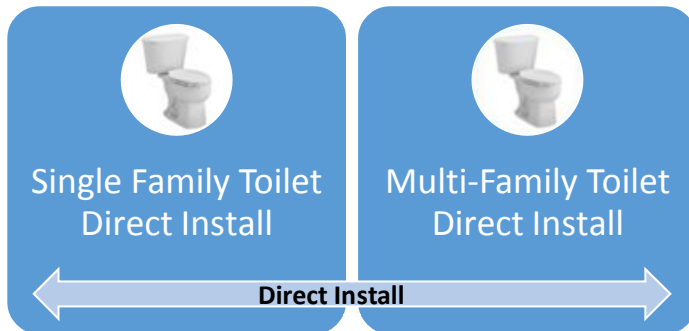
APRIL IS FLORIDA WATER CONSERVATION MONTH

- Recognized as Florida Water Conservation Month for over 20 years, April is typically a dry month when temperatures increase and rainfall lags behind irrigation requirements.
- Water Conservation is a year-round ethos for JEA and each April we join other organizations in issuing a proclamation to heighten awareness about the importance of water conservation.
- Water conservation is at the core of JEA's mission of protecting and ensuring the sustainability of Florida's water supplies. Recognizing Water Conservation Month helps to encourage water users to take simple steps to conserve.



APRIL IS FLORIDA WATER CONSERVATION MONTH

- To help conserve water, JEA partners with the State of Florida, Water Management Districts and customers to promote water conservation programs
- As referenced in the IWRP, water efficiency measures will be offered to residents, builders, contractors and commercial property owners who take proactive steps to reduce water use and demand on the region's water supply



Resolution 2021-06

**A RESOLUTION OF THE JEA BOARD OF DIRECTORS TO
HIGHLIGHT AND SUPPORT APRIL AS FLORIDA'S WATER
CONSERVATION MONTH**

WHEREAS, The State of Florida, Water Management Districts, local governments and JEA are working together to increase awareness about the importance of water conservation; and

WHEREAS, the State of Florida has designated April, typically a dry month when water demands are most acute, Florida's Water Conservation Month, to educate citizens about how they can help save Florida's precious water resources; and

WHEREAS, JEA is responsible for delivering clean, safe water to its customers while helping ensure our water supply is sustainable for the future; and

WHEREAS, JEA encourages and supports water conservation through various educational programs and special events and the One Water campaign; and

WHEREAS, JEA and every business, industry, school and citizen can make a difference when it comes to conserving water; and

WHEREAS, JEA and every business, industry, school and citizen can help by saving water and thus promote a healthy economy and community; and

NOW, THEREFORE, be it resolved that by virtue of the authority vested in me as Chair of the Board of Directors of JEA do hereby highlight and support the month of April as:

Water Conservation Month

JEA encourages its employees, customers, and area citizens to help protect our precious resource by practicing water saving measures and becoming more aware of the need to save and use water wisely.

Adopted this ____ day of March, 2021.

JEA

By: _____
John Baker, JEA Board Chair



INTER-OFFICE MEMORANDUM

March 11, 2021

SUBJECT: JEA FY2020 ANNUAL DISCLOSURE REPORTS

FROM: Jay Stowe, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

Each year, JEA files with the Municipal Securities Rulemaking Board (the "MSRB"), through the Electronic Municipal Market Access ("EMMA") website, Annual Disclosure Reports in compliance with JEA's continuing disclosure undertakings for certain of its bonds and various credit agreements. EMMA is the "central electronic post office" recognized by the United States Securities and Exchange Commission ("SEC") as the single national depository for continuing disclosure information that is required to be prepared and disseminated by issuers of municipal securities. Annual Disclosure Reports have been prepared for the Electric Utility System and separately for the Water and Sewer System and District Energy System, (together, the "Systems"), and will be incorporated by reference in official statements and reoffering memoranda subsequently used by JEA for its respective Systems' bond offerings and reofferings.

JEA, acting through its governing Board, is primarily responsible for the content of the Annual Disclosure Reports and is subject to the provisions of the federal securities laws prohibiting false and misleading information in its disclosure documents. The antifraud provisions of the federal securities laws govern board member disclosure responsibilities. The requirements of the federal securities laws essentially require that disclosure documents of issuers such as JEA not contain an "untrue statement of a material fact" or omit to state a "material fact necessary in order to make the statements made, in light of the circumstances under which they were made, not misleading." "Materiality" under the federal securities laws means whether there is a substantial likelihood that a reasonable investor would consider the facts at issue to be important to an investment decision.

Public officials (including board members) who have the ultimate responsibility to approve the issuance of debt securities and related disclosure documents have a duty under the federal securities laws and may not authorize disclosure he or she knows to be false or misleading or while recklessly disregarding facts that indicate there is a risk that the disclosure may be misleading. The SEC has stated that board members may reasonably rely on the work of governmental employees in the disclosure context. Nothing in the SEC's position mandates that a board member needs to read each page of every disclosure document before approving it. Reasonable reliance can be established when the board member:

- is satisfied that the disclosure process is reasonably designed to produce accurate and reliable information;
- has a reasonable basis to have confidence in the integrity and competence of the staff and financing team; and
- does not know of anything that would cause such board member to question the accuracy of the disclosures or that would indicate that they are misleading or know of any potentially material issues that should be brought to the attention of staff and the financing team for further explanation.

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In accordance with existing practices, each Annual Disclosure Report presented for Board approval has been prepared by staff with the assistance of JEA's outside bond counsel in a manner which we believe is reasonably designed to produce disclosure documents meeting the requirements of the federal securities laws.

DISCUSSION:

Each Annual Disclosure Report prepared for the Systems, as referred to above, contains updated disclosure information regarding each of JEA's Systems and JEA's most recently completed fiscal year and will be used (a) to provide that information to all participants in the municipal securities market regarding JEA's outstanding debt and (b) as a basis for the disclosure information regarding JEA that is required to be given by JEA in connection with its issuances from time to time of refunding or additional debt. Among other things, the Annual Disclosure Reports contain JEA's audited financial statements for its fiscal year ended September 30, 2020, as Appendix A thereto. Official Statements and reoffering memoranda prepared by JEA in connection with its respective Systems' debt offerings and reofferings, subsequent to the date of the Annual Disclosure Reports for the Systems, incorporate by reference the relevant disclosure information contained in the respective Annual Disclosure Report and, if necessary, contain a "recent developments" section with respect to material changes in JEA's business and condition that have occurred after the date of the respective Annual Disclosure Report.

Drafts of the body portions of the Annual Disclosure Reports for the (i) Electric Utility System and (ii) Water and Sewer System and District Energy System for the fiscal year ended September 30, 2020, will be distributed at the March 23, 2021 Board meeting. Financial and operating statistics in these drafts are based on unaudited financial statements for FY2020.

As the Board has previously requested, staff is providing these drafts one month prior to requesting approval at the April 27, 2021 Board meeting. The Interim VP, Financial Services and Treasurer will also be available upon request to meet with Board members.

Please note that certain areas in the draft Annual Disclosure Reports remain under review for further developments to potentially be included in the final versions to be filed, including but not limited to:

- MEAG and Plant Vogtle developments;
- Water and Sewer System interlocal agreements;
- Potential regulatory or litigation developments; and,
- Update on strategic alternatives

FINANCIAL IMPACT:

No direct financial impact. Preparation and filing of the Annual Disclosure Report information is a requirement of JEA's outstanding bonds' continuing disclosure agreements.

RECOMMENDATION:

No Board action is required. This item is presented for information only at the March 23, 2021 Board meeting.

Staff will recommend that the Board, at its April 27, 2021 meeting, approve and authorize (i) the Annual Disclosure Reports in substantially the forms accompanying this memo - with appendices added, with such changes as are approved by the Managing Director/Chief Executive Officer of JEA and (ii) authorize the filing and use of the Annual Disclosure Reports as described above.

Jay Stowe, Managing Director/CEO

JCS/JEO/RLH



Annual Disclosure Report Overview

Joe Orfano
Interim VP, Financial Services and Treasurer



March 2021

- **JEA is required to file with the Municipal Securities Rulemaking Board Annual Disclosure Reports (ADRs) to comply with investor disclosure obligations**
 - These “ADRs” contain financial and operating information relating to its Electric System, Water and Sewer System and District Energy System
 - They are then included by reference into official statements and reoffering documents prepared by JEA in connection with the offering or reoffering of its bonds

- **Federal antifraud laws apply to any disclosures made by JEA in connection with its bond offerings and required periodic filings, including these Reports, and Board members have certain responsibilities when it comes to JEA disclosure. In general, Board members:**
 - May not authorize disclosure you know to be materially false or misleading
 - May not authorize disclosure while recklessly disregarding facts that indicate that there is a risk that the disclosure may be misleading

- Must apply an “Elephant in the Room” standard - if you are aware of pressing financial or operating issues, then you are responsible for knowing how those issues are disclosed to investors before authorizing the bond offering or disclosure. Steps that can be taken by Board members in this regard include:
 - Becoming familiar with the disclosure documents, and
 - Asking questions of JEA leadership or Staff about the disclosure of such issues

➤ **Board members are not required to study every single word in disclosure documents. Instead, you can reasonably rely on Staff to prepare disclosure materials**

- SEC standard is that this delegation is acceptable provided that Staff has followed a sound process and has the training necessary to competently meet JEA’s requirements under Federal antifraud laws
- The Board has adhered to these delegation requirements through its Disclosure Policies and Procedures adopted in 2015 and most recently amended in 2019, which follow SEC guidance on the importance of written policies and procedures to be followed when preparing disclosure.

- They address things like proper preparation and review of disclosure materials and training of individuals involved in the preparation of disclosure.
- My report to the Board stating compliance with Section 7.5 of the Disclosure Policies and Procedures can be found in the Board package

➤ **In reviewing the draft ADRs, here are a couple questions you may ask yourself:**

- Do you know anything that would cause you to question the accuracy of the disclosure or that would indicate that there is a risk that those disclosures may be misleading?
- Do you know of any potentially material issues, including any pressing financial or operating issues, or “red flags” that should be brought to the attention of JEA senior leadership or for which you would like further explanation?

➤ **I am available as needed for meetings or telephone calls if you have any questions or concerns with the draft ADRs.**



INTER-OFFICE MEMORANDUM

March 23, 2021

SUBJECT: REPORT DELIVERED PURSUANT TO SECTION 7.5 OF JEA'S DISCLOSURE POLICIES AND PROCEDURES

FROM: Joseph E. Orfano, Interim VP, Financial Services and Treasurer

TO: JEA Board of Directors

Section 7.5 of JEA's Disclosure Policies and Procedures, dated May 19, 2015, and amended March 18, 2019 (the "Disclosure Policies") requires the Chief Financial Officer to report to the Finance and Audit Committee regarding compliance with the Disclosure Policies during the preceding twelve-month period. The CFO last made such a report at the December 19, 2019 Board meeting at which the Annual Disclosure Reports ("ADRs") for the fiscal year ended September 30, 2019 were approved. ADRs are typically prepared in the spring following each fiscal year end, but management at that time desired to accelerate the filing of the ADRs for fiscal year 2019. Given the subsequent turnover of the entire Board membership, I am making this report to the full Board this year. I hereby report the following:

1. All Annual Disclosure Reports and Disclosure Documents prepared during the prior 15-month period were prepared in accordance with the Disclosure Policies.
2. No issues or problems have arisen in connection with compliance with the Disclosure Policies during the prior 15-month period.
3. At this time, there are no recommendations to make changes to the Disclosure Policies. However, Staff foresees returning to the Finance and Audit Committee in the future to recommend, among other things, administrative modifications reflecting changes in JEA Leadership titles and responsibilities. A copy of the Disclosure Policies is attached to this report.
4. A copy of the Disclosure Policies has been provided to all Board members as part of their orientation package and has been distributed to all Finance Staff and Staff participating in the disclosure process.
5. A printed copy of each final Annual Disclosure Report for fiscal year ended September 30, 2019 was provided to all members of the JEA Board at their offices on T-8 of the JEA tower on February 5, 2020. An electronic version may be prospectively provided upon request.
6. The Annual Disclosure Reports for the fiscal year ended September 30, 2020 are being prepared in compliance with the Disclosure Policies. Printed copies of near-final drafts of the bodies of the Annual Disclosure Reports will be provided to Board members at the March 23, 2021 Board meeting with a request to approve the documents at the April 27, 2021 Board meeting. Electronic versions will be emailed to members thereafter.

Joseph E. Orfano, Interim VP, Financial Services and Treasurer

JEA DISCLOSURE POLICIES AND PROCEDURES

DATED: May 19, 2015

AMENDED: March 18, 2019

INTRODUCTION

JEA is committed to ensuring that its disclosures made in connection with its municipal bond offerings and required periodic filings related thereto are fair, accurate, and comply with applicable federal and state securities laws including common law antifraud provisions under state law and any other applicable laws. Further, it is the policy of JEA to satisfy in a timely manner its contractual obligations undertaken pursuant to Continuing Disclosure Undertakings (as defined herein) entered into in connection with municipal bond offerings.

These disclosure policies and procedures ("Disclosure Policies") have been established by JEA and are intended to (a) ensure that JEA's Disclosure Documents (as defined herein) are accurate and complete, and comply with all applicable federal and state securities laws; and (b) promote best practices regarding the preparation of JEA's Disclosure Documents.

The failure to comply with these Disclosure Policies shall not affect the authorization or the validity or enforceability of any Bonds that are issued by JEA in accordance with applicable law nor imply a failure to comply with federal or state securities laws.

Section 1.0 Definitions

Capitalized terms used in these Disclosure Policies shall have the meanings set forth below:

"Annual Disclosure Report" means the Electric System Annual Disclosure Report or the Water and Sewer System Annual Disclosure Report, as applicable.

"Authorized Officer" means the Managing Director and Chief Executive Officer and the Chief Financial Officer.

"Board" shall mean the Board of JEA.

"Bond Counsel" shall mean any attorney or firm of attorneys of nationally recognized standing in the field of law relating to the issuance of Bonds by state and municipal entities selected by JEA. At any time JEA retains more than one bond counsel, all references to bond counsel shall be deemed to include one or more bond counsel, as deemed appropriate by an Authorized Officer of JEA.

"Bonds" shall refer to any bonds, notes or other securities offered by JEA, the disclosure relating to which is subject to the requirements of Section 17(a) of the Securities Act of 1933, Section 10(b) of the Securities Exchange Act of 1934,

including Rule 10b-5 thereunder, and Securities Exchange Commission Rule 15c2-12.

“Continuing Disclosure Undertakings” means JEA’s contractual obligations entered into by JEA in connection with each issuance of Bonds.

“Disclosure Documents” means JEA’s documents and materials specifically prepared, issued, and distributed in connection with JEA’s disclosure obligations under applicable federal securities laws or that otherwise could potentially subject JEA to liability under such laws, and shall include, but not be limited to the following:

- Annual Disclosure Reports;
- Official Statements;
- Any filing made by JEA pursuant to a Continuing Disclosure Undertaking, including material event notices;
- Any voluntary filing made by JEA that is posted on EMMA;
- Any document or other communication from JEA that could be viewed as reasonably expected to reach investors and the trading market for JEA’s Bonds; and
- Any other document that is reviewed and approved in accordance with these Disclosure Policies.

“Electric System Annual Disclosure Report” means the Annual Disclosure Report for Electric Utility System containing financial information and operating data required to be filed pursuant to JEA’s Continuing Disclosure Undertakings relating to its Electric System, including the audited financial statements of JEA, which are incorporated by specific reference in certain other JEA Disclosure Documents. The information includes narrative information relating to JEA as well as information that JEA has specifically contracted with bondholders to update on an annual basis in accordance with Rule 15c2-12

“EMMA” means the Electronic Municipal Market Access system maintained by the Municipal Securities Rulemaking Board.

“Finance Staff” means the Treasurer, Manager Debt, Bond Administration Specialist, Bond Compliance Specialist and Debt Financial Analyst.

“Financial Accounting and Reporting Staff” means the Controller, the Manager Financial Reporting and Accounting and Certified Public Accountants of JEA.

“Official Statements” means, collectively, preliminary and final Official Statements, remarketing circulars or offering memoranda used in connection with the offering or remarketing of Bonds. The Official Statements do not attempt to repeat the information in the Annual Disclosure Reports, but instead generally

include such information by specific cross-reference, as expressly authorized by Rule 15c2-12, and update only the information that has materially changed.

"Rule 15c2-12" means Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, including any official interpretations thereof.

"Staff" means employees of JEA.

"Water and Sewer System Annual Disclosure Report" means the Annual Disclosure Report for Water and Sewer System and District Energy System containing financial information and operating data required to be filed pursuant to JEA's Continuing Disclosure Undertakings relating to its Water and Sewer System and District Energy System, including the audited financial statements of JEA, which are incorporated by specific reference in certain other JEA Disclosure Documents. The information includes narrative information relating to JEA as well as information that JEA has specifically contracted with bondholders to update on an annual basis in accordance with Rule 15c2-12.

Section 2.0 General Disclosure Practices

2.1 The Board, pursuant to supplemental resolutions adopted periodically by such Board, shall directly authorize or delegate authority and responsibility to Finance Staff to prepare and distribute Official Statements, and any updates thereto in the case of securities subject to remarketings, which will be prepared in accordance with these Disclosure Policies unless the Board otherwise directs.

2.2 The Treasurer, with the assistance of Finance Staff, is primarily responsible for the preparation of Disclosure Documents, with the assistance of Bond Counsel, the Office of General Counsel, and any other Staff with specific expertise as may be deemed necessary by the Treasurer and shall prepare all Disclosure Documents, including the Annual Disclosure Reports and Official Statements, and shall prepare and submit any other disclosure filings that may be required throughout the year. All Disclosure Documents and any other disclosure filings shall be prepared in accordance with these Disclosure Policies unless the Board otherwise directs.

2.3 The Board shall directly approve and authorize the dissemination and use of the Annual Disclosure Reports by voting to accept a Board meeting agenda item annually. Such approval may be obtained without the Board formally adopting a resolution.

Section 3.0 Preparation of Annual Disclosure Reports

3.1 Finance staff shall review the Annual Disclosure Reports filed for the previous fiscal year ended as updated by any recent developments included in Official Statements prepared since the date of such Annual Disclosure Reports and incorporating any changes into the Annual Disclosure Reports as the "most recent" disclosure and distribute sections to Staff with subject matter expertise in each topical area. Staff shall

review their respective sections to ensure disclosures contained therein are accurate and complete. Staff shall also make any necessary changes and provide them to Finance Staff to incorporate such changes into updated drafts of the Annual Disclosure Reports. The initial distribution of the sections of the Annual Disclosure Reports to Staff described in the preceding sentences shall be made no later than February 28th of each calendar year.

3.2 Finance Staff shall be responsible for directly researching any updates for certain information included in the Annual Disclosure Reports, e.g., service area/demographic information as reported in U.S. Census Bureau and State of Florida economic websites and operational statistics and financial results as reported in the fiscal year's audited financial statements and published annual report ("Annual Report") of JEA.

3.3 External sources shall be contacted to provide input and any necessary updates with respect to certain other subject areas of each Annual Disclosure Report, e.g., The Energy Authority and their counsel, City of Jacksonville with respect to pension, city contributions, etc., the Office of General Counsel with respect to litigation issues, the local Chamber of Commerce with respect to some service area information and surveys, etc. Finance Staff shall keep written records of the request and transmittal of the information reviewed and submitted by such parties.

3.4 Information in each Annual Disclosure Report of the type contained under the captions "Schedules of Debt Service Coverage" and "Management's Discussion of Electric System Operations," "Management's Discussion of Water and Sewer System Operations" and "Management's Discussion of District Energy System Operations", as applicable (collectively, the "Coverage and Operating Information"), shall be prepared by the Finance Staff and reviewed by the Financial Accounting and Reporting Staff and the Chief Financial Officer. The Financial Accounting and Reporting Staff and Finance Staff shall consult with Staff with specific knowledge of various elements of the Coverage and Operating Information and Bond Counsel as they deem appropriate.

3.5 Once revised in accordance with the procedures described in Sections 3.1 through 3.4 above, drafts of the Annual Disclosure Reports shall be distributed to Staff, including the Managing Director and Chief Executive Officer and senior leadership team for review and comment, particularly with the President and Chief Operating Officer, Chief Financial Officer, Vice President and General Manager, Energy, Vice President and General Manager, Water and Wastewater Systems, Vice President Energy and Water Planning, Chief Public and Shareholder Affairs Officer and Office of General Counsel representative reviewing the entire documents and certain other members of the JEA senior leadership team (e.g., Vice President and Chief Compliance Officer, Vice President and Chief Human Resources Officer) as determined by the Chief Financial Officer focusing on particular areas assigned to them. Finance Staff and Staff shall review multiple drafts of the Annual Disclosure Reports and the Managing Director and Chief Executive Officer, President and Chief Operating Officer, Chief Financial Officer, Vice President and General Manager, Energy, Vice President and General Manager, Water and Wastewater Systems,

Vice President Energy and Water Planning, Chief Public and Shareholder Affairs Officer and Office of General Counsel representative shall provide their signoff via email or in another writing.

3.6 The audited financial statements of JEA shall be included in the Annual Disclosure Reports in accordance with JEA's Continuing Disclosure Undertakings and as required by Rule 15c2-12.

3.7 After completing the procedures outlined in Section 3.1 through 3.6 above, drafts of the Electric System Annual Disclosure Report and the Water and Sewer System Annual Disclosure Report shall be provided to Board members at or prior to the regularly scheduled Board meeting that is one month prior to the meeting at which they will be asked to authorize the dissemination and use of the Annual Disclosure Reports. These drafts include the audited financial statements and all appendices. The Chief Financial Officer and Finance Staff will schedule times within this period when Board members may discuss any questions or comments to such Annual Disclosure Reports.

3.8 The Chair, Vice Chair or Secretary of the Board and the Managing Director and Chief Executive Officer shall approve the Annual Disclosure Reports and authorize their use and public dissemination by Finance Staff in writing.

3.9 JEA's Bond Counsel shall file each of the Electric System Annual Disclosure Report and the Water and Sewer System Annual Disclosure Report on EMMA upon the written direction of Finance Staff which direction may be provided to Bond Counsel via email. JEA staff shall then post each of the Annual Disclosure Reports on JEA's website and remove the previous year's Annual Disclosure Reports from JEA's website. While it is the intent of Finance Staff to file the Electric System Annual Disclosure Report and the Water and Sewer System Annual Disclosure Report simultaneously, such Annual Disclosure Reports may be filed as soon as they are completed as determined by the Chief Financial Officer, but in any event before June 1 of each year as required by the Continuing Disclosure Undertakings.

Section 4.0 Official Statement Review and Disclosure Processes

4.1 The Treasurer, with the assistance of Finance Staff, shall identify those persons who, for a particular financing, are appropriate to assist Bond Counsel, the underwriter(s), underwriters' counsel, JEA's financial advisor (collectively, the "Working Group") and appropriate Staff in the preparation and review of the related Disclosure Documents.

4.2 The Treasurer, Finance Staff or a member of the Working Group, as applicable, shall prepare a timeline in connection with the preparation and review of the Disclosure Documents. Such timeline shall be delivered by the Treasurer or Finance Staff to the Working Group and JEA's outside auditors so that they are apprised of the JEA's schedule for publishing such Disclosure Documents. The timeline for any particular bond financing for which Official Statements will be prepared shall vary

depending on the type of Bonds being offered, the security for the Bonds, the purpose for the financing, and other factors unique to each bond financing.

4.3 The Treasurer, or a member of the Finance Staff designated by the Treasurer, shall be responsible for soliciting material information from JEA departments, other necessary entities or other governmental officials (i.e., City of Jacksonville, Office of General Counsel, etc.) for inclusion in the applicable Disclosure Documents, and shall identify Staff and any other governmental officials who may have information necessary to prepare or who should review portions of the Official Statements. Staff and other governmental officials should be timely contacted in writing and informed that their assistance will be needed for the preparation of the Official Statements.

4.4 Updated Coverage and Operating Information for the Official Statements, if available, shall be prepared by the Finance Staff and reviewed by the Financial Accounting and Reporting Staff and the Chief Financial Officer. The Financial Accounting and Reporting Staff and Finance Staff shall consult with Staff with specific knowledge of various elements of the Coverage and Operating Information and Bond Counsel as they deem appropriate.

4.5 Staff and other governmental officials shall be contacted by the Treasurer or a member of the Finance Staff designated by the Treasurer as soon as reasonably practical in order to provide adequate time for such individuals to perform a thoughtful and critical review or draft of those portions of the Disclosure Document assigned to them.

4.6 The written request for information shall include, but not be limited to, the description of any item or event of which Finance Staff is aware which could be material for review by such individuals, departments, other necessary entities or other governmental officials and potential inclusion in the Disclosure Document.

4.7 The Treasurer or a member of Finance Staff designated by the Treasurer shall maintain or cause to be maintained an accurate log of all individuals, departments, other necessary entities or other governmental officials that were requested to review or draft information in connection with a Disclosure Document, as well as an accurate log of responses to such requests, including what sections such individuals or entities listed above prepared or reviewed and shall also be responsible for collecting all transmittal letters, certifications, and lists of sources for incorporation into the records to be maintained by the Finance Staff or Treasurer. Such information may be maintained by the filing of electronic communications or emails filed for each offering of Bonds.

4.8 The Treasurer, Finance Staff and Bond Counsel shall hold a due diligence conference call with the underwriter(s) and underwriters' counsel, prior to the printing or posting of a preliminary Official Statement.

4.9 The Chief Financial Officer, Finance Staff, Vice President and General Manager, Energy or Vice President and General Manager, Water and Wastewater Systems, as applicable, and Chief Public and Shareholder Affairs Officer shall provide their signoff on the preliminary Official Statement via email or in another writing prior to the printing or posting of a preliminary Official Statement.

4.10 Underwriters' Counsel shall provide written discussion topics or questions in advance of the due diligence conference call, to the extent practical, to permit Finance Staff time for response from required Staff, to prepare for the due diligence session and to consider additional matters they deem material to the offering. The due diligence session shall not be limited to the list of written topics or questions or other questions solely from Underwriters' Counsel and may include any other topics deemed relevant by Finance Staff, JEA's financial advisor, Bond Counsel, underwriters counsel or the underwriters. Bond Counsel, JEA's financial advisor and the underwriters and underwriters' counsel shall participate in such due diligence session. Copies of the questions and the responses should be included by the Finance Staff in the files relating to the bond transaction.

4.11 If required by Rule 15c2-12 or otherwise, the Treasurer shall sign a certificate to the effect that the preliminary offering document or other disclosure document is deemed final as of its date other than information allowed to be omitted under Rule 15c2-12(b)(1).

4.12 At the time of the sale of the Bonds the Treasurer, in conjunction with Finance Staff and Bond Counsel, shall prepare a final Official Statement and satisfy themselves that based on the information provided to them in accordance with these Disclosure Policies at the time of sale such Official Statement is in satisfactory form and that no additional disclosure is required.

4.13 Annual audited JEA financial statements shall be incorporated by reference or included into the Disclosure Documents. Management's Discussion of Operations with respect to the Electric System's or the Water and Sewer System's Schedules of Debt Service Coverage, as applicable, for the most recent JEA unaudited quarterly reporting period shall be included in the Official Statements if available and deemed by JEA, Bond Counsel and the underwriter(s) and underwriters' counsel to be material.

4.14 Before the printing of any preliminary or final Official Statement the Treasurer or a member of Finance Staff designated by the Treasurer and Bond Counsel shall obtain confirmations from the Office of General Counsel, by e-mail or otherwise, that they know of no material litigation that has been filed (or threatened with a reasonable likelihood of being filed) against JEA since the diligence session and know of no material change that is required to be reflected in the Recent Developments or any other heading of the Disclosure Document.

4.15 The Board shall approve any preliminary or final Official Statement prior to its use and public dissemination. The Board may do so by approving a form of preliminary or final Official Statement and delegate to the Managing Director and Chief Executive Officer the authority to make any additions, modifications or changes as may be necessary to comply with the standard for accuracy and completeness described in Section 7.5 below.

4.16 Bond Counsel may, but are not required to be, invited to attend any JEA presentations to rating agencies and investors made in connection with the offering of Bonds. The Treasurer and Finance Staff shall review any materials used in presentations, meetings or telephone conferences with rating agencies or investors for consistency with the appropriate Disclosure Document. Appropriate records of meetings and telephone conferences with rating agencies and investors will be kept by the Treasurer or a member of Finance Staff designated by the Treasurer.

Section 5.0 On-Going Disclosure

5.1 The Chief Financial Officer, Treasurer, Finance Staff and Bond Counsel shall monitor State and national markets generally and, determine whether there is a need for additional disclosure by way of additional periodic filings with EMMA or any recommended supplement to any Disclosure Document.

5.2 The annual and quarterly Management's Discussion and Analysis and the Notes with respect to the general purpose financial statements (collectively, the "MD&A") shall be prepared by Financial Accounting and Reporting Staff and reviewed by Finance Staff. The Financial Accounting and Reporting Staff and Finance Staff shall consult with Staff with specific knowledge of various elements of the MD&A and Bond Counsel as they deem appropriate.

5.3 The MD&A shall be reviewed by the Chief Financial Officer prior to being finalized. The Chief Financial Officer shall signoff and approve the MD&A via email or another writing prior to the posting of the MD&A on JEA's website.

Section 6.0 Training

6.1 Training for Board members and Staff shall be conducted by either Bond Counsel or their designee(s) regarding disclosure practices under applicable state and federal law. It is intended that this training shall assist these individuals in (1) understanding their responsibilities; (2) identifying significant items which may need to be included in the Disclosure Documents; and (3) reporting issues and concerns relating to disclosure. A refresher training program shall be conducted not less than once every two years.

A. Board Members

a. Board Members shall be advised of their general disclosure responsibilities and the extent they may delegate to and rely on Staff's preparation of Disclosure Documents.

b. Board Members shall be advised of their fiduciary duties under Florida State law.

c. Specialized training regarding JEA disclosure responsibilities shall be conducted for the members of the Finance and Audit Committee of the Board.

B. Finance Staff

a. Staff with responsibility for collecting, preparing or reviewing information that is provided for inclusion in a Disclosure Document or for certifying or confirming its accuracy in accordance with these Policies and Procedures, and those persons responsible for executing them, shall attend disclosure training sessions.

b. The determination as to whether or not an employee or group of employees shall receive such training shall be made by the Treasurer in consultation with Bond Counsel and the Chief Financial Officer.

C. Staff

a. In addition to the Finance Staff identified above, information from various Electric System and Water and Sewer System level departments may be relevant in the disclosure update process. These System departments include:

- Electric Production Resource Planning
- Electric Transmission and Distribution Planning
- Electric Systems Operations
- Electric Transmission and Distribution Projects
- Electric Production
- Water and Wastewater Planning and Treatment Project Engineering
- Environmental Programs
- Permitting and Regulatory Conformance
- Government Affairs
- Emerging Workforce Strategies.

Section 7.0 General Principles

7.1. Each Staff member participating in the disclosure process shall be responsible for raising potential disclosure items at all times in the process.

7.2 Each Staff member participating in the disclosure process should raise any issue regarding disclosure with the Treasurer or Chief Financial Officer at any time.

7.3 Recommendations for improvement of these Disclosure Policies shall be solicited and considered by the Treasurer and if revision is deemed to be appropriate will be reviewed by the Bond Counsel and the Chief Financial Officer.

7.4 The process of revising and updating Disclosure Documents by each Staff member should not be viewed as mechanical insertions of more current information; everyone involved in the process should consider the need for revisions in the form and content of the sections for which they are responsible.

7.5 The standard for accuracy and completeness is that there shall be **no untrue statement of material fact and no omission of a statement necessary to make the statements made, in light of the circumstances under which they were made, not misleading**. All participants in the process should keep this standard in mind.

The Chief Financial Officer shall provide a report to the Finance and Audit Committee each year, at the time of the meeting of the Finance and Audit Committee immediately preceding the public dissemination of the Annual Disclosure Reports, regarding compliance with these Disclosure Policies during the preceding twelve month period. Such report shall (i) state whether the Annual Disclosure Reports for the current year are being prepared in compliance with these Disclosure Policies and whether all Disclosure Documents prepared during the prior twelve month period were prepared in accordance with the Disclosure Policies, (ii) describe any issues or problems which arose in connection with compliance with the Disclosure Policies during such period, (iii) present any recommendations for changes to the Disclosure Policies; (iv) provide an informational copy of the then current draft of the Annual Disclosure Reports to any Finance and Audit Committee member who requests one; and (v) provide a printed copy of the final Annual Disclosure Reports to all Board members.

A copy of these Disclosure Policies shall be distributed annually to Board members and all Finance Staff and Staff participating in the disclosure process. Any updates to these Disclosure Policies shall be distributed to such groups upon their issuance.

Section 8.0 Disclosure-Related Document Retention Practices.

8.1 Consistent with JEA's Continuing Disclosure Undertakings, the following documents shall be maintained for the later of five years or the period of time required by JEA's records management or records retention program:

- Annual Continuing Disclosure Filings
- Bond Issue Bound Books or CD-ROMs containing bond issue documents
- Bond Issue Executed Documents
- Disclosure Documents
- Investor Materials
- JEA Financial Statements related to bonds
- Note Issue Bound Books or CD-ROMs containing note issue documents
- Note Issue Executed Documents
- Rating Agency Presentation Materials
- Records of all disclosure activities, including but not limited to telephone calls, emails and other inquiries from investors
- Unaudited Quarterly and Annual Financial Statements Audited by Outside Auditing Firm

Section 9.0 Role of Bond Counsel

9.1 JEA will require Bond Counsel to perform the following services in connection with the preparation of its Disclosure Documents:

- a. review and comment on JEA's Disclosure Documents;
- b. participate in the due diligence process conducted by the underwriters and their counsel;
- c. review presentations, if requested and, if requested, attend and/or listen to rating agency or investor presentations related to JEA's bonds, notes and other securities;
- d. advise JEA regarding:
 - (i) specific disclosure issues relating to JEA's financial operations, operating performance and capital program development, including funding, progress and problems;
 - (ii) standards of disclosure under applicable securities laws;
 - (iii) adequacy of JEA's disclosure in any Disclosure Document;
 - (iv) completeness and clarity of the information provided by the City in any Disclosure Document; and
 - (v) other matters as directed by JEA;
- e. interface with the Treasurer and Finance Staff with respect to any Disclosure Document;
- f. provide a securities law supplemental opinion for each financing transaction;
- g. participate in the preparation, review and approval of the Annual Disclosure Reports; and
- h. conduct periodic training of Board members, Finance Staff and Staff on the disclosure process contemplated by the Disclosure Policies and Procedures set forth herein as may be requested from time to time by the Treasurer.



INTER-OFFICE MEMORANDUM

March 11, 2021

SUBJECT: EXTREME WEATHER RESPONSE

FROM: Jay Stowe, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

Recent extreme cold weather in the central part of the United States, especially in Texas, produced an energy supply problem that resulted in electric utilities in Texas and other states shedding firm customer load. The extreme weather impacted the prices of natural gas and market power which also affected JEA. As a result, it was necessary for JEA to utilize alternate fuel to serve its customers which had a negative impact on the fuel fund.

DISCUSSION:

Electric Systems personnel are reviewing the potential effects and resulting strategies to mitigate extreme cold weather events. A corporate review of resiliency will provide more details on this and other risks. Resiliency beyond hurricane effort is underway and will be completed over the next 18 months.

FINANCIAL IMPACT:

Approximately \$6.2 million to the FY21 fuel fund. Unknown for a potential future event.

RECOMMENDATION:

No Board action is required. This item is presented for information only at the March 23, 2021 Board meeting.

Jay Stowe, Managing Director/CEO

JCS/RDE



Extreme Weather Response

*Ricky Erixton,
VP Electric Systems*

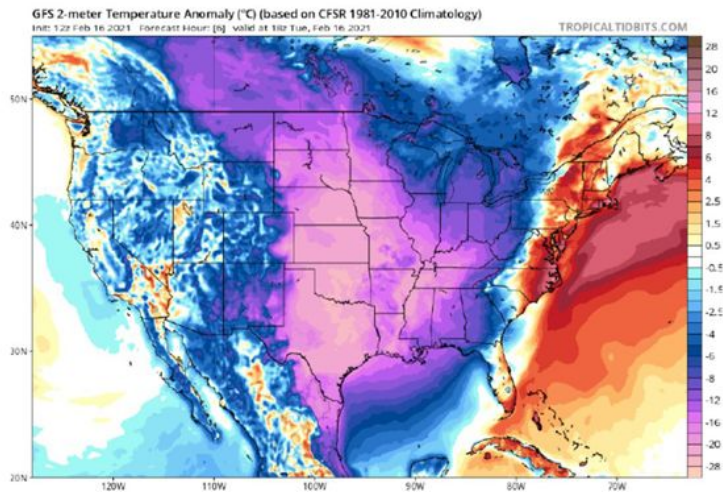
*Garry Baker,
Sr Director Energy Operations*



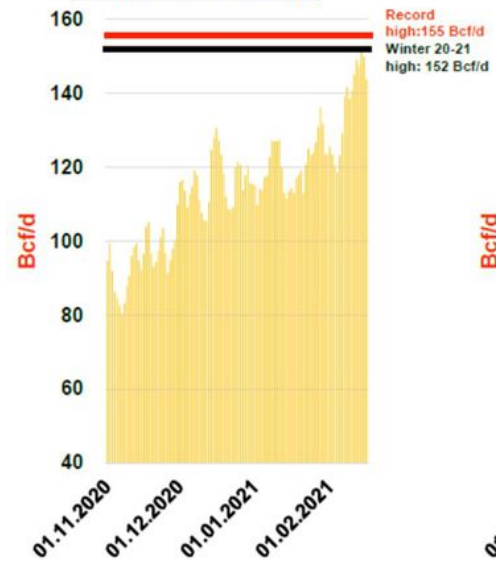
March 2021

Summary of Texas Freeze

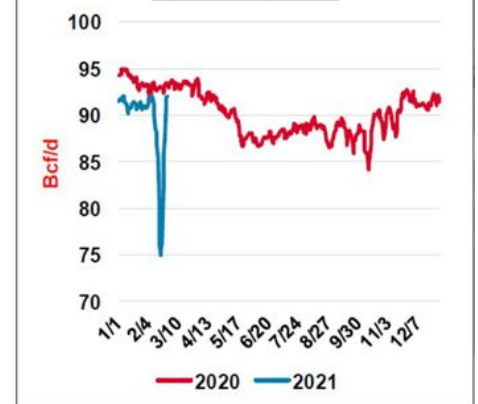
US temperature anomaly map Tuesday, Feb. 16



US Nat Gas Demand



US Production

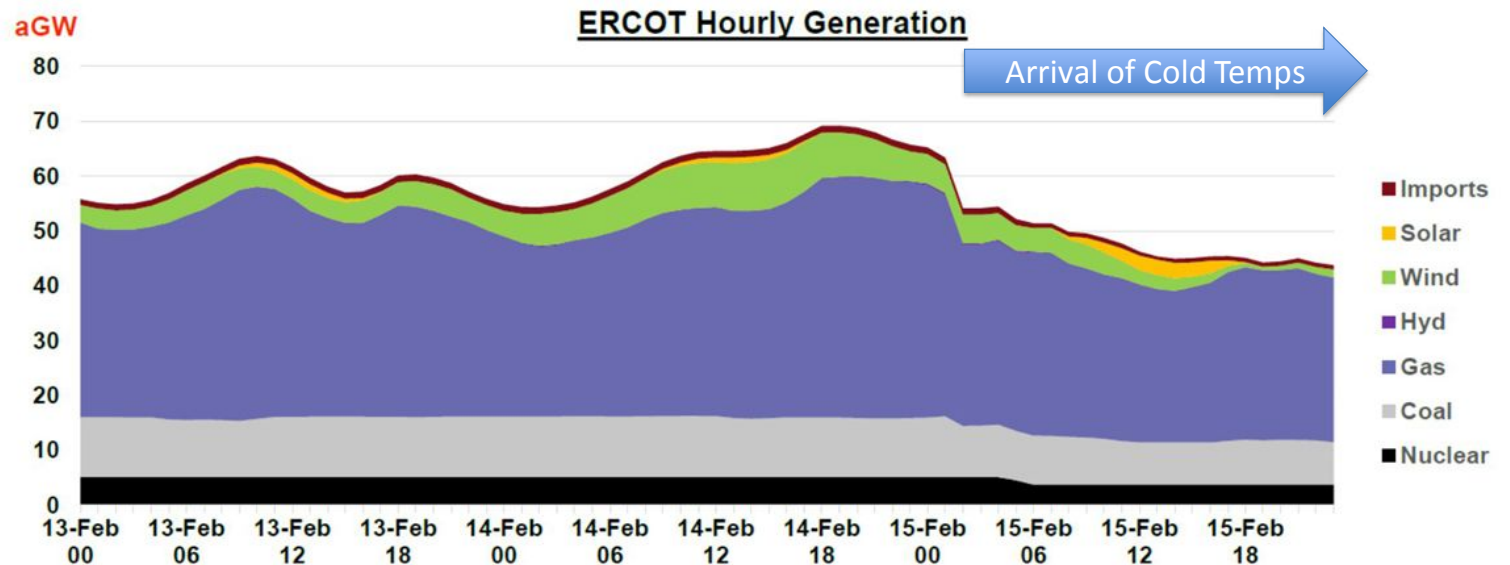


Summary of Texas Freeze

Largest declines in generation due to gas-fired units in ERCOT

At peak load shedding of 20GW, capacity outages were as follows:

- Natural gas: 27 GW
- Wind: 18 GW
- Coal: 6 GW
- Solar: 750 MW
- Nuclear: 700 MW



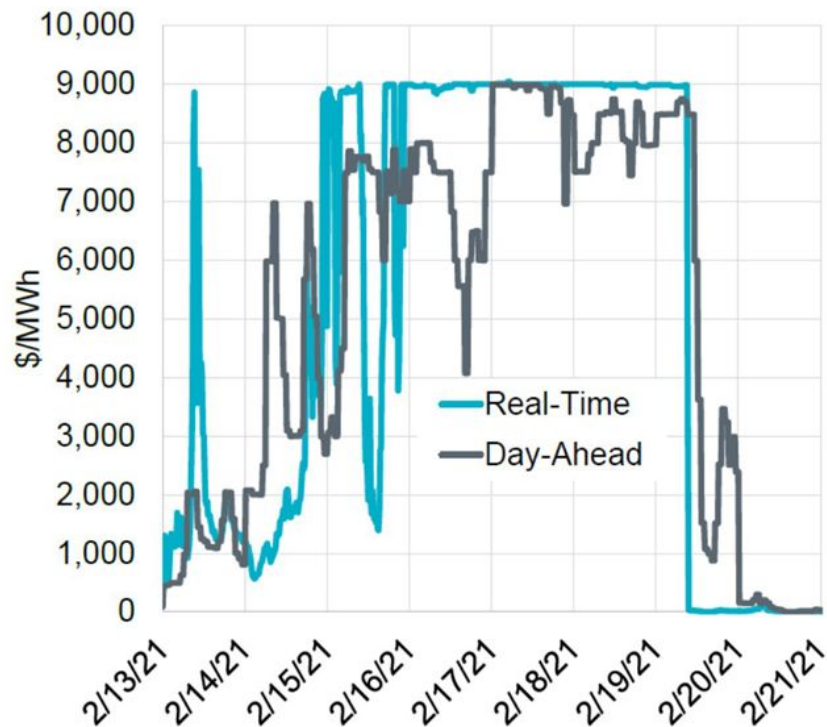
Source: ERCOT, S&P Global Platts Analytics

S&P Global
Platts



Summary of Texas Freeze

ERCOT System-Wide Pricing

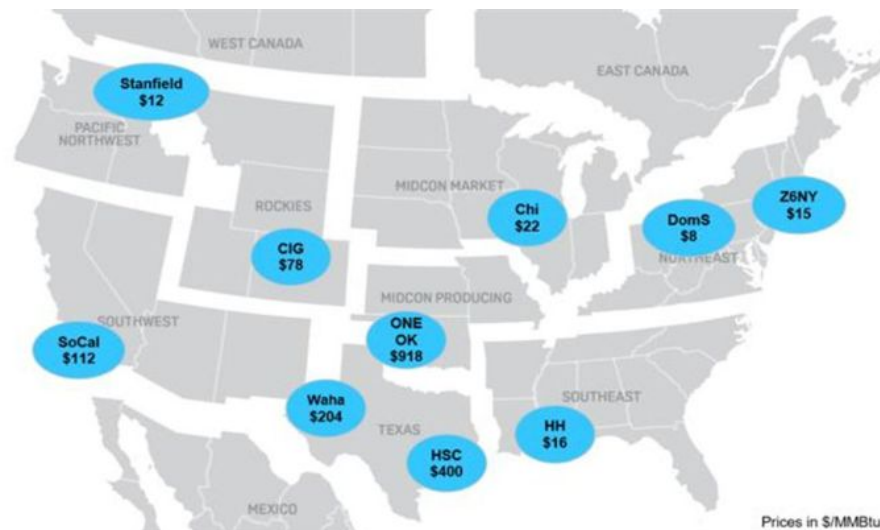


JEA's Estimated Costs from February's Extreme Weather

| | | |
|------------------|-----------|------------------|
| Natural Gas | \$ | 2,741,946 |
| Residual Oil | \$ | 1,676,296 |
| Diesel Oil | \$ | 314,124 |
| Purchase Power | \$ | 1,722,923 |
| Off System Sales | \$ | (219,636) |
| Total | \$ | 6,235,653 |

Natural Gas Prices

US natural gas prices surged again on Tuesday, Feb. 16!

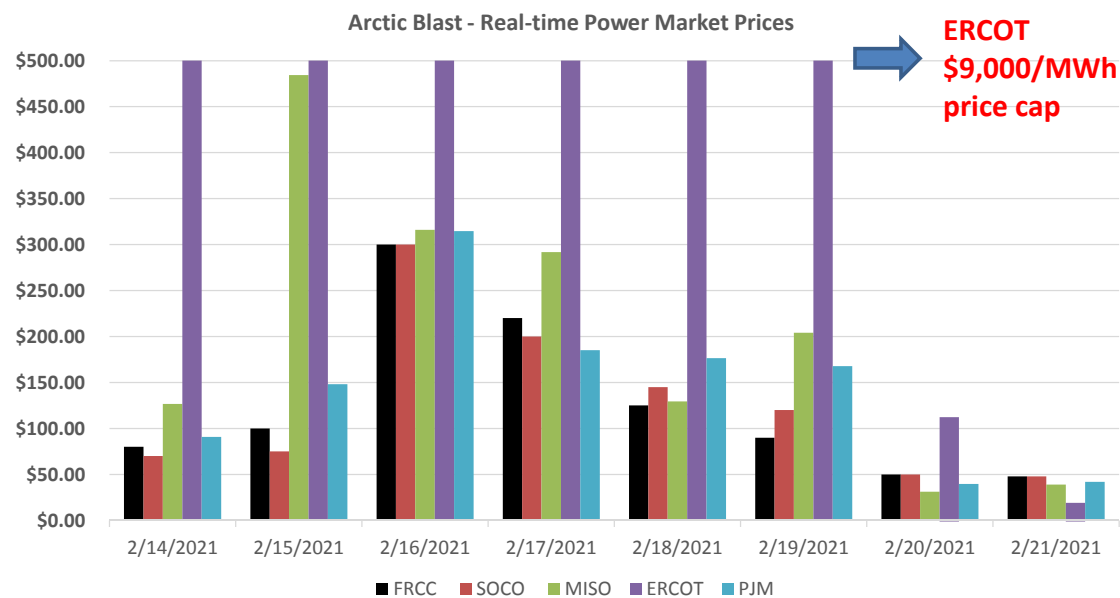


Prices rose higher for the next two days



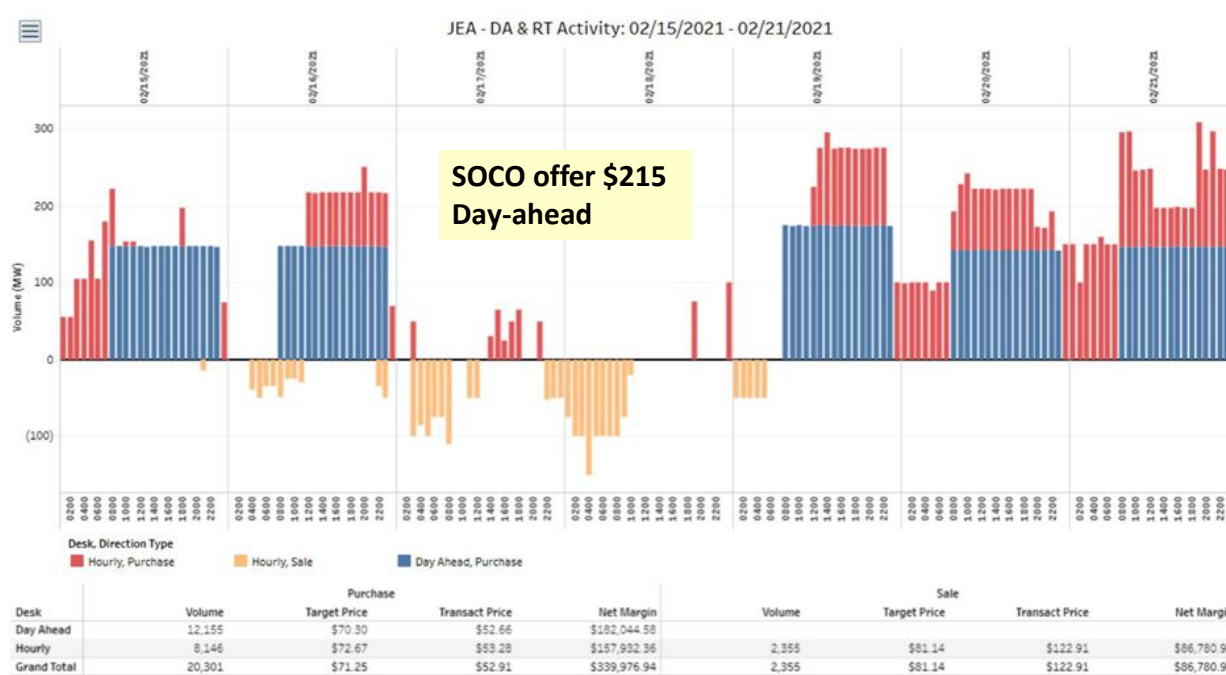
Information provided by The Energy Authority

Arctic Blast – 7x24 Power Prices



Information provided by The Energy Authority

JEA Power Activity During Arctic Blast



Information provided by The Energy Authority

JEA Finance and Audit Committee Agenda**March 12, 2021 • 9:00 AM – 11:00 AM****JEA 21 West Church Street, Jacksonville, FL 32202**

| I. OPENING CONSIDERATIONS | | | |
|---------------------------|---|--|--|
| A. | Call to Order | | |
| B. | Adoption of Agenda (Action) | | |
| C. | Safety Briefing and Moment - Anthony Long, Director, Health & Safety Services and Steve Tuten, Director, Audit Services | | |
| D. | Approval of Minutes – December 11, 2020 (Action) | | |

| II. | | Item(s) | Speaker/Title | Action (A) Info (I) |
|-----|----|--|---|------------------------|
| A. | | Rates and Fees Update | Juli Crawford, Director, Financial Planning & Analysis | I |
| | 1. | Fuel Charge | | |
| | 2. | Electric Rates | | |
| | 3. | Water and Wastewater Capacity Fees | | |
| B. | | FY2022 Budget Assumptions | Juli Crawford, Director, Financial Planning & Analysis | I |
| C. | | Quarterly Audit Services Update | Steve Tuten, Director, Audit Services | I |
| D. | | Ethics Officer Quarterly Report | Walette Stanford, Ethics Officer | I |
| E. | | Treasury | | |
| | 1. | Electric System and Water and Sewer System Reserve Fund Quarterly Report | Joe Orfano, Interim VP Financial Services | I |
| | 2. | JEA Variable-Rate Debt Analysis | Joe Orfano, Interim VP Financial Services Michael Mace, PFM Financial Advisors LLC | I |
| F. | | JEA Energy Market Risk Management Policy | | |
| | 1. | Quarterly Report | Ricky Erixton, VP Electric Systems | I |
| | 2. | Approval of Revisions to Policy | Ricky Erixton, VP Electric Systems | A |
| G. | | Announcements | | |
| | 1. | Next Meeting, May 14, 2021, 9:00 – 11:00am | | |
| H. | | Committee Discussion Sessions | | |
| | 1. | Ernst & Young | John DiSanto, Ernst & Young | I |
| | 2. | Director, Audit Services | Steve Tuten, Director, Audit Services | I |
| | 3. | Council Auditor's Office | Jeff Rodda, Council Auditor | I |
| I. | | Adjournment | | |

| III. | UPCOMING FINANCE AND AUDIT AGENDA ITEMS | |
|------|---|--|
| | Item(s) | |
| | A. | FY2022 Budget Presentation |
| | B. | Rates and Fees Update |
| | C. | Financial Statements Presentation |
| | D. | Quarterly Audit Services Update |
| | E. | Ethics Officer Quarterly Report |
| | F. | Electric System and Water and Sewer System Reserve Fund Quarterly Report |
| | G. | JEA Energy Market Risk Management Policy Quarterly Report |

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.



SAFETY MOMENT AND BRIEFING

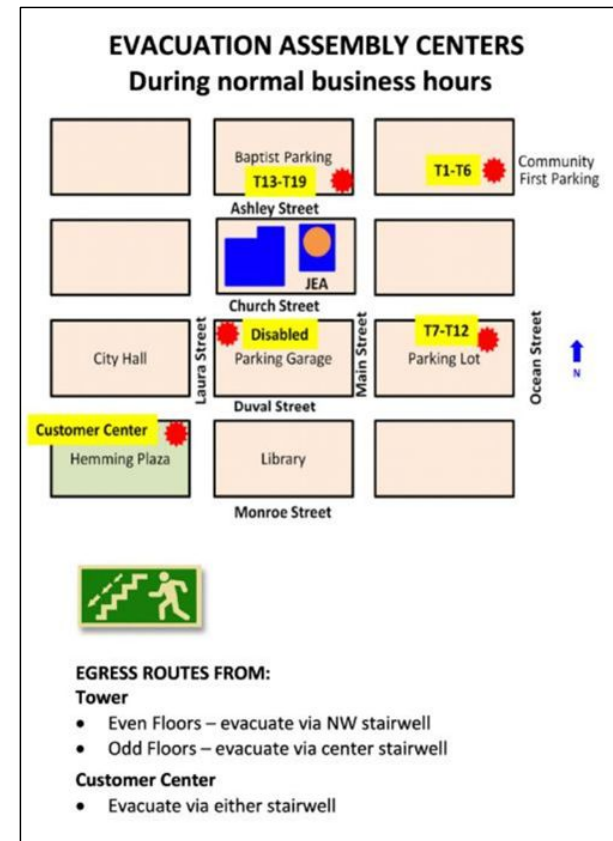
Tony Long
Director, Safety and Health Services

Steven Tuten
Director, Audit Services



Safety Briefing

- In the event of an emergency, call 9-911 and alert others
- Emergency Evacuation Route (use stairwell)
- Assembly Location: Baptist Parking Garage (corner of Ashley & Main St.)
- Safety Partner (person to your right)
- Medical Conditions / CPR
- Hazard & Situational Awareness
- Cell Phone Etiquette



Safety Moment

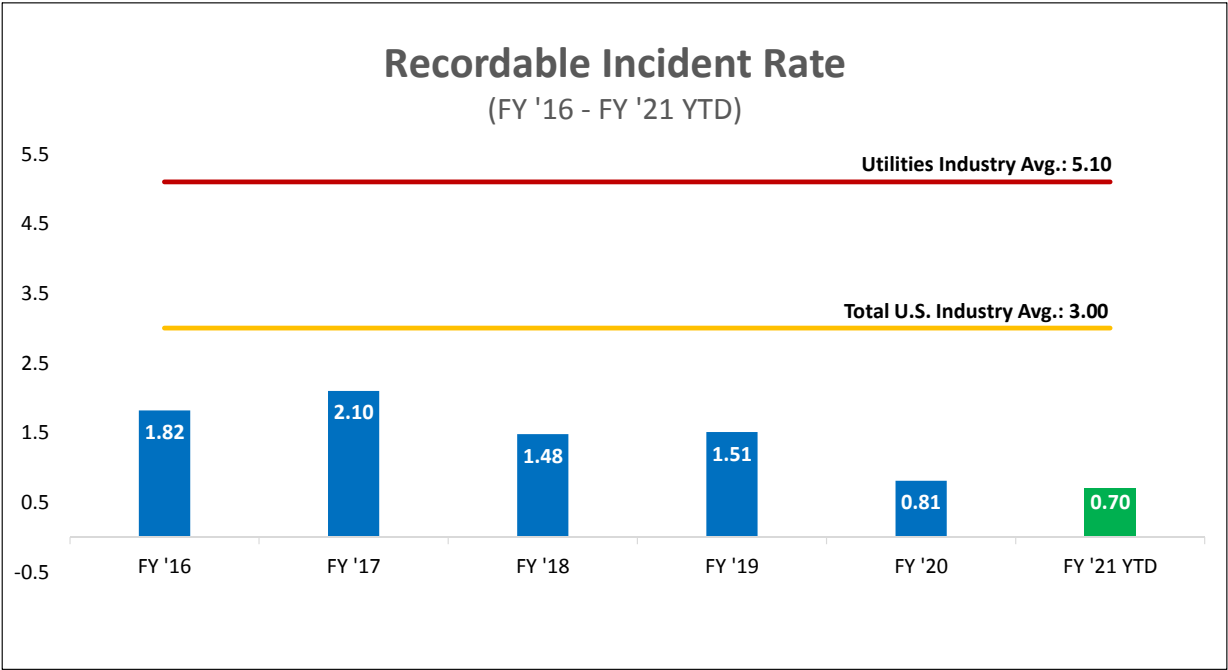
Hierarchy of Controls

- Elimination (most effective)
- Substitution (e.g., use safer equipment / tools)
- Engineering Controls (e.g., machine guarding)
- Administrative Controls (e.g., job rotation)
- PPE (least effective)

Next Month's Safety Moment: Fall Protection



Safety Performance Update



Recordable Incident Rate = [No. of OSHA Recordable Injuries ÷ Hours Worked] x 200,000

JEA FINANCE & AUDIT COMMITTEE MINUTES
December 11, 2020

The Finance & Audit Committee of JEA met on Friday, December 11, 2020 on the 19th Floor, 21 W. Church Street, Jacksonville, Florida. Pursuant to City of Jacksonville Emergency Proclamation, attendees were required to wear masks, CDC guidelines and social distancing were required at the physical location, and the meeting was also accessible via WebEx. In attendance physically were Marty Lanahan, John Baker, and Bobby Stein. Also in attendance physically was Jody Brooks, Office of General Counsel. Joseph DiSalvo, Dr. Leon Haley, and Zachary Faison joined via WebEx, as well as Jay Stowe.

Agenda Item I – Opening Considerations

- A. Call to Order** – Chair Marty Lanahan called the meeting to order at 10:02 a.m. Committee members John Baker (Board Chair) and Bobby Stein were in attendance physically which constituted a quorum. Jody Brooks provided a **Safety Briefing** for those in attendance physically after the meeting was called to order.
- B. Adoption of Agenda** – On *motion* by John Baker and seconded by Bobby Stein the agenda was adopted.
- C. Approval of Minutes** – On *motion* by Bobby Stein and seconded by John Baker, the Minutes of the August 14, 2020 Committee meeting were approved.

** Due to technical difficulties there was a 10 minute recess. The meeting stopped at 10:10am and resumed at 10:20am. **

Agenda Item II – New Business

- A. Ernst & Young FY2020 External Audit Report** – John DiSanto, Ernst & Young, presented an overview of the 2020 Audit Report. Copies of the presentation, along with draft copies of the Audited Financials, were provided to Committee Members in advance of the meeting for review. Mr. DiSanto and Committee Chair Lanahan commended the JEA team and the Ernst & Young team for their work on the audit.

This presentation was received for information only.

- B. JEA Identity Theft Protection Program Annual Risk Assessment** – Dan Mishra, Director, CIP Compliance provided the annual report to the Committee, mandated by federal regulations concerning identity theft. Mr. Mishra stated the regulations address the protection of Personally Identifiable Information (PII) of customers, employees, agents and contractors in JEA's possession. Mr. Mishra reviewed the program metrics, operational metrics, 2019 identity theft summary results, data loss prevention exposure, process improvement, risk mitigation and long-term improvement proposals.

Committee Chair Lanahan requested a further deep dive in future Finance and Audit Committee meetings.

This presentation was received for information only.

- C. Ethics Officer Quarterly Report** – Walette Stanford, Ethics Officer, provided an update regarding the FY21 ethics strategy, ethical integration, ethics officer inquiries and categories, the Ethical Leadership workshops, workshop action plan and what's next for Business Ethics.

This presentation was provided for information only.

- D. JEA Code of Conduct and Code of Ethics** – Walette Stanford, Ethics Officer, presented the JEA Code of Conduct and Code of Ethics by providing a summary of both documents. Ms. Stanford stated JEA previously used ethical guidelines and also stated this is just a framework that can be updated. Ms. Stanford also stated The Code of Conduct and Code of Ethics will be rolled out to employees in FY21. A copy of the Code of Conduct and Code of Ethics was provided to the Committee in advance of the meeting for review.

On *motion* by Bobby Stein and seconded by John Baker, the Code of Conduct of Code of Ethics were approved unanimously.

- E. Enterprise Risk Management and Compliance Policy** – Steve Tuten, Interim Chief Compliance Officer, presented the updated Enterprise Risk Management Compliance Policy. Mr. Tuten explained that the updated policy proposes a greater reliance on the Risk Working Group that uses the Three Lines of Defense methodology. Management recommends the Committee approve the updated policy

On *motion* by John Baker and Bobby Stein the updated Enterprise Risk Management and Compliance Policy was approved unanimously

- F. Audit Services – Quarterly Audit Services Update** – Steve Tuten, Interim Chief Compliance Officer presented the Quarterly Audit Services update. Mr. Tuten announced the start of a ERM analyst and acknowledged the Lab Services for having no audit issues in their area. Referencing material provided to the Committee in advance of the meeting, Mr. Tuten focused on the summary of the closed cases for FY20 and then concluded the presentation.

This presentation was received for information only.

G. Rates

- 1. Water/Wastewater Capacity Fees** – Brian Roche, Interim Chief Financial Officer, provided a presentation on capacity fees, providing the background, cost recovery structure and FY21 forecast. Mr. Roche requested feedback from the Committee on the timeline review as to if they preferred staff to come back the F&A committee before going to the full Board for a public rate hearing, in which the Committee replied yes. Mr. Roche resumed the presentation by reviewing current pricing, cost of service methodologies, benchmarks, other water & sewer items, economic development and next steps.

This presentation was provided for information only.

- 2. Irrigation and 10” Metered Service Water Rates** – Referenced in the Capacity Fees presentation.

- 3. Economic Development Rates** – Referenced in the Capacity Fees presentation.

H. Treasury

- 1. Electric System and Water and Sewer System Reserve Fund Quarterly Report** – Joe Orfano, Treasurer, reviewed the Electric System and Water and Sewer System Reserve Fund Quarterly Report.

Finance & Audit Committee

December 11, 2020

Page 3

This presentation was received for information only.

2. Bond Refunding Delegation Resolutions – Joe Orfano, Treasurer, presented the Bond Refunding Resolutions (2020-12, 2020-13, 2020-14, 2020-15, 2020-16) and recommends the Resolutions, as well as related forms be taken to full Board for approval. All Resolutions and related forms were provided to the Committee prior to the meeting for review.

On *motion* Bobby Stein and seconded by John Baker the recommendation was approved unanimously.

3. Update on JEA Unhedged Variable Rate Debt Portfolio – Joe Orfano, Treasurer, provided an update on the unhedged variable rate debt portfolio. Mr. Orfano stated the Staff will engage JEA's financial advisor and provide an analysis on the variable rate portfolio to be presented to the Committee at a later meeting.

This presentation was received for information only.

I. Announcements – Next meeting, March 12, 2021 9:00am – 11:00am

J. Committee Discussions

At 12:06 P.M., Ms. Lanahan asked the Committee to enter into Executive Session. All meeting participants were excused excluding JEA Board Members, John DiSanto, Steve Tuten, Jody Brooks and Madricka Jones.

1. Ernst & Young: At 12:06 P.M., Mr. DiSanto engaged the Committee.
2. Director, Audit Services: At 12:10 P.M., Mr. Tuten engaged the Committee.
3. Council Auditor's Office: No Council Auditor representative was in attendance.

Adjournment

With no further business requiring the attention of the Committee, the meeting was declared adjourned at 12:13 P.M.

APPROVED BY:

Marty Lanahan, Committee Chair
Date: _____

Submitted by:

Madricka Jones
Executive Staff Assistant



INTER-OFFICE MEMORANDUM

March 2, 2021

SUBJECT: RATES AND FEES UPDATE

FROM: Jay Stowe, Managing Director/CEO

TO: JEA Finance and Audit Committee

Marty Lanahan, Chair
John Baker
Robert Stein

BACKGROUND:

JEA has an ongoing plan to review, update, and where possible, expand its rate options to provide customers more rate choices for their utility services. Staff presented an analysis of Water and Wastewater capacity fees at the December Finance and Audit Committee meeting, and is continuing the discussion in addition to other rate items.

DISCUSSION:

Staff continues to evaluate the need and timing of rate action in multiple areas:

Fuel Charge:

Staff proposes reducing the Fuel Charge from \$32.50/MWh to \$30.50/MWh effective October 1, 2021

Electric Rates:

Staff proposes raising the Energy Charge \$2/MWh for all classes effective October 1, 2021

Water and Wastewater Capacity Fees:

Staff proposes adjusting Water and Wastewater capacity fees in addition to evaluating other water pricing effective October 1, 2021

RECOMMENDATION:

Staff is providing this presentation for the Committee's consideration and requests feedback and direction regarding JEA rates and fees.

Jay Stowe, Managing Director/CEO

JCS/JEO/JEC



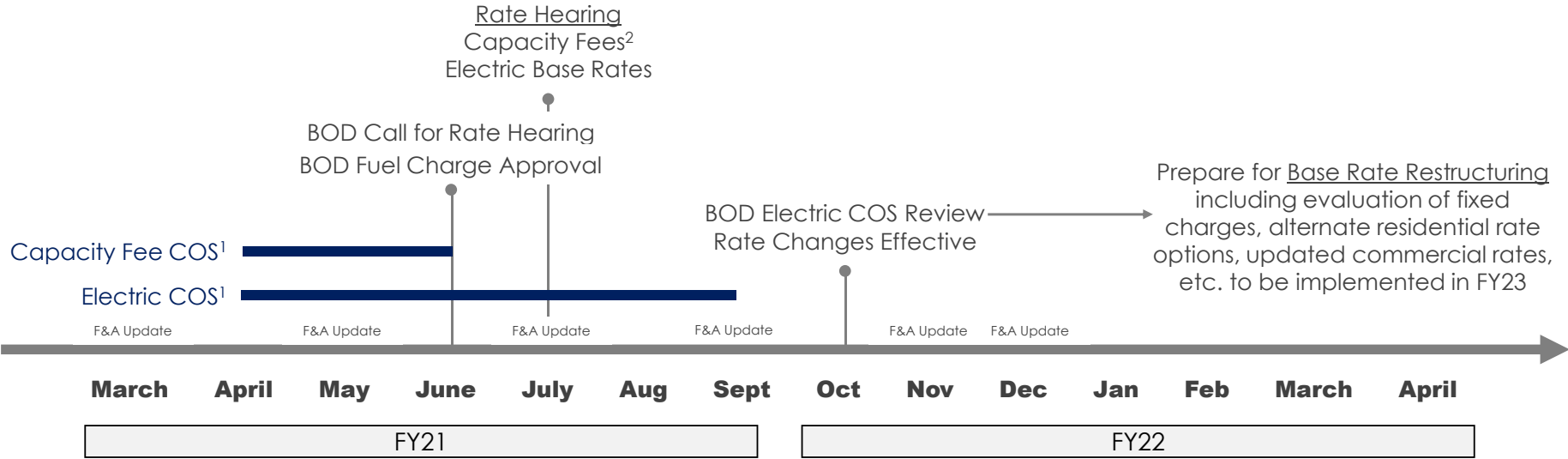
Rates & Fees Update

Finance & Audit Committee



March 12, 2021

Tentative Rate Action Timeline



DES Rate Adjustments not included

¹COS = Cost of Service
²Staff will present recommended adjustments to select commercial pricing and tap and meter fees with the capacity fee item

Fuel Charge

FY2022 Fuel & Purchased Power Costs

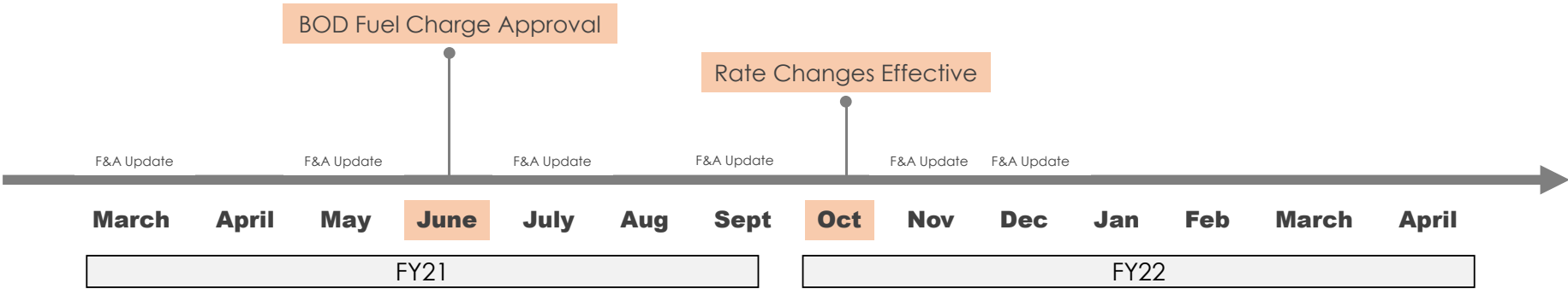
- ▶ FY22 projected fuel expenses include the new FPL Power Purchase Agreement that replaces the generation from Scherer 4's retirement, Vogtle Unit 3, and commencement of the 250 MW solar project.
- ▶ Pricing Policy annually sets Fuel Stabilization Fund balance target at 15% of the highest fuel expense over the past five fiscal years of \$455 million, currently \$68 million
- ▶ FY2022 year-end Fuel Stabilization Fund balance projected to be 20% of target expense utilizing the current \$32.50 fuel charge, exceeding the target range
- ▶ This leads to a recommendation of lowering the Fuel Charge to customers from \$32.50/MWh to \$30.50/MWh for FY 2022



Current \$32.50
fuel charge
represents 30%
of a typical
residential bill

| | FY2019A | FY2020A | FY2021F | FY2022B |
|---------------------------------|---------|---------|---------|---------|
| Fuel Charge Budgeted per \$/MWh | \$32.50 | \$32.50 | \$32.50 | \$30.50 |
| Fund as a % of Target Expense | 9% | 16% | 16% | 15% |
| Annual Fuel Cost (millions) | \$426 | \$343 | \$397 | \$390 |

Tentative Rate Action Timeline



Electric Rates

Electric Base Rate

Electric Base Rate

Base Rate recovers expenditures necessary to operate and maintain the system, depreciation expense, capital required to maintain the system, the necessary contribution to the City, any special charges for programs and additional revenues required to maintain the financial integrity of the System.

| November 2020 Plan | FY22 |
|--------------------------------|------|
| Residential Bill Change | 0% |
| Base Rate Increase | 4% |

| Recommendation | FY22 |
|--------------------------------|------|
| Residential Bill Change | 0% |
| Base Rate Increase | 3% |

JEA has mitigated a portion of the Vogtle MEAG Power Purchase Agreement (PPA) expense with the following actions:

- SJRPP closure
- Agreement to replace Scherer Unit 4 with corresponding FPL PPA
- Utility scale solar PPA
- A significant amount of debt reduction

| Total Non-Fuel Vogtle Payments (\$ in millions) | | | |
|--|--------------|--------------|--------------|
| FY22 | FY23 | FY24 | FY25 |
| \$106 | \$161 | \$169 | \$171 |

Despite these actions, a base rate increase is necessary to recover expenses associated with the Vogtle MEAG PPA



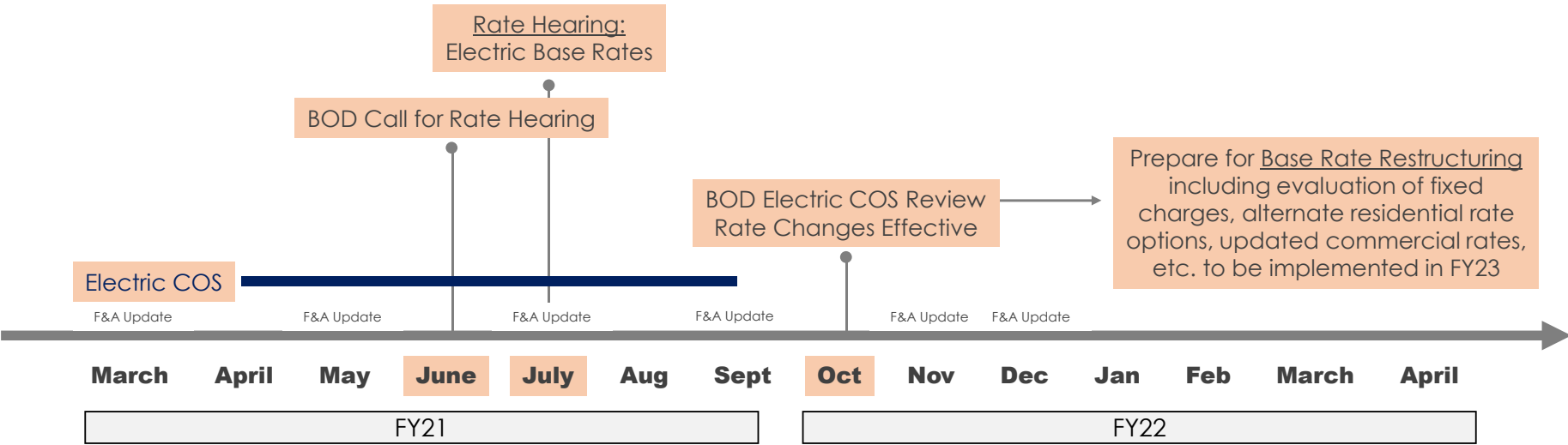
FY22 Residential Bill Impact

| Current | | FY22 Proposed | |
|---|-----------------|---|-----------------|
| Basic Monthly Charge | \$5.50 | Basic Monthly Charge | \$5.50 |
| Energy Charge | 69.88 | Energy Charge | 71.88 |
| Environmental Charge | 0.62 | Environmental Charge | 0.62 |
| Fuel Charge | 32.50 | Fuel Charge | 30.50 |
| Total <i>before taxes and fees</i> | \$108.50 | Total <i>before taxes and fees</i> | \$108.50 |
| Taxes and Fees | 14.84 | Taxes and Fees | 15.04 |
| Total <i>after taxes and fees</i> | \$123.34 | Total <i>after taxes and fees</i> | \$123.54 |

Proposed bill reflects a fuel charge decrease of \$2/month
and an energy charge increase of \$2/month

Average residential bill based on 1,000 kWh per month
Public Service Tax slightly higher on base charges

Tentative Rate Action Timeline



Water & Wastewater Capacity Fees

Water & Wastewater Capacity Fees

Water & Wastewater Capacity Project Costs and Customer Fees

Capacity fees and charges are one-time fees paid by builders or customers connecting to the system to recover the cost of capacity expansion. A large portion of our Capital Improvement Plan is driven by growth and providing additional water, wastewater, and/or reclaimed capacity. These projects are a direct indication of the cost to connect new customers.

Other Items to be Addressed:

Tap and Meter Fees
10" meter rate
Irrigation rate



Water

Reclaimed

Sewer

| Recommended ¾" Capacity Fee |
|---|
| \$653 (Current Fee \$339.50) |
| \$817 (Current Fee \$339.50) |
| \$3,320 (Current Fee \$1,274) |



| Estimated Additional Annual Revenue ¹ |
|---|
| \$11M |
| \$5M |
| \$49M |

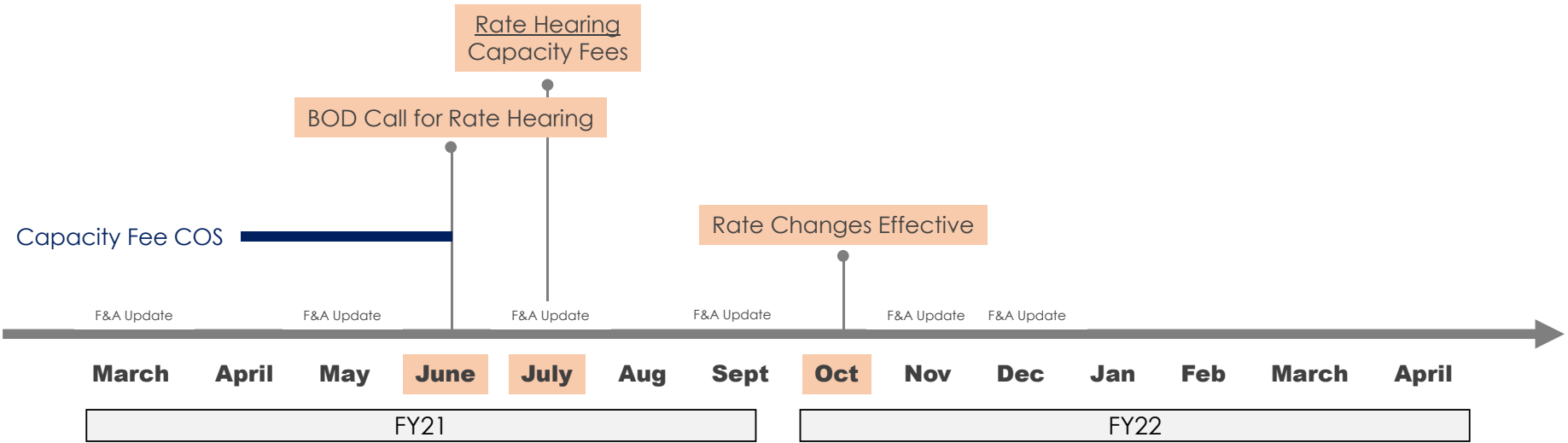
Staff recommends adjusting capacity fees effective October 1, 2021
following final recommendation from rate consultants

(Previous adjustment FY 2005)



¹ Based on FY20 New Connections

Tentative Rate Action Timeline



Questions?



INTER-OFFICE MEMORANDUM

February 23, 2021

SUBJECT: FY2022 BUDGET ASSUMPTIONS

FROM: Jay Stowe, Managing Director/CEO

TO: JEA Finance and Audit Committee

Marty Lanahan, Chair
John Baker
Robert Stein

BACKGROUND:

Budget assumptions are established to address strategic items and key assumptions for the upcoming fiscal year, and are presented to the JEA Finance and Audit Committee for feedback and direction.

DISCUSSION:

Staff will provide the FY2022 Budget assumptions for the JEA operating budget and the capital budget for both the Electric and Water and Wastewater systems.

Assumptions include:

- Revenue
- Fuel Charge Assumptions
- Operating Budget Components
- Capital Expenditures
- City Contribution

RECOMMENDATION:

Staff is providing this presentation for the Board's consideration and requests feedback and direction regarding the FY2022 Budget.

Jay Stowe, Managing Director/CEO

JCS/JEO/JEC



FY2022 Budget Assumptions

Finance & Audit Committee



March 12, 2021

FY2022 Budget Agenda



Strategic Items

Key Assumptions

Electric Budget Assumptions

Water Wastewater Budget Assumptions

Government Transfers via the JEA Bill

Budget Timeline and Action Items



FY2022 BUDGET STRATEGIC ITEMS

- **Continue to drive business excellence**
- **Remain focused on customer loyalty**
- **Communication and transparency**
- **Financial performance and flexibility**
- **Workforce readiness**
- **Future environmental constraints on electric generation**
- **Water resource management and health of the St. Johns River**

FY22 Specific Items

- COVID related expenses
- New Headquarters
- Scherer
- SJRPP
- Fuel Charge





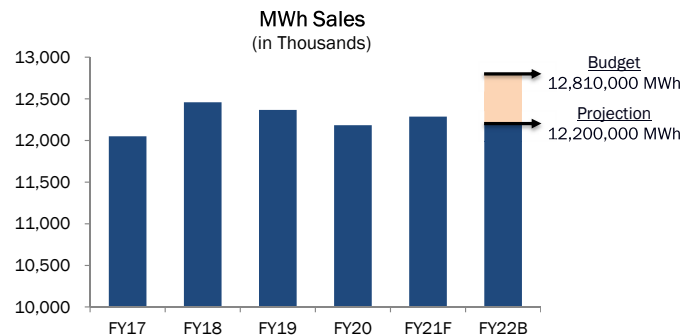
Key Assumptions



FY2022 Budget Key Assumptions Revenue Projections

Budget sales will include a weather contingency of 5% to account for the possibility of an extreme weather year.
This provides appropriation for any additional revenues to be utilized for Capital or Debt Reduction

Electric System

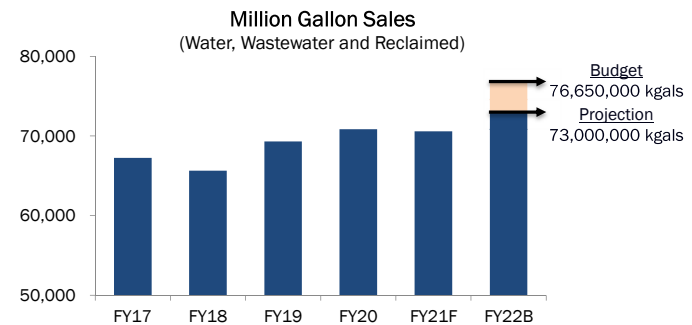


This results in a **\$1.35 billion** budget for FY22
compared to a \$1.25 billion budget in FY21



- Budgeted revenues include \$100 million anticipated payment from FPL within Other Revenue
- Budgeted expenses include Scherer debt retirement of \$75 million and additional electric debt retirement of \$25 million

Water & Wastewater System



This results in a **\$539 million** budget for FY22
compared to a \$512 million budget in FY21

FY2022 Budget Key Assumptions Fuel & Purchased Power Costs



- ▶ FY22 projected fuel expenses include the new FPL Power Purchase Agreement that replaces the generation from Scherer 4's retirement, Vogtle Unit 3, and commencement of the 250 MW solar project.
- ▶ Pricing Policy annually sets Fuel Stabilization Fund balance target at 15% of the highest fuel expense over the past five fiscal years of \$455 million, currently \$68 million
- ▶ FY2022 year-end Fuel Stabilization Fund balance projected to be 20% of target expense utilizing the current \$32.50 fuel rate, exceeding the target range
- ▶ This leads to a recommendation of lowering the Fuel Charge to customers from \$32.50/MWh to \$30.50/MWh for FY 2022

| | FY2019A | FY2020A | FY2021F | FY2022B |
|---------------------------------|---------|---------|---------|---------|
| Fuel Charge Budgeted per \$/MWh | \$32.50 | \$32.50 | \$32.50 | \$30.50 |
| Fund as a % of Target Expense | 9% | 16% | 16% | 15% |
| Annual Fuel Cost (millions) | \$426 | \$343 | \$397 | \$390 |

FY2022 Budget Key Assumptions Labor Costs



- ▶ Bargaining unit wages reflect negotiated contracts through FY2022
- ▶ Pension contribution is to be finalized in May, and it is expected to be budgeted above the FY21 level of approximately \$40 million
- ▶ Staffing risks mitigated with continuation of Workforce Readiness and Succession Planning initiative
- ▶ Includes Pay for performance estimated at 3% of total base salaries



Electric System Budget Assumptions



Electric System Operating Budget Components

Fuel and Purchased Power

Reflects higher purchased power expenses

O&M

Includes COVID expenses, new headquarters lease payments, generating unit outages

Non-Fuel Purchased Power

Includes Scherer debt defeasance, MEAG PPA payments, and completion of SJRPP remediation

Internal Capital Funds

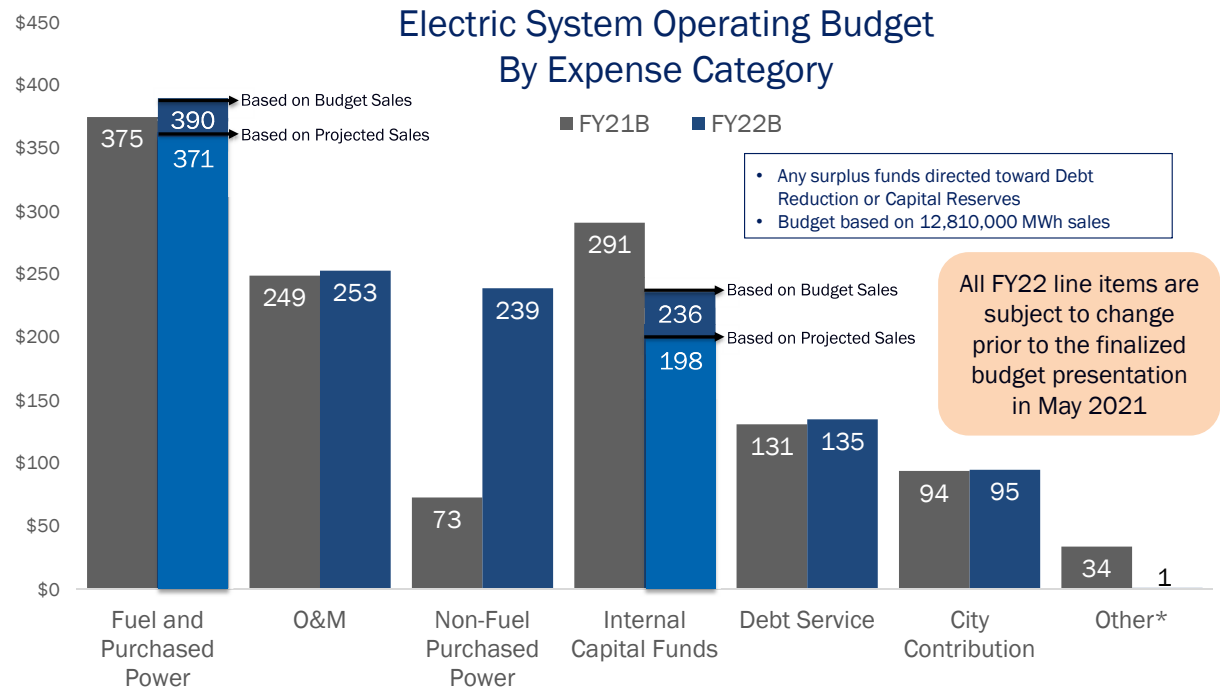
Fully funds the FY22 capital program utilizing current and prior year revenues

Debt Service

Projected to be slightly higher than FY21

City Contribution

Based on city contribution agreement extended to 2023



*Other includes Base Uncollectibles, Emergency Reserve funding, use of rate stabilization funds, and PSC fees. Change primarily due to a planned \$3 million stabilization withdrawal in FY22B compared to a \$36 million deposit in FY21B

FY2021B
\$1.2 Billion

vs

FY2022B
\$1.3 Billion

Electric System FY2022 Capital Plan



FY2021 capital program is projected to be \$197 million



FY2022 key initiatives include \$23 million for the New JEA Headquarters, \$14 million for KGS CT7 Rotor Replacement, and \$10 million for an overhead transmission rebuild



FY2022 capital funding plan anticipated to utilize existing capital cash balances to fund qualifying projects, resulting in no new debt issuance for FY2022

FY2022 Capital Budget estimate: \$250 MILLION*

The team will continue to refine the project list through March and April and will have a final CIP budget to present at the May F&A Committee meeting

*Includes budget reserve



Water & Wastewater System Budget Assumptions



Water & Wastewater System Operating Budget Components

Internal Capital Funds

Funds two-thirds of the FY22 capital program

O&M

Includes salaries, benefits, materials, supplies, and funding other services and charges such as professional and industrial services

Debt Service

Projected to be slightly higher than FY21

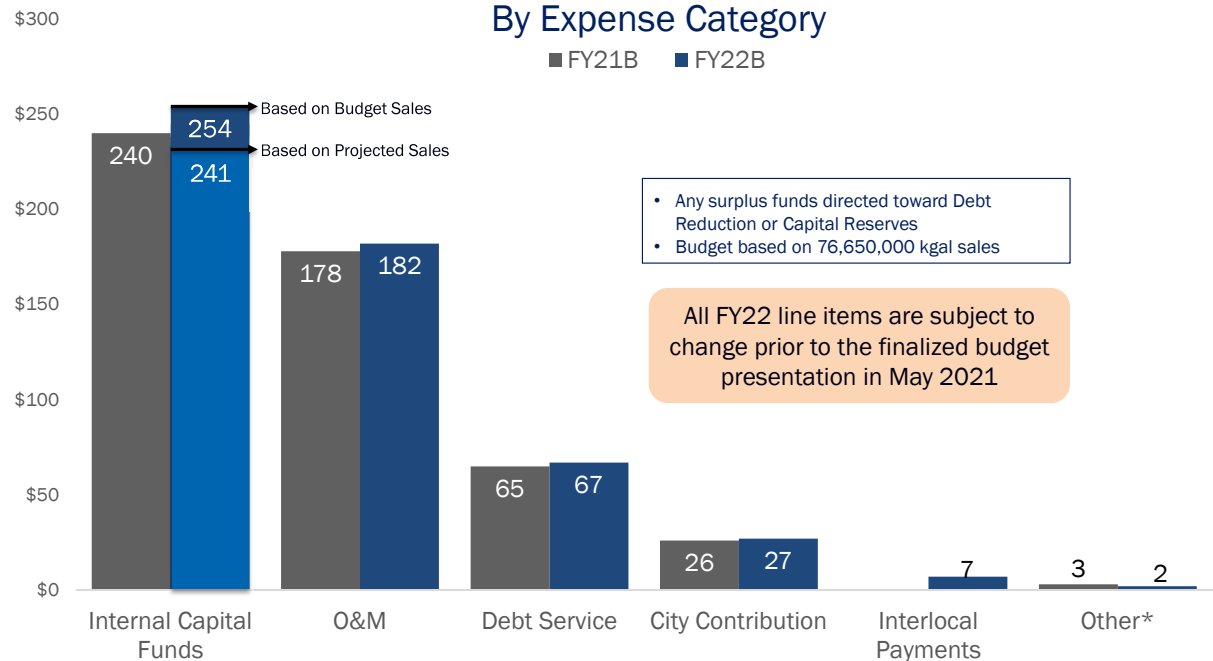
City Contribution

Based on city contribution agreement extended to 2023

Interlocal Payments

Includes a prepayment to Nassau County in addition to annual payments to Clay County and St. Johns County

Water & Wastewater System Operating Budget By Expense Category



FY2021B vs **FY2022B**
\$512 million vs **\$539 million**

*Other includes Uncollectibles and Emergency Reserve funding

Water & Wastewater System FY2022 Capital Plan



FY2021 capital program is projected to be \$254 million



FY2022 key initiatives include \$37 million for the Buckman WRF BioSolids Conversion Process Facility, \$32 million for the Greenland WRF, and \$29 million for the Southwest WRF Expansion



FY2022 capital funding plan anticipated to utilize existing capital cash balances to fund qualifying projects. The robust capital program for FY2022 may require the use of our Revolving Credit Facility

FY2022 Capital Budget estimate: \$395 MILLION*

The team will continue to refine the project list through March and April and will have a final CIP budget to present at the May F&A Committee meeting

*Includes budget reserve



Government Transfers via the JEA Bill



Government Transfers via the JEA Bill

Paid to COJ:

- City Contribution
- Public Service Tax
- City Franchise Fee

Paid to State of Florida:

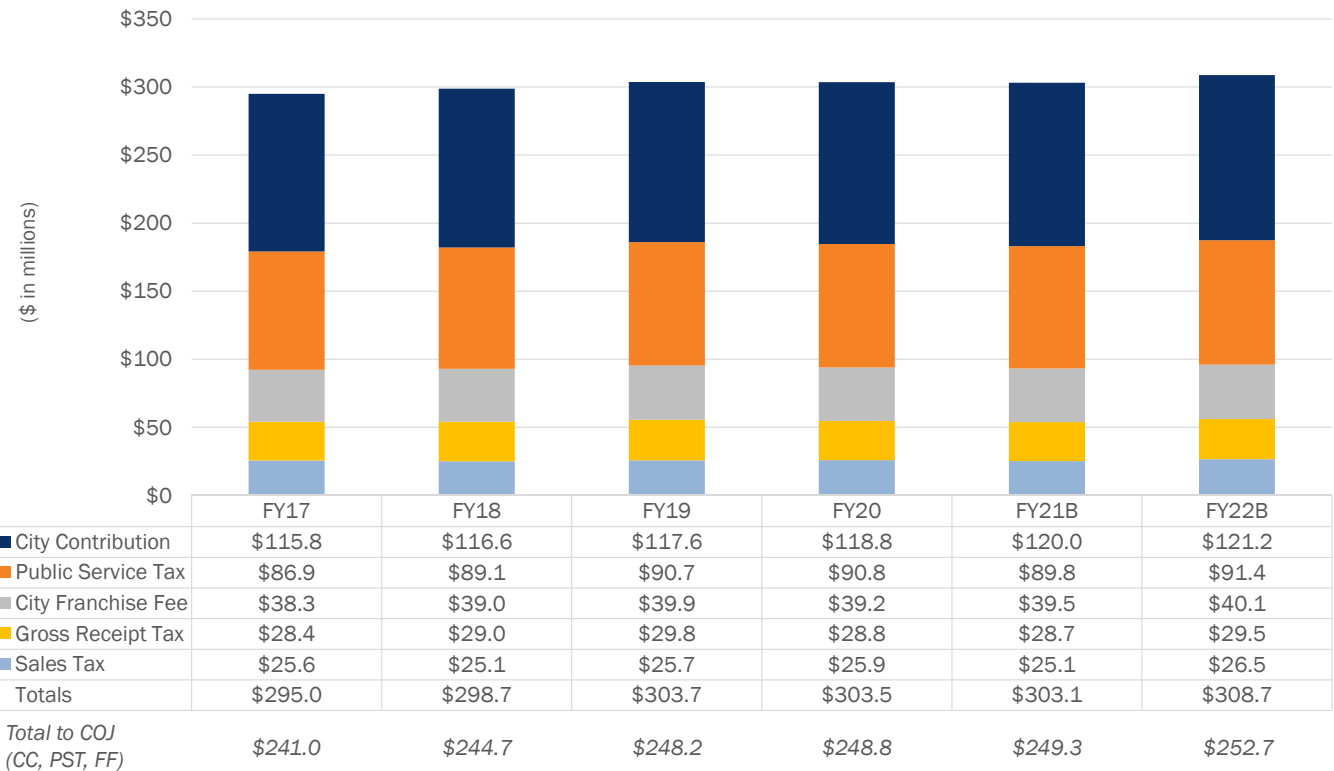
- Gross Receipt Tax

Paid to COJ & State:

- Sales Tax

Continues to increase based upon the agreement of the greater of 1% increase or millage basis

The City Contribution Agreement has been extended through FY2023





Budget Timeline & Action Items



Board Review and Approval Timeline



FY2022 Budget Action Items

F&A ACTION

Provide feedback and direction regarding the key strategic issues and risks for the FY2022 Budget and recommendations

STAFF

- Prepare Draft Budget, as well as related agenda items for review at the May Finance and Audit Committee meeting
- Prepare Draft Budget Summary for presentation at the May Board meeting
- Prepare budget package for approval at the June Board meeting
- Communicate with the Council Auditor
- Begin communication plan for other key stakeholders



INTER-OFFICE MEMORANDUM

February 24, 2021

SUBJECT: QUARTERLY AUDIT SERVICES UPDATE

FROM: Jay Stowe, Managing Director/CEO

TO: JEA Finance and Audit Committee

Marty Lanahan, Chair
John Baker
Robert Stein

BACKGROUND:

The Quarterly Audit Services Update provides the JEA Board of Directors with information on the current activities of the three groups within Audit Services: (1) Enterprise Risk Management; (2) Forensic Audit & Investigations; and (3) Internal Audit. JEA's Enterprise Risk Management program identifies, assesses, measures, monitors and actively manages risk. The Forensic Audit & Investigations Group conducts internal investigations of confidential reports into JEA's Hotline (HL) and from other sources. The Internal Audit Group reviews internal control processes and ensures that departments maintain compliance with operating procedures and regulations.

DISCUSSION:

This update will provide an assessment of how JEA is managing risk and monitoring controls to reduce and/or prevent adverse impact to its business operations.

RECOMMENDATION:

No action required, as this update is for information only.

Jay Stowe, Managing Director/CEO

JCS/SVT



Quarterly Audit Services Update

*Steve Tuten
Director of Audit Services*





Enterprise Risk Management (ERM)



ERM Goals - 2021 & Beyond

The primary focus will reinforce risk management principles and practices, and provide a systematic and effective approach to identify and mitigate significant risk that impact JEA, and integrate such practices with JEA's corporate processes, decision making, facilitate prioritization and enable management to achieve its objectives.

- Consolidating the previous various subordinate risk committees into one comprehensive Risk Working Committee (RWC), which will employ the “Three Lines of Defense” methodology. The RWC provides the mechanism to coordinate efforts between the risk owners, the ERM Team, and Internal Audit, and enhancing the Risk Management process to ensure the success of the RWC:
- Reinforcing “Tone at the Top” to assure proactive participation of the risk owners to fulfill their roles and responsibility in identifying, managing, and effectively mitigating risk within their business functions, and at an enterprise level.
- The Enterprise Compliance & Risk Committee (ECRC) meetings will be re-established to provide oversight and verify risk owners’ adherence to risk management requirements, assess risk prioritization, and the status of mitigation efforts.
- Establishing a process to coordinate risk management efforts with corporate strategies, goals, and capital allocations.



ERM Goals

- Provide incentives for risk owners to effectively manage risks
 - Establishing a corporate goal to reduce the impact and/or likelihood of the current risks.
 - Where applicable, management job descriptions will be modified to include the responsibility of effectively managing corporate risks.
 - Risk owners annual performance goals will include effectively managing their assigned risks.
- Provide risk owners the tools to effectively manage risks
 - Where applicable, develop Key Process and Key Risk Indicators (KPIs / KRIs), to evaluate the effectiveness of current mitigations and/or changes to external factors/variables.
 - Use an automated Governance, Risk and Control application (GRC) to streamline and enhance risk management processes, assessment and reporting functionalities, specifically relating to mitigation activities and KRI/KPI trends.
 - Review and confirm Risk Tolerance criteria to establish guidelines for the level of mitigations required.

ERM Goals

Provide training for employees and risk owners regarding practices, skills, tools for risk management and internal controls, as well as a better understanding of their respective responsibilities in managing JEA's risks.

- Risk Management/Internal Control Computer-Based Training (CBT)
 - Short course (20 minutes) required for all JEA employees that provides overview of key concepts.
- New Employee Risk Management Training
 - New employee orientation includes an introduction to risk management at JEA.
- Detailed Risk Management Training
 - Full-day class required for all Directors, Managers and selected appointed employees.
- Business Unit Risk Assessment Follow-Up (In Development)
 - Provides follow-up to verify business unit risk assessments were completed, risks identified and effectively mitigated.



Current Top 10 Risks For JEA

| Risk | Total Risk Score |
|---|------------------|
| E01 - Carbon Emission Mitigation/Renewable Energy Standards - A Carbon Tax implemented within next 5 years may accelerate the need to replace existing higher carbon emitting generation units with renewables; resulting in increased financial impact. | 15 |
| C03- Disruptive Technologies/Long-Term Planning - Customers have increased options for reducing energy and water usage; Investment in new technologies and existing infrastructure may have significant negative financial impact. | 14 |
| C19 – Surface Water Discharge Risk - May be negatively impacted by proposed State law changes requiring significant discharge reduction to surface waters, requiring higher reuse, resulting in increased costs. | 13 |
| C08 - Black Swan (High Impact - Low probability event) - Major negative impact if certain major catastrophic events occur which would result in the inability to maintain Electric and/or Water/Sewer service for an extended period of time. | 11 |
| C18 – Supply Chain Management - Long-term disruption in goods and services from critical vendors, and/or reliance on sole-source vendors may result in the inability to provide critical services or obtain equipment/parts. | 11 |
| E10 – Nuclear Power Portfolio - Decision to expand into nuclear power generation ownership and/or PPAs poses significant financial, reputational and regulatory risks. | 10. |
| C16 - Weather & Climate Change Impact Resiliency Efforts - Weather patterns and/or short-term or seasonal extreme weather may negatively impact long-term planning, financial and reliability performance, reputation and decreased customer satisfaction | 10 |
| W01- Water Supply Management/Long Term Planning - Long-term water supply planning is becoming more complex due to the difficulty in predicting the impact of changing variables and meeting certain provisions of the Consumptive Use Permit (CUP). | 10 |
| E09 - FERC/NERC (Section 693) O&P Reliability & Compliance - A serious event could occur despite documented compliance with FERC/NERC regulatory requirements, stemming from insufficient event response/operational training, unenforced processes, inadequate resources, and inadequate internal control infrastructure, monitoring, and self assessment processes. | 9 |
| E05- Cooling Water Intake Structures 316(b) - An EPA rule may require a costly modified water intake structure and/or cooling tower upgrades. The upgrades necessary will be determined by a peer review panel and federal agencies. | 9 |
| Total Financial Impact | |

These represent the current Top Corporate Risks based on their Financial and Reputational Impact, as well as their potential to negatively impact reliability and operational effectiveness. These were last presented to the Board in April 2020, so there is definitely an opportunity to review and revise these rankings.

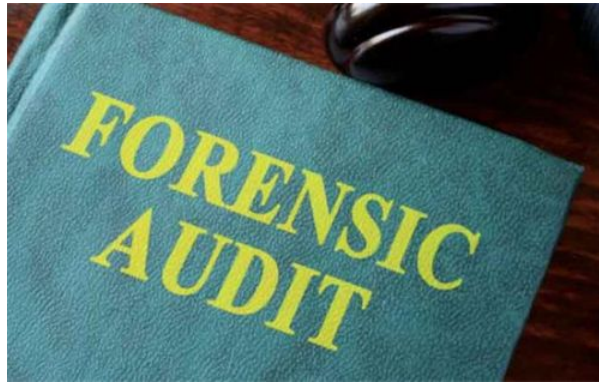




Forensic Audit & Investigations (FAI)



FAI Highlights



- Susan Bowen joined the FAI Team as a Senior Forensic Auditor on March 1st. Susan previously served as a Lieutenant with the JSO, and also has experience in advertising, education, and as a gym franchise owner. Susan is a graduate of UNF, with a Bachelor's of Arts degree.
- The other Senior Forensic Auditor position remains open, as another selected candidate declined our offer.
- We are in the final project phase of upgrading our Ethics Hotline (EHL) from strictly a telephone-based system to one that includes a Web intake method. The new EHL platform will go live in early March. Legacy case data will be transferred after the new system is up and running.

Investigation Case Statistics – Q1 FY21

| Open Cases 9/30/2020 | Cases Opened Q1 FY21 | Cases Closed Q1 FY21 | Open Cases 12/31/2020 |
|--|-------------------------|-------------------------|--------------------------|
| 9 | 2 | 0 | 11 |
| Categories For Cases Opened During Q1 FY21 | | | |
| Fraud/Theft/Abuse | | | 1 |
| General Inquiries | | | 1 |
| Total | | | 2 |



Summary of Closed Cases – Q1 FY21

Closed Case Notes

- Ten cases were closed the previous quarter.
- Due primarily to the EHL upgrade project and staffing limitations, no cases were closed this quarter. However, two cases are ready for write-up and closure.





Internal Audit (IA)



IA Highlights

- The IA team completed the TEA Member Review; this was the final year of our three-year in-charge engagement. However, because of internal audit staffing challenges at City Utilities, the successor in-charge Member, we may serve a fourth year as the in-charge reviewer.
- The Quality Assessment Review (QAR) procurement is in process and we expect to have a contract in place during the next 60 days. The Institute of Internal Auditors (IIA) recommends a QAR every five years for mature internal audit groups. This will be the fourth QAR for JEA IA.
- A new Quality Assurance and Improvement Program procedure was created to elevate the quality of our audit work.



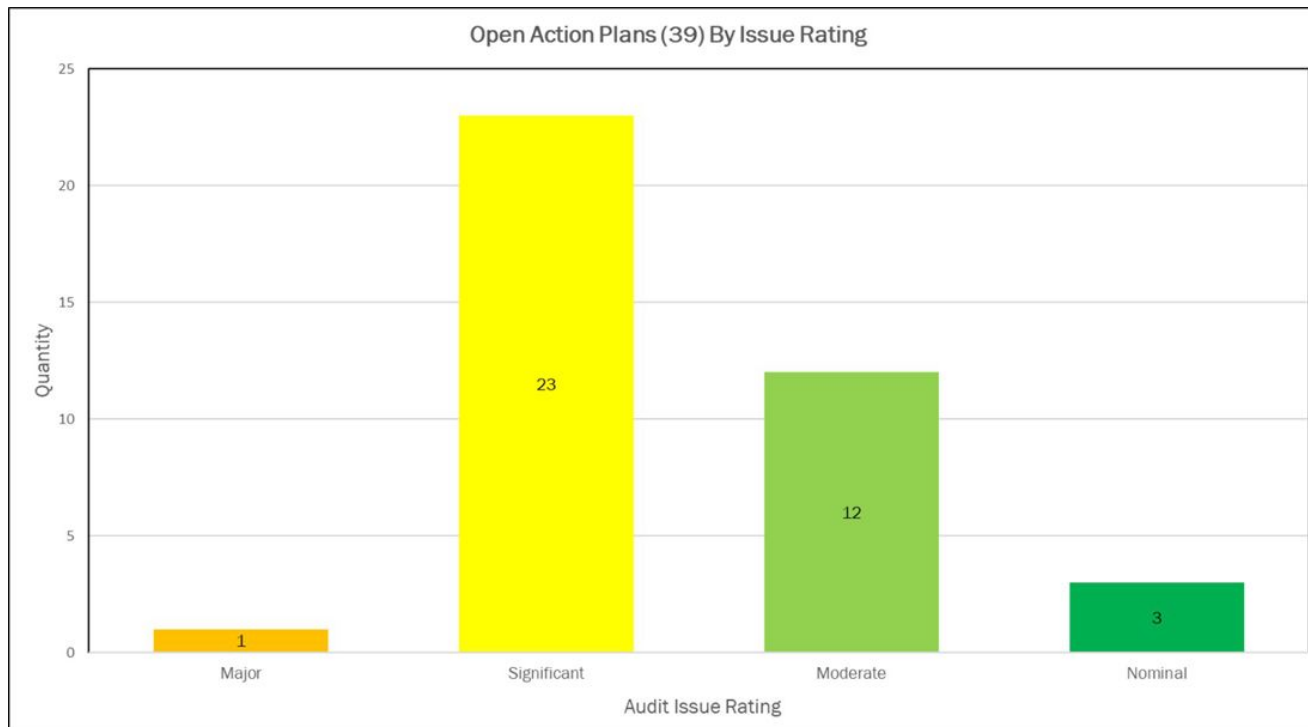
Summary of Completed Audits

| Audit Name | Report Rating | # of Issues | Description of Significant or Greater Issue(s) |
|-------------------|---------------|-------------|---|
| TEA Member Review | Satisfactory | 7 | Opportunities for improvement include: <ul style="list-style-type: none">• Default Password Change and System Monitoring;• Annual Access Review for Dynamics;• Access Termination for Promoted or Transferred Employees; and• Access Revocation Date for Contractors |

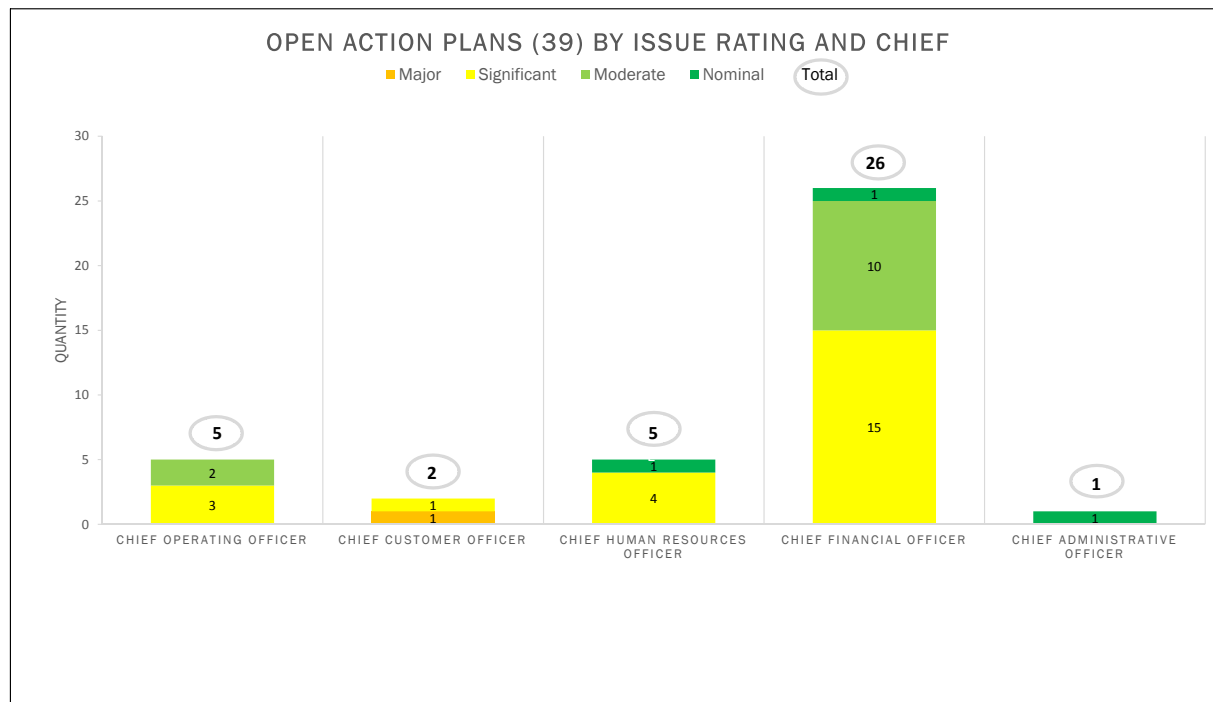
FY21 Audit Calendar

| | 1Q (Oct – Dec) | | 2Q (Jan – Mar) | | 3Q (Apr – Jun) | | 4Q (Jul – Sept) | |
|--|---|---|------------------------------|---|---|---|--------------------------------|---|
| Internal Audits | W/WW Project Engineering & Construction | ● | Safety & Health Services | ● | W/WW Asset Management & Performance | ● | Fleet Services | ● |
| | Customer & Community Engagement | ● | Identity & Access Management | ● | Vogtle Follow-Up | ● | eAM Asset Management Follow-Up | ● |
| | Investment Recovery Operations | ● | Fuel Management Services | ● | Cloud Computing | ● | Receivables & Collections | ● |
| | | | Treasury Cash & Investments | ● | Procurement & Contracts | ● | IT Staffing | ● |
| | | | JEA Culture | ● | | | | |
| Special Projects | Cyber Program Assessment | ● | | | FY 2022 Annual Risk Assessments | ● | | |
| | TEA Member Review | ✓ | | | Green-e Agreed-Upon Procedures Engagement | ✗ | | |
| | JEA Performance Pay Audit | ✗ | | | | | | |
| <div> <div>Not Started</div> <div>●</div> <div>In Progress</div> <div>●</div> <div>Cancelled</div> <div>✗</div> <div>Report in Draft</div> <div>✓</div> <div>Final Report Issued</div> <div>✓</div> </div> | | | | | | | | |

Open Audit and Investigation Report Issues

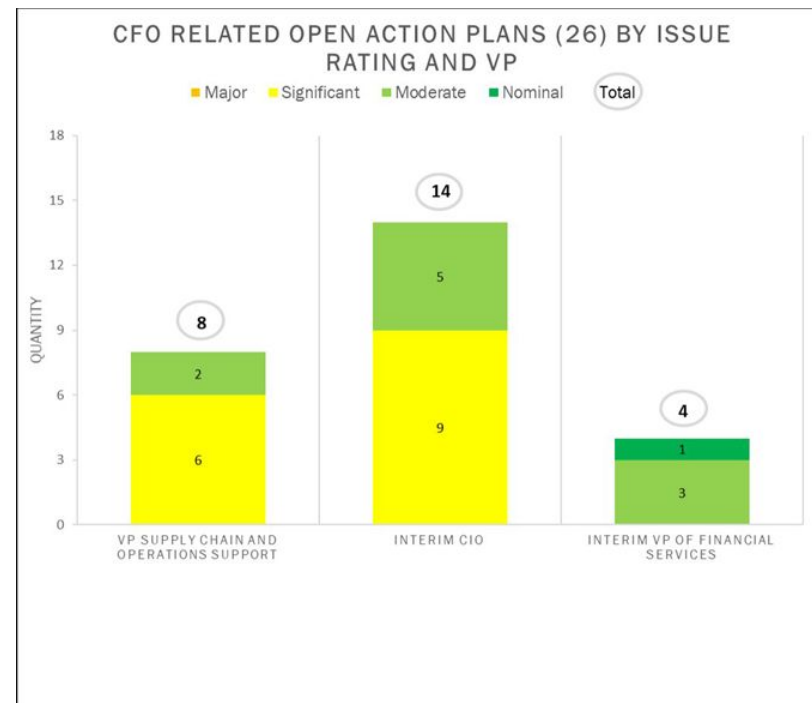


Open Audit and Investigation Report Issues



Open Audit and Investigation Report Issues - CFO

Due to the comparatively higher number of action plans assigned to the CFO, we have included this distribution of action plans across the Supply Chain/Ops Support, Technology and Financial Services areas.



Open Audit and Investigation Report Issues – Major Rating

| VP/Chief | Director / (Audit Name) | Issue Observation | Action Plan | Current Due Date | Action Plan Status Comments |
|-----------------|---|--|---|---------------------|---|
| VP/GM, Customer | Director, Customer Field & Meter Services | Audit noted a lack of sewer flow meter standards, accurate count of current sewer flow meters and controls over customer installed meters. | Four phased approach to creating standards, counting meters and monitoring/documenting customer installed meters. | 2/1/22 | Meter Operations has completed the 1st phase of the sewer-flow improvement plan. The 2nd phase (Update Sewer-Flow Meter Requirements / Standards) is highly dependent on which 2-way AMI system JEA chooses to adopt going forward. |





INTER-OFFICE MEMORANDUM

February 24, 2021

SUBJECT: ETHICS OFFICER QUARTERLY REPORT

FROM: Jay Stowe, Managing Director/CEO

TO: JEA Finance and Audit Committee

Marty Lanahan, Chair
John Baker
Robert Stein

BACKGROUND:

Per Ordinance 2011-197-E, JEA is required to appoint an Ethics Officer to represent the agency on ethics matters and to participate in a city-wide Ethics Coordination Council. The Ethics Officer serves as the organization's internal control point for ethics and any improprieties, allegations, complaints and conflicts of interest. The Finance and Audit Committee will receive a quarterly update from the Ethics Officer.

DISCUSSION:

JEA's Ethics Officer ensures information is shared and advice given regarding issues and questions. This role manages ethical concerns for the organization and ensures compliance with business and governmental regulations.

RECOMMENDATION:

This item is for information only.

Jay Stowe, Managing Director/CEO

JCS/SVT/WMS



FY21 – Ethics Quarterly Report

Walette Stanford, Ethics Officer/Director



March 12, 2021

Ethics Due Diligence Best Practices Checklist

- Does the company have a Code of Ethics?
- Do you provide Ethics training annually?
- Does the company keep records of its training?
- Does the company provide a hotline for its employees to report concerns or ask questions?
- Does your company publicize the hotline?
- Do employees have the option to report anonymously?



Ethical Culture Tools

Tools for an Ethical Culture



Code of Conduct

Use our Code of Conduct as a guide in making ethical decisions. Read it, understand how it applies to your job, and refer to it -- often.



JEA Hotline

Report observed or potential violations of our Code of Conduct or JEA Code of Ethics or any laws to the Ethics Hotline.



Expert Advice

Consult an expert if you need advice that is more detailed. Regulatory and ethical issues can be complex. Our Ethics Officer is always available to help you untangle difficult or confusing situations.

JEA provides the tools to support our ethical culture.



Elevating the Ethical Culture

Ethics Officer



Seek Guidance

Training Topic for FY21



Practice Ethical
Decision Making

Upgrade Hotline
System



Report Possible
Misconduct

Leading an Ethical Culture - New PRIDE Badge

JEA Ethics Badge

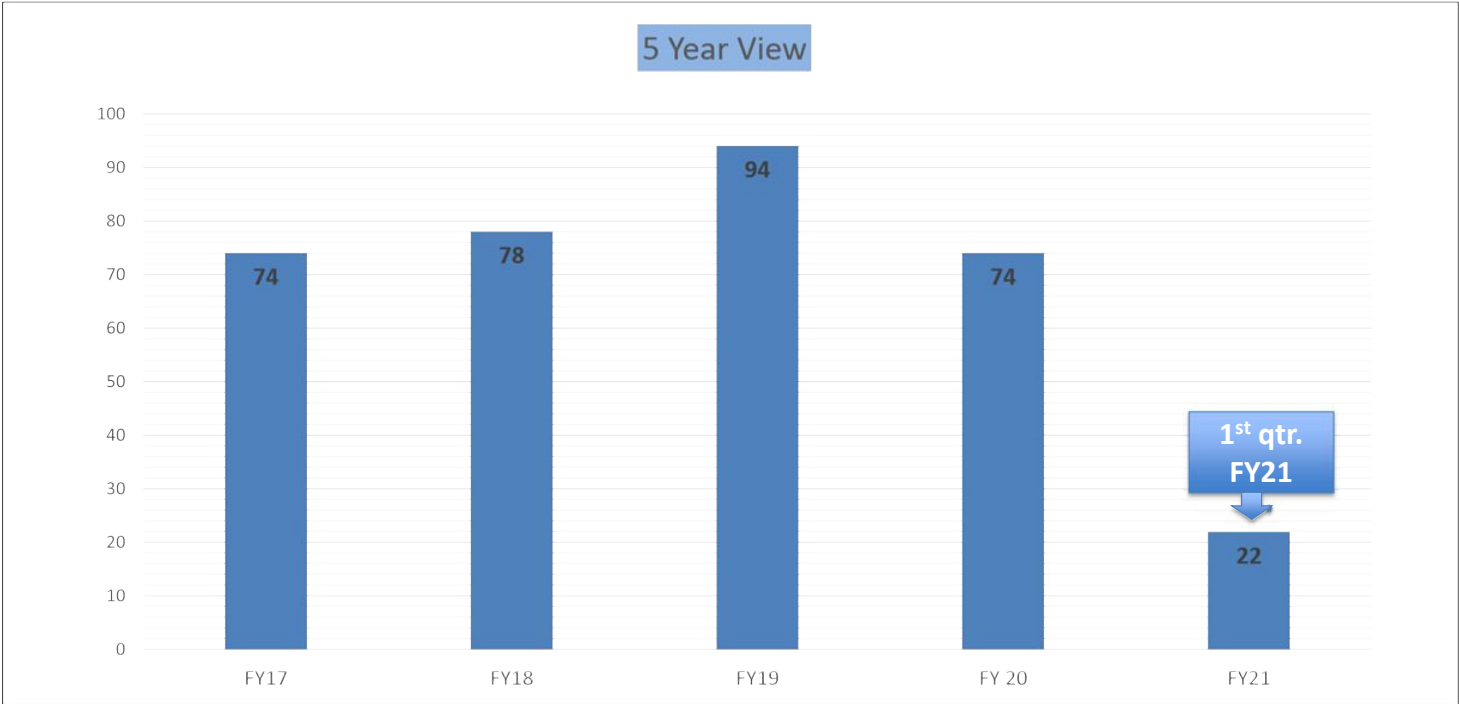
When you see someone fostering an ethical environment recognize them with the Ethics PRIDE badge.



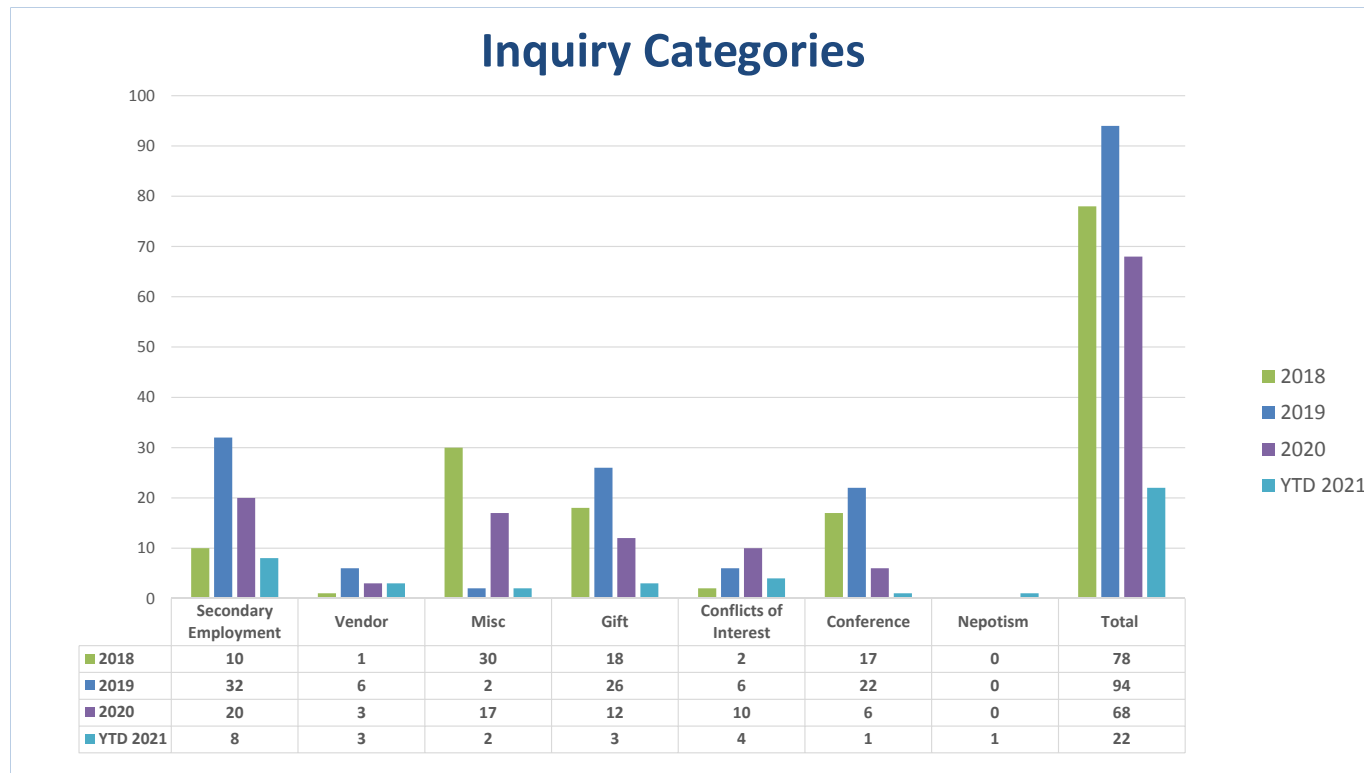
**People
Recognized
In Delivering
Excellence**



Ethics Inquiries by Year



Ethics Inquiries by Year



Inquiry Case Samples

| Inquiry Type | Question | Resolution |
|----------------------|---|---|
| Conference | I was awarded an Utility Scholarship Award to attend an annual conference in Orlando. The scholarship includes conference registration fees, hotel accommodations and some food. Is this scholarship in violation of our Ethics Policy? I don't think it is, as I have received this scholarship several years ago and it wasn't in violation then. However, I wanted to check again in case any policy changes have been made. | Based on what I read about this scholarship, it does not violate any Ethics policies for you to accept it. Because this process was open to all, you are receiving the same benefits for all awardees. |
| Gift | A pecan snack basket was delivered to JEA, for an employee retiring. The basket is less than \$100 and I am going to place it out in the common area for everyone to enjoy. I reviewed the Ethics policy regarding gift giving and do not see a conflict (our area does currently have a contract with ETM for engineering services). I do not see where we have to 'log' gifts anymore, but I still wanted to bring to the Ethics Officer's attention. | The resolution suggested by employee was correct. The item can go in the common area for all employees to access and be considered a gift to JEA and it does not need to be logged. |
| Secondary Employment | If my co-worker has rental property do they have disclose it as secondary employment? Who has access to the form? | It depends on how the rental property is managed. Told employee to have their co-worker read the secondary employment policy and referred them to the ordinance on moonlighting. The form is reviewed by the employee's Director and Ethics Officer. |
| Vendor | I received a survey from a past vendor to complete a reference form for them in response to the appraiser's submittal on an RFQ where they listed me as a reference. Are there any considerations in this situation that would prevent me from responding? | Unfortunately, we do not have a JEA policy on reference checks and understand the legal ramifications. Based on my conversations with the COJ Ethics office and OGC, we recommend that you do not provide a reference. We feel this should be treated like an employment reference where you only give factual information (i.e....salary, timeframe of employment, job title). If the survey is asking for those type of things, then you can proceed. However, if they are asking for your opinion, quality of work or experience that cannot be supported with specific documentation then do not proceed. |
| Conflict of Interest | Employee contacted procurement to say they were planning on bidding on a JEA contract. | A JEA employee cannot bid on work at JEA while employed. |



What's Next

- Finalize the Ethics Hotline system upgrade to EthicsPoint as the Project lead and develop communication plan for rollout.
- Roll out FY21 Business Ethics Refresher training for all employees.
- Develop 3rd Quarter Action Plan topic from Ethics Workshop for managers.
- Assist Procurement with an updated JEA Conflict of Interest form.





QUESTIONS





INTER-OFFICE MEMORANDUM

February 26, 2021

SUBJECT: ELECTRIC SYSTEM AND WATER AND SEWER SYSTEM RESERVE
FUND QUARTERLY REPORT

FROM: Jay Stowe, Managing Director and CEO

TO: JEA Finance and Audit Committee

Marty Lanahan, Chair
John Baker
Robert Stein

BACKGROUND:

At the May 7, 2012 Finance and Audit Committee meeting, JEA staff presented schedules reflecting historical and projected activity in JEA's Electric System and Water and Sewer System unrestricted and restricted fund balances. Many of these reserves are required under the respective System's bond resolutions or under Board approved policies such as Pricing Policy or Debt Management Policy. JEA staff also stated that these schedules would be provided to the JEA Board on a quarterly basis beginning August 2012.

DISCUSSION:

Attached are the reserve fund schedules referenced above for the period ending December 31, 2020.

RECOMMENDATION:

No action required; provided for information only.

Jay Stowe, Managing Director and CEO

JCS/JEO/THM



Quarterly Reserve Report

**For the First Quarter Ending
December 2020**



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

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

Electric System

| | <u>Actual</u> <u>Fiscal Year</u> <u>2018</u> | <u>Actual</u> <u>Fiscal Year</u> <u>2019</u> | <u>Actual</u> <u>Fiscal Year</u> <u>2020</u> | <u>Projected</u> <u>Fiscal Year</u> <u>2021</u> | <u>Detail</u> <u>Page #</u> |
|---------------------------------------|--|--|--|---|--------------------------------|
| Unrestricted | | | | | |
| Operations/Revenue Fund | \$ 85,459 | \$ 34,587 | \$ 47,449 | \$ 40,603 | |
| Self Insurance Reserve Fund | | | | | |
| • Property | 10,000 | 10,000 | 10,000 | 10,000 | 3 |
| • Employee health insurance | 8,139 | 11,210 | 10,890 | 10,766 | 4 |
| Rate Stabilization | | | | | |
| • Fuel | 74,376 | 47,152 | 73,347 | 71,054 | 5 |
| • DSM/conservation | 3,470 | 4,363 | 5,423 | 6,771 | 6 |
| • Environmental | 42,163 | 25,632 | 21,818 | 11,743 | 7 |
| • Debt Management | 29,884 | 29,884 | - | - | 8 |
| • Non-Fuel Purchased Power | 53,493 | 56,870 | 36,326 | 2,743 | 9 |
| Environmental | 16,818 | 16,568 | 16,568 | 16,568 | 10 |
| Customer Deposits | 44,242 | 44,242 | 43,641 | 44,136 | 11 |
| Total Unrestricted | 368,044 | 280,508 | 265,462 | 214,384 | |
| Days of Cash on Hand (2) | 218 | 146 | 183 | 148 | |
| Days of Liquidity (3) | 316 | 308 | 359 | 315 | |
| Restricted | | | | | |
| Debt Service Funds (Sinking Funds) | 159,656 | 145,520 | 82,525 | 79,569 | 12 |
| Debt Service Reserve Funds | 60,582 | 60,582 | 50,993 | 50,993 | 13 |
| Renewal and Replacement Funds/OCO | 189,922 | 81,964 | 137,643 | 139,402 | 14 |
| Environmental Fund [Capital Projects] | - | - | 301 | 1,059 | 15 |
| Construction Funds | 203 | - | 311 | 512 | 16 |
| Total Restricted | 410,363 | 288,066 | 271,773 | 271,535 | |
| Total Electric System | \$ 778,407 | \$ 568,574 | \$ 537,235 | \$ 485,919 | |

Water and Wastewater System

| | | | | | |
|---------------------------------------|-------------------|-------------------|-------------------|-------------------|----|
| Unrestricted | | | | | |
| Operations/Revenue Fund | \$ 43,461 | \$ 17,934 | \$ 26,719 | \$ 22,791 | |
| Rate Stabilization | | | | | |
| • Debt Management | 14,209 | 14,209 | - | - | 17 |
| • Environmental | 12,914 | 15,687 | 23,372 | 23,941 | 18 |
| Customer Deposit | 15,616 | 16,289 | 16,926 | 17,180 | 19 |
| Total Unrestricted | 86,200 | 64,119 | 67,018 | 63,912 | |
| Days of Cash on Hand (2) | 434 | 186 | 176 | 189 | |
| Days of Liquidity (3) | 527 | 334 | 353 | 353 | |
| Restricted | | | | | |
| Debt Service Funds (Sinking Funds) | 81,242 | 80,775 | 41,660 | 32,602 | 20 |
| Debt Service Reserve Funds | 102,850 | 63,441 | 58,228 | 58,664 | 21 |
| Renewal and Replacement Funds | 141,415 | 48,796 | 38,131 | 43,231 | 22 |
| Environmental Fund [Capital Projects] | 1,159 | 1,891 | 649 | 3,868 | 23 |
| Construction Funds | 284 | 28,968 | 25,541 | 21,171 | 24 |
| Total Restricted | 326,950 | 223,871 | 164,209 | 159,536 | |
| Total Water & Sewer System | \$ 413,150 | \$ 287,990 | \$ 231,227 | \$ 223,448 | |

(1) This report does not include Scherer, SJRPP, DES or funds held on behalf of the City of Jacksonville.

(2) Days of Cash on Hand includes R&R Fund in the cash balances, and includes the Contribution to the City of Jacksonville General Fund with the Operating Expenses net of Depreciation.

(3) Days of Liquidity includes R&R Fund in the cash balances, and includes the Contribution to the City of Jacksonville General Fund with the Operating Expenses, net of Depreciation. Revolving credit facility is allocated between Electric and Water & Sewer Systems based on their portion of the Operating Expenses, net of Depreciation.

Funds Established Per the Bond Resolutions

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

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

Electric System Self Insurance - Property

For the First Quarter Ending December 31, 2020

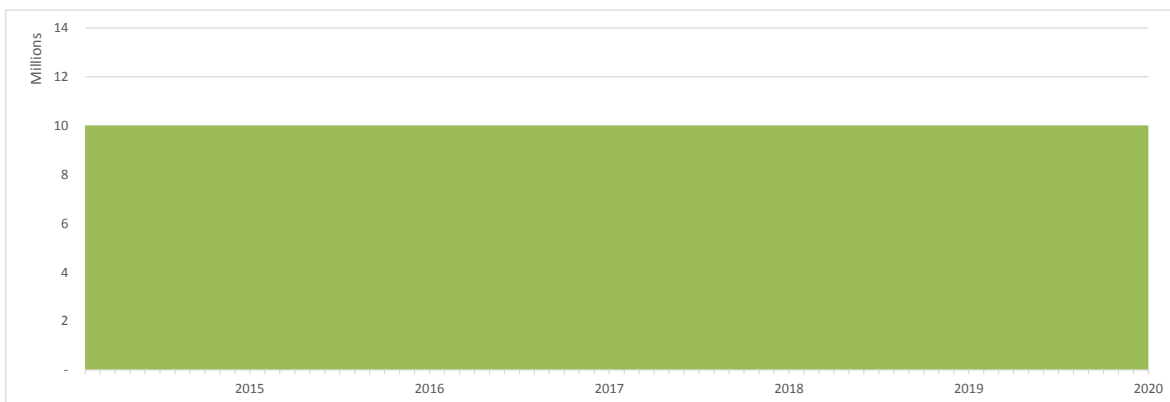
Definitions
and Goals

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

| (In Thousands) | Current Activity | | Projected Activity | | |
|-----------------|------------------|---------------|--------------------|-----------|-----------|
| | Quarter-End | Year -to-Date | 2021 | 2022 | 2023 |
| Opening Balance | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 |
| Additions: | | | | | |
| Contributions | | | | | |
| Sub-total | \$ - | \$ - | \$ - | \$ - | \$ - |
| Withdrawals | | | | | |
| Ending Balance | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 |

Historical Activity

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|-----------------|-----------|-----------|-----------|-----------|-----------|
| Opening Balance | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 |
| Additions: | | | | | |
| Contributions | - | - | - | - | - |
| Sub-total | \$ - | \$ - | \$ - | \$ - | \$ - |
| Withdrawals | | | | | |
| Sub-total | \$ - | \$ - | \$ - | \$ - | \$ - |
| Ending balance | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 |



Observations

- Reserve/Fund Authorization: Budget Appropriation.

Electric System Self Insurance - Employee Health Insurance

For the First Quarter Ending December 31, 2020

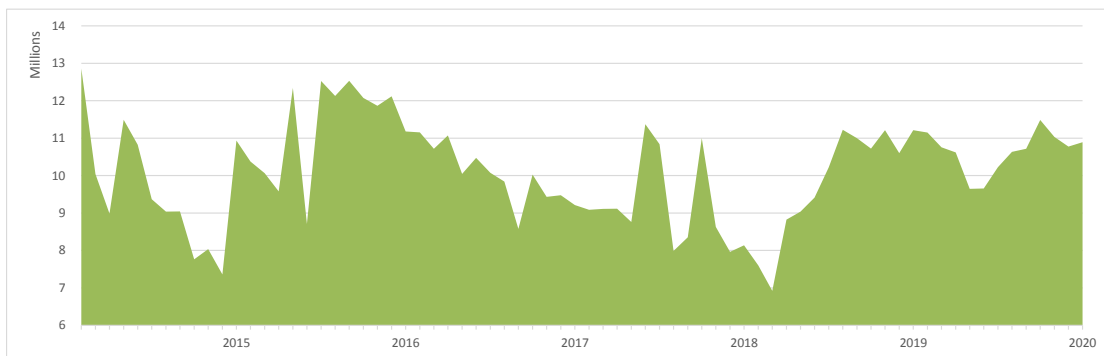
Definitions
and Goals

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

| (In Thousands) | Current Activity | | Projected Activity | | |
|-------------------------------|------------------|---------------|--------------------|-----------|-----------|
| | Quarter-End | Year -to-Date | 2021 | 2022 | 2023 |
| Opening Balance | \$ 10,890 | \$ 10,890 | \$ 10,890 | \$ 10,766 | \$ 8,812 |
| Additions: | | | | | |
| Employee Contributions | 1,630 | 1,630 | 6,544 | 6,578 | 6,578 |
| Retiree & Other Contributions | 3,238 | 3,238 | 6,895 | 6,931 | 6,931 |
| Employer Contributions | 4,686 | 4,686 | 19,822 | 20,071 | 20,071 |
| Sub-total | \$ 9,554 | \$ 9,554 | \$ 33,261 | \$ 33,580 | \$ 33,580 |
| Withdrawals: | | | | | |
| Payments for Claims | 7,759 | 7,759 | 30,704 | 32,853 | 35,153 |
| Actuary & Other Payments | 1,023 | 1,023 | 2,681 | 2,681 | 2,681 |
| Sub-total | \$ 8,782 | \$ 8,782 | \$ 33,385 | \$ 35,534 | \$ 37,834 |
| Ending Balance | \$ 11,662 | \$ 11,662 | \$ 10,766 | \$ 8,812 | \$ 4,558 |

Historical Activity

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|-------------------------------|-----------|-----------|-----------|-----------|-----------|
| Opening Balance | \$ 10,937 | \$ 11,179 | \$ 9,214 | \$ 8,138 | \$ 11,210 |
| Additions: | | | | | |
| Employee Contributions | 5,460 | 5,862 | 6,158 | 6,423 | 6,534 |
| Retiree & Other Contributions | 5,694 | 6,443 | 7,273 | 8,270 | 6,914 |
| Employer Contributions | 24,231 | 19,004 | 18,378 | 20,662 | 18,900 |
| Sub-total | \$ 35,385 | \$ 31,309 | \$ 31,809 | \$ 35,355 | \$ 32,348 |
| Withdrawals: | | | | | |
| Payments for Claims | 32,946 | 30,994 | 30,933 | 29,860 | 30,387 |
| Actuary & Other Payments | 2,197 | 2,280 | 1,952 | 2,423 | 2,281 |
| Sub-total | \$ 35,143 | \$ 33,274 | \$ 32,885 | \$ 32,283 | \$ 32,668 |
| Ending balance | \$ 11,179 | \$ 9,214 | \$ 8,138 | \$ 11,210 | \$ 10,890 |



Maximum Balance: 12,860
Minimum Balance: 6,922

Average Balance: 10,101

Observations

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

Electric System Rate Stabilization - Fuel Management

For the First Quarter Ending December 31, 2020

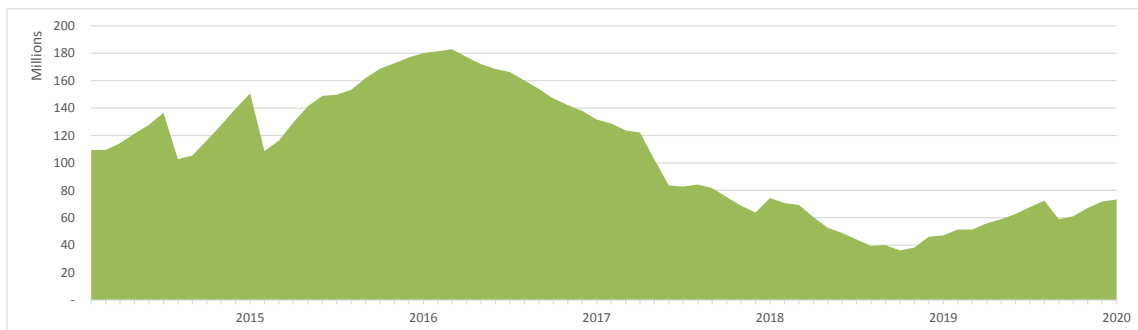
Definitions
and Goals

The Electric System Bond Resolution authorizes the establishment of a Rate Stabilization Fund in which contributions or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. The Rate Stabilization Fund provides a means to minimize the year-to-year impact to customer charges and support financial metrics by providing consistent revenue collection for expenditures impacted by external factors such as fuel, debt management and regulatory requirements or initiatives. Established pursuant to the section VII and Section IX of the Pricing Policy, the Fuel Reserve target is 15% of the greater of (i) the maximum fiscal year fuel cost in the preceding five fiscal years or (ii) the projected fiscal year fuel cost. Withdrawals from the Rate Stabilization Fund for fuel stabilization are limited to the following purposes: (a) to reduce the variable fuel rate charge to the customers for a determined period of time; (b) to reduce the excess of the actual fuel and purchased power expense for the fiscal year over the variable fuel rate revenues; (c) to be rebated back to the customers as a credit against the electric bill; and/or (d) to reimburse the costs associated with any energy risk management activities.

| (In Thousands) | Current Activity | | Projected Activity | | |
|-----------------|------------------|---------------|--------------------|-----------|-----------|
| | Quarter-End | Year -to-Date | 2021 | 2022 | 2023 |
| Opening Balance | \$ 73,347 | \$ 73,347 | \$ 73,347 | \$ 71,054 | \$ 68,000 |
| Additions: | | | | | |
| Contributions | 3,372 | 3,372 | 5,480 | 12,895 | 12,895 |
| Sub-total | \$ 3,372 | \$ 3,372 | \$ 5,480 | \$ 12,895 | \$ 12,895 |
| Withdrawals: | | | | | |
| Withdrawals | 898 | 898 | 7,773 | 15,949 | 12,895 |
| Sub-total | \$ 898 | \$ 898 | \$ 7,773 | \$ 15,949 | \$ 12,895 |
| Ending Balance | \$ 75,821 | \$ 75,821 | \$ 71,054 | \$ 68,000 | \$ 68,000 |

Historical Activity

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|--------------------|------------|------------|------------|-----------|-----------|
| Opening Balance | \$ 150,742 | \$ 180,115 | \$ 131,716 | \$ 74,376 | \$ 47,152 |
| Additions: | | | | | |
| Contributions | 85,979 | 2,845 | - | 11,597 | 44,553 |
| Sub-total | \$ 85,979 | \$ 2,845 | \$ - | \$ 11,597 | \$ 44,553 |
| Withdrawals: | | | | | |
| Withdrawals | | 51,244 | 57,340 | 38,821 | 18,358 |
| Fuel Rebate Credit | 56,606 | | | | |
| Sub-total | \$ 56,606 | \$ 51,244 | \$ 57,340 | \$ 38,821 | \$ 18,358 |
| Ending balance | \$ 180,115 | \$ 131,716 | \$ 74,376 | \$ 47,152 | \$ 73,347 |



Maximum Balance: 182,960
Minimum Balance: 36,191

Average Balance: 106,001

Observations

- Actual and historical numbers reflect fuel recovery contributions and withdrawals on a gross basis. Forecast and projected numbers reflected on a net basis. The fuel recovery charge ended 12/31/11.

Electric System Rate Stabilization - Demand Side Management (DSM)

For the First Quarter Ending December 31, 2020

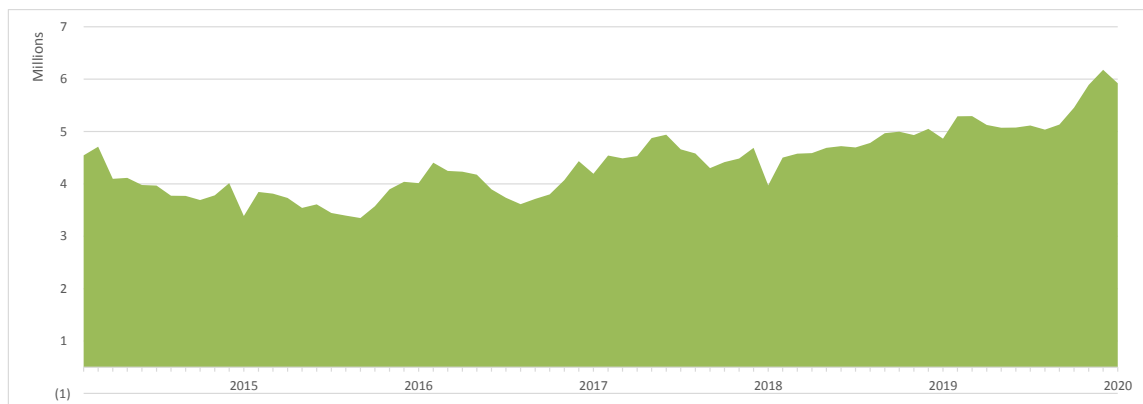
Definitions
and Goals

The Electric System Bond Resolution authorizes the establishment of a Rate Stabilization Fund in which contributions or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. The Rate Stabilization Fund provides a means to minimize the year-to-year impact to customer charges and support financial metrics by providing consistent revenue collection for expenditures impacted by external factors such as fuel, debt management and regulatory requirements or initiatives. Pursuant to section VII of the Pricing Policy, \$0.50 per 1,000 kWh plus \$0.01 per kWh residential conservation charge for consumption greater than 2,750 kWh monthly. These revenue sources are to fund demand side management and conservation programs.

| (In Thousands) | Current Activity | | Projected Activity | | |
|-----------------|------------------|---------------|--------------------|----------|----------|
| | Quarter-End | Year -to-Date | 2021 | 2022 | 2023 |
| Opening Balance | \$ 5,423 | \$ 5,423 | \$ 5,423 | \$ 6,771 | \$ 7,234 |
| Additions: | | | | | |
| Contributions | 1,610 | 1,610 | 6,873 | 6,732 | 6,732 |
| Sub-total | \$ 1,610 | \$ 1,610 | \$ 6,873 | \$ 6,732 | \$ 6,732 |
| Withdrawals: | | | | | |
| Withdrawals | 894 | 894 | 5,525 | 6,269 | 6,457 |
| Sub-total | \$ 894 | \$ 894 | \$ 5,525 | \$ 6,269 | \$ 6,457 |
| Ending Balance | \$ 6,139 | \$ 6,139 | \$ 6,771 | \$ 7,234 | \$ 7,509 |

Historical Activity

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|-----------------|----------|----------|----------|----------|----------|
| Opening Balance | \$ 2,886 | \$ 3,515 | \$ 3,695 | \$ 3,470 | \$ 4,363 |
| Additions: | | | | | |
| Contributions | 7,232 | 6,685 | 7,088 | 7,042 | 6,969 |
| Sub-total | \$ 7,232 | \$ 6,685 | \$ 7,088 | \$ 7,042 | \$ 6,969 |
| Withdrawals: | | | | | |
| Withdrawals | 6,603 | 6,505 | 7,313 | 6,149 | 5,909 |
| Sub-total | \$ 6,603 | \$ 6,505 | \$ 7,313 | \$ 6,149 | \$ 5,909 |
| Ending balance | \$ 3,515 | \$ 3,695 | \$ 3,470 | \$ 4,363 | \$ 5,423 |



Maximum Balance: 5,678
Minimum Balance: 2,848

Average Balance: 3,903

Observations

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

Electric System Rate Stabilization - Environmental

For the First Quarter Ending December 31, 2020

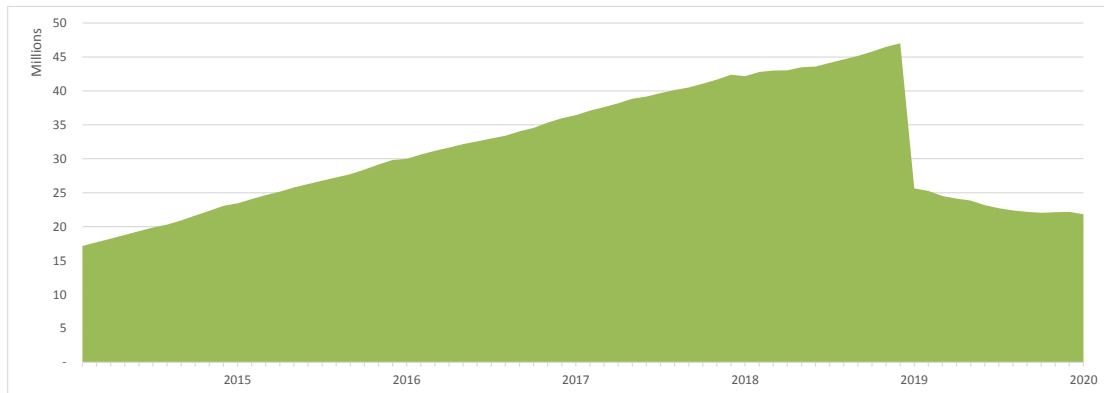
Definitions
and Goals

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

| (In Thousands) | Current Activity | | Projected Activity | | |
|-----------------|------------------|---------------|--------------------|-----------|-----------|
| | Quarter-End | Year -to-Date | 2021 | 2022 | 2023 |
| Opening Balance | \$ 21,819 | \$ 21,819 | \$ 21,819 | \$ 11,743 | \$ 12,097 |
| Additions: | | | | | |
| Contributions | 1,809 | 1,809 | 7,509 | 7,320 | 7,320 |
| Sub-total | \$ 1,809 | \$ 1,809 | \$ 7,509 | \$ 7,320 | \$ 7,320 |
| Withdrawals: | | | | | |
| Withdrawals | 2,079 | 2,079 | 17,585 | 6,966 | 7,005 |
| Ending Balance | \$ 21,549 | \$ 21,549 | \$ 11,743 | \$ 12,097 | \$ 12,412 |

Historical Activity

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|-----------------|-----------|-----------|-----------|-----------|-----------|
| Opening Balance | \$ 23,430 | \$ 29,975 | \$ 36,417 | \$ 42,163 | \$ 25,632 |
| Additions: | | | | | |
| Contributions | 7,700 | 7,384 | 7,572 | 7,578 | 7,469 |
| Sub-total | \$ 7,700 | \$ 7,384 | \$ 7,572 | \$ 7,578 | \$ 7,469 |
| Withdrawals: | | | | | |
| Withdrawals | 1,155 | 942 | 1,827 | 24,109 | 11,282 |
| Sub-total | \$ 1,155 | \$ 942 | \$ 1,827 | \$ 24,109 | \$ 11,282 |
| Ending balance | \$ 29,975 | \$ 36,417 | \$ 42,163 | \$ 25,632 | \$ 21,819 |



Maximum Balance: 47,018
Minimum Balance: 17,155

Average Balance: 31,083

Observations

- Rate Stabilization Fund for Environmental began in June 2010.

Electric System Rate Stabilization - Debt Management

For the First Quarter Ending December 31, 2020

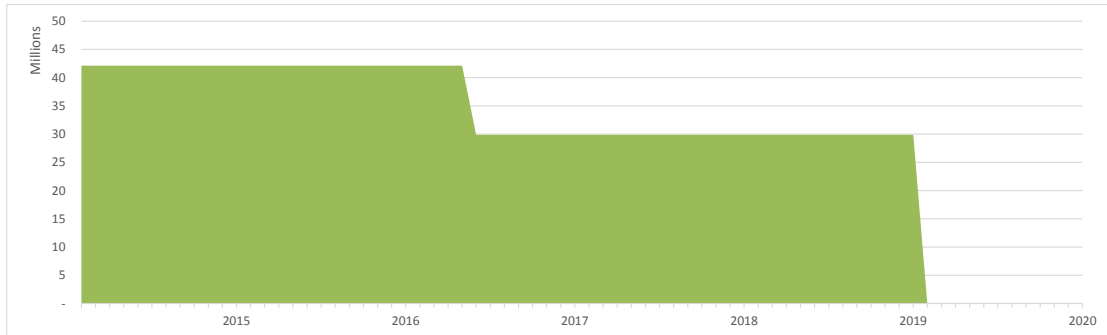
Definitions
and Goals

The Electric System Bond Resolution authorizes the establishment of a Rate Stabilization Fund in which deposits or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. Deposits are made to this Rate Stabilization Fund for the purpose of managing JEA's debt portfolio. Deposits to this reserve reflect the difference in the actual interest rates for interest expense on the unhedged variable rate debt as compared to the budgeted assumptions for interest expense on the unhedged variable rate debt. Additionally, deposits can be made from excess debt service budget over the actual debt service expense for any fiscal year. However, the total amounts deposited (in addition to actual debt service costs for the fiscal year) cannot exceed the total amount of the budgeted debt service for any fiscal year. At a minimum, 50% of the calculated reserve contribution, if any, will be recorded and deposited each fiscal year. Debt and Investment Committee will review and record at their option an additional contribution amount, up to the full value of the calculated reserve contribution (the remaining 50%). The reserve contributions will be calculated on a system by system basis; however, based on the calculation, any mandatory deposit will exclude the District Energy System. The reserve contributions shall cease in the event the reserve balance exceeds the cap of five percent of the par amount of the total outstanding variable rate debt of all systems. Withdrawals from the Rate Stabilization Fund for Debt Management Strategy can be made for expenses related to market disruption in the capital markets, disruption in availability of credit or unanticipated credit expenses, or to fund variable interest costs in excess of budget. Funds used in October 2019 for defeasance of debt.

| (In Thousands) | Current Activity | | Projected Activity | | |
|-----------------|------------------|---------------|--------------------|------|-----------|
| | Quarter-End | Year -to-Date | 2021 | 2022 | 2023 |
| Opening Balance | \$ - | \$ - | \$ - | \$ - | \$ - |
| Additions: | | | | | |
| Contributions | - | - | | | 27,000 |
| Sub-total | \$ - | \$ - | \$ - | \$ - | \$ 27,000 |
| Withdrawals: | | | | | |
| Withdrawals | - | - | - | - | - |
| Sub-total | \$ - | \$ - | \$ - | \$ - | \$ - |
| Ending Balance | \$ - | \$ - | \$ - | \$ - | \$ 27,000 |

Historical Activity

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|-----------------|-----------|-----------|-----------|-----------|-----------|
| Opening Balance | \$ 42,126 | \$ 42,126 | \$ 29,884 | \$ 29,884 | \$ 29,884 |
| Additions: | | | | | |
| Contributions | - | - | - | - | - |
| Sub-total | \$ - | \$ - | \$ - | \$ - | \$ - |
| Withdrawals: | | | | | |
| Withdrawals | - | 12,242 | - | - | 29,884 |
| Sub-total | \$ - | \$ 12,242 | \$ - | \$ - | \$ 29,884 |
| Ending balance | \$ 42,126 | \$ 29,884 | \$ 29,884 | \$ 29,884 | \$ - |



Maximum Balance: 42,126
Minimum Balance: -

Average Balance: 29,664

Observations

- Rate Stabilization Fund for Debt Management began in May 2009. Funds used for defeasances in October 2019.

Electric System Rate Stabilization - Non-Fuel Purchased Power

For the First Quarter Ending December 31, 2020

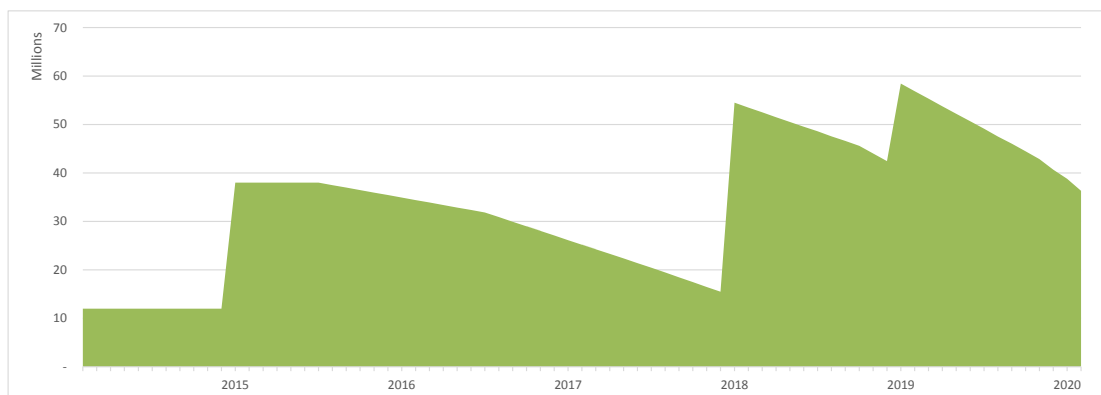
Definitions
and Goals

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

| (In Thousands) | Current Activity | | Projected Activity | | |
|-----------------|------------------|---------------|--------------------|----------|------|
| | Quarter-End | Year -to-Date | 2021 | 2022 | 2023 |
| Opening Balance | \$ 36,326 | \$ 36,326 | \$ 36,326 | \$ 2,743 | \$ - |
| Additions: | | | | | |
| Contributions | - | - | | | |
| Sub-total | \$ - | \$ - | \$ - | \$ - | \$ - |
| Withdrawals: | | | | | |
| Withdrawals | 7,201 | 7,201 | 33,583 | 2,743 | |
| Ending Balance | \$ 29,125 | \$ 29,125 | \$ 2,743 | \$ - | \$ - |

Historical Activity

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|-----------------|-----------|-----------|-----------|-----------|-----------|
| Opening Balance | \$ 38,000 | \$ 34,400 | \$ 25,189 | \$ 53,493 | \$ 56,870 |
| Additions: | | | | | |
| Contributions | | | 40,000 | 17,566 | - |
| Sub-total | \$ - | \$ - | \$ 40,000 | \$ 17,566 | \$ - |
| Withdrawals: | | | | | |
| Withdrawals | 3,600 | 9,211 | 11,696 | 14,189 | 20,544 |
| Sub-total | \$ 3,600 | \$ 9,211 | \$ 11,696 | \$ 14,189 | \$ 20,544 |
| Ending balance | \$ 34,400 | \$ 25,189 | \$ 53,493 | \$ 56,870 | \$ 36,326 |



Maximum Balance: 58,436
Minimum Balance: 12,000

Average Balance: 34,126

Observations

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

Electric System Environmental Reserve

For the First Quarter Ending December 31, 2020

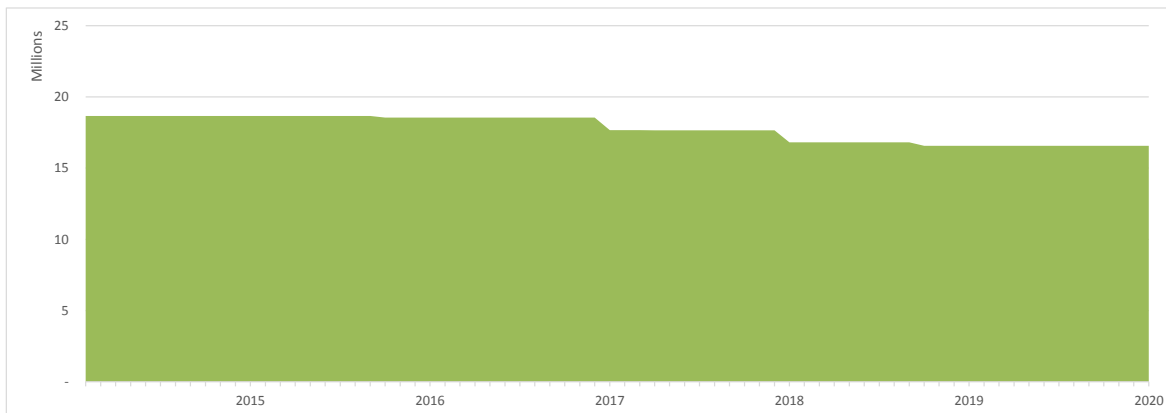
Definitions and Goals

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

| (In Thousands) | Current Activity | | Projected Activity | | |
|-----------------|------------------|---------------|--------------------|-----------|-----------|
| | Quarter-End | Year -to-Date | 2021 | 2022 | 2023 |
| Opening Balance | \$ 16,568 | \$ 16,568 | \$ 16,568 | \$ 16,568 | \$ 16,068 |
| Additions: | | | | | |
| Contributions | | - | | | |
| Sub-total | \$ - | \$ - | \$ - | \$ - | \$ - |
| Withdrawals: | | | | | |
| Withdrawals | | - | - | 500 | 5,000 |
| Ending Balance | \$ 16,568 | \$ 16,568 | \$ 16,568 | \$ 16,068 | \$ 11,068 |

Historical Activity

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|-----------------|-----------|-----------|-----------|-----------|-----------|
| Opening Balance | \$ 18,662 | \$ 18,556 | \$ 17,672 | \$ 16,818 | \$ 16,568 |
| Additions: | | | | | |
| Contributions | | | | | |
| Sub-total | \$ - | \$ - | \$ - | \$ - | \$ - |
| Withdrawals: | | | | | |
| Withdrawals | 106 | 884 | 854 | 250 | |
| Sub-total | \$ 106 | \$ 884 | \$ 854 | \$ 250 | \$ - |
| Ending balance | \$ 18,556 | \$ 17,672 | \$ 16,818 | \$ 16,568 | \$ 16,568 |



Maximum Balance: 18,662
Minimum Balance: 16,568

Average Balance: 17,775

Observations

- The Environmental Reserve began in FY 2008.

Electric System Customer Deposits

For the First Quarter Ending December 31, 2020

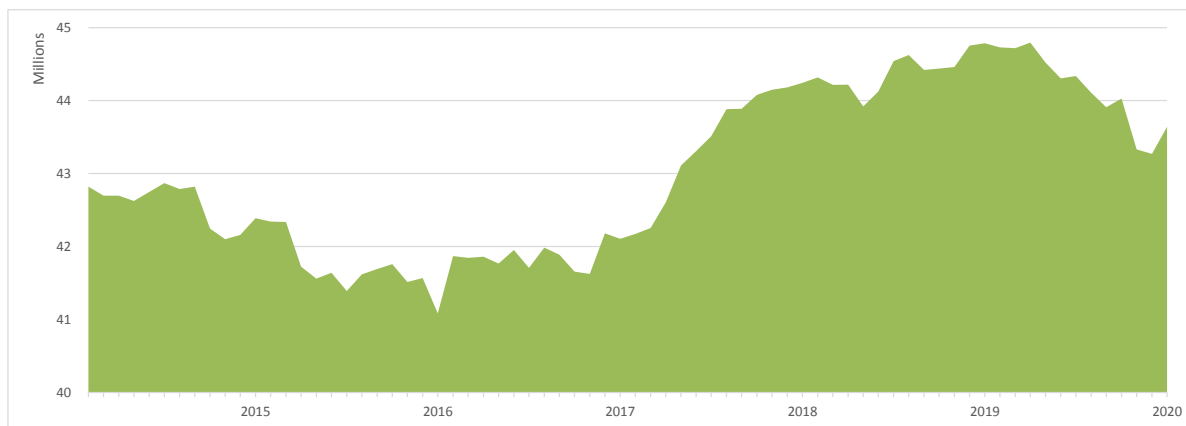
Definitions
and Goals

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

| (In Thousands) | Current Activity | | Projected Activity | | |
|-----------------------|------------------|--------------|--------------------|-----------|-----------|
| | Quarter-End | Year-to-Date | 2021 | 2022 | 2023 |
| Opening Balance | \$ 43,641 | \$ 43,641 | \$ 43,641 | \$ 44,136 | \$ 44,304 |
| Additions: | | | | | |
| Net Customer Activity | 9 | 9 | 1,074 | 872 | 973 |
| Sub-total | \$ 9 | \$ 9 | \$ 1,074 | \$ 872 | \$ 973 |
| Withdrawals: | | | | | |
| Net Customer Activity | 228 | 228 | 579 | 704 | 704 |
| Ending Balance | \$ 43,422 | \$ 43,422 | \$ 44,136 | \$ 44,304 | \$ 44,573 |

Historical Activity

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|-----------------------|-----------|-----------|-----------|-----------|-----------|
| Opening Balance | \$ 42,389 | \$ 41,084 | \$ 42,105 | \$ 44,242 | \$ 44,785 |
| Additions: | | | | | |
| Net Customer Activity | | 1,021 | 2,137 | 543 | 596 |
| Sub-total | \$ - | \$ 1,021 | \$ 2,137 | \$ 543 | \$ 596 |
| Withdrawals: | | | | | |
| Net Customer Activity | 1,305 | | | | 1,740 |
| Sub-total | \$ 1,305 | \$ - | \$ - | \$ - | \$ 1,740 |
| Ending balance | \$ 41,084 | \$ 42,105 | \$ 44,242 | \$ 44,785 | \$ 43,641 |



Maximum Balance: 44,795
Minimum Balance: 41,084

Average Balance: 43,022

Observations

Electric System Debt Service Sinking Fund

For the First Quarter Ending December 31, 2020

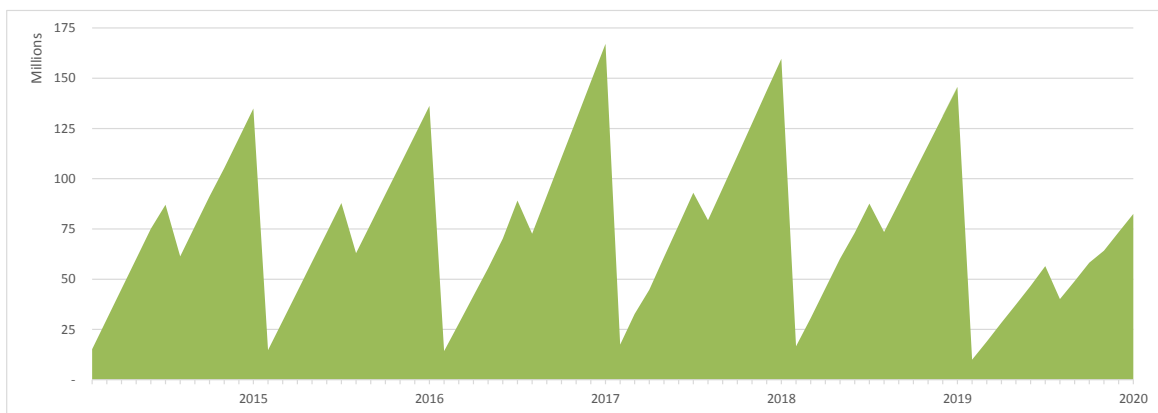
Definitions
and Goals

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

| (In Thousands) | Current Activity | | Projected Activity | | |
|----------------------------|------------------|---------------|--------------------|------------|------------|
| | Quarter-End | Year -to-Date | 2021 | 2022 | 2023 |
| Opening Balance | \$ 82,525 | \$ 82,525 | \$ 82,525 | \$ 79,569 | \$ 64,897 |
| Additions: | | | | | |
| Revenue Fund Deposits | 26,873 | 26,873 | 107,448 | 105,926 | 76,005 |
| Sub-total | \$ 26,873 | \$ 26,873 | \$ 107,448 | \$ 105,926 | \$ 76,005 |
| Withdrawals: | | | | | |
| Principal and Int Payments | 82,840 | 82,840 | 110,404 | 120,598 | 104,784 |
| Sub-total | \$ 82,840 | \$ 82,840 | \$ 110,404 | \$ 120,598 | \$ 104,784 |
| Ending Balance | \$ 26,558 | \$ 26,558 | \$ 79,569 | \$ 64,897 | \$ 36,118 |

Historical Activity

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|----------------------------|------------|------------|------------|------------|------------|
| Opening Balance | \$ 134,927 | \$ 136,232 | \$ 167,087 | \$ 159,656 | \$ 145,520 |
| Additions: | | | | | |
| Revenue Fund Deposits | 177,847 | 209,450 | 201,359 | 186,135 | 116,826 |
| Sub-total | \$ 177,847 | \$ 209,450 | \$ 201,359 | \$ 186,135 | \$ 116,826 |
| Withdrawals: | | | | | |
| Principal and Int Payments | 176,542 | 178,595 | 208,790 | 200,271 | 179,821 |
| Sub-total | \$ 176,542 | \$ 178,595 | \$ 208,790 | \$ 200,271 | \$ 179,821 |
| Ending balance | \$ 136,232 | \$ 167,087 | \$ 159,656 | \$ 145,520 | \$ 82,525 |



Maximum Balance: 167,087
Minimum Balance: 9,945

Average Balance: 75,042

Observations

- September 30th ending balances are used to pay the October 1st interest and principal payments.
- This report does not include any Scherer debt service sinking funds.
- Timing differences occur due to the accrual of debt service during one fiscal year and the payment in the following fiscal year (primarily fixed rate principal and interest on October 1st of the following fiscal year).
- Projections are based on the debt outstanding as of September 30, 2020.

Electric System Debt Service Reserve Account

For the First Quarter Ending December 31, 2020

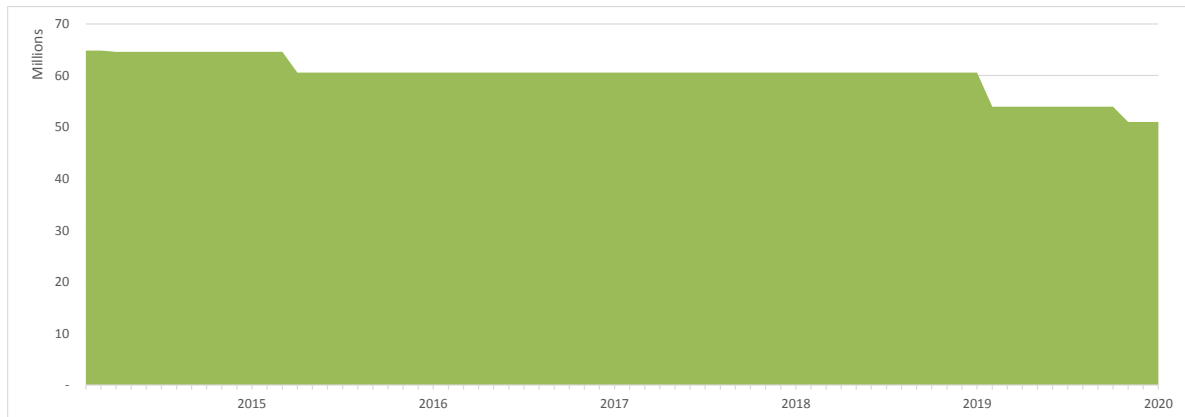
Definitions and Goals

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

| (In Thousands) | Current Activity | | Projected Activity | | |
|---------------------|------------------|--------------|--------------------|-----------|-----------|
| | Quarter-End | Year-to-Date | 2021 | 2022 | 2023 |
| Opening Balance | \$ 50,993 | \$ 50,993 | \$ 50,993 | \$ 50,993 | \$ 50,993 |
| Additions: | | | | | |
| Proceeds from Bonds | | | | | |
| Sub-total | \$ - | \$ - | \$ - | \$ - | \$ - |
| Withdrawals: | | | | | |
| Ending Balance | \$ 50,993 | \$ 50,993 | \$ 50,993 | \$ 50,993 | \$ 50,993 |

Historical Activity

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|----------------------------------|-----------|-----------|-----------|-----------|-----------|
| Opening Balance | \$ 64,595 | \$ 60,582 | \$ 60,582 | \$ 60,582 | \$ 60,582 |
| Additions: | | | | | |
| Proceeds from Bonds | | | | | |
| Sub-total | \$ - | \$ - | \$ - | \$ - | \$ - |
| Withdrawals: | | | | | |
| Release to Revenue Fund | 4,013 | | | | 2,956 |
| Release for STAR Plan Defeasance | | | | | 6,633 |
| Sub-total | \$ 4,013 | \$ - | \$ - | \$ - | \$ 9,589 |
| Ending balance | \$ 60,582 | \$ 60,582 | \$ 60,582 | \$ 60,582 | \$ 50,993 |



Maximum Balance: 64,841
Minimum Balance: 50,993

Average Balance: 60,140

Observations

- This report does not include any Scherer debt service reserves.

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

For the First Quarter Ending December 31, 2020

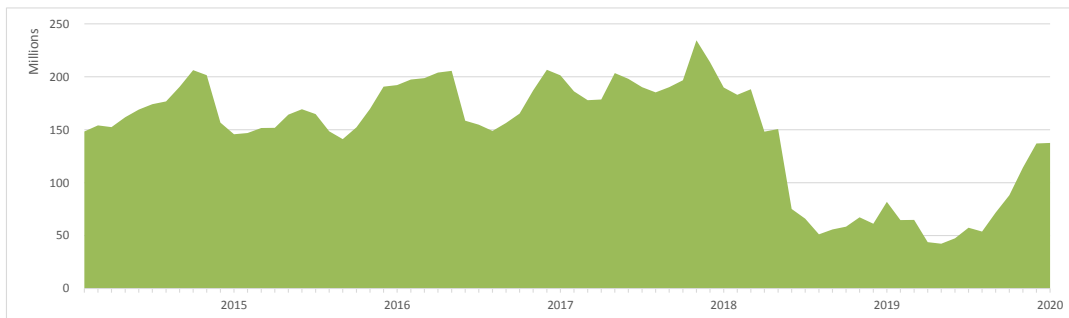
Definitions
and Goals

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

| (In Thousands) | Current Activity | | Projected Activity | | |
|----------------------------|------------------|---------------|--------------------|------------|------------|
| | Quarter-End | Year -to-Date | 2021 | 2022 | 2023 |
| Opening Balance | \$ 137,643 | \$ 137,643 | \$ 137,643 | \$ 139,402 | \$ 135,072 |
| Additions: | | | | | |
| R&R/OCO Contribution | 73,636 | 73,636 | 288,520 | 215,123 | 173,969 |
| Transfers betw Capital Fds | | | | | |
| Other | 3,214 | 3,214 | 6,023 | 6,705 | 7,705 |
| Sub-total | \$ 76,850 | \$ 76,850 | \$ 294,543 | \$ 221,828 | \$ 181,674 |
| Withdrawals: | | | | | |
| Capital Expenditures | 48,787 | 48,787 | 185,660 | 226,158 | 186,734 |
| Transfers betw Capital Fds | | | | | |
| Debt Defeasance | - | - | 107,124 | | 41,455 |
| Other | | | | | |
| Sub-total | \$ 48,787 | \$ 48,787 | \$ 292,784 | \$ 226,158 | \$ 228,189 |
| Ending Balance | \$ 165,706 | \$ 165,706 | \$ 139,402 | \$ 135,072 | \$ 88,557 |

Historical Activity

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------------------------------|------------|------------|------------|------------|------------|
| Opening Balance | \$ 145,711 | \$ 192,179 | \$ 201,368 | \$ 189,922 | \$ 81,964 |
| Additions: | | | | | |
| R&R/OCO Contribution | 200,692 | 196,589 | 148,105 | 197,623 | 272,342 |
| Loans betw Capital Fds | | | | | |
| Other | 3,744 | 5,074 | 35,675 | 39,521 | 8,389 |
| Sub-total | \$ 204,436 | \$ 201,663 | \$ 183,780 | \$ 237,144 | \$ 280,731 |
| Withdrawals: | | | | | |
| Capital Expenditures | 157,201 | 113,987 | 181,263 | 275,042 | 206,415 |
| Transfers/loans b/w Capital Fds | 765 | 37,200 | | | |
| Debt Defeasance | | | | 70,000 | 18,637 |
| Other | 2 | 41,287 | 13,963 | 60 | - |
| Sub-total | \$ 157,968 | \$ 192,474 | \$ 195,226 | \$ 345,102 | \$ 225,052 |
| Ending balance | \$ 192,179 | \$ 201,368 | \$ 189,922 | \$ 81,964 | \$ 137,643 |



Maximum Balance: 234,504
Minimum Balance: 42,396

Average Balance: 147,542

Observations

- Other includes Sale of Property and miscellaneous billings.

Electric System Environmental Fund - Capital Projects

For the First Quarter Ending December 31, 2020

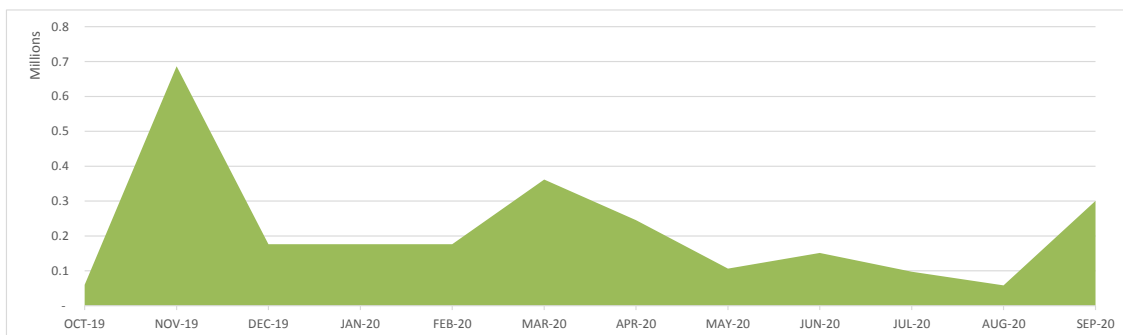
Definitions
and Goals

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

| (In Thousands) | Current Activity | | Projected Activity | | |
|-----------------------------|------------------|---------------|--------------------|----------|------|
| | Quarter-End | Year -to-Date | 2021 | 2022 | 2023 |
| Opening Balance | \$ 301 | \$ 301 | \$ 301 | \$ 1,059 | \$ - |
| Additions: | | | | | |
| Environmental Contributions | 408 | 408 | 10,278 | 2,015 | |
| Transfers betw Capital Fds | | | | | |
| Other | | | | | |
| Sub-total | \$ 408 | \$ 408 | \$ 10,278 | \$ 2,015 | \$ - |
| Withdrawals: | | | | | |
| Capital Expenditures | 690 | 690 | 9,520 | 3,074 | |
| Transfers betw Capital Fds | | | | | |
| Other | | | | | |
| Sub-total | \$ 690 | \$ 690 | \$ 9,520 | \$ 3,074 | \$ - |
| Ending Balance | \$ 19 | \$ 19 | \$ 1,059 | \$ - | \$ - |

Historical Activity

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------------------------------|------|------|------|------|----------|
| Opening Balance | \$ - | \$ - | \$ - | \$ - | \$ - |
| Additions: | | | | | |
| Environmental Contributions | | | | | 4,389 |
| Loans betw Capital Fds | | | | | |
| Other | | | | | |
| Sub-total | \$ - | \$ - | \$ - | \$ - | \$ 4,389 |
| Withdrawals: | | | | | |
| Capital Expenditures | | | | | 4,088 |
| Transfers/loans b/w Capital Fds | | | | | |
| Other | | | | | |
| Sub-total | \$ - | \$ - | \$ - | \$ - | \$ 4,088 |
| Ending balance | \$ - | \$ - | \$ - | \$ - | \$ 301 |



Maximum Balance: 686
Minimum Balance: 60

Average Balance: 308

Observations

- The Environmental Construction Fund began in October 2019.

Electric System Construction / Bond Fund

For the First Quarter Ending December 31, 2020

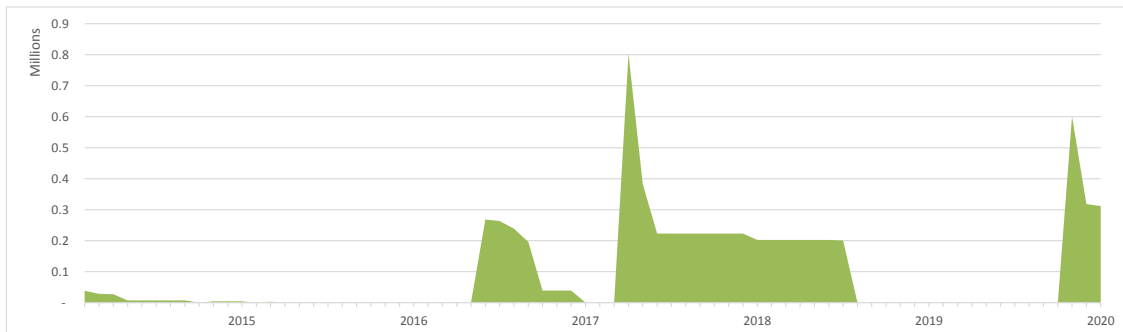
Definitions
and Goals

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

| (In Thousands) | Current Activity | | Projected Activity | | |
|----------------------------|------------------|---------------|--------------------|--------|------|
| | Quarter-End | Year -to-Date | 2021 | 2022 | 2023 |
| Opening Balance | \$ 312 | \$ 312 | \$ 312 | \$ 512 | \$ - |
| Additions: | | | | | |
| Bond Proceeds | - | - | 700 | | |
| Loans betw Capital Fds | | | | | |
| Other | | | | | |
| Sub-total | \$ - | \$ - | \$ 700 | \$ - | \$ - |
| Withdrawals: | | | | | |
| Capital Expenditures | 245 | 245 | 500 | 512 | |
| Transfers betw Capital Fds | | | | | |
| Other | | | | | |
| Sub-total | \$ 245 | \$ 245 | \$ 500 | \$ 512 | \$ - |
| Ending Balance | \$ 67 | \$ 67 | \$ 512 | \$ - | \$ - |

Historical Activity

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------------------------------|------|--------|--------|--------|--------|
| Opening Balance | \$ 4 | \$ - | \$ - | \$ 203 | \$ - |
| Additions: | | | | | |
| Bond Proceeds | | 429 | 805 | | 601 |
| Loans betw Capital Fds | | | | | |
| Other | 2 | | | | |
| Sub-total | \$ 2 | \$ 429 | \$ 805 | \$ - | \$ 601 |
| Withdrawals: | | | | | |
| Capital Expenditures | 6 | | | | 289 |
| Transfers/loans b/w Capital Fds | | | | 201 | |
| Other | | 429 | 602 | 2 | |
| Sub-total | \$ 6 | \$ 429 | \$ 602 | \$ 203 | \$ 289 |
| Ending balance | \$ - | \$ - | \$ 203 | \$ - | \$ 312 |



Maximum Balance: 803
Minimum Balance: -

Average Balance: 92

Observations

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

Water and Sewer System Rate Stabilization - Debt Management

For the First Quarter Ending December 31, 2020

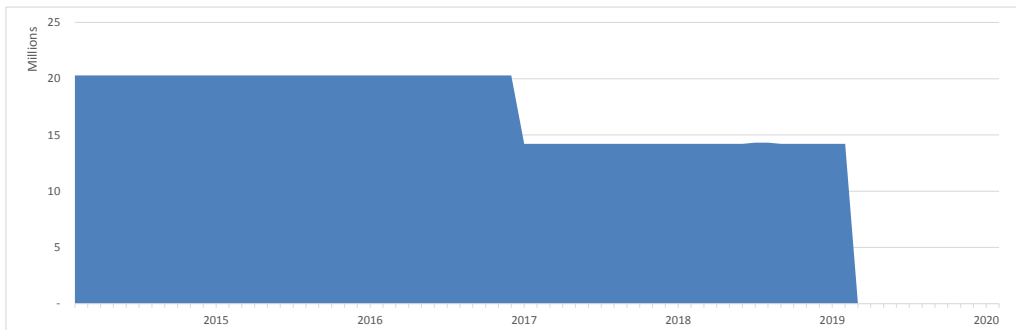
Definitions
and Goals

The Water & Sewer System Bond Resolution authorizes the establishment of a Rate Stabilization Fund ("RSF") in which deposits or withdrawals shall be made as set forth in the current annual budget or an amount otherwise determined by an authorized officer of JEA. The Rate Stabilization Funds provide a means to minimize the year-to-year impact to customer charges and support financial metrics by providing consistent revenue collection for expenditures impacted by external factors such as fuel, debt management and regulatory requirements or initiatives. Deposits are made to this RSF for the purpose of managing JEA's debt portfolio. Deposits to this reserve reflect the difference in the actual interest rates for interest expense on the unhedged variable rate debt as compared to the budgeted assumptions for interest expense on the unhedged variable rate debt. Additionally, deposits can be made from excess debt service budget over the actual debt service expense for any fiscal year. However, the total amounts deposited (in addition to actual debt service costs for the fiscal year) cannot exceed the total amount of the budgeted debt service for any fiscal year. At a minimum, 50% of the calculated reserve contribution, if any, will be recorded and deposited each fiscal year. Debt and Investment Committee will review and record at their option an additional contribution amount, up to the full value of the calculated reserve contribution (the remaining 50%). The reserve contributions will be calculated on a system by system basis; however, based on the calculation, any mandatory deposit will exclude the District Energy System. The reserve contributions shall cease in the event the reserve balance exceeds the cap of five percent of the par amount of the total outstanding variable rate debt of all systems. Withdrawals from the Rate Stabilization Fund for Debt Management Strategy can be made for expenses related to market disruption in the capital markets, disruption in availability of credit or unanticipated credit expenses, or to fund variable interest costs in excess of budget.

| (In Thousands) | Current Activity | | Projected Activity | | |
|-----------------|------------------|---------------|--------------------|------|------|
| | Quarter-End | Year -to-Date | 2021 | 2022 | 2023 |
| Opening Balance | \$ - | \$ - | \$ - | \$ - | \$ - |
| Additions: | | | | | |
| Contributions | | | | | |
| Sub-total | \$ - | \$ - | \$ - | \$ - | \$ - |
| Withdrawals: | | | | | |
| Withdrawals | - | - | - | - | - |
| Sub-total | \$ - | \$ - | \$ - | \$ - | \$ - |
| Ending Balance | \$ - | \$ - | \$ - | \$ - | \$ - |

Historical Activity

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|-----------------|-----------|-----------|-----------|-----------|-----------|
| Opening Balance | \$ 20,290 | \$ 20,290 | \$ 14,209 | \$ 14,209 | \$ 14,209 |
| Additions: | | | | | |
| Contributions | | | | | |
| Sub-total | \$ - | \$ - | \$ - | \$ - | \$ - |
| Withdrawals: | | | | | |
| Withdrawals | | 6,081 | | | 14,209 |
| Sub-total | \$ - | \$ 6,081 | \$ - | \$ - | \$ 14,209 |
| Ending balance | \$ 20,290 | \$ 14,209 | \$ 14,209 | \$ 14,209 | \$ - |



Maximum Balance: 20,290
Minimum Balance: -

Average Balance: 14,716

Observations

- Contributions began in June 2009. Funds used for defeasances in October 2019.

Water & Sewer System Rate Stabilization - Environmental

For the First Quarter Ending December 31, 2020

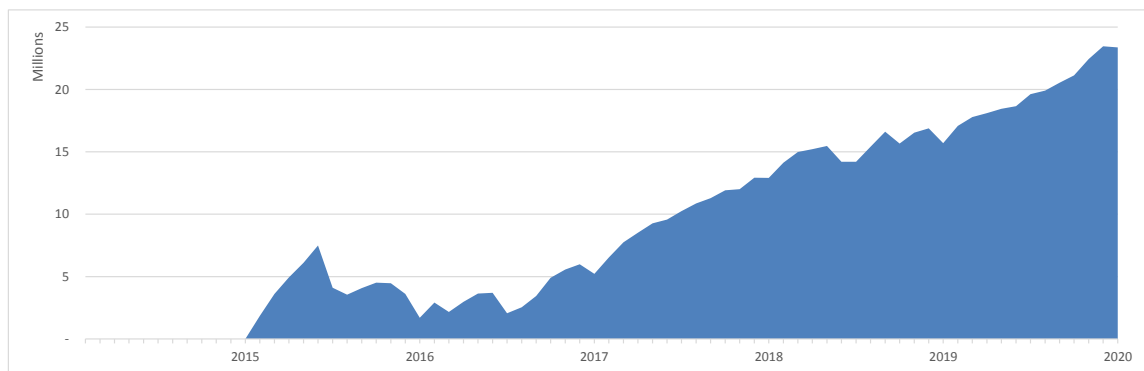
Definitions and Goals

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

| (In Thousands) | Current Activity | | Projected Activity | | |
|---------------------------|------------------|---------------|--------------------|-----------|-----------|
| | Quarter-End | Year -to-Date | 2021 | 2022 | 2023 |
| Opening Balance | \$ 23,372 | \$ 23,372 | \$ 23,372 | \$ 23,941 | \$ 23,941 |
| Additions: | | | | | |
| Contributions | 5,923 | 5,923 | 25,897 | 28,997 | 20,262 |
| Sub-total | \$ 5,923 | \$ 5,923 | \$ 25,897 | \$ 28,997 | \$ 20,262 |
| Withdrawals: | | | | | |
| Withdrawals | 2,258 | 2,258 | 25,328 | 28,997 | 20,262 |
| COJ Septic Tank Agreement | | | - | | |
| Sub-total | \$ 2,258 | \$ 2,258 | \$ 25,328 | \$ 28,997 | \$ 20,262 |
| Ending Balance | \$ 27,037 | \$ 27,037 | \$ 23,941 | \$ 23,941 | \$ 23,941 |

Historical Activity

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|-----------------|-----------|-----------|-----------|-----------|-----------|
| Opening Balance | \$ - | \$ 1,699 | \$ 5,214 | \$ 12,914 | \$ 15,687 |
| Additions: | | | | | |
| Contributions | 23,635 | 24,362 | 23,829 | 25,099 | 25,677 |
| Sub-total | \$ 23,635 | \$ 24,362 | \$ 23,829 | \$ 25,099 | \$ 25,677 |
| Withdrawals: | | | | | |
| Withdrawals | 21,936 | 20,847 | 16,129 | 22,326 | 17,992 |
| Sub-total | \$ 21,936 | \$ 20,847 | \$ 16,129 | \$ 22,326 | \$ 17,992 |
| Ending balance | \$ 1,699 | \$ 5,214 | \$ 12,914 | \$ 15,687 | \$ 23,372 |



Maximum Balance: 23,461
Minimum Balance: 1,699

Average Balance: 10,740

Observations

- Rate Stabilization Fund for Environmental began in June 2010.

Water and Sewer System Customer Deposits

For the First Quarter Ending December 31, 2020

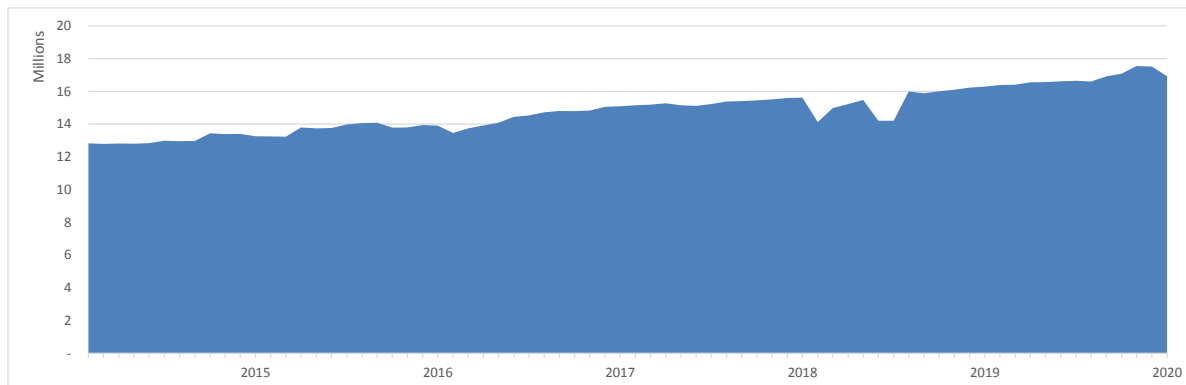
Definitions and Goals

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

| (In Thousands) | Current Activity | | Projected Activity | | |
|-------------------------|------------------|---------------|--------------------|-----------|-----------|
| | Quarter-End | Year -to-Date | 2021 | 2022 | 2023 |
| Opening Balance | \$ 16,926 | \$ 16,926 | \$ 16,926 | \$ 17,180 | \$ 17,837 |
| Additions: | | | | | |
| Allocated from Electric | | | 1,807 | 1,045 | 1,275 |
| Sub-total | \$ - | \$ - | \$ 1,807 | \$ 1,045 | \$ 1,275 |
| Withdrawals: | | | | | |
| Allocated from Electric | 218 | 218 | 1,553 | 388 | 621 |
| Sub-total | \$ 218 | \$ 218 | \$ 1,553 | \$ 388 | \$ 621 |
| Ending Balance | \$ 16,708 | \$ 16,708 | \$ 17,180 | \$ 17,837 | \$ 18,491 |

Historical Activity

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|-------------------------|-----------|-----------|-----------|-----------|-----------|
| Opening Balance | \$ 13,255 | \$ 13,910 | \$ 15,086 | \$ 15,616 | \$ 16,289 |
| Additions: | | | | | |
| Allocated from Electric | 655 | 1,633 | 730 | 888 | 1,318 |
| Sub-total | \$ 655 | \$ 1,633 | \$ 730 | \$ 888 | \$ 1,318 |
| Withdrawals: | | | | | |
| Allocated from Electric | | 457 | 200 | 215 | 681 |
| Sub-total | \$ - | \$ 457 | \$ 200 | \$ 215 | \$ 681 |
| Ending balance | \$ 13,910 | \$ 15,086 | \$ 15,616 | \$ 16,289 | \$ 16,926 |



Maximum Balance: 17,549
Minimum Balance: 12,619

Average Balance: 14,540

Observations

Water and Sewer System Debt Service Sinking Fund

For the First Quarter Ending December 31, 2020

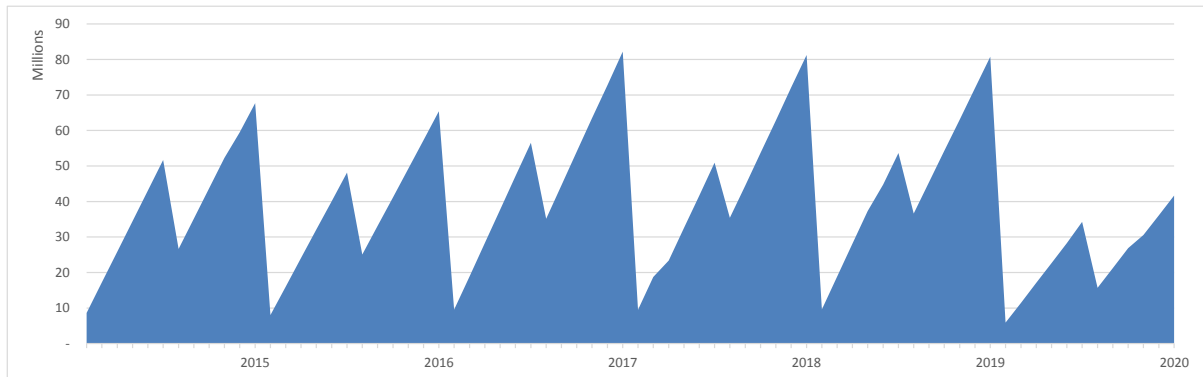
Definitions and Goals

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

| | Current Activity | | Projected Activity | | |
|---------------------------------|------------------|---------------|--------------------|-----------|------------|
| (In Thousands) | Quarter-End | Year -to-Date | 2021 | 2022 | 2023 |
| Opening Balance | \$ 41,660 | \$ 41,660 | \$ 41,660 | \$ 32,602 | \$ 33,121 |
| Additions: | | | | | |
| Revenue fund deposits | 13,982 | 13,982 | 56,109 | 64,960 | 109,345 |
| Sub-total | \$ 13,982 | \$ 13,982 | \$ 56,109 | \$ 64,960 | \$ 109,345 |
| Withdrawals: | | | | | |
| Principal and interest payments | 41,725 | 41,725 | 65,167 | 64,441 | 64,684 |
| Sub-total | \$ 41,725 | \$ 41,725 | \$ 65,167 | \$ 64,441 | \$ 64,684 |
| Ending Balance | \$ 13,917 | \$ 13,917 | \$ 32,602 | \$ 33,121 | \$ 77,782 |

Historical Activity

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------------------------------|-----------|------------|------------|------------|------------|
| Opening Balance | \$ 67,720 | \$ 65,410 | \$ 82,208 | \$ 81,241 | \$ 80,775 |
| Additions: | | | | | |
| Revenue fund deposits | 97,077 | 114,873 | 113,636 | 112,251 | 69,515 |
| Sub-total | \$ 97,077 | \$ 114,873 | \$ 113,636 | \$ 112,251 | \$ 69,515 |
| Withdrawals: | | | | | |
| Principal and interest payments | 99,387 | 98,075 | 114,603 | 112,717 | 108,630 |
| Sub-total | \$ 99,387 | \$ 98,075 | \$ 114,603 | \$ 112,717 | \$ 108,630 |
| Ending balance | \$ 65,410 | \$ 82,208 | \$ 81,241 | \$ 80,775 | \$ 41,660 |



Maximum Balance: 82,208
Minimum Balance: 5,890

Average Balance: 39,146

Observations

- September 30th ending balances are used to pay Oct 1st interest and principal payments.
- Timing differences occur due to the accrual of debt service during one fiscal year and the payment in the following fiscal year (primarily fixed rate principal and interest on Oct 1st of the following fiscal year).
- Projections are based on the debt outstanding as of September 30, 2020.

Water and Sewer System Debt Service Reserve Account

For the First Quarter Ending December 31, 2020

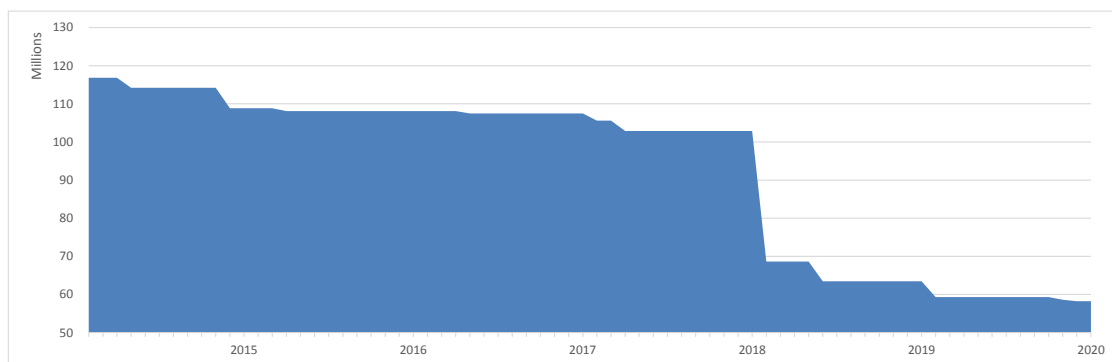
Definitions and Goals

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

| | Current Activity | | Projected Activity | | |
|----------------------------------|------------------|---------------|--------------------|-----------|-----------|
| (In Thousands) | Quarter-End | Year -to-Date | 2021 | 2022 | 2023 |
| Opening Balance | \$ 58,228 | \$ 58,228 | \$ 58,228 | \$ 58,664 | \$ 59,600 |
| Additions: | | | | | |
| Bond Issue - Deposit | 363 | 363 | 363 | | |
| Revenue Fund | 73 | 73 | 73 | 936 | 1,021 |
| Sub-total | \$ 436 | \$ 436 | \$ 436 | \$ 936 | \$ 1,021 |
| Withdrawals: | | | | | |
| Revenue Fund | | | | | |
| Release for STAR Plan Defeasance | | | | | |
| Release to Refunding Defeasance | | | | | |
| Sub-total | \$ - | \$ - | \$ - | \$ - | \$ - |
| Ending Balance | \$ 58,664 | \$ 58,664 | \$ 58,664 | \$ 59,600 | \$ 60,621 |

Historical Activity

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|-----------------------------------|------------|------------|------------|------------|-----------|
| Opening Balance | \$ 108,849 | \$ 108,086 | \$ 107,488 | \$ 102,850 | \$ 63,441 |
| Additions: | | | | | |
| Construction reserves/bond issues | | | | | 737 |
| Revenue fund | | | | | |
| Sub-total | \$ - | \$ - | \$ - | \$ - | \$ 737 |
| Withdrawals: | | | | | |
| Revenue fund | 763 | 598 | 4,638 | 5,525 | 1,689 |
| Release for STAR Plan Defeasance | | | | 33,884 | 2,791 |
| Release to Refunding Defeasance | | | | | 1,470 |
| Sub-total | \$ 763 | \$ 598 | \$ 4,638 | \$ 39,409 | \$ 5,950 |
| Ending balance | \$ 108,086 | \$ 107,488 | \$ 102,850 | \$ 63,441 | \$ 58,228 |



Maximum Balance:

116,829

Average Balance:

92,895

Minimum Balance:

58,228

Observations

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

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

For the First Quarter Ending December 31, 2020

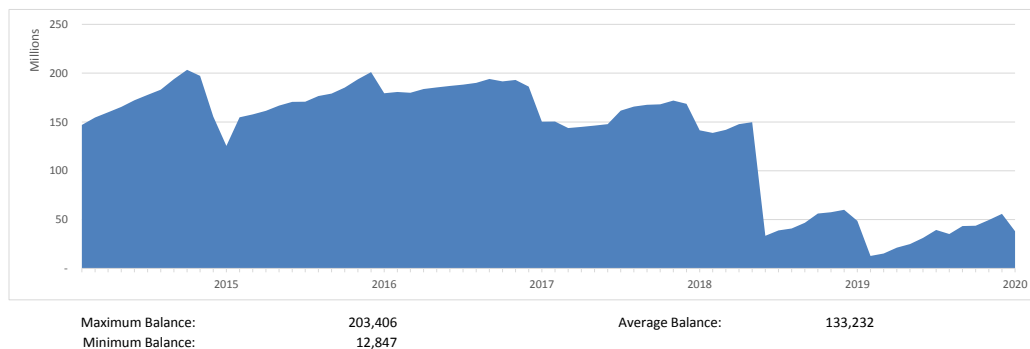
Definitions and Goals

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

| (In Thousands) | Current Activity | | Projected Activity | | |
|---------------------------|------------------|--------------|--------------------|------------|------------|
| | Quarter-End | Year-to-Date | 2021 | 2022 | 2023 |
| Opening Balance | \$ 38,131 | \$ 38,131 | \$ 38,131 | \$ 43,231 | \$ 106,191 |
| Additions: | | | | | |
| R&R/OCO Contribution | 46,350 | 46,350 | 184,908 | 178,683 | 134,171 |
| Capacity Fees | 8,732 | 8,732 | 31,692 | 33,420 | 33,412 |
| Transfer from Capital Fds | | | - | - | - |
| Other | 3,708 | 3,708 | 9,621 | 9,201 | 9,201 |
| Sub-total | \$ 58,790 | \$ 58,790 | \$ 226,221 | \$ 221,304 | \$ 176,784 |
| Withdrawals: | | | | | |
| Capital Expenditures | 48,468 | 48,468 | 221,121 | 158,344 | 169,934 |
| Debt Defeasance | | | - | | |
| Other | | | | | |
| Sub-total | \$ 48,468 | \$ 48,468 | \$ 221,121 | \$ 158,344 | \$ 169,934 |
| Ending Balance | \$ 48,453 | \$ 48,453 | \$ 43,231 | \$ 106,191 | \$ 113,041 |

Historical Activity

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|--------------------------|------------|------------|------------|------------|------------|
| Opening Balance | \$ 128,249 | \$ 179,431 | \$ 150,319 | \$ 141,415 | \$ 48,796 |
| Additions: | | | | | |
| R&R/OCO Contribution | 124,574 | 108,119 | 153,372 | 150,171 | 166,107 |
| Capacity Fees | 21,995 | 24,777 | 28,002 | 29,389 | 32,857 |
| Loans betw Capital Fds | | 137 | | 268 | |
| Other (incl septic tank) | 31,041 | 8,050 | 6,383 | 16,390 | 12,654 |
| Sub-total | \$ 177,610 | \$ 141,083 | \$ 187,757 | \$ 196,218 | \$ 211,618 |
| Withdrawals: | | | | | |
| Capital Expenditures | 126,322 | 165,242 | 196,637 | 189,626 | 191,087 |
| Loan Repayment | | | | 99,189 | 31,196 |
| Transfer to Constr. Fund | 106 | | | | |
| Other (incl septic tank) | - | 4,953 | 24 | 22 | |
| Sub-total | \$ 126,428 | \$ 170,195 | \$ 196,661 | \$ 288,837 | \$ 222,283 |
| Ending balance | \$ 179,431 | \$ 150,319 | \$ 141,415 | \$ 48,796 | \$ 38,131 |



Observations

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

Water and Sewer System - Environmental Fund [Capital Projects]

For the First Quarter Ending December 31, 2020

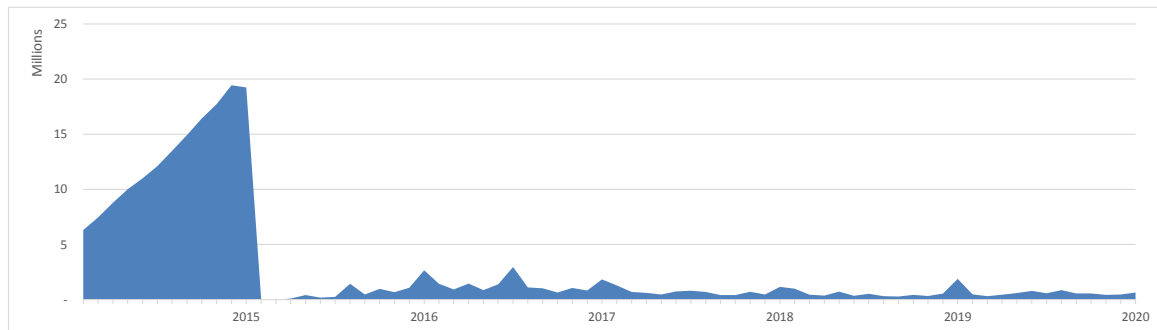
Definitions and Goals

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

| | Current Activity | | Projected Activity | | |
|-----------------------------|------------------|---------------|--------------------|-----------|-----------|
| (In Thousands) | Quarter-End | Year -to-Date | 2021 | 2022 | 2023 |
| Opening Balance | \$ 648 | \$ 648 | \$ 648 | \$ 3,868 | \$ 3,399 |
| Additions: | | | | | |
| Environmental Contributions | 523 | 523 | 15,132 | 28,528 | 21,713 |
| Loans betw Capital Fds | | | | | |
| Other | | | | | |
| Sub-total | \$ 523 | \$ 523 | \$ 15,132 | \$ 28,528 | \$ 21,713 |
| Withdrawals: | | | | | |
| Capital Expenditures | 927 | 927 | 11,912 | 28,997 | 20,262 |
| Other | | | | | |
| Sub-total | \$ 927 | \$ 927 | \$ 11,912 | \$ 28,997 | \$ 20,262 |
| Ending Balance | \$ 244 | \$ 244 | \$ 3,868 | \$ 3,399 | \$ 4,850 |

Historical Activity

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|-----------------------------|-----------|-----------|----------|-----------|----------|
| Opening Balance | \$ - | \$ 2,659 | \$ 1,839 | \$ 1,159 | \$ 1,891 |
| Additions: | | | | | |
| Environmental Contributions | 15,539 | 12,394 | 6,691 | 10,656 | 6,649 |
| Loans betw Capital Fds | | | | | |
| Other | | | | | |
| Sub-total | \$ 15,539 | \$ 12,394 | \$ 6,691 | \$ 10,656 | \$ 6,649 |
| Withdrawals: | | | | | |
| Capital Expenditures | 12,880 | 13,214 | 7,370 | 9,924 | 7,892 |
| Septic Tank Phase Out | | | | | |
| Other | | | 1 | | |
| Sub-total | \$ 12,880 | \$ 13,214 | \$ 7,371 | \$ 9,924 | \$ 7,892 |
| Ending balance | \$ 2,659 | \$ 1,839 | \$ 1,159 | \$ 1,891 | \$ 648 |



Maximum Balance:
Minimum Balance:

19,439
-

Average Balance:

2,821

Observations

Water and Sewer System - Construction / Bond Fund

For the First Quarter Ending December 31, 2020

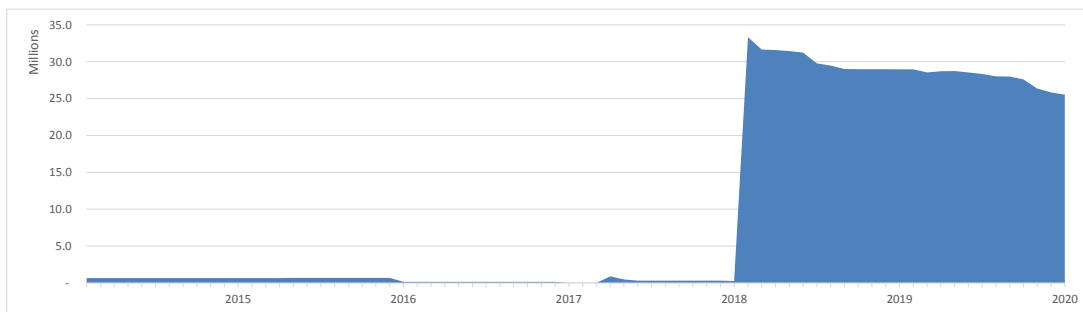
Definitions and Goals

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

| (In Thousands) | Current Activity | | Projected Activity | | |
|---|------------------|---------------|--------------------|------------|------------|
| | Quarter-End | Year -to-Date | 2021 | 2022 | 2023 |
| Opening Balance | \$ 25,541 | \$ 25,541 | \$ 25,541 | \$ 21,171 | \$ 20,428 |
| Additions: | | | | | |
| Bond Proceeds | - | - | - | 150,000 | 150,000 |
| Revolving credit facility | | | | | |
| Other | 12 | 12 | 17 | | |
| Sub-total | \$ 12 | \$ 12 | \$ 17 | \$ 150,000 | \$ 150,000 |
| Withdrawals: | | | | | |
| Capital Expenditures / Bond Issue Costs | 1,361 | 1,361 | 4,387 | 150,743 | 167,000 |
| Other | | | | | |
| Sub-total | \$ 1,361 | \$ 1,361 | \$ 4,387 | \$ 150,743 | \$ 167,000 |
| Ending Balance | \$ 24,192 | \$ 24,192 | \$ 21,171 | \$ 20,428 | \$ 3,428 |

Historical Activity

| | 2016 | 2017 | 2018 | 2019 | 2020 |
|---------------------------------|--------|--------|--------|-----------|-----------|
| Opening Balance | \$ 664 | \$ 152 | \$ 15 | \$ 284 | \$ 28,968 |
| Additions: | | | | | |
| Bond Proceeds | | | 894 | 33,884 | 506 |
| Revolving credit facility | | | | | |
| Loans/transfers b/w Capital Fds | | | | | |
| Other | 17 | | | | 837 |
| Sub-total | \$ 17 | \$ - | \$ 894 | \$ 33,884 | \$ 1,343 |
| Withdrawals: | | | | | |
| Capital Expenditures | | | 623 | 4,930 | 4,770 |
| Bond Proceeds | | | | | |
| Loans/trnsf btw CapFds | | | | | |
| Other | 529 | 137 | 2 | 270 | - |
| Sub-total | \$ 529 | \$ 137 | \$ 625 | \$ 5,200 | \$ 4,770 |
| Ending balance | \$ 152 | \$ 15 | \$ 284 | \$ 28,968 | \$ 25,541 |



Maximum Balance: 33,333
Minimum Balance: 15

Average Balance: 9,969

Observations

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



INTER-OFFICE MEMORANDUM

March 2, 2021

SUBJECT: JEA VARIABLE-RATE DEBT ANALYSIS

FROM: Jay Stowe, Managing Director/CEO

TO: JEA Finance and Audit Committee

Marty Lanahan, Chair
John Baker
Robert Stein

BACKGROUND:

As presented during the November 17, 2020 Board Meeting, JEA's unhedged variable rate debt totaled \$341 million at September 30, 2020, with \$181 million and \$160 million outstanding in the Electric and Water and Sewer Systems, respectively. Staff intends to retire approximately \$75 million of unhedged Electric System variable rate debt and about \$29 million of Electric System fixed rate debt this month. Factoring in this retirement, as well as scheduled maturities that occurred on October 1, 2020, unhedged variable rate debt will total approximately \$260 million, representing approximately 8.5% of outstanding JEA debt.

DISCUSSION:

The JEA Board has requested a follow-up review of the unhedged variable rate debt portfolio, to include the cost to fix out the remaining \$260 million, as well as a review of comparable Large Public Power Council member electric utilities and similarly sized municipally-owned water and wastewater utilities.

RECOMMENDATION:

Staff has engaged JEA's financial advisor, Public Financial Management ("PFM") to provide an analysis of the variable rate debt portfolio, to include (1) a historical review of fixed versus variable rates; (2) the cost to fix out the unhedged variable rate debt; and (3) comparable peer group unhedged variable rate debt outstanding for both the Electric and Water and Sewer Systems. Michael Mace of PFM will present his analysis at the March 12th Finance and Audit Committee meeting.

Jay Stowe, Managing Director/CEO

JCS/JEO



JEA Variable Rate Debt Analysis



March 12, 2021

PFM Financial Advisors LLC
Michael Mace, Managing Director



Discussion Topics

JEA's Use of Variable-Rate Debt Products

Variable-Rate Debt Risks and Considerations

- Interest rate risk
- Structure risk
- Current fixed-rate market opportunities

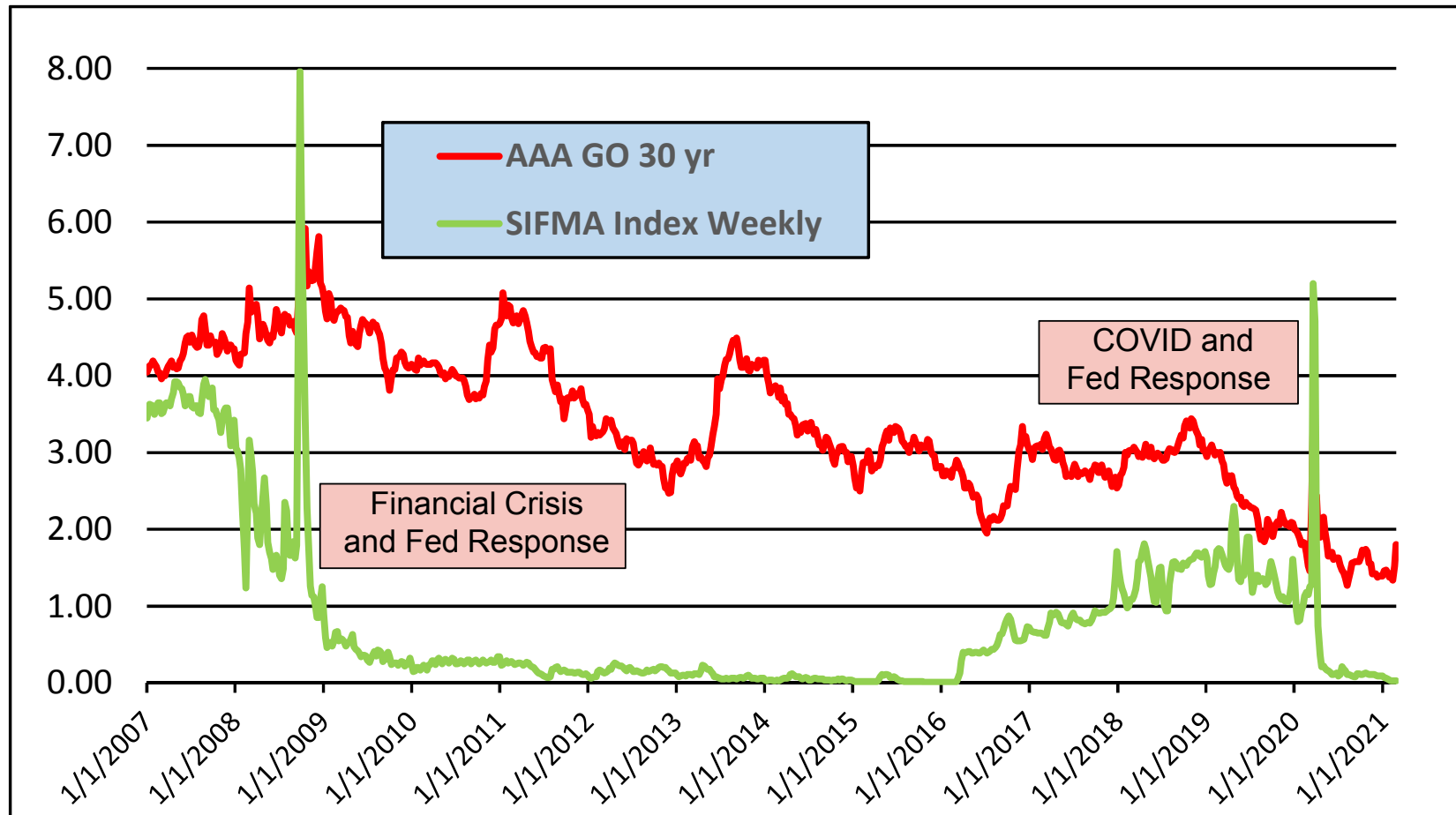
Peer Comparison

Summary



History of Long- and Short-Term Muni Rates

Short rates have been **VERY** low, with the exception of **VERY** notable disruptions





Variable-Rate Debt in the Municipal Market

- There are several forms of muni market Variable-Rate Debt

JEA Variable Rate Products

| Type | Description | Bank Credit Required | Electric | Water/Sewer | Investors/Lenders |
|--|--|---|--|---|--|
| Commercial Paper | Paper placed and rolled for maturities up to 270 days | Typically requires Letter or Line of Credit | \$0 | \$0 | Tax-Exempt Money Market Funds |
| Variable Rate Demand Bonds | Longer term maturities repriced and remarketed in daily, weekly or CP Mode | Typically requires Letter or Line of Credit | \$40MM Daily \$219MM Weekly \$118MM CP Mode | \$44MM Daily \$193MM Weekly \$15MM CPI/RCA | Tax-Exempt Money Market Funds |
| Public Market Floating Rate Notes | ~ 2 to 7 yr maturities with variable rates based on short term index | No bank credit required | \$0 | \$0 | Intermediate Bond Funds & Managed Accounts |
| Direct Placement with a Bank | ~ 2 to 7 yr maturities sold directly to a bank with variable rates based on short term index | No bank credit, but placed with banks | \$211MM | \$0 | Large Commercial Banks |
| Revolving Credit with a Bank | ~ 2 to 4 year agreement to borrow as needed with variable rates based on short term index | Direct agreement with a bank | Up to \$500MM \$5MM current balance | | Large Commercial Banks |
| Variable Rate Totals (% of overall) | | | \$581MM (~31%) | \$253MM (~20%) | |
| Total Overall Debt | | | \$1,882MM | \$1,242MM | |



Variable-Rate Debt Risks and Considerations

- Interest rate risk – rates may return to “normal?”
 - normal has been around 2% for the past 20 years
- Structure risk – variable-rate debt relies on:
 - favorable bank credit pricing and availability
 - a willing buyer base of investors
- Opportunity cost (“FOMO”) – associated with all-time low long-term, fixed rates
 - ability to lock in sub 3% fixed rates
 - but forego sub 1% variable rates



Interest Rate Risk – Gross and Net

- JEA's rate exposure is mitigated by hedges and investments

| \$ in Millions | <u>Electric</u> | <u>Water/Sewer</u> |
|-------------------------------------|------------------------|---------------------------|
| Total Par | \$ 1,882 | \$1,242 |
| Variable-Rate (inc revolver) | \$ 581 | \$ 253 |
| Var As % of Total | 30.9% | 20.4% |
| Fixed Rate Swaps | \$ 403 | \$ 95 |
| Unhedged Var. | \$ 178 | \$ 158 |
| Unhedged Var As % of Total | 9.5% | 12.7% |
| Invested Assets Estimate | \$ 700 | \$ 240 |
| 1/2 Inv. Assets as Hedge | \$ 350 | \$ 120 |
| Remaining Unhedged Var | \$ (172) | \$ 38 |
| Unhedged Var As % of Total | -9.1% | 3.1% |



Interest Rate Risk – as a % of Revenue

- Customer rates are insulated from interest rate volatility
- Impact of a 1% increase in variable-rate debt costs

| \$ in Millions | <u>Electric</u> | <u>Water/Sewer</u> |
|--|------------------------|---------------------------|
| Annual Revenue | \$ 1,204 | \$ 470 |
| Variable-Rate (inc revolver) | \$ 581 | \$ 253 |
| 1% Int Rate Inc as % of Revenue | 0.5% | 0.5% |
| Fixed Rate Swaps | \$ 403 | \$ 95 |
| Unhedged Var Rate Debt. | \$ 178 | \$ 158 |
| 1% Int Rate Inc as % of Revenue | 0.1% | 0.3% |
| Invested Assets Estimate | \$ 700 | \$ 240 |
| 1/2 Inv. Assets as Hedge | \$ 350 | \$ 120 |
| Remaining Unhedged Var | \$ (172) | \$ 38 |
| 1% Int Rate Inc as % of Revenue | -0.1% | 0.1% |



Structure Risk – Banks and Buyers

- Most variable-rate products require bank credit support
 - banks as lenders/buyers or letter/line of credit providers
 - letters/lines assure investors of timely liquidity
 - letter/line annual cost ranges from 0.25% to 0.75%
 - price and availability a function of bank balance sheet strength
 - currently active bank capacity (~\$300mm, ~\$100mm and ~\$50mm banks)

JP Morgan

B of A

Wells Fargo

RBC

TD Bank

Barclays

Citi

US Bank

Bank of NY

State Street

PNC

Regionals and Off Shore

- during peak Credit and COVID crises, new capacity was limited
- renewal/replacement pricing roughly doubled



Structure Risk – Banks and Buyers

- Managing bank risk

- maintain JEA credit strength – banks like low-risk AA credits
- maintain reserve bank capacity
- competition and relationships
- bank facility diversification

bank names expiration terms expiration timing market options

- Variable-rate Investors/Buyers

- the market is large, but can be one-dimensional – MM Funds
- tax-exempt money funds typically exceed \$150 billion
- brief (~1 month) disruptions in 2009, 2020 led to rate spikes

- Structure “events” have been rare, yet memorable



Fixed-Rate Market Opportunities

- Long-term rates are very low
 - 20 year AA bond muni index of 1.79%
 - this low **yield** is for a **5% coupon** callable premium bond
that will need to be refinanced in 10yrs @1.79% to be a true 20yr bond @1.79%
 - JEA could fix out unhedged variable-rate debt @ ~2.00% all-in
 - compared to current all-in, variable rate of ~0.50%

| | <u>Electric</u> | <u>Water/Sewer</u> |
|--|-----------------|--------------------|
| Fix-out par amount | ~\$101mm* | ~\$149mm |
| Fix-out average life | 10 years | 14 years |
| Fix-out all-in rate | 2.00% | 2.10% |
| Ave. annual DS increase vs 0.50% all-in variable rate | ~\$800,000 | ~\$1,500,000 |

* - after amounts expected to be retired with cash



Muni Utility Industry Peer Comparison

■ Limited net customer rate exposure to variable interest rates

| All #s in \$Billions | LA DWP Power | LIPA, NY | SRP, AZ | SA CPS, TX | Santee Cooper | SMUD, CA | Austin, TX | JEA Elec | JEA Water | OUC, FL | GRU, FL | Tall., FL |
|--|-----------------|-------------|-------------|-------------|------------------|-------------|--------------|--------------|-------------|--------------|--------------|---------------|
| Annual Revenue | 3.81 | 3.24 | 3.12 | 2.64 | 1.73 | 1.56 | 1.42 | 1.2 | 0.47 | 0.897 | 0.391 | 0.308 |
| Principal | 9.70 | 8.75 | 3.99 | 5.49 | 6.55 | 2.87 | 1.85 | 1.96 | 1.26 | 1.39 | 1.66 | 0.56 |
| Fixed | 8.91 | 7.68 | 0.00 | 4.78 | 6.22 | 2.67 | 1.85 | 1.38 | 1.00 | 1.07 | 1.02 | 0.56 |
| Var & Notes <5yrs | 0.74 | 1.07 | 0.00 | 0.71 | 0.33 | 0.20 | 0.00 | 0.59 | 0.26 | 0.32 | 0.64 | 0.00 |
| CP and Revolvers | 0.00 | 0.36 | 0.43 | 0.10 | 0.35 | 0.05 | 0.03 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Hedging Swaps | 0.00 | 2.21 | 0.00 | 0.00 | 0.00 | 0.49 | 0.00 | 0.41 | 0.10 | 0.27 | 0.74 | 0.00 |
| Est. Cash & Inv | 1.00 | 1.00 | 0.60 | 0.70 | 0.50 | 0.40 | 0.40 | 0.70 | 0.24 | 0.50 | 0.25 | 0.20 |
| Var Rate & Notes <5yr | 0.74 | 1.43 | 0.43 | 0.81 | 0.68 | 0.25 | 0.03 | 0.59 | 0.26 | 0.32 | 0.64 | 0.00 |
| VAR Net of Swaps | 0.74 | 0.84 | 0.43 | 0.81 | 0.68 | 0.25 | 0.03 | 0.18 | 0.16 | 0.20 | 0.10 | 0.00 |
| Net VAR Rate as % of Total | 7.6% | 9.2% | 9.6% | 14.5% | 9.8% | 8.6% | 1.4% | 9.2% | 12.7% | 14.1% | 6.0% | 0.0% |
| 1% Int Rate Inc as % of Revs | 0.2% | 0.3% | 0.1% | 0.3% | 0.4% | 0.2% | 0.0% | 0.2% | 0.3% | 0.2% | 0.3% | 0.0% |
| VAR Net of Swaps & 1/2 Invs | 0.24 | 0.34 | 0.13 | 0.46 | 0.43 | 0.05 | -0.17 | -0.17 | 0.04 | -0.06 | -0.02 | -0.10 |
| Net VAR Rate as % of Total | 2.5% | 3.8% | 2.8% | 8.2% | 6.2% | 1.7% | -9.3% | -8.6% | 3.2% | -4.0% | -1.5% | -17.7% |
| 1% Int Rate Inc as % of Revs | 0.1% | 0.1% | 0.0% | 0.2% | 0.2% | 0.0% | -0.1% | -0.1% | 0.1% | -0.1% | -0.1% | -0.3% |

Data sourced from most recent audited financial statements. Cash and investment figures estimated by PFM based on review of audited financials. Net variable rate debt and percentages calculated by PFM.



Summary

- JEA's use of variable-rate debt has saved over \$150 million in debt service over the past 20 years
- JEA and customers have very limited exposure to changes in short-term interest rates
- JEA structure risk is consistent with muni utility industry norms
Structure risk can be expected to impose some cost and require management/mitigation at times over the long run.
- Long-term rates are very low – even with recent increase
Very limited cost increase to convert from variable rate to fixed rate, but still a cost.



INTER-OFFICE MEMORANDUM

February 17, 2021

SUBJECT: JEA ENERGY MARKET RISK MANAGEMENT POLICY: QUARTERLY REPORT

FROM: Jay Stowe, Managing Director/CEO

TO: JEA Finance and Audit Committee

Marty Lanahan
John Baker
Robert Stein

BACKGROUND:

The JEA Board approved the Energy Market Risk Management (EMRM) Policy in March 2014. The Policy was developed to codify the risk, governance, limits, and criteria associated with managing energy market exposure, and to comply with requirements of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The reporting section of the Policy requires a quarterly report on JEA's financial and physical fuel and power transactions. This report includes physical transactions one year or greater and all financial transactions.

DISCUSSION:

The Policy governs JEA's wholesale energy market risk management and allows JEA to execute certain physical and financial transactions. The attached report is provided to the Board Finance and Audit Committee and satisfies the requirements of the reporting section of the EMRM Policy. The costs of financial transactions are reflected in comparison to market indices. The benefits include establishment of a stable fuel price for the future.

RECOMMENDATION:

None required. The report is required by the EMRM Policy and is provided as information.

Jay Stowe, Managing Director/CEO

JCS/RDE/WGB

Energy Market Risk Management: Physical and Financial Positions

| Summary as of 2/1/2021 | | |
|--|--------|---|
| Projected FY21 Fuel Expense (Budget = \$357M) | \$397M | ☹ |
| Projected FY21 Fuel Fund Ending Balance (Target = \$68M) | \$71M | ☹ |
| EMRM Compliance | Yes | ☹ |
| Counterparty Credit Limit Exceptions | No | ☹ |
| Any Issues of Concern | No | ☹ |

Table 1: Physical Counterparties (Contracts One Year or Greater) as of 2/1/2021

| Generating Unit | Fuel Type | Supplier/Counterparty | Contract Type | Remaining Contract Value | Remaining Contract Term |
|-----------------|-------------|-------------------------------------|----------------------------|--------------------------|-------------------------|
| Scherer 4 | Coal | CY20 Blackjewel - Eagle Butte - 001 | Fixed Price | \$667,858 | 4 months |
| Scherer 4 | Coal | CY20 Peabody Caballo - 019 | Fixed Price | \$102,397 | 3 months |
| Scherer 4 | Coal | CY20 Buckskin - 006 | Fixed Price | \$176,518 | 3 months |
| Scherer 4 | Coal | CY20 Cloud Peak Cordero Rojo - 013 | Fixed Price | \$50,013 | 2 months |
| * Scherer 4 | Coal | CY21 Blackjewel - Eagle Butte - 016 | Fixed Price | \$1,963,317 | 11 months |
| * Scherer 4 | Coal | CY21 Peabody Caballo - 017 | Fixed Price | \$2,075,790 | 11 months |
| NS CFB | Limestone | CY17-CY21 Vulcan | Fixed Price | \$6,924,585 | 0.92 years |
| NG Fleet | Natural Gas | Shell Energy | Index w/Fixed Price Option | \$583,051,385 | 10.33 years |
| NG Fleet | Natural Gas | Main Street/MGAG | Index w/Discount | \$115,945,659 | 28.16 years |
| NG Fleet | Natural Gas | Main Street/MGAG | Index w/Discount | \$107,387,059 | 28.33 years |
| NG Fleet | Natural Gas | Main Street/MGAG | Index w/Discount | \$67,638,027 | 18.16 years |
| NG Fleet | Natural Gas | Main Street/MGAG | Index w/Discount | \$105,495,088 | 28.41 years |

*New this report

Table 2: Financial Positions as of 2/1/2021

| Year | Commodity | Physical Volume (mmBtu) | Hedged Volume (mmBtu) | Percent Hedged | Unhedged Cost | Hedge Type | Hedge Price | Mark-to-Market Value | Counter Party |
|---------|-------------|-------------------------|-----------------------|----------------|---------------|------------|-------------|----------------------|-------------------|
| FY21 | Natural Gas | 34,624,166 | 13,760,000 | 39.7% | \$ 2.68 | Swap | \$ 2.50 | \$ (1,571,690) | Wells Fargo & RBC |
| FY22 | Natural Gas | 46,990,275 | 23,720,000 | 50.5% | \$ 2.71 | Swap | \$ 2.58 | \$ (3,064,350) | Wells Fargo & RBC |
| FY23 | Natural Gas | 44,000,357 | 18,260,000 | 41.5% | \$ 2.55 | Swap | \$ 2.47 | \$ (1,765,660) | Wells Fargo & RBC |
| FY24 | Natural Gas | 44,060,287 | 3,680,000 | 8.4% | \$ 2.54 | Swap | \$ 2.41 | \$ (629,560) | Wells Fargo & RBC |
| CY22-31 | Nat.Gas-PPA | 122,602,857 | 85,822,000 | 70.0% | \$ 2.66 | Swap | \$ 2.50 | \$ (5,803,678) | Nextera |

Table 3: Fuel & Purchase Power Procurement as of 2/1/2021

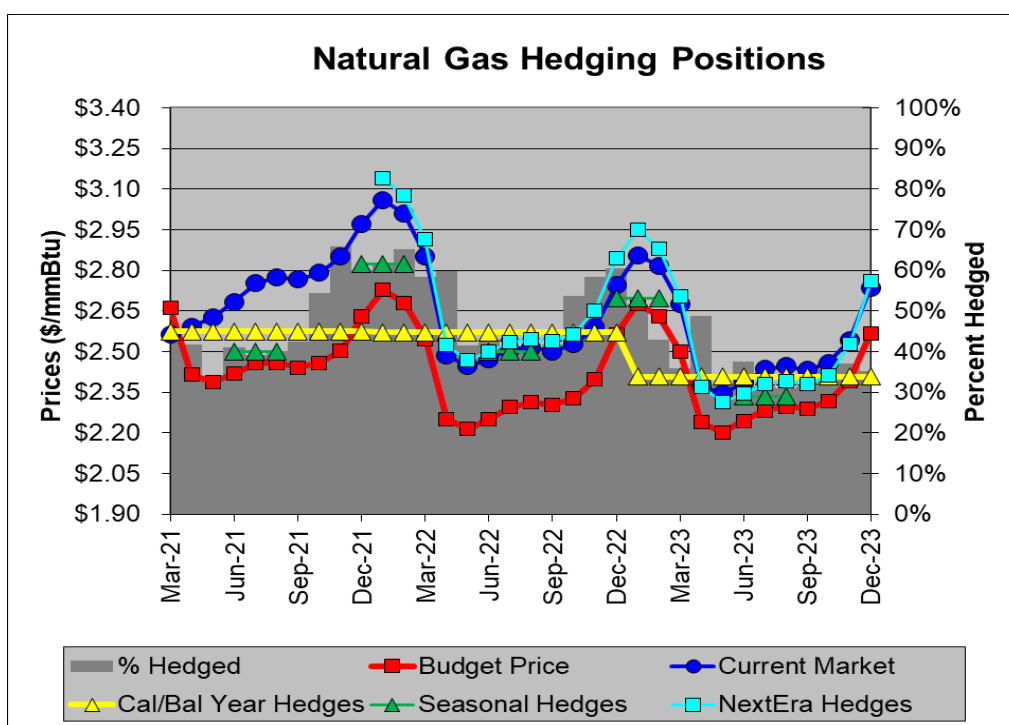
| Fuel Type | Natural Gas | Coal | Petcoke | Limestone | Purchased Power | Oil/Diesel | Renewables | Vogtle | |
|------------------------------|----------------------------|----------------------------|----------------------------|-----------|----------------------------|---------------------------|---------------------------|---------------------------|----------------------------|
| FY21 Remaining / Energy Mix | <div><div></div></div> 62% | <div><div></div></div> 15% | <div><div></div></div> 10% | N/A | <div><div></div></div> 12% | <div><div></div></div> 0% | <div><div></div></div> 1% | - | |
| Expected Spend (\$) | 111.6M | 42.5M | 29.9M | 4.7M | 35.9M | 2.4M | 10.2M | - | |
| % Procured | 49% | 52% | 10% | 100% | 0% | 100% | 100% | - | |
| % Hedged | 44% | 52% | 0% | 100% | 0% | 100% | 100% | - | |
| Fuel Type | Natural Gas | Coal | Petcoke | Limestone | FPL PPA | PurchPwr | Oil/Diesel | Renewables | Vogtle |
| FY22 Budget / Energy Mix | <div><div></div></div> 49% | <div><div></div></div> 12% | <div><div></div></div> 20% | N/A | <div><div></div></div> 7% | <div><div></div></div> 6% | <div><div></div></div> 0% | <div><div></div></div> 2% | <div><div></div></div> 6% |
| Expected Spend (\$) | 129.5M | 40.2M | 52.5M | 9.4M | 21.7M | 26.6M | 1.5M | 16.6M | 13.9M |
| % Procured | 60% | 17% | 0% | 24% | 100% | 0% | 100% | 100% | 100% |
| % Hedged | 39% | 17% | 0% | 24% | 70% | 0% | 100% | 100% | 100% |
| FY23 Projection / Energy Mix | <div><div></div></div> 47% | <div><div></div></div> 8% | <div><div></div></div> 15% | N/A | <div><div></div></div> 7% | <div><div></div></div> 4% | <div><div></div></div> 0% | <div><div></div></div> 5% | <div><div></div></div> 13% |
| Expected Spend (\$) | 112.9M | 27.3M | 44.6M | 7.9M | 25.1M | 13.7M | 0.8M | 27.4M | 25.2M |
| % Procured | 67% | 0% | 0% | 0% | 100% | 0% | 100% | 100% | 100% |
| % Hedged | 50% | 0% | 0% | 0% | 70% | 0% | 100% | 100% | 100% |

Finance and Audit Committee Report

2/12/2021

Supporting Notes:

- Renewable purchase power agreements are not included in Table 1
- Solid fuel procurement - annually at Scherer CY2020 -2021 and quarterly at Northside; JEA is transferring CY22 Scherer coal tons to co-owners in exchange for them transferring CY21 coal volumes to JEA
- Scherer 4 Blackjewel Eagle Butte Contracts 21002, 21005, 22001, 22005 have been combined to 21016 and Peabody Caballo Contracts 21003, 21004, 22002, 22004, 22007 have been combined to 21017
- Scherer 4 retires on 1/1/22
- Table 3: FY Energy Mix based on MWH; the procured percent relates to inventory on hand, or contracted and the percent hedged is inventory on hand or contracted with fixed pricing or financial hedges
- Renewables in Table 3 represent signed agreements and an estimated cost for pending contracts
- Table 3: FY22 Projections include assumed Scherer 4 retirement as of 1/1/2022 with an FPL PPA agreement as replacement
- Table 1: Natural Gas discount; Municipal Gas Authority of Georgia (MGAG) issues municipal bonds to prepay for gas, allowing them to offer discounts to JEA for qualified use
- Table 2 shows negative Mark-to-Market values, this indicates a projected payment to JEA for realized hedges



as of 2/1/2021



INTER-OFFICE MEMORANDUM

February 17, 2021

SUBJECT: JEA ENERGY MARKET RISK MANAGEMENT POLICY: APPROVAL
OF REVISIONS TO POLICY

FROM: Jay Stowe, Managing Director/CEO

TO: JEA Finance and Audit Committee

Marty Lanahan
John Baker
Robert Stein

BACKGROUND:

The JEA Board of Directors approved the Energy Market Risk Management (EMRM) Policy in March of 2014. The EMRM Policy was developed to codify the risk, governance, limits, and criteria associated with managing JEA's energy market exposure. Additionally, JEA's EMRM Policy facilitates compliance with the requirements of the Dodd-Frank Wall Street Reform, Consumer Protection Act and allows JEA to execute certain physical and financial transactions. Approval from the JEA Board of Directors is required for revisions to the EMRM Policy.

DISCUSSION:

JEA and the energy markets have undergone numerous changes since the EMRM Policy was approved in March of 2014. The attached version of the EMRM Policy contains the proposed changes from JEA leadership to keep it current. The final EMRM Policy revisions are being submitted to the Finance and Audit Committee for your review first, prior to submitting them to the full JEA Board of Directors.

RECOMMENDATION:

To review the proposed changes to the EMRM Policy. Recommend EMRM Policy approval to the full JEA Board of Directors.

Jay Stowe, Managing Director/CEO

JCS/RDE/WGB



JEA Energy Market Risk Management Policy: Approval of Revisions to Policy

*Ricky Erixton
VP Electric Systems*



March 2021

Proposed Changes

- Add retention period parameters for swap transactions – Page 4
- Remove St Johns River Power Park (SJRPP) from the Standards of Conduct and Compliance – Page 5
- Add swap reporting obligations to Trading Practices – Page 5
- Expand the definition and usage description of Mark-to-market in Measuring Credit Risk– Page 8
- Replace the Chief Financial Officer (CFO) with VP Electric Systems for the responsibility of reporting JEA's financial and physical fuel and purchase power transactions to the F&A committee – Page 9
- Title change from Chief Risk and Compliance Officer (CRCO) to Chief Administrative Officer (CAO)– Throughout the Policy
- Update members of the Fuel and Purchase Power Committee – Appendix B
- Corrected position titles and date change – Appendix C
- Corrected position titles – Appendix F
- Clerical and Definition Clean-up – Throughout the Policy





Energy Market Risk Management Policy

Approved by the Board of Directors

3/18/2014

[Revision Proposed to the Board of Directors](#)
[March 2021](#)



|

~~Strictly Confidential~~Confidential

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Policy Introduction

During the course of business, JEA is exposed to volatility in electric energy and fuel prices, uncertainty in load and resource availability, the creditworthiness of its counterparties, and the risks associated with transacting in wholesale energy markets. To manage these risks and others in the wholesale energy markets, JEA has developed an Energy Market Risk Management (“EMRM”) Policy (the “Policy”).

Objectives of the Policy

The objectives of the Policy are the following:

1. Identify and discuss categories of risks inherent in operating in wholesale energy markets;
2. Establish the governance structure for EMRM activity;
3. Delineate the roles and oversight responsibilities of the groups and individuals responsible for implementing an EMRM program;
4. State required business practices;
5. Set exposure limits based on position, tenor, and notional dollar amounts, instrument structure, strategy goals, quantity, time horizon, underlying commodity value, and other considerations;
6. Define Credit Policy;
7. Set forth the monitoring and reporting requirements for the EMRM Program;
8. Define the products that may be used to manage the exposures.

Scope of the Policy

This Policy identifies risks inherent in operating in wholesale energy markets. Specifically, the Policy addresses Market Risk, Counterparty Risk, Volumetric Risk, Budget Risk, Collateralization Risk, Regulatory Risk, and Operative Risk arising from JEA’s generating assets, load obligations, wholesale energy contracts, fuel supply contracts, and Financial and Physical Transactions. With respect to Financial and Physical Transactions, the Policy covers the Credit Risk associated with execution, as well as the recording, monitoring, and risk reporting associated with these transactions.

Policy Establishment, Authority, Approval and Revision

JEA’s Board of Directors must approve this Policy, as well as any future changes to the Policy. Board approval shall not be required to amend, supplement or update the Policy appendices. On an annual basis, the Chief Financial Officer (CFO), Chief Administrative Risk & Compliance Officer (CRCO)(CAO) and Vice President General Manager, Electric Systems will review this Policy and determine if it should be amended, supplemented or updated to account for business developments or for other appropriate business reasons.

Additional policies and procedures that may be developed to fully implement this Policy do not require Board approval provided that such policies and procedures do not conflict with this Policy. In the event that any policies or procedures conflict with this Policy, this Policy shall prevail.

Discussion of Risks

JEA is subjected to risk inherent in the business environment in which it operates. Exposure to risks inherent in the energy markets could result in a multitude of diverse positive or negative consequences for JEA. Market risk, Counterparty risk, Volumetric risk, Budget risk,

Collateralization risk, Operative risk and Regulatory risk are among the most critical and identifiable of the risks relevant to JEA, as they pertain to the scope of this Policy.

Market Risk

Market Risk is the exposure JEA faces due to changes in the value of market variables. Specifically Market Risk includes:

Price Risk

Price Risk is the exposure JEA faces as a result of changes in the market price for power, fuel, and emissions allowances. Price Risk is typically the largest source of exposure and is managed by implementing a comprehensive ERM Program that includes risk identification and measurement, strategy development and execution, and risk monitoring and reporting.

Basis Risk

Basis Risk is the exposure JEA faces as a result of less-than-perfect correlation between the underlying asset or item being hedged and the product/instrument used to hedge the asset or item. Basis risk is managed by ensuring there is a reasonable degree of correlation between the hedging product/instrument and the underlying asset/item being hedged. Basis Risk can result from difference in price changes due to differences in:

- Location – An example is using the NYMEX natural gas Futures contract which is priced at the Henry Hub to hedge an underlying exposure on the FGT pipeline;
- Products – An example is using the NYMEX WTI crude oil Futures contract to hedge an underlying exposure arising from the need to purchase fuel oil;
- Timing – An example is using the January NYMEX natural gas Future contract to hedge exposures to daily intra-month natural gas price swings in December.

Liquidity Risk

Liquidity Risk is the exposure caused by lack of marketability of a financial instrument or physical product at the prices consistent with recent sales. Liquidity Risk may be a problem because a given position is very large relative to typical trading volumes or because market conditions are unsettled. Liquidity Risk can be identified by a wide bid-ask spread and large price movements in response to any attempt to buy or sell. Liquidity Risk is managed by ensuring there is a reasonable degree of liquidity in the hedging product/instrument, by monitoring the concentration of exposure in product/instruments at locations that are illiquid, and by adjusting the process used in risk measurement and strategy analysis to incorporate the illiquidity.

Counterparty Risk

Counterparty Risk is the risk associated with potential losses JEA could incur due to a counterparty not fulfilling contractual obligations. This risk can be realized through a physical or financial nonperformance by a counterparty. Although JEA is exposed to Counterparty Risk from a number of sources, for purposes of this Policy, Counterparty Risk will be restricted to the management of Counterparty Risk associated with Transactions in the wholesale [fuel and energy markets](#). Counterparty Risk will be managed by the limits and control set forth in this Policy.

Volumetric Risk

Volumetric Risk is the exposure JEA faces due to deviation from expected levels in the amount of energy delivered or generated. It includes deviations in load (which could be caused by economic conditions, weather, etc.) as well as deviations caused by Operations Risk. Volumetric Risk is managed by identifying the impact it could have on JEA's financial and operating performance and developing strategies to manage the risk if warranted.

Budget Risk

Budget Risk is the risk associated with not collecting a budgeted variable fuel rate that is sufficient to cover JEA's fuel and purchase power cost of operation. This risk can be managed by monitoring the market uncertainty and the impact to the JEA portfolio. JEA manages this risk through the limit structure in this Policy and by keeping maintaining a fuel reserve rate stabilization fund.

Collateralization Risk

Collateralization Risk is the exposure JEA faces from the potential mismatch that can occur between the timing in cash flow associated with the underlying item being hedged and the timing requirements for posting collateral. For example, if JEA were to hedge its need to purchase natural gas two years out by purchasing NYMEX natural gas Futures and the price of natural gas were to drop substantially before the gas was consumed, JEA would need to post additional collateral with its Futures broker prior to receiving revenue from the sale of the power generated at its natural gas-fired facilities.

Operative Risk

Operative Risk is the exposure JEA faces due to daily activity at the organization. Specifically Operative Risk includes:

Operations Risk

Operations Risk is the exposure JEA faces due to failure of its assets to perform as expected. This risk includes exposure caused by unplanned outages, inaccurate load forecasts, delays in construction, failure of transmission or transportation systems, etc. Operations Risk is managed by proper maintenance and construction programs, proper operational planning and by quantifying the impact this risk could have on JEA's financial and operating condition and taking steps to manage the risk if warranted.

Implementation Risk

Implementation Risk is the exposure that JEA faces from failed or inadequate management of processes, people, and systems related to its ERM Program. Implementation Risk is managed by developing and enforcing policies and procedures, addressing transaction execution and processing, and by maintaining a segregation of responsibilities between transaction authorization/execution, risk monitoring, and reporting.

Regulatory Risk

Regulatory Risk is the risk associated with participating in regulated markets. With the Dodd-Frank Wall Street Reform Act and other applicable laws and regulations, JEA has the potential to transact products regulated by the Commodity Futures Trading Commission (CFTC) or other regulatory bodies within and outside of the United States. To ensure compliance with applicable regulators and regulations, JEA:

- Requires all employees participating in activities within the scope of this document to participate in annual compliance training, and
- Actively monitors regulatory bodies for regulations applicable to JEA.

Oversight Responsibilities and Organization Structure

Organizational Structure and Reporting Relationships

The JEA Board has delegated the responsibility to the Managing Director/Chief Executive Officer (MD/CEO) to develop and implement JEA's ERM Program. The Board's responsibilities with respect to JEA's ERM Program include:

- Reviewing and approving this Policy and all revisions to this Policy.
- Understanding JEA's major financial energy market risk exposures.
- Delegating the oversight and maintenance of the Policy to JEA's Fuel and Purchase Power Committee (FPPC).
- Approving all Transactions outside of FPPC authorization limits.

FPPC

The FPPC is responsible for risk oversight for all energy market risk management activities for JEA. Additionally, the FPPC is responsible for ensuring all energy market risk management activities are in accordance with this Policy.

The MD/CEO shall appoint the core members of the FPPC. The list of core members shall include the Chief Administrative Officer who is responsible for ensuring compliance with this Policy. The complete list of the core FPPC members is set forth in Appendix B. The FPPC shall meet monthly and additionally as needed to review the performance and appropriateness of the energy market risk management activities given the current and anticipated future market and business environment. Decisions of the FPPC will be made by consensus and will be retained by JEA consistent with JEA Records Management Policies. Hedge recommendations and resulting Transactions will be documented in presentation materials and posted on the Fuel Management Services web page on ~~the JEA's SharePoint site intranet~~. Any materials used in the analysis or decision to enter into a swap, ~~as defined by the CFTC~~, including confirmation documents will be retained as specified by the CFTC for a period of five years beyond the final termination date of each transaction.

The responsibilities of the FPPC relative to energy market risk management shall include:

- Keeping abreast of industry, market and legislative developments that affect JEA's risk exposure.
- Monitoring energy market risk exposures on an aggregate level.
- Developing and approving the major strategies employed to manage energy market risk.
- Approving all energy market financial transactions.
- Approving all strategies used by JEA to manage energy market risk.
- Approving the policies and procedures needed to implement this Policy, including amendments and updates to the appendices.
- Reviewing all exceptions to the Policy and exceedances of market and credit limits.
- Designating the individuals for whom this Policy applies and ensuring these individuals are aware of and understand their individual responsibilities for compliance with this Policy.
- Authorizing specific individuals to commit JEA to energy market Transactions and ensuring that such individuals are appropriately trained. A list of individuals authorized by the FPPC is contained in Appendix C.
- Approving any changes to the list of approved energy market risk management products contained in Appendix D.
- Approving methodologies, models, metrics and assumptions for valuation and risk measurement for energy market risk.
- Reviewing the performance of the Qualified Independent Representative (QIR) annually over the preceding 12-months and arriving at a recommendation to either continue using the current QIR or select a replacement. Current JEA QIR selection is provided in Appendix E.
- Ensuring documentation of Transactions is maintained.
- Reviewing Transactions and risk reports furnished by TEA.

Business Practices

Business Practices are set forth to help manage the Implementation Risk and are required for an effective EMRM Program. JEA has adopted the following business practices:

Standards of Conduct and Compliance

No employee of JEA shall use non-public information to the benefit of his or her own account.

Subject to existing and future laws and regulations and to the extent possible, employees shall refrain from disclosing pricing terms of Transactions with third parties.

JEA employees shall follow:

- JEA's Code of Ethics as set forth in JEA/~~SJ~~PP Ethical Business Conduct Guidelines.
- FERC Standards of Conduct.
- Any compliance documents that may be developed under the EMRM Program.

Training

It is the responsibility of the FPPC to ensure employees that are able to commit JEA to energy market risk management strategies and execute Transactions have received adequate training and understand the implications of their commitments.

Trading Practices

All Transactions authorized or entered into by an employee of JEA must be entered into with the intent to manage risk and not with the intent to inflate volumes, revenues, or otherwise present a distorted representation of JEA's financial position.

No JEA employee or representative shall execute or authorize the execution of any Transaction if the purpose of the Transaction is to generate income by anticipating market movements. If any questions arise as to whether a particular Transaction constitutes speculation, the FPPC shall review the Transaction(s) to determine whether the Transaction would constitute speculation.

All Transactions will be executed in a timely manner after FPPC authorization.

All physical Transactions executed by JEA shall follow the Board of Directors approved Fuel Management Services Procurement Directive.

JEA's relationship with TEA is governed by the Operating Agreement and any policies referenced in the Operating Agreement. JEA personnel authorizing or directing TEA to enter into Transactions will understand the relevant provisions of these documents. After directing a representative of TEA to execute a financial transaction on behalf of JEA, a representative of JEA will participate in the execution of the financial transaction with the TEA representative and the JEA counterparty to actively monitor each financial transaction. JEA shall comply with *Swap Policies and Procedures for New Swap Regulations* in regards to consent to recording by the JEA counterparty. [If JEA incurs any swap reporting obligations, then JEA will report the swap to the appropriate swap data repository.](#)

Individual Authorities

Only employees approved by the FPPC as listed in Appendix C can commit JEA to energy market Transactions. Approved employees can only authorize TEA to execute Transactions for

products for which they have approval and within the limits set forth in Appendix F of this EMRM Policy.

Transaction Methods

All Transactions must be confirmed over a recorded phone line, recorded via an instant messaging program, or documented through a signed confirmation from both parties that meets state record retention statutes. All physical Transactions are executed under JEA's Fuel Management [Services](#) Procurement Directive ~~with counterparties that are part of the Responsible Bidders List~~.

Authorized Products

All Transactions must be for products on the Authorized Product List which is included in Appendix D. The FPPC will be responsible for authorizing all products and commodity types to be executed under a Master Agreement, Participation Agreement or some other non-industry standard Agreement. JEA will work to ensure risks associated with transacting the product are understood and communicated and to make recommendations to the FPPC for approving products.

- New products will be recommended and must first be approved by the FPPC before trade execution.
- There will be a justification for the new product stating the business rationale and value to JEA.
- An identification of potential risks associated with the product and the risks the product creates.
- The FPPC will review new product justification and approve the product and quantitative and/or qualitative limits for use of the product if deemed desirable.

Authorized Counterparties

All Transactions must be executed under a Master Agreement, Participation Agreement or some other non-industry standard Agreement with an approved counterparty. The Treasurer will maintain all signed agreements with all counterparties approved for financial transactions. ~~Specifically, for~~ Transactions executed by JEA for physical fuel supply needs, the potential supplier is required to have been accepted by Fuel Management Services on JEA's Responsible Bidders List.

Confirmations of Executed Transactions

Written confirmations will be required from counterparties, as defined in the agreement governing the Transaction between JEA and counterparty, for all EMRM Transactions. ~~Contemporaneous with any commitments and p~~Prior to receipt of written confirmations, [all](#) verbal commitments shall be memorialized as to instrument structure, quantity, time horizon, price and any other relevant terms; such internal documentation shall be time stamped and correlated to the ultimate written confirmation to or from the counterparty.

Trade Recordkeeping

A paper or electronic trade ticket will be filled out for every trade executed. A trade ticket will contain, if applicable, the following information:

- Date of transaction;
- Counterparty;
- Transaction capacity (e.g., MW/hour or mmBtu/day) or volume;
- Buy or sell;
- Transaction price;

- Delivery point;
- For options, option type, strike and execution instructions;
- For financial swaps, the reference index;
- Starting/Ending delivery date and hour or schedule;
- Product type;
- Any other date, hour and/or capacity data needed to define a shaped product;
- Broker or electronic trading site and fee, if applicable;
- ~~If the~~ Type of transaction: ~~is a swap~~; swap, futures, options, etc.;
- The reporting counterparty, ~~if when~~ the trade is a swap and there is not a prearranged reporting relationship;
- ~~If the trade~~ Whether any swap qualifies for the trade option exemption or exception to clearing for end user, ~~if the trade is a swap~~.

Qualified Independent Representative (QIR)

JEA shall comply with *Swap Policies and Procedures for New Swap Regulations* in regards to the selection and use of JEA's Qualified Independent Representative.

Exposures and Limits

A risk limit structure is essential for ensuring that JEA manages its risk exposure within tolerances approved by the Board. The limit structure put forth in this document sets the exposures that JEA is willing to take when entering into Transactions covered under the Policy. JEA will manage its exposures by using locational and volume limits.

Volume Limits

The net ~~delta~~ volume of hedge transactions may not exceed the expected volume of the hedged commodity at the time hedges are executed.

Locational Limits

Electric transmission and fuels transportation Transactions must support the requirement of one of JEA's generation units, native load or transaction locations.

Swap Threshold Limits

JEA manages its swap exposure within the limit structures set forth by the CFTC. If the swap exposure reaches 75% of the swap exposure limit, the CFO will notify the FPPC.

Exceedance of Limits

In the event a limit is exceeded, unless specified elsewhere in this Policy, FPPC will be notified as soon as possible. The CFO will report all exceptions to the Board quarterly.

Credit Policy

It is the intent of the Credit Policy to identify, measure, manage, monitor and report on the Credit Risk associated with Transactions that subject JEA to financial exposure from the contractual default of a counterparty.

JEA determines the credit quality of counterparties based upon various credit evaluation factors, including collateral requirements under certain circumstances.

In order to manage credit risk, JEA has established the following policies:

- Commodity Transactions will be entered into only with approved counterparties, approved by the CFO, that have sufficient unutilized credit to support the transaction.
- JEA counterparties will be reassessed at least annually or in the event of a material credit event for the counterparty.
- The status of credit risk will be tracked by counterparty at the agreement level and the information made available to FPPC on a monthly basis for risk oversight and more frequently when there is a material credit event for the contracted counterparty, the counterparty credit limit for an individual credit limit for a counterparty is exceeded or a material market event that causes credit exposure to increase significantly.

Measuring Credit Risk

Credit Risk measurement defines the process that will be used to determine credit exposure. In general, credit exposure is comprised of three components:

- The billed receivable and payable balance.
- The delivered and not yet billed receivable and payable balance.
- The value of the position against the market, i.e. the mark-to-market exposure.

The mark-to-market exposure is used to measure the cost JEA's risk exposure would incur were the counterparty to default on the Transaction by determining and JEA were to replace the current market value of the Transaction at current market prices. JEA accounts for the value of each Transaction by using counterparty mark-to-market position reports. Additionally, TEA and JEA calculate mark-to-market position reports for comparison using NYMEX settle prices as a basis.

A credit report will be produced and made available for review on a daily basis. This credit report provides detail at an agreement level by counterparty. The FPPC will monitor overall credit risk and any credit exceptions at least monthly.

Until and unless a master netting and setoff agreement is in place with a counterparty, separate credit exposures for each counterparty will be calculated for each Master Agreement and will be added together to derive the total credit exposures. Negative exposures under one Master Agreement will not offset a positive exposure under another Master Agreement.

Analysis and Extension of Credit Limits

The creditworthiness of a counterparty will be determined by both qualitative and quantitative factors. Factors shall include, but are not limited to:

- A company's debt credit ratings provided by the rating agencies.
- Financial data such as an analysis of the liquidity, leverage, profitability, and size.
- Subjective factors such as company's fuel diversity, overall size, energy market risk management policy and internal controls, geographic diversity, and market intelligence.

A credit limit is the amount of unsecured credit granted to a counterparty. Unsecured credit exposure includes amounts owed by the counterparty, whether billed or not, and the mark to market differences in value of any collateral which the counterparty has provided JEA. Any net exposure above the collateral threshold, if any, will require the posting of collateral by a counterparty. Current unsecured counterparty credit limits are maintained by the Treasurer.

JEA's maximum counterparty credit limit for energy Transactions is \$100,000,000 and applies to Transactions with maturity greater than one year.

Credit Exceptions

All personnel executing Transactions are constrained by these credit limits. If trading activity exceeds a counterparty's credit limit, trading that increases exposure will be suspended until the FPPC can review and make a determination regarding the counterparty.

All credit exceptions will be documented and reported to the FPPC and the Board as Policy Exceptions.

Reporting

The following reports will be developed by TEA and made available to FPPC at the frequency listed below, and more frequently when there is a material credit event for the contracted counterparty; when the credit limit for an individual counterparty is exceeded; or when a material market event occurs that causes credit exposure to increase significantly.

- Transaction Activity – This report shows all transactions executed for a trade day; made available daily.
- Mark-to-market – This report shows all positions with volumes in the future against the current market value; made available daily.
- Policy Exceptions – This report details any exceptions to the Policy; available when needed.
- Counterparty Credit Exposure Report – This report shows exposures resulting from the transactions covered under this Policy and includes counterparty credit ratings; available daily.
- Risk Metric/Transaction Compliance Report – This report shows all exposures against Policy limits set forth in the Policy; available monthly or at FPPC request.
- Swap Exposure Report – This report measures JEA energy swap exposures against the CFTC threshold limits for Swap Dealer Registration, available monthly or at FPPC request.
- Finance and Audit Committee Report – The [CFO Vice President, Electric Systems](#) will report JEA's financial and physical fuel and power transactions on a quarterly basis. This report will include physical transactions greater than one year and all financial transactions.

Policy Acknowledgement and Distribution

Policy Acknowledgement

All JEA employees participating in activities or Transactions covered by this Policy shall sign, on an annual basis or upon any revision to this Policy, a statement approved by the FPPC that they

- i. have read this Policy and any other applicable policies, processes, or procedures approved by JEA,
- ii. understand this Policy and the related policies, processes, and procedures, and
- iii. have and will continue to comply with this Policy and the related policies, processes, and procedures.

Signed acknowledgement by all affected JEA employees will be maintained by the [CARCO](#).

Policy Distribution

JEA's EMRM Policy may be distributed outside JEA with the consent of the MD/CEO or CFO provided that such persons or entities receiving this Policy agree to keep this Policy confidential and not disclose it to other parties.

Designated Counsel

Questions about the interpretation of any matters relating to this Policy should be referred to the CFO or CARCO. The CFO and/or or the CARCO will provide clarification and explanation on any updates to this Policy.

All Legal matters stemming from this Policy will be referred to JEA's legal counsel.

Appendices

A. Definitions

Basis Risk – The exposure an organization faces as a result of less-than-perfect correlation between the underlying asset or item being hedged and the product/instrument used to hedge the asset or item.

Bilateral Transaction - Any physical or financial transaction between two counterparties, neither of whom is an Exchange or market entity (e.g. MISO).

Budget Risk – The risk associated with not hitting or falling outside a tolerance band of an organization’s budget.

Capacity – The real power output rating of a generator or system, typically in megawatts, measured on an instantaneous basis.

Commodity - A basic good used in commerce that is interchangeable with other commodities of the same type. Commodities are most often used as inputs in the production of other goods or services. The quality of a given commodity may differ slightly, but it is essentially uniform across producers. When they are traded on an exchange, commodities must also meet specified minimum standards, also known as a basis grade.

Collateralization Risk – The exposure an organization faces from the potential mismatching in timing that can occur between the timing in cash flow associated with the underlying item being hedged and the timing requirements for posting collateral.

Counterparty Risk – The risk associated with potential losses JEA could incur due to a counterparty not fulfilling contractual obligations.

Credit Risk - The financial exposure JEA faces from a counterparty’s refusal or inability to perform its contractual obligations.

FGT Pipeline – Florida Gas Transmission Pipeline

Financial Product – Any Future, Swap or Options contract, or any combination thereof, with any approved physical or Financial Product as the underlying commodity or instrument, which customarily settles financially and in which the primary intent is to settle the transaction financially.

Financial Transaction – Any contract with a Financial Product as the underlying instrument.

Future - A standardized contract which is traded on an organized exchange for delivery in the future of a specified underlying asset.

Hedging Transaction - A transaction designed to reduce the exposure of a specific outstanding position or portfolio; “fully hedged” equates to complete elimination of the targeted risk and “partially hedged” implies a risk reduction of less than 100%.

Implementation Risk – The exposure that an organization faces from failed or inadequate management of processes, people, and systems related to its EMM Program.

Liquidity Risk - The exposure caused by lack of marketability of a financial instrument or physical product at the prices in line with recent sales.

Major Swap Participant – A swap market participant that maintains substantial positions in swaps such that the level of swap activity creates substantial counterparty exposure. The term

“Major Swap Participant” is further defined in 7 U.S.C. 1a(33) and further interpreted in 17 C.F.R. 1.3(hhh).

Mark-to-Market – A measure of the current value of unrealized positions.

Market Risk – The exposure an organization faces due to changes in the value of market variables.

Master Agreement - An agreement reached between two parties that outlines agreed to terms and conditions that will govern transactions made pursuant to it. The document includes but is not limited to billing, deal confirmation, credit and collateral terms. Examples of types of Master Agreements include EEI, ISDA, GISB, Power, NAESB and WSPP.

Maturity - The time between the date on which a transaction is executed to the last date that power or gas will flow (in the case of physical transactions) or be settled financially (in the case of financial transactions).

NYMEX – Abbreviation for the New York Mercantile Exchange which is an exchange platform for commodity futures.

NYMEX Natural Gas – A natural gas futures traded on the NYMEX Exchange.

NYMEX WTI – Abbreviation for West Texas Intermediate, a light, sweet crude oil futures traded on the NYMEX Exchange.

Operating Agreement – The agreement between JEA and TEA that defines the relationship between the two entities.

Operations Risk – The exposure an organization faces due to failure of its assets to perform as expected.

Operative Risk – Operations or Implementation Risk.

Option - The right but not the obligation to buy or sell the underlying asset at a specified price for a specified period of time.

Call Option – An option that gives the buyer of the option the right, but not the obligation, to buy the underlying asset at a specified price at a specified time in the future. The option seller has the obligation to provide the underlying asset if the option is exercised.

Put Option – An option that gives the buyer of the option the right, but not the obligation, to sell the underlying asset at a specified price at a specified time in the future. The option seller has the obligation to take the underlying asset if the option is exercised.

Participation Agreement - a document used by an exchange or service provider to describe the terms and conditions by which such provider has agreed to provide the service to its members/participants.

Physical Product – Any commodity that has been approved by the FPPC.

Physical Transaction – Any contract or agreement for the purchase or sale of a commodity which customarily is delivered physically and in which the primary intent is to deliver the transaction physically.

Policy – JEA’s Energy Market Risk Management (“EMRM”) Policy.

Portfolio – A collection of transactions.

Price Risk – The exposure an organization faces as a result of changes in the market price for power, fuel and emissions allowances.

Principal – Execution of a Transaction under an Agreement where the executer is also a party on the agreement

Qualified Independent Representative (QIR) – a representative required of Special Entities before transacting swaps with Swap Dealers or Major Swap Participants. Among other tasks, the representative is required to evaluate fair pricing for the swap transaction, make timely disclosures to the Special Entity and act in the best interest of the Special Entity. An exhaustive list of the requirements for the representative can be found in 17 C.F.R. 23.450(b).

Regulatory Risk – The risk of increased regulatory burden associated with participating in regulated markets.

Responsible Bidders List – Responsible fuel suppliers acceptable to Fuel Management Services and targeted by JEA in its fuel supply bid solicitations.

Special Entity – A swap transaction counterparty that includes a state agency, city, county, municipality or other political subdivision of a state, or any instrumentality, department, or a corporation of or established by a State or political subdivision of a State. The term “Special Entity” is further defined in 7 U.S.C. 6s(h)(2)(C) and further interpreted in 17 C.F.R. 23.401(C).

Swap – In general terms, a swap includes most financially settled transactions not including futures or options on futures. The term “Swap” is further defined in 7 U.S.C. 1a(47) and further interpreted in 17 C.F.R. 1.3(xxx).

Swap Dealer – A swap market participant that acts as a dealer in commodity swaps. The term “Swap Dealer” is further defined in 7 U.S.C. 1a(49) and further interpreted in 17 C.F.R. 1.3(ggg).

Term – The total duration of a contract, defined as the number of days between the beginning flow date and ending flow date, inclusive.

Trade Option Exemption – An exemption from most Dodd-Frank swap regulations granted to certain physical commodity options. Recordkeeping and reporting requirement still apply. The requirements for the trade option exemption can be found in 17 C.F.R. 32.3.

Transaction – A Physical or Financial Transaction.

Value – An amount that represent the dollar magnitude of the Transaction.

Volumetric Risk – The exposure an organization faces due to deviation from expected levels in the amount of energy delivered or generated.

B. Composition of the Fuel and Purchase Power Committee as of February 17, 2021

Core Members

MD/CEO
Chief Financial Officer
Vice President, Electric Systems
Chief Administrative Officer
Sr. Director, Energy Operations
Manager, Fuel Management Services
Interim Vice President, Financial Services and Treasurer

C. Authorized Personnel

Authorized Personnel List is maintained by Fuel Management Services (FMS) and is available on the FMS Sharepoint page. The following is the Authorized Personnel List as of February 17, 2021.

| | Managing Director/CEO | Chief Financial Officer | Interim VP, Financial Services and Treasurer | Vice President, Electric Systems | Manager Fuel Management Services | Sr. Director Energy Operations | Manager Bulk Power Operations | Electric Systems Engineer, BPO | Energy Operations Specialist | Staff/Associate Engineer, BPO | Electric Systems Operations Specialist | Certified/Associate System Operator | Fuels Specialist | Fuels Administrator, Senior | Fuels Administrator | Fuels Electric Systems Engineer | Fuels Staff/Associate Engineer |
|--|-----------------------|-------------------------|--|----------------------------------|----------------------------------|--------------------------------|-------------------------------|--------------------------------|------------------------------|-------------------------------|--|-------------------------------------|------------------|-----------------------------|---------------------|---------------------------------|--------------------------------|
| Physical Products | | | | | | | | | | | | | | | | | |
| Power Products | | | | | | | | | | | | | | | | | |
| Fixed Price Energy Commodity | x | x | | x | x | x | x | x | x | x | x | x | x | x | x | x | x |
| Indexed Price Energy Commodity | x | x | | x | x | x | x | x | x | x | x | x | x | x | x | x | x |
| Power Capacity | x | x | | x | | x | x | x | x | x | x | x | | | | | |
| Transmission | x | x | | x | | x | x | x | x | x | x | x | | | | | |
| Physical OTC Commodity Options | x | x | | x | x | x | x | x | x | x | x | x | x | x | x | x | x |
| Natural Gas Products | | | | | | | | | | | | | | | | | |
| Fixed Price Natural Gas Commodity | x | x | | x | x | x | x | x | x | x | x | x | x | x | x | x | x |
| Indexed Price Natural Gas Commodity | x | x | | x | x | x | x | x | x | x | x | x | x | x | x | x | x |
| Natural Gas Storage | x | x | | x | x | x | x | x | x | x | x | x | x | x | x | x | x |
| Transportation | x | x | | x | x | x | x | x | x | x | x | x | x | x | x | x | x |
| Physical OTC Commodity Options | x | x | | x | x | x | x | x | x | x | x | x | x | x | x | x | x |
| Crude Oil and Refined Products | | | | | | | | | | | | | | | | | |
| Fixed Price Distillate Fuel Oil Products | x | x | | x | x | | | | | | | | x | x | x | x | x |
| Indexed Price Distillate Fuel Oil Products | x | x | | x | x | | | | | | | | x | x | x | x | x |
| Fixed Price Residual Fuel Oil Products | x | x | | x | x | | | | | | | | x | x | x | x | x |
| Indexed Price Residual Fuel Oil Products | x | x | | x | x | | | | | | | | x | x | x | x | x |
| Fixed Price Petroleum Coke Products | x | x | | x | x | | | | | | | | x | x | x | x | x |
| Indexed Price Petroleum Coke Products | x | x | | x | x | | | | | | | | x | x | x | x | x |
| Coal Products | | | | | | | | | | | | | | | | | |
| Fixed Price Coal Commodity | x | x | | x | x | | | | | | | | x | x | x | x | x |
| Indexed Price Coal Commodity | x | x | | x | x | | | | | | | | x | x | x | x | x |
| Environmental Products | | | | | | | | | | | | | | | | | |
| Air Emissions Allowances | x | x | | x | x | | | | | | | | x | x | x | x | x |
| Fixed Price Limestone | x | x | | x | x | | | | | | | | x | x | x | x | x |
| Indexed Price Limestone | x | x | | x | x | | | | | | | | x | x | x | x | x |
| Financial Products | | | | | | | | | | | | | | | | | |
| Power Products | | | | | | | | | | | | | | | | | |
| Fixed for Floating Swap | x | x | x | x | x | x | x | | | | | | | | | | |
| Heat Rate Swap | x | x | x | x | x | x | x | | | | | | | | | | |
| Financial OTC Option | x | x | x | x | x | x | x | | | | | | | | | | |
| Natural Gas Products | | | | | | | | | | | | | | | | | |
| Fixed for Floating Swap | x | x | x | x | x | | | | | | | | | | | | |
| Swing-Swap | x | x | x | x | x | | | | | | | | | | | | |
| Financial OTC Option | x | x | x | x | x | | | | | | | | | | | | |
| Crude Oil and Refined Products | | | | | | | | | | | | | | | | | |
| Fixed for Floating Swap | x | x | x | x | x | | | | | | | | | | | | |
| Financial OTC Option | x | x | x | x | x | | | | | | | | | | | | |
| Coal Products | | | | | | | | | | | | | | | | | |
| OTC Swap | x | x | x | x | x | | | | | | | | | | | | |
| Financial OTC Option | x | x | x | x | x | | | | | | | | | | | | |

D. Authorized Product List

The purpose of the Authorized Product List is to ensure proper controls are in place to minimize risk when transacting under Master Agreements, Participation Agreements or some other non-standard industry agreement

Approved products will be limited to purchases to meet load and/or sales incidental to load for the following:

Physical Products

Physical Power Products

1. Fixed Price Energy Commodity
2. Indexed Price Energy Commodity
3. Power Capacity
4. Transmission
5. Physical OTC Commodity Options

Physical Natural Gas Products

1. Fixed Price Natural Gas Commodity
2. Indexed Price Natural Gas Commodity
3. Natural Gas Storage
4. Transportation
5. Physical OTC Commodity Options

Physical Crude Oil and Refined Products

1. Fixed Price Distillate Fuel Oil Products
2. Indexed Price Distillate Fuel Oil Products
3. Fixed Price Residual Fuel Oil Products
4. Indexed Price Residual Fuel Oil Products
5. Fixed Price Petroleum Coke Products
6. Indexed Price Petroleum Coke Products

Physical Coal Products

1. Fixed Price Coal Commodity
2. Indexed Price Coal Commodity

Physical Environmental Products

1. Air Emission Allowances
2. Fixed Price Limestone
3. Indexed Price Limestone

Financial Products

Financial Power Products

Any of the instruments listed below or any combination thereof that has electric energy as the underlying commodity, and which: (a) is customarily settled financially, and (b) the primary intent of which is to settle financially. This excludes MISO Products and RTO Bilateral Transactions.

1. Fixed for Floating Swap

2. Heat Rate Swap
3. Financial OTC Option

Financial Natural Gas Products

Any of the instruments listed below or any combination thereof that has natural gas as the underlying commodity, and which: (a) is customarily settled financially, and (b) the primary intent of which is to settle financially.

1. Fixed for Floating Swap
2. Swing-Swap
3. Financial OTC Option

Financial Crude Oil and Refined Products

Any of the instruments listed below or any combination thereof, that has crude oil, residual fuel, or distillate as the underlying commodity, which: (a) is customarily settled financially, and (b) the primary intent of which is to settle the transaction financially.

1. Fixed for Floating Swap
2. Financial OTC Option

Financial Coal Products

Any of the instruments listed below or any combination thereof, that has coal as the underlying commodity, which: (a) is customarily settled financially, and (b) the primary intent of which is to settle the transaction financially.

1. OTC Swap
2. Financial OTC Option

E. Special Entity Representation Selection

JEA, a Special Entity under the Dodd-Frank Financial Reform Act, has selected The Energy Authority as its Qualified Independent Representative (QIR) to provide advice and guidance when entering into swap transactions with Swap Dealers or Major Swap Participants.

F. Term, Maturity and Notional Dollar Limits

JEA employees shall not approve TEA to execute a Transaction beyond the maturity, term and notional dollar limits set for their position below. As of February 17, 2021.

| Position | Maturity Limit (Days) | Term Limit (Days) | Notional Dollar Limit (\$) |
|---|--------------------------------------|----------------------------------|---------------------------------------|
| Managing Director/Chief Executive Officer | 7,350 | 7,300 | \$100,000,000 |
| Chief Financial Officer | 3,725 | 3,675 | \$75,000,000 |
| Vice President, Electric Systems | 3,725 | 3,675 | \$75,000,000 |
| Sr. Director, Energy Operations | 2,970 | 2,920 | \$35,000,000 |
| Manager, Bulk Power Operations (BPO) | 2,970 | 2,920 | \$35,000,000 |
| Manager, Fuel Management Services | 2,970 | 2,920 | \$35,000,000 |
| Electric Systems Engineer, BPO | 1,875 | 1,825 | \$25,000,000 |
| Energy Operations Specialist | 1,875 | 1,875 | \$25,000,000 |
| Staff/Associate Engineer, BPO | 1,875 | 1,825 | \$25,000,000 |
| Electric Systems Operations Specialist | 1,875 | 1,825 | \$25,000,000 |
| Fuels Specialist | 1,875 | 1,825 | \$25,000,000 |
| Fuels Administrator, Senior | 1,875 | 1,825 | \$25,000,000 |
| Fuels Administrator | 1,875 | 1,825 | \$25,000,000 |
| Fuels Electric Systems Engineer | 1,875 | 1,825 | \$25,000,000 |
| Fuels Staff/Associate Engineer | 1,875 | 1,825 | \$25,000,000 |
| Certified System Operator On Duty | balance of the month | balance of the month | \$750,000 |
| Associate System Operator On Duty | balance of the month | balance of the month | \$750,000 |



NOMINATING COMMITTEE AGENDA

DATE: January 13, 2021
TIME: 1:00pm
PLACE: 21 W. Church Street, 19th Floor
 WebEx

| | Responsible Person | Action (A) Info (I) | Total Time |
|---|--------------------|------------------------|---------------|
| I. OPENING CONSIDERATIONS | John Baker | | |
| A. Call to Order | | | |
| B. Adoption of Agenda | | A | |
| II. NEW BUSINESS | | | |
| A. Safety Moment | Jay Stowe | | 5 mins. |
| B. JEA Board of Directors - Slate of Officers | John Baker | A/I | 15 mins. |
| C. Other New Business | | | 10 mins. |
| D. Announcements | | | |
| 1. Next Meeting Scheduled As Needed | | | |
| E. Adjournment | | | |



INTER-OFFICE MEMORANDUM

March 11, 2021

SUBJECT: CORPORATE HEADQUARTERS UPDATE

FROM: Jay Stowe, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

JEA has been planning for a new corporate headquarters (HQ) for several years to address business continuity risks while meeting our headquarters needs in a cost-effective manner. The Board approved a lease with Ryan Companies US, Inc. (Ryan) at its June 25, 2019 meeting and the lease was executed on July 9, 2019 after approval of the site purchase and sale agreement between Ryan and the City of Jacksonville. Reviews by the JEA Board and its Corporate Headquarters Committee in May 2020 resulted in approved changes to the scope of the HQ project including reducing two floors from the main building and the parking garage. A lease amendment reflecting the scope changes was executed on June 23, 2020.

DISCUSSION:

Significant progress continues on the office building construction. The steel frame construction and decking will be completed by end of March on the main building and foundations continue for the parking deck. Detailed coordination continues on construction elements, utilities and design clarifications. JEA executed lease amendment 3 on February 26, 2021 setting the guaranteed maximum price (GMP) for construction scope with Ryan Companies in line with the target budget established in the June 2020 lease amendment. Several lease exhibits updated project responsibilities, allowances, square footages and parking counts in alignment with direction provided by the Board in May 2020. RS&H is reviewing updated program recommendations to accommodate a hybrid workplace model and coordinating on early lead design items with the Ryan team.

Completed section of the 4th floor and decking stacked up on the 5th floor

Week of March 1



FINANCIAL IMPACT:

The proposed reassessment for downtown locations discussed in January may allow for better use of space in the long term and the possibility of short term financial savings.

RECOMMENDATION:

This is provided as information only.

Jay Stowe, Managing Director/CEO

JCS/LMD/NKV