



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

JEA BOARD OF DIRECTORS RETREAT

Location: Jessie Ball duPont Center, 40 E. Adams Street, 2nd Floor, Room 208, Lecture Hall, Jacksonville, FL 32202
 August 10, 2022 | 9:00 am – 4:00 pm

WELCOME

Meeting Called to Order
 Time of Reflection
 Introductions
 Adoption of Agenda ([Action](#))

Bobby Stein, Board Chair

Safety Briefing & Moment Michael Hadden, Manager, Customer and Corporate Communications

COMMENTS / PRESENTATIONS

Council Liaison’s Comments Council Member Michael Boylan

Comments from the Public Public

Managing Director / CEO Report Jay Stowe, Managing Director / CEO

JEA Performance Update Laure Whitmer, Director, Budgets

BOARD AND COMMITTEE REPORTS

External Affairs Committee Report Rick Morales, Committee Chair

Governance, Audit, and Compliance Committee Report Marty Lanahan, Committee Chair

FOR BOARD CONSIDERATION

BUSINESS EXCELLENCE

Consent Agenda ([Action](#))
 Board Meeting Minutes – May 24, 2022
 Previous Governance Committee Minutes – November 8, 2021
 Board Policy Manual
 Board By-Laws

Bobby Stein, Board Chair

District Energy System Call for Rate Hearing ([Action](#)) Juli Crawford, Senior Advisor, Strategy

Delegation of Authority and Responsibility Policy &
 Energy Market Risk Management Policy ([Action](#)) Jody Brooks, Chief Administrative Officer

Plant Vogtle Update Jody Brooks, Chief Administrative Officer
 Joe Orfano, Vice President, Financial Services

Residential Development and Supply Chain Status Alan McElroy, Vice President, Supply Chain &
 Operations Support

OTHER BUSINESS & CLOSING CONSIDERATION

Old & Other New Business / Open Discussion
 Chair’s Report
 Announcements – Next Board Meeting September 20, 2022

Bobby Stein, Board Chair



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

BREAK 10:00 – 10:15 AM

JEA STRATEGIC DIRECTION

Keynote Address

Bill Johnson

LUNCH 11:30 – 12:30 PM

Mission, Core Values, and Strategic Focus Areas

Jay Stowe, Managing Director / CEO



Adjournment

INFORMATIONAL MATERIAL

Appendix A: FY23 Board & Committee Schedule

Appendix B: Financial Statements

Appendix C: Corporate Headquarters Update

BOARD CALENDAR

FY2022 Board Meetings

9:00 am – September 20

FY2022 Committee Meetings

External Affairs Committee – TBD

Finance & Operations Committee – September 9

Governance & Compliance Committee – TBD

Workforce & Customer Committee – September 16

Executive Committee - TBD



Board of Directors Retreat August 10, 2022

To submit a public comment to be read during the meeting, please email Melissa Charleroy at charmm2@jea.com. Public comments must be received no later than 9:10 am.

To provide public comment via WebEx, please refer to the Public Notice on jea.com for detailed instructions.

If you experience any technical difficulties during the meeting, contact Ontario Blackmon at (904) 665-4203 or JEA's WebEx Support Team at webexsupport@jea.com.



Safety Briefing and Moment

Michael Hadden
*Manager, Customer & Corporate
Communications*



Develop an Unbeatable Team

Safety Briefing



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

Emergency Evacuation Route: Use nearest stairwell, proceed to 1st floor, exit building, and cross Adams Street

Assembly Location: Parking lot next to Burrito Gallery (corner of Adams & N. Main St.)

Safety or Medical Assistance: Notify JEA Security Officer

Hazard & Situational Awareness

Cell Phone & Computer Etiquette



Be Prepared for Emergencies

Managing Mental Health

1 in 10 could be diagnosed with an emotional illness

Depression is the world's second leading cause of disability

Prioritize Mental Health and focus on Healthy Self-Care

Make sure it's a part of each day!

JEA



Healthy Self-Care – One Minute For Me

Healthy
Self-Care
One Minute
for Me





Performance Update

Laure Whitmer
Director, Budgets



JEA Performance Scorecard | Data through June 30, 2022

- Pay-for-Performance Measure
- ▲ Higher is good
- ▼ Lower is good
- On Plan or Better
- At Risk
- Unfavorable

	FY20	FY21	FY22 Goal	FY22 YTD	FY22 Forecast	
UNBEATABLE TEAM	● ▼ Safety - Lost Time Incident Rate (LTIR)	0.38	0.66	0.44	0.18	0.28
	▲ Employee Engagement	N/A	N/A		79	79
	▲ Retention	94%	93%		93%	93%
	New Hires	97	182		181	227
	▲ Diversity - Female Representation %	22%	22%		22.8%	22.6%
	▲ Diversity - People of Color Representation %	25%	26%		26.3%	26.1%
	▲ Diversity - Veteran Representation %	19%	20%		18.2%	18.6%
CUSTOMER LOYALTY	● ▲ Customer Satisfaction - Residential (JD Power)	3rd Quartile	3rd Quartile	2nd Quartile	2nd Quartile	2nd Quartile
	● ▲ Customer Satisfaction - Commercial (JD Power)	2nd Quartile	4th Quartile	2nd Quartile	3rd Quartile	3rd Quartile
	▼ Nitrogen to the River (tons)	299	372	440	286	400
	▼ Sanitary Sewer Overflows (Total Count)	48	35	31	19	26
	▼ Environmental Compliance - Permit Exceedances	1	1	4	0	0
BUSINESS EXCELLENCE	▲ Sales - Electric System (MWh)	12,185	12,216	12,200	8,840	12,432
	▲ Sales - Water System (Million Gallons)	38,272	37,181	39,000	29,114	39,360
	▲ Sales - Wastewater System (Million Gallons)	28,160	28,139	29,000	21,873	29,444
	▲ Sales - Reclaim (Million Gallons)	4,427	4,463	5,000	3,730	5,168
	▲ Revenue - Total System (\$M)	\$1,600	\$1,628	\$1,638	\$1,310	\$1,916
	▼ Total Debt (\$M)	\$3,257	\$3,000	\$2,731	\$2,836	\$2,734
	▼ Net Funded Debt (\$M)	\$3,031	\$2,788	\$2,547	\$2,664	\$2,544
	▼ Operations & Maintenance (O&M) Spend (\$M)	\$393	\$381	\$441	\$295	\$423
	▲ Capital Spend (\$M)	\$387	\$355	\$500	\$295	\$551
	▼ Fuel & Purchased Power Expense (\$M)	\$343	\$425	\$534	\$437	\$676
	● ▲ Electric O&M (\$)	\$218	\$214	\$253	\$162	\$234
	● ▲ Water O&M (\$)	\$171	\$163	\$183	\$130	\$184
	▼ Reliability - Customers Experiencing Multiple Interruptions (CEMI-5)	0.25%	0.14%	0.80%	0.20%	0.09%
▼ Reliability - Effective Forced Outage Rate (EFOR)	2.3%	4.0%	3.2%	0.3%	0.2%	
▼ Reliability - Water Unplanned Outages (Number of Customers)	15,342	12,257	7,700	3,144	4,192	
▼ Water Pressure (average min < 30 psi)	4.0	2.1	2.8	3.4	2.5	

Pay for performance is currently projected at 2.33% of base salaries



External Affairs Committee Report

Rick Morales
Chair





Governance, Audit, and Compliance Committee Report

Marty Lanahan
Chair





District Energy System Call for Rate Hearing

Juli Crawford
Senior Advisor, Strategy



District Energy System Rate & Fee Recommendations



Plan for Full Financial Recovery of Costs

Establish Connection Fees & Revamp Contract Terms

To be individually negotiated between each customer and JEA

Restructure Base Rates

Plant Level Demand Rates (per Ton)

\$35.40 Downtown

\$38.90 Hogan's Creek

\$33.30 Springfield

System Level Variable Rates (per Ton-Hour)

\$0.11284 Commodity Charge*

\$0.04814 Consumption Charge

*To be adjusted monthly based on current commodity data (reflects June's forecast)

Reinstitute & Reinforce Delta T (Temperature Change) Penalties

To be determined during contract discussions for each customer

DES Cost-of-Service Results & Recommendations



Report on Cost-of-Service Results



Report on Cost-of-Service Results



Submit Recommendations & Request the Board to Call for a Rate Hearing



Rate Hearing

Staff recommends the Board call for a Rate Hearing to be held at the September Board meeting



Delegation of Authority and Responsibility Policy & Energy Market Risk Management Policy

Jody Brooks
Chief Administrative Officer



Delegation of Authority and Responsibility Policy & Energy Market Risk Management Policy

JEA

Requested Changes to Levels of Authority

Delegation of Authority and Responsibility Policy – Extends the level of authority of the Managing Director/CEO to execute contracts, agreements, or financial instruments from \$50,000,000 to \$100,000,000 and the ability to settle litigation matters from \$150,000 to \$1,000,000

Energy Market Risk Management Policy – For JEA to have the ability to make timely transactions in an ever changing and volatile electric energy and fuels market, this request is being made to increase and align the signing authority of the Managing Director/CEO from \$50,000,000 to \$100,000,000



Staff requests the Board to approve the requested changes to levels of authority in both the Delegation of Authority and Responsibility Policy and the Energy Market Risk Management Policy

16



Plant Vogtle Update

Unit 3 and 4

Jody Brooks
Chief Administrative Officer

Joe Orfano
Vice President, Financial Services



Plant Vogtle Project J Tender Analysis

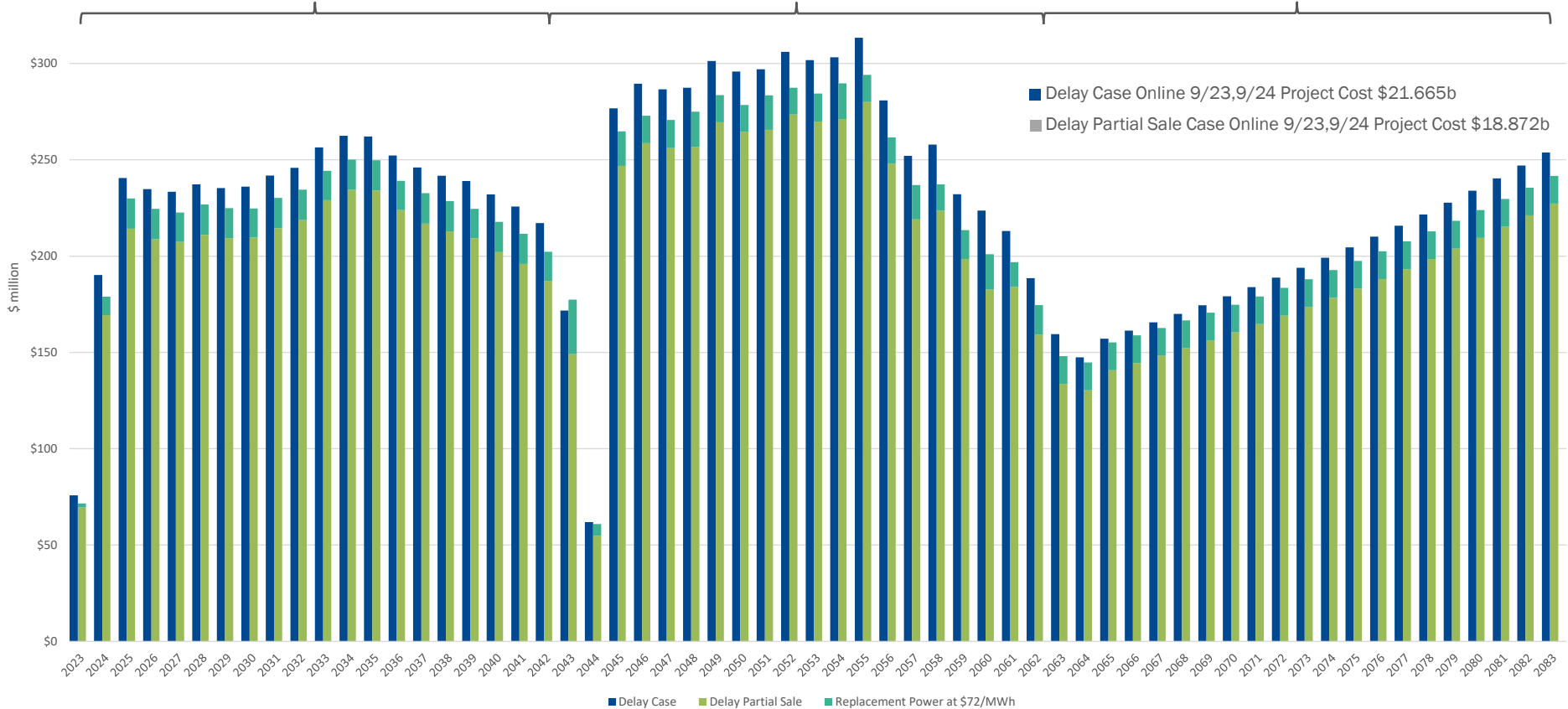


Breakeven \$/MWh for Replacement Power →

\$135/MWh

\$144/MWh

\$106/MWh



Total cost to JEA is lower with the tender option



Residential Development and Supply Chain Status

Alan McElroy
*Vice President, Supply Chain &
Operations Support*



Residential Development and Supply Chain Status



Current State



Alternative Solutions



Project/Materials Model



On-Going Efforts

Residential Development and Supply Chain Status



Project Name	Project Number	Developer	# of Units	Project Type	Job Status	Release to Construction
Eastborough Apartments	UAD 946	Chance Partners	226	Underground	Energized	7/15/2022
Atlantic North Apartments	UAD 962	Davis Development	298	Underground	Energized	7/15/2022
Ranch Road Apts Partial 2	UAD 939	Aventon	162	Underground	Released to construction	7/29/2022
Towns at Avenues Walk Partial 1	UAD 961	Dreamfinders	72	Underground	Released to construction	8/5/2022
Mariners Village	UAD 965	MV Acquisition	80	Underground	Released to construction	8/5/2022
Exchange at Orange Park Partial 2	UAD 944	Hathaway Co	156	Underground	Scheduled to release to construction	8/12/2022
Grand Cypress Partial 2	UAD 955	Gatlin Dev	464	Underground	Scheduled to release to construction	8/12/2022
Wells Creek Phase 3B Partial 2	URD 2776	Mattamy Homes	75	Overhead	Scheduled to release to construction	8/12/2022
Summerglen Partial 3	URD 2751	Garden St	89	Overhead	Scheduled to release to construction	9/9/2022
Gentle Woods North Partial 2	URD 2752	Lennar	46	Overhead	Scheduled to release to construction	9/9/2022
Stillwater Phase 1B Partial 2	URD 2774	Lennar	82	Overhead	Scheduled to release to construction	9/16/2022
River Landing at Nocatee Phase 1B	URD 2753	PARC Grp	72	Overhead	Scheduled to release to construction	9/16/2022
Middlebourne Phase 1/Partial 2	URD 2780	ICI Homes	76	Overhead	Scheduled to release to construction	10/14/2022
Brookside Preserve Phase 1A&1B Partial 2	URD 2777	KB Home	44	Overhead	Scheduled to release to construction	10/14/2022
SEQ Residential Phase 1A Partial 2	URD 2756	ICI Homes/David Weekly Homes	103	Overhead	Scheduled to release to construction	10/21/2022
Westland Infrastructure	UCD 370	Davis Family/Westland Timber	2,650 ft	Underground	Scheduled to release to construction	10/21/2022
Creekside Preserve Partial 2	URD 2750	Southern Imp	21	Overhead	Scheduled to release to construction	10/21/2022
Stillwood Pines Blvd Phase 1A & 1B	UCD 355	Skinner Realty	4,200 ft	Underground	Scheduled to release to construction	11/4/2022
Ascend Durbin Creek Crossing	UAD 950	DR Horton	230	Underground	Scheduled to release to construction	11/18/2022
Pacific Gardens Partial 2	URD 2779	Corner Lot	114	Overhead	Scheduled to release to construction	11/18/2022
East Peyton Pkwy Phase 1	UCD 359	GATE	1,000 ft	Underground	Scheduled to release to construction	11/25/2022
Newton TH Phase 2	UAD 963	Toll Brothers	67	Underground	Scheduled to release to construction	12/9/2022
Menlo 2.0 Apartments	UAD 967	Catalyst DP	337	Underground	Scheduled to release to construction	12/9/2022
Sandler Lakes Phase 2	URD 2767	KB Home	49	Overhead	Scheduled to release to construction	12/16/2022
Olde Mandarin Estates Phase 2	URD 2807	Mattamy Homes	29	Overhead	Scheduled to release to construction	1/6/2023
Towns at Avenues Walk Partial 2	UAD 961	Dreamfinders	110	Underground	Scheduled to release to construction	1/13/2023
River Landing at Nocatee Phase 2	URD 2798	PARC Grp	15	Overhead	Scheduled to release to construction	1/13/2023

Supply Chain Update

Electric Services Asset Use Guidelines

Maintain customers in-service with emergency restoration and storm response

Support economic development

Pause Overhead-to-Underground projects







Keynote Address

Bill Johnson





CORE VALUES

SAFETY

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

RESPECT

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

INTEGRITY

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

STRATEGIC FOCUS AREAS

Develop an UNBEATABLE TEAM

- Exceptional work culture
- Employee development
- Employee engagement
- Labor relations
- Long-term workforce planning
- Diversity, equity & inclusion
- 'Work from Wherever' approach

Deliver BUSINESS EXCELLENCE

- Reasonable rates
- Sound financial decisions
- Integrated Resource Plan
- Resilient/reliable infrastructure
- Technology, tools & data
- New business opportunities
- Real estate portfolio

Earn CUSTOMER LOYALTY

- Ease of doing business
- Environmental stewardship
- Economic development
- Community engagement
- Stakeholder relationships
- JEA brand management

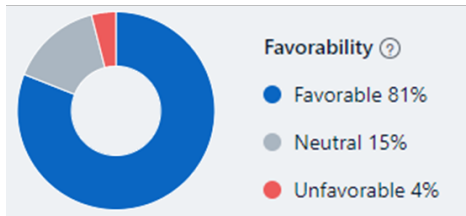
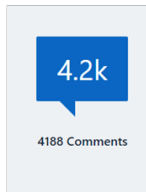
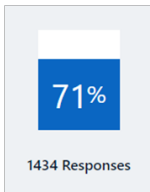
Improving Lives. Building Community. To Be the Best Utility in the Nation



Supplemental Information



What JEA Employees Are Saying...



STRENGTHS

Work Life Balance

I am able to successfully balance my work and personal life.

Purpose

The work that I do at JEA is meaningful to me.

Resources

I have the resources I need to do my job well.

OPPORTUNITIES

Action Taking

I believe meaningful action will be taken as a result of this survey.

Values

People at JEA live the company values.

Ethics

People at JEA behave ethically.

JEA's Approach to Work from Wherever You are Best...



2022 2023 2024 2025

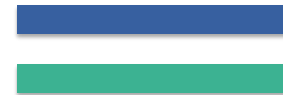
Physical Space

- Completion of JEA's new headquarters
- Develop remote worker equipment options



Compensation & Benefits Review

- Consider tax implications of official workstation variations
- Revisit traditional benefits packages



Talent Planning

- Update recruiting practices to target talent pools with flexible job opportunities
- Incorporate flexible location in succession plans and talent reviews where appropriate



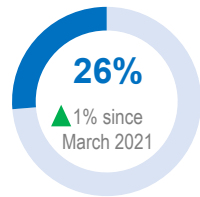
Our Workforce...



We want the demographics of our workforce to **reflect the diversity of northeast Florida** – so we must be intentional in our recruiting efforts to ensure our candidate pools are diverse, grow diversity in leadership, and support diversity in the community

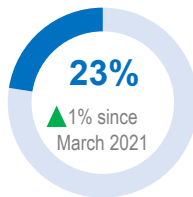
WHERE WE ARE NOW

People of Color



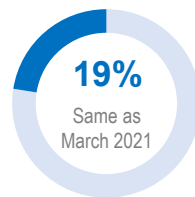
Jacksonville = 35%
Utility Industry = 24%

Female



Jacksonville = 49%
Utility Industry = 22%

Veteran %



Jacksonville = 9%
Utility Industry = 8%

June 2022	White	Minority	Minority %	Δ Minority since March 2021	Male	Female	Female %	Δ Gender since March 2021
Craft/Skilled Workforce	987	303	23%	1.0%	1083	207	16%	1.0%
Individual Contributor	288	153	35%	1.0%	275	166	38%	2.0%
Manager & Specialist	154	52	25%	0.0%	142	64	31%	3.0%
Director	40	8	17%	8.0%	34	14	29%	-4.0%
Extended Leadership Team	10	2	17%	-11.6%	12	0	0%	0.0%
Leadership Team	6	3	33%	7.5%	4	5	56%	5.5%
Board of Directors	6	1	14%	-14.3%	6	1	14%	0.0%

- Notes:
1. Excludes JEA Temporaries and External Contractors
 2. Jacksonville demographic data is 2018 MSA estimates (Duval, St. Johns, Clay, Nassau, & Baker Counties) [Source: 2014-2018 ACS 5-Year EEO Estimates](#)
 3. Utility Industry demographic data is from Center for Energy Workforce Development (CEWD) 2021 Workforce Pipeline Survey Results

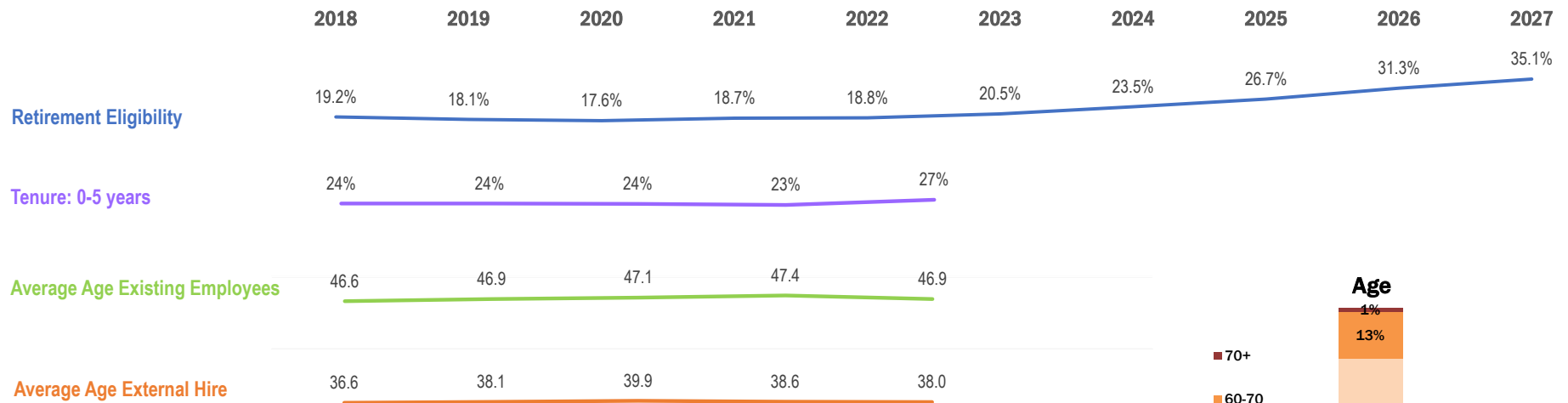
Our focus over the next three years...

- Ensuring diverse candidate pools in our recruiting efforts
- Partner with local organizations to grow diverse talent
- Maintain or increase diversity in leadership
- Support diversity in the community

Our Workforce...



Retirement eligibility & flight risk and the average age of external hires continues to reflect mid-career hires

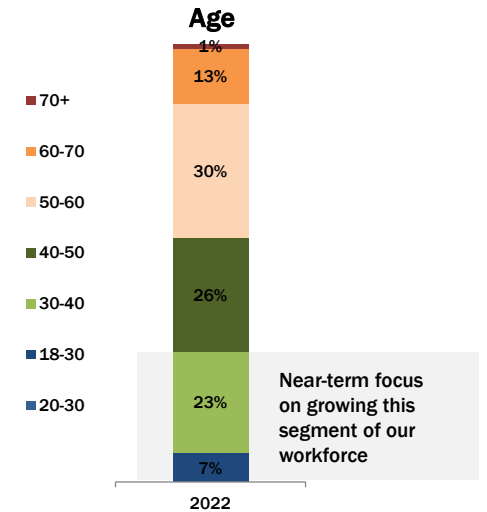


Our focus over the next three years...

Furthering our co-op program to consider a rotation program for entry-level professionals

Strengthen the pipeline of our workforce with targeted recruiting for entry-level positions

Strategically over hiring for key roles to allow for knowledge transfer



Planning for the Future...



Retirement eligibility & flight risk is already here and will continue to get worse over the next several years...



...and the **labor market is tighter** than ever

Succession Planning Appointed Positions	Retirement Eligibility	Ready Now	Ready < 2 Years	Ready > 2 Years
Executive 21 total	29%	19%	14%	5%
Director 48 total	33%	17%	26%	31%
Manager 206 total	15%	11%	15%	27%

Pipeline Apprenticeship Program	Current		5 Year Projection	
	Journeyman	Apprentice 4 Yr Duration	Turnover	Apprentice 4 Yr Duration
Network Cable Splicer 34 Total	25	9 (26%)	10	9 (26%)
Line Maintainer 169 Total	143	26 (15%)	55	52 (31%)
Maintenance Mechanic / Utilities Installer Servicer 208 Total	127	81 (39%)	75	70 (34%)
Meter Technician 96 Total	91	5 (5%)	45	36 (38%)
Substation Technician 24 Total	22	2 (8%)	10	8 (33%)

What Makes JEA an Unbeatable Team...



Fostering an exceptional culture where employees feel a sense of belonging at JEA



Empowering employees to work where they work best – flexibility and accountability

Being an employer of choice with competitive pay and benefits



Having high employee engagement where JEA employees are happy working at JEA and would recommend it as a great place to work



Serving with purpose around our mission to build community and improve lives



CORE VALUES		
SAFETY We put the physical and emotional wellbeing of people first, both at and away from the workplace.	RESPECT We treat others with courtesy and respect, seeking diverse perspectives and helping to bring out the best in everyone.	INTEGRITY We place the highest standard on ethics and personal responsibility, worthy of the trust our customers and colleagues place in us.

Living up to its core values where everything is done through the lens of safety, respect, and integrity



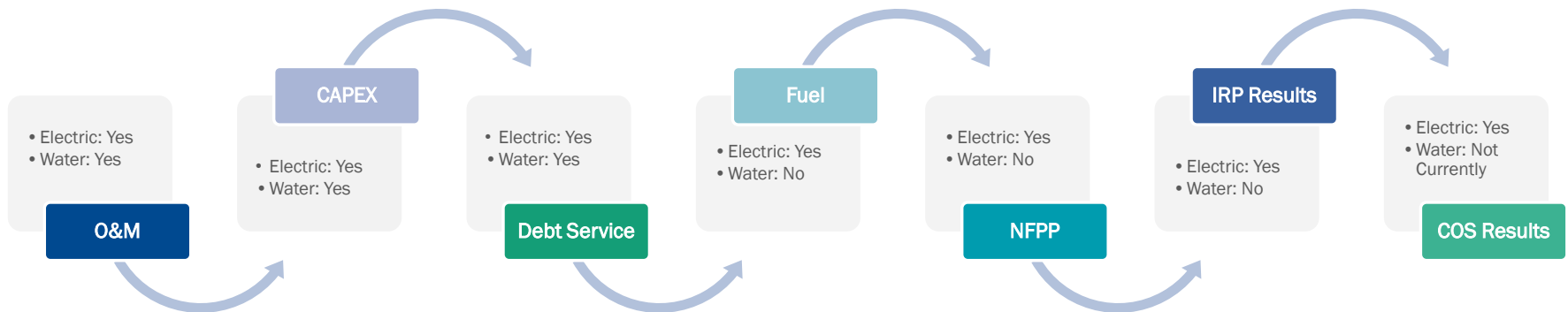
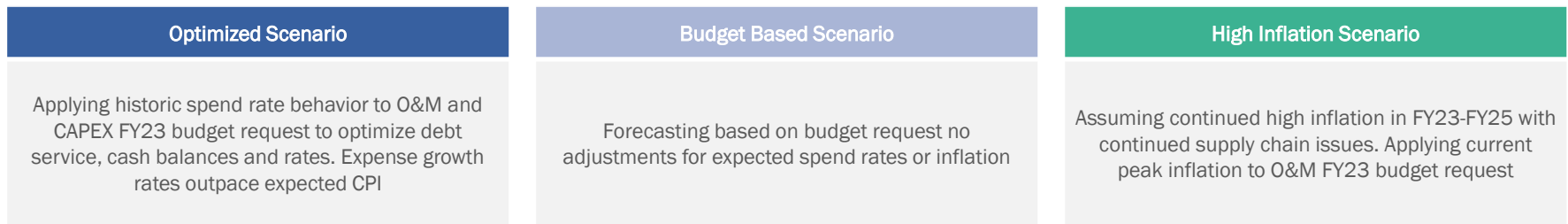
Offering opportunities to grow and learn with both internal and external training offerings

Utilities Technician Program
JEA and First Coast High School are teaming up to offer pre-apprentice opportunities beginning August 2022



Delivering Business Excellence

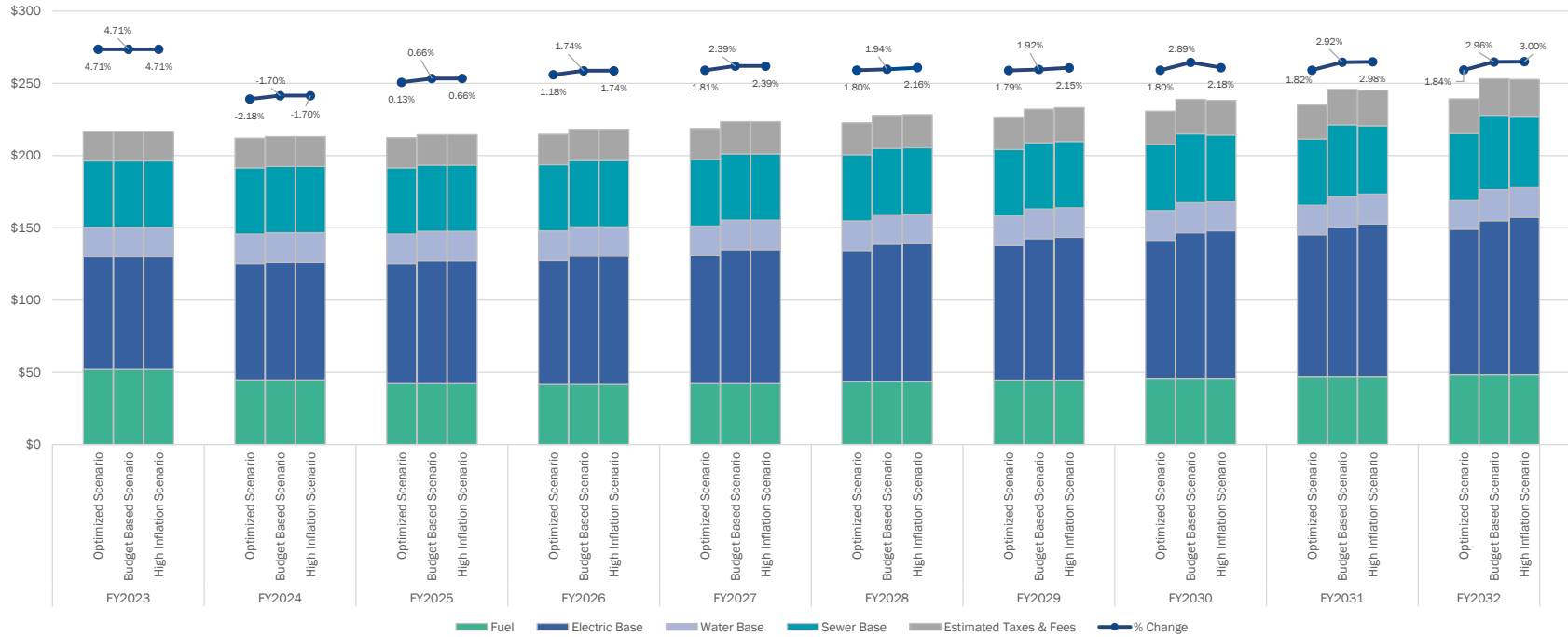
10 Year Financial Scenario Analysis Influencing Factors



CAPEX – Capital Expenditures
 COS – Cost of Service
 CPI – Consumer Price Index
 IRP – Integrated Resource Plan
 NFPP – Non-Fuel Purchased Power
 O&M – Operation & Maintenance (Controllable Costs)

10 Year Financial Scenario Analysis

Average Residential Bill Scenario Impacts



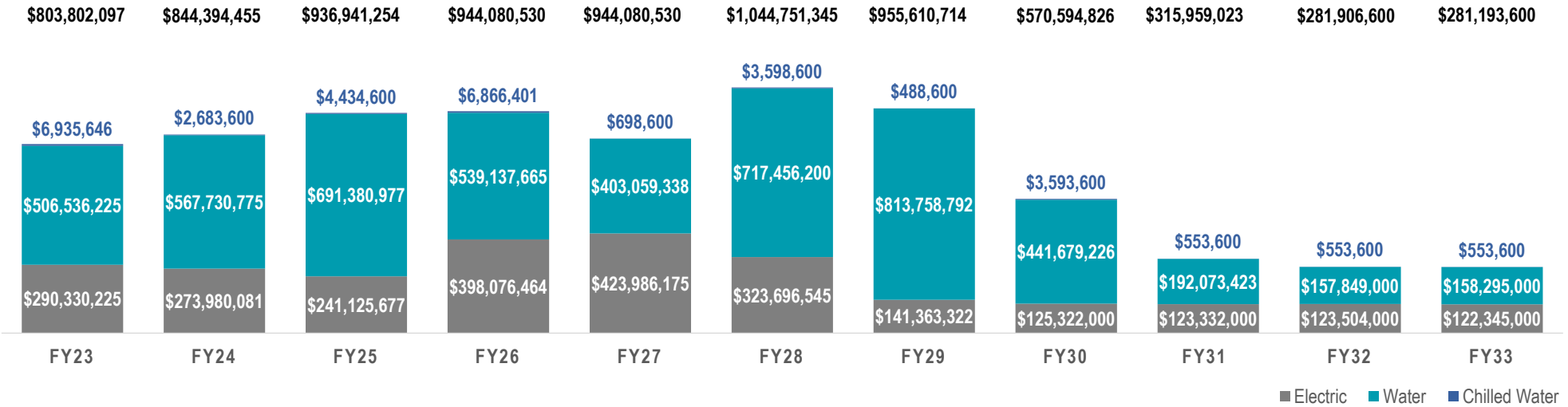
*graph is for illustrative purposes only

Planning for Capital Expenditures

\$7.8 billion over the next 10 years...



FY28 – FY33 does not yet reflect full list of projects to be included in the plan



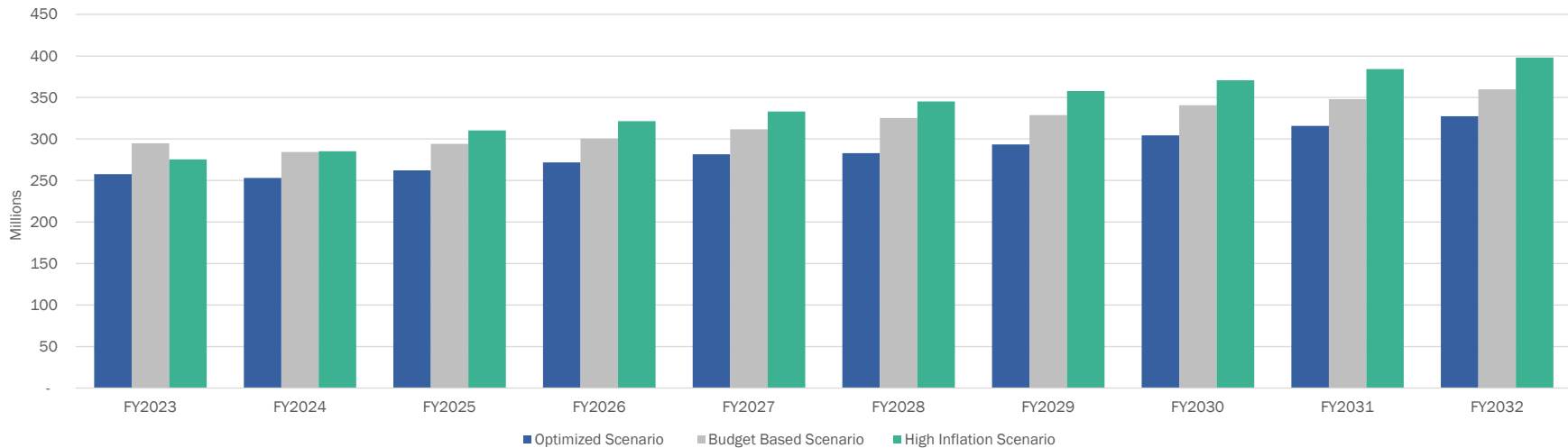
Electric	Total Amount
Greenland Combined Cycle Addition (or other IRP outcome)	\$710,000,000
New Electric Service Additions	158,000,000
Electric Distribution Maintenance Capital Upgrades	143,500,000
Development Driven Projects	133,250,000
Technology Projects	105,175,000
Fleet Replacement	92,277,210
Water Advanced Metering Infrastructure (AMI)	83,000,000

Water	Total Amount
Buckman Water Reclamation Facility	\$728,975,523
Galvanized Pipe Replacement	396,053,691
Southwest Water Reclamation Facility	300,306,030
Arlington East	284,005,832
Buckman Biosolids Conversion	239,937,370
Cedar Bay Water Reclamation Facility	201,781,881
Wastewater Large Capital Improvements	184,543,036

Chilled Water	Total Amount
Renewal & Replacement	\$6,735,000
Jaguars Performance Facility Pipe Extension	6,432,046
Downtown Expansion – New Chiller & Cooling Tower	5,837,801
Downtown Development	2,001,000
Hogan's Creek Replace Chiller #1	1,500,000
Hogan's Creek Replace Chiller #2	1,500,000
Hogan's Creek Replace Chiller #3	1,500,000

Electric 10 Year Financial Scenario Analysis

Influencing Factor: Non-Fuel O&M



■ Optimized Scenario ■ Budget Based Scenario ■ High Inflation Scenario

Optimized Scenario

- **FY2023**- based on average spend rate of budget request
- **FY2024-2032** Annualized increase: 4%. Based on FY2018A-FY2022F average O&M growth
- Core inflation is expected to continue to cool in CY22, peaking in this year. In this scenario, the Annualized increase in O&M out paces forecasted CPI.

Budget Based Scenario

- **FY2023**- budget request. Highest of the three scenarios presented
- **FY2024-2032** Annualized increase: 3%.
- No assumptions made for inflation

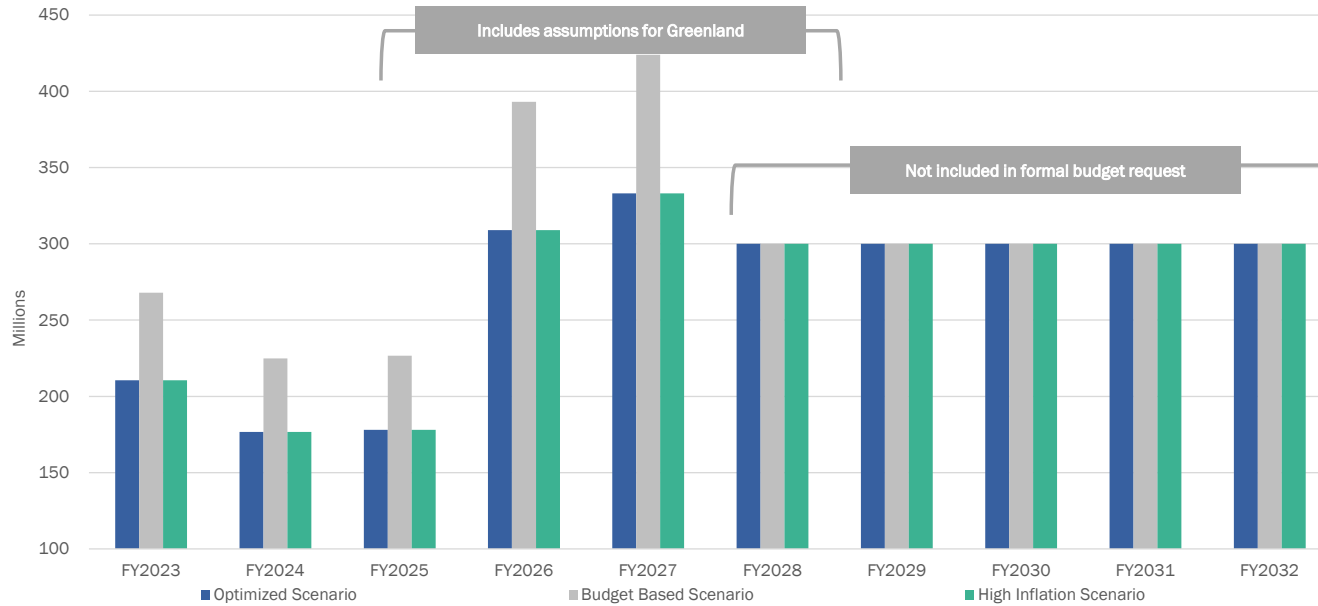
High Inflation Scenario

- **FY2023-2025** Annualized increase: 9%
- Geopolitical conflicts, US fiscal & monetary policies, and global supply chain issues could continue to put upward pressure on core inflation. In this scenario, FY23-25 are grown based on current peak inflation (CY22).
- **FY2026-2032** Annualized increase: 4% Based on FY2018A-FY2022F average O&M growth



Electric 10 Year Financial Scenario Analysis

Influencing Factor: CAPEX



Optimized Scenario

- FY2023- FY2027** based on FY2018-FY2022F average spend rate of budget request
- No strong capital plan **outside of FY2027**, assuming placeholder CAPEX for future generation projects yet to be identified

Budget Based Scenario

- FY2023-FY2027** aligns with formal budget request.
- No strong capital plan **outside of FY2027**, assuming placeholder CAPEX for future generation projects yet to be identified

High Inflation Scenario

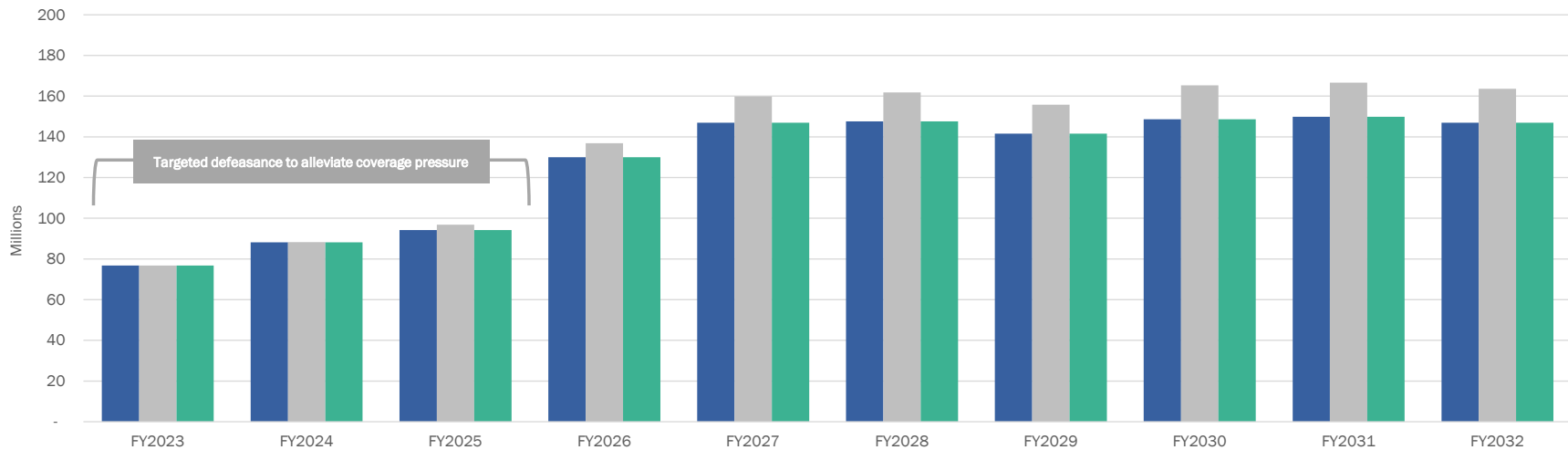
- CAPEX assumptions **align with the Optimized Scenario**. If the economy does not recover as currently forecasted, it is believed that supply chain issues would still impact project completion, even if the cost of materials continues to rise.

Optimized Scenario	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032
Projected New Debt	\$-	\$-	\$20M	\$110M	\$135M	\$90M	\$90M	\$90M	\$90M	\$90M
Projected Capital Fund Balance	\$160M	\$183M	\$219M	\$208M	\$145M	\$198M	\$195M	\$172M	\$165M	\$167M



Electric 10 Year Financial Scenario Analysis

Influencing Factor: Debt Service (Budget Basis)



■ Optimized Scenario ■ Budget Based Scenario ■ High Inflation Scenario

Optimized Scenario

- Projections assume \$355M in new debt to partially fund GEC plus additional new debt in FY28-32 to support placeholder generation expansion CAPEX
- In this scenario, optimizing targeted new debt to positively impact all financial metrics

Budget Based Scenario

- Projections assumes new debt to fully support GEC plus additional new debt in FY28-32 to support placeholder generation expansion CAPEX
- Current GEC forecasted overall project budget = \$710M to be adjusted at completion of IRP.
- Forecasted debt service growth highest in this scenario

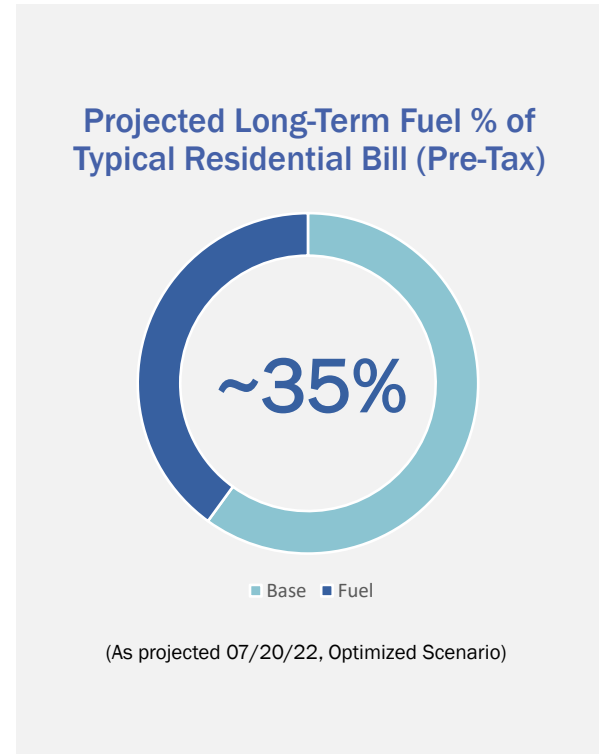
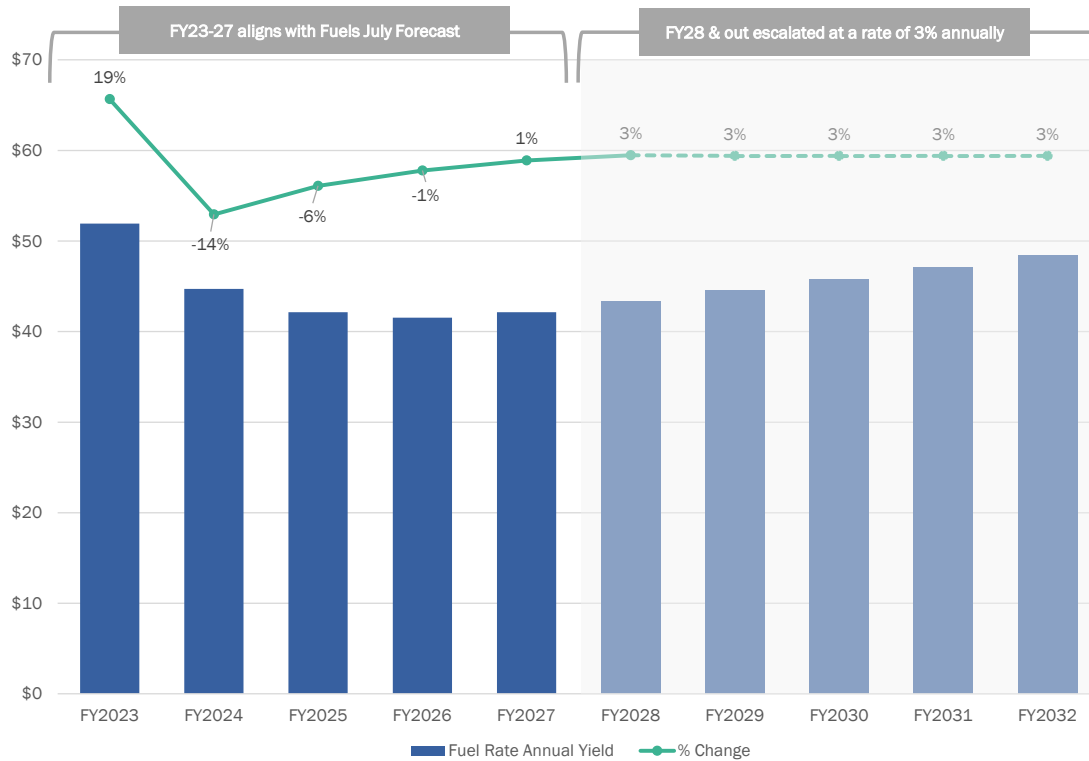
High Inflation Scenario

- CAPEX assumptions set equal to the Optimized Scenario with no consideration for potential higher interest rates on new debt
- There is sufficient cash to support high inflation on O&M and the same CAPEX as Optimized Scenario (in part due to higher rate revenue) but it results in lower capital cash balances

Note: Assumptions do not include BABS sequestration impacts. Build America Bonds (BABS) sequestration could impact projected rate increases & debt service, if Congress takes action

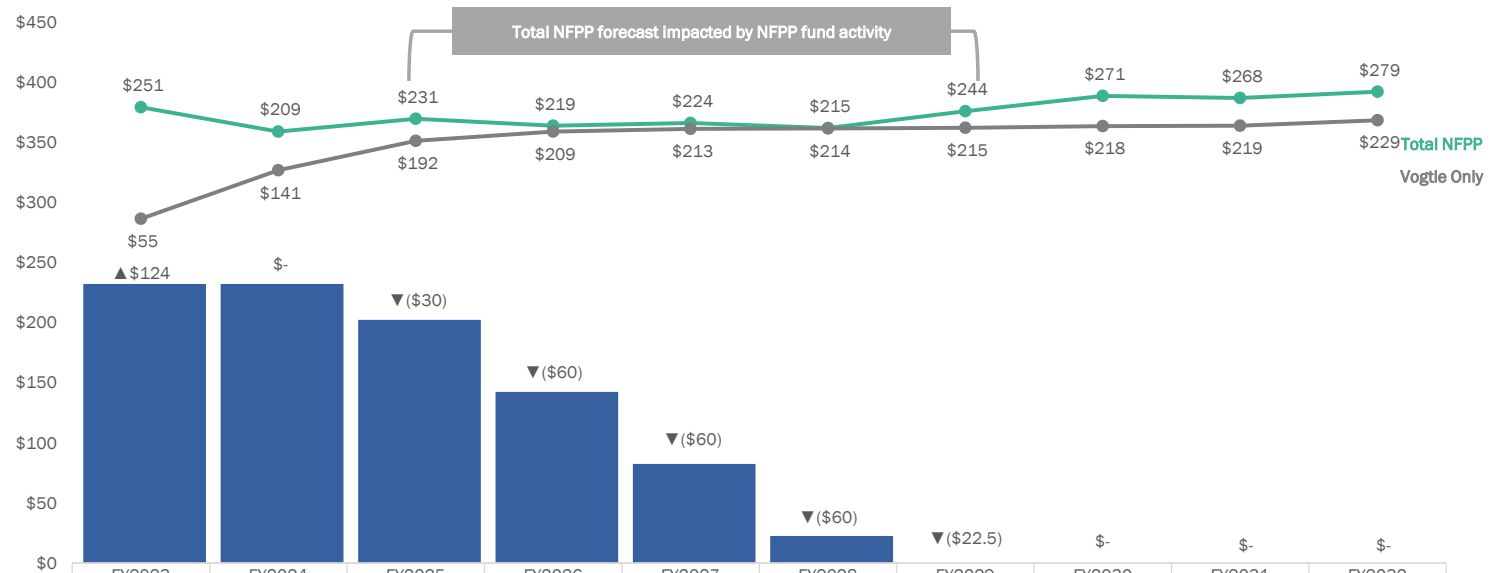
Electric 10 Year Financial Scenario Analysis

Influencing Factor: Fuel



Electric 10 Year Financial Scenario Analysis

Influencing Factor: Non-Fuel Purchase Power (NFPP)



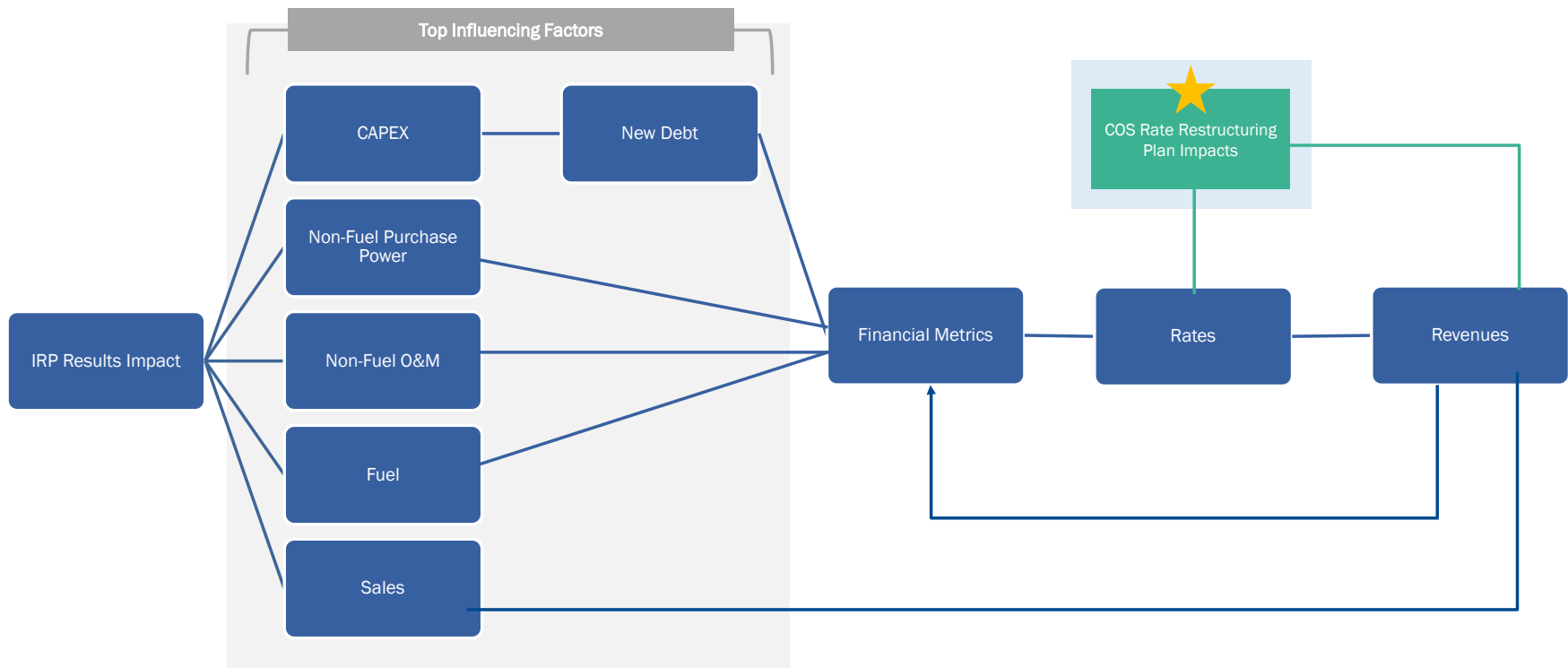
	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032
Beg Balance of NFPP	\$102.5	\$232.5	\$232.5	\$202.5	\$142.5	\$82.5	\$22.5	\$-	\$-	\$-
Contribution to NFPP	\$130.0	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-	\$-
Withdrawal from NFPP	\$-	\$-	(\$30.0)	(\$60.0)	(\$60.0)	(\$60.0)	(\$22.5)	\$-	\$-	\$-
Ending Balance of NFPP	\$232.5	\$232.5	\$202.5	\$142.5	\$82.5	\$22.5	\$-	\$-	\$-	\$-
Total Non-Fuel Purchase Power Expense	\$251	\$209	\$231	\$219	\$224	\$215	\$244	\$271	\$268	\$279
Vogtle Contract PPA (Excluding Fuel)	\$55	\$141	\$192	\$209	\$213	\$214	\$215	\$218	\$219	\$229

Vogtle projections assume a Unit 3 start date of June 2023 and a Unit 4 start date of October 2024. **Changes to actual start dates and total MEAG payments likely to occur.** Vogtle expenses are a main driver of fixed charge coverage (FCC) pressure, as assumptions shift so does the FCC pressure. *Shifts to Fixed Charge Coverage (FCC) pressure can result in different base rate changes needed.*

Withdrawals from the fund alleviate rate increase pressure starting in FY25

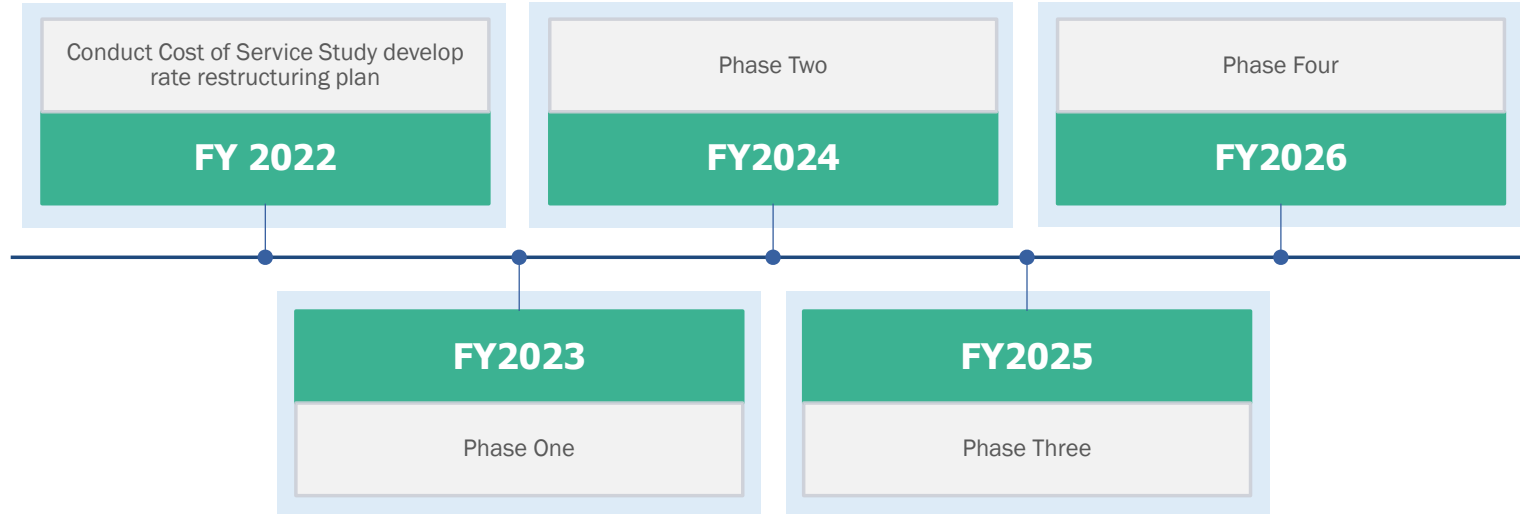
Electric 10 Year Financial Scenario Analysis

Influencing Factor: IRP Results



Electric 10 Year Financial Scenario Analysis

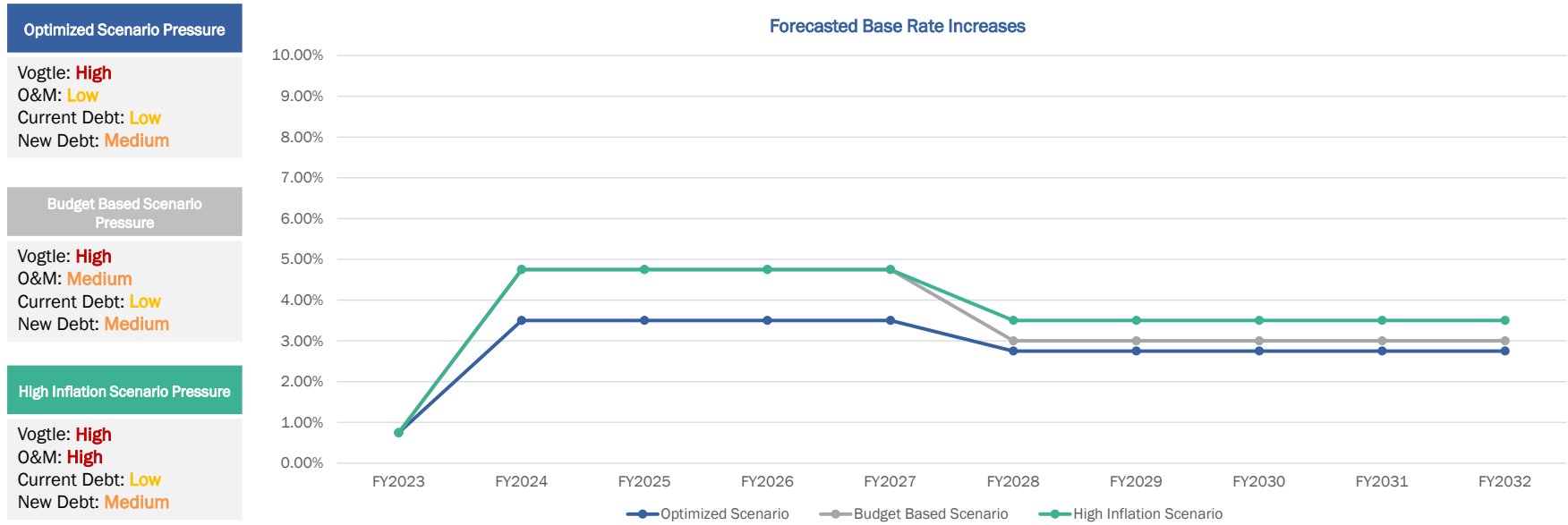
Influencing Factor: Potential Rate Restructuring Impacts





Electric 10 Year Financial Scenario Analysis

Potential Base Rate Increases Mainly Driven by Fixed Charge Coverage (FCC) Pressure

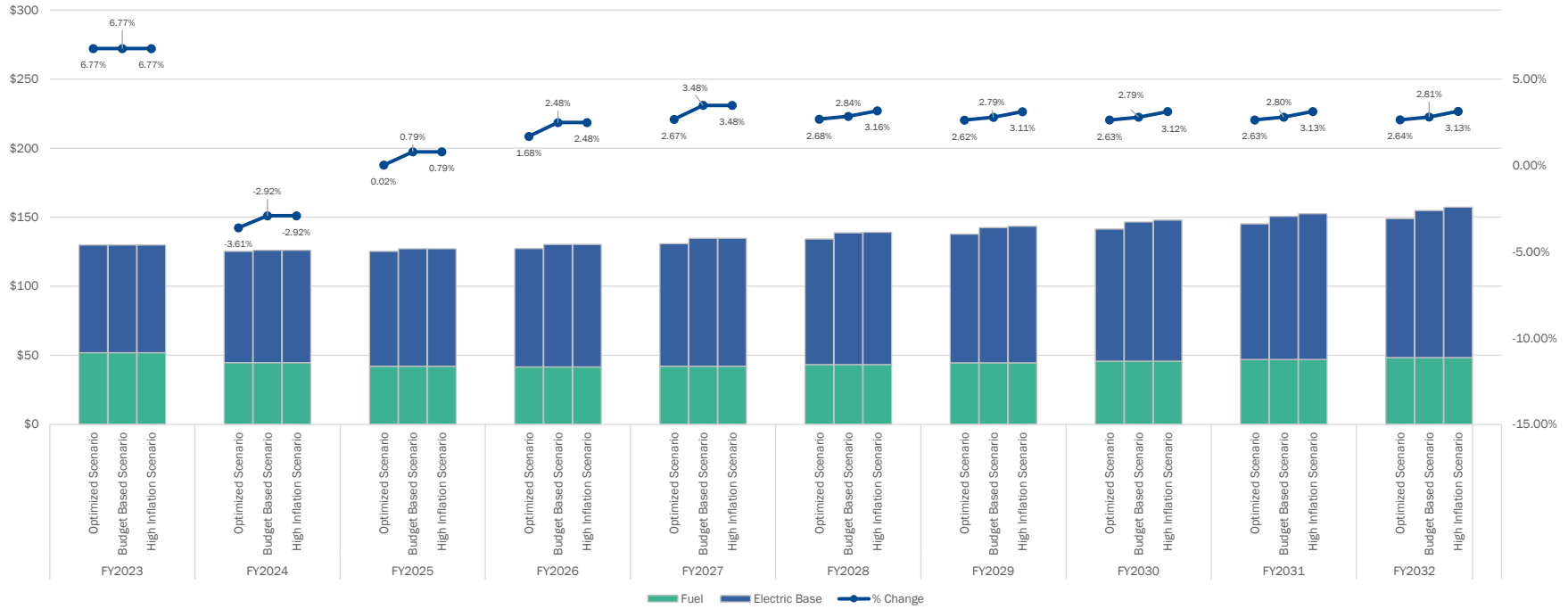


- Optimized Scenario Pressure**
 Vogtle: **High**
 O&M: **Low**
 Current Debt: **Low**
 New Debt: **Medium**
- Budget Based Scenario Pressure**
 Vogtle: **High**
 O&M: **Medium**
 Current Debt: **Low**
 New Debt: **Medium**
- High Inflation Scenario Pressure**
 Vogtle: **High**
 O&M: **High**
 Current Debt: **Low**
 New Debt: **Medium**

FCC takes into consideration impacts from changes to net revenue, changes to total aggregated debt service, city contribution assumptions, and PPA capacity payment assumptions.
JEA's current long term internal FCC target is 1.6x.

Electric 10 Year Financial Scenario Analysis

Average Residential Bill (Pre-Tax) Scenario Impacts

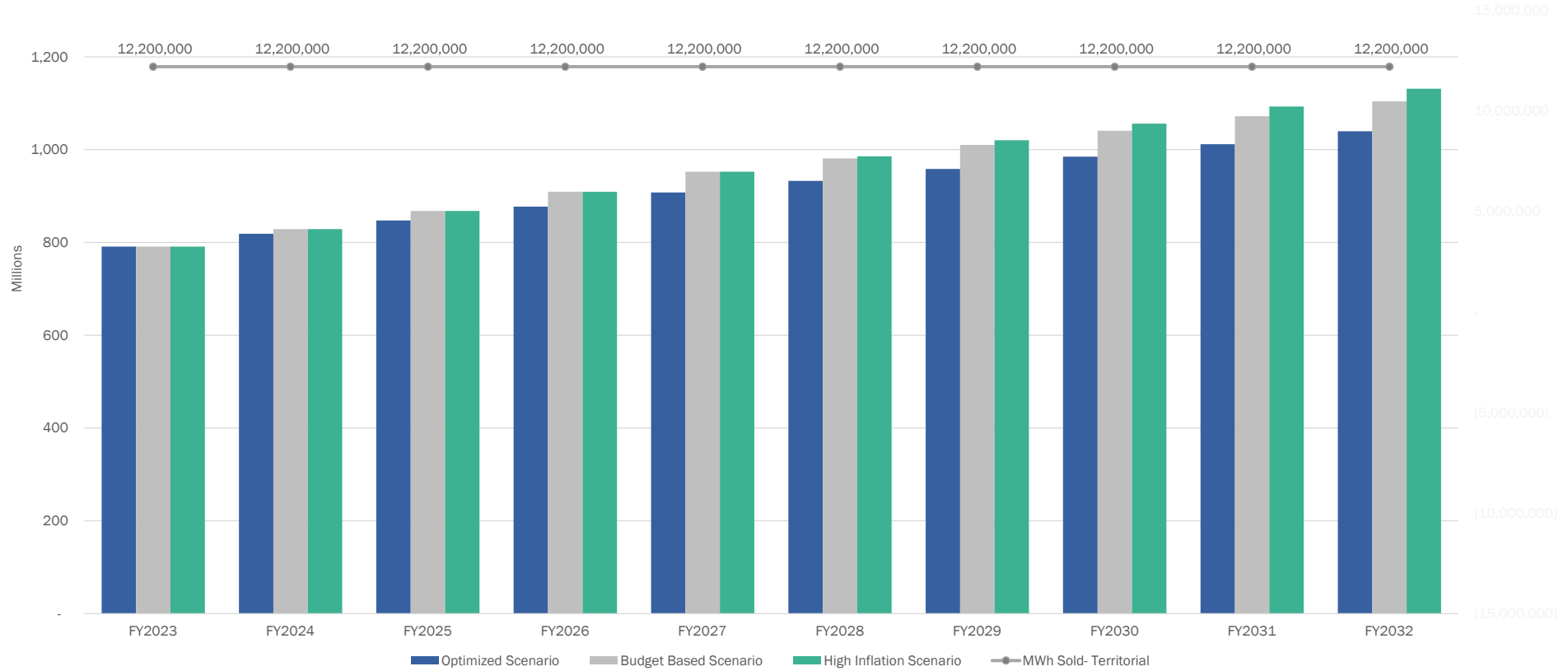


This graph is for illustrative purposes only

This does not take into consideration any impacts from potential rate restructuring. The final rate restructuring and rate changes will be determined as part of the ongoing COS discussions. Total bill can also be impacted by changes in fuel market. Actual bills will vary.

Electric 10 Year Financial Scenario Analysis

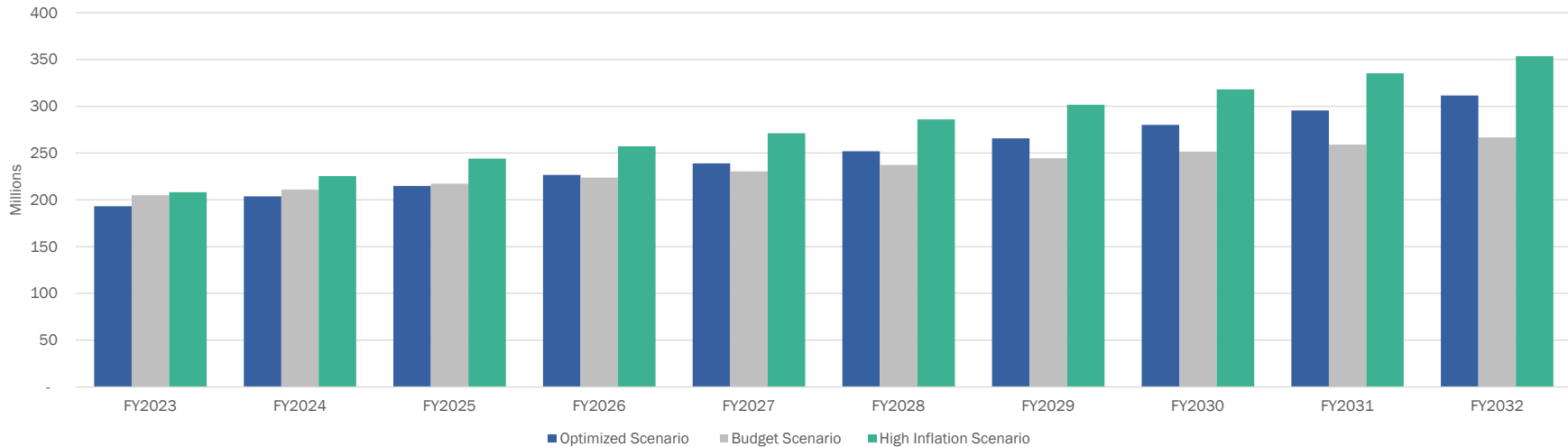
Projected Base Revenues & Sales



Growing revenue is mainly driven by higher revenue requirements

Water 10 Year Financial Scenario Analysis

Influencing Factor: O&M



Optimized Scenario

- **FY2023**- based on average spend rate of budget request
- **FY2024-2032** Annualized increase: 6% Based on FY2018A-FY2022F average O&M growth
- Core inflation is expected to continue to cool in CY22, peaking in this year. In this scenario, the Annualized increase in O&M out paces forecasted CPI.

Budget Based Scenario

- **FY2023**- budget request. Highest of the three scenarios presented
- **FY2024-2032** Annualized increase: 3%.
- No assumptions made for inflation

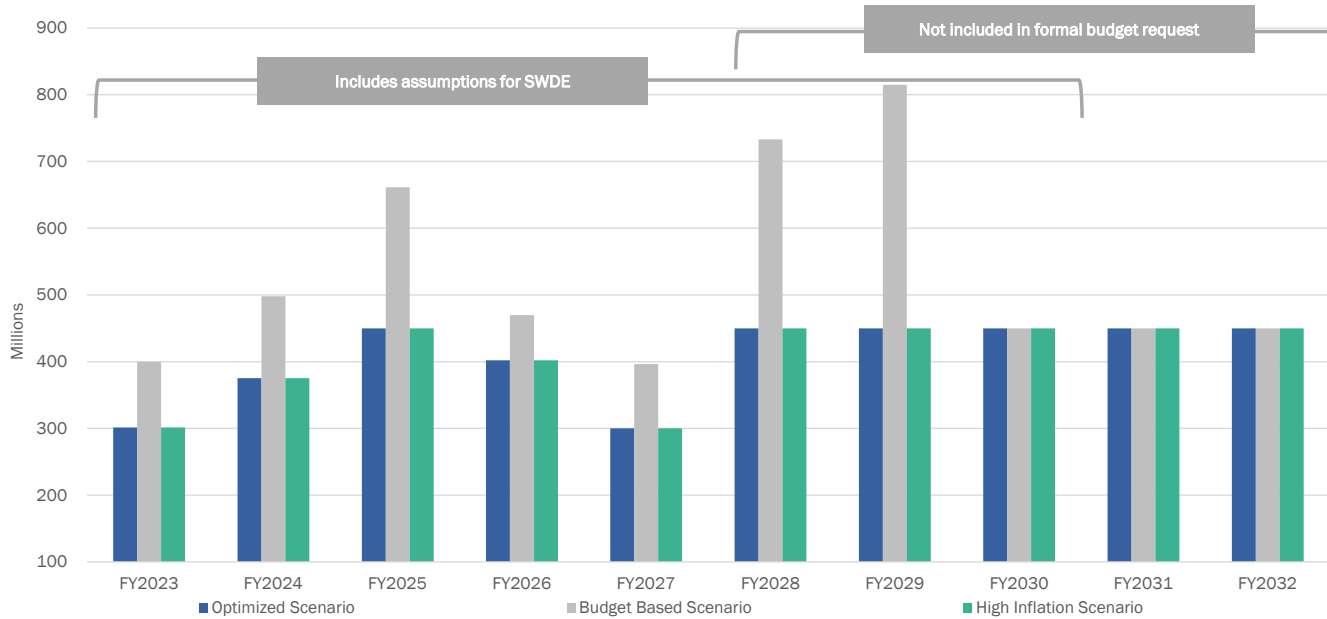
High Inflation Scenario

- FY2023-2025 Annualized increase: 10%
- Geopolitical conflicts, US fiscal & monetary policies, and global supply chain issues could continue to put upward pressure on core inflation. In this scenario, FY23-25 are grown based on current peak inflation (CY22).
- **FY2026-2032** Annualized increase: 6% Based on FY2018A-FY2022F average O&M growth



Water 10 Year Financial Scenario Analysis

Influencing Factor: CAPEX



Optimized Scenario

- **FY2023- FY2027** based on FY2018-FY2022F average spend rate of budget request
- **FY2028-FY2032** adjusted based on maximum threshold bound of \$450M in any given year

Budget Based Scenario

- **FY2023-FY2027** aligns with formal budget request. **FY2028 & FY2029** align with forecast assumptions at that time.
- **FY2030-FY2032** adjusted based on maximum threshold bound of \$450M in any given year

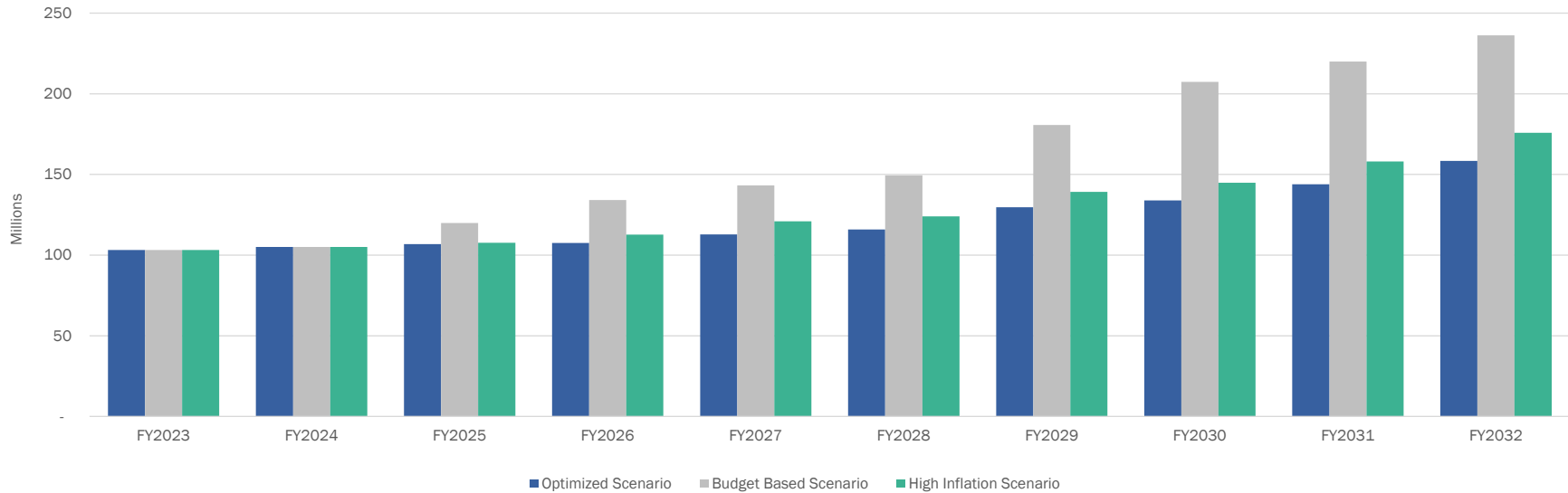
High Inflation Scenario

- CAPEX assumptions **align with the Optimized Scenario**. If the economy does not recover as currently forecasted, it is believed that supply chain issues would still impact project completion, even if the cost of materials continues to rise.

Optimized Scenario	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032
Projected New Debt	\$-	\$-	\$150M	\$150M	\$100M	\$200M	\$200M	\$200M	\$200M	\$200M
Projected Capital Fund Balance	\$131M	\$44M	\$30M	\$46M	\$108M	\$116M	\$109M	\$97M	\$70M	\$21M

Water 10 Year Financial Scenario Analysis

Influencing Factor: Debt Service (Budget Basis)



Optimized Scenario

- Forecasted debt service impacted by targeted \$1.4B new debt to support forecasted CAPEX

Budget Based Scenario

- Forecasted debt service impacted by targeted \$2.8B to support substantial budgeted capital plan

High Inflation Scenario

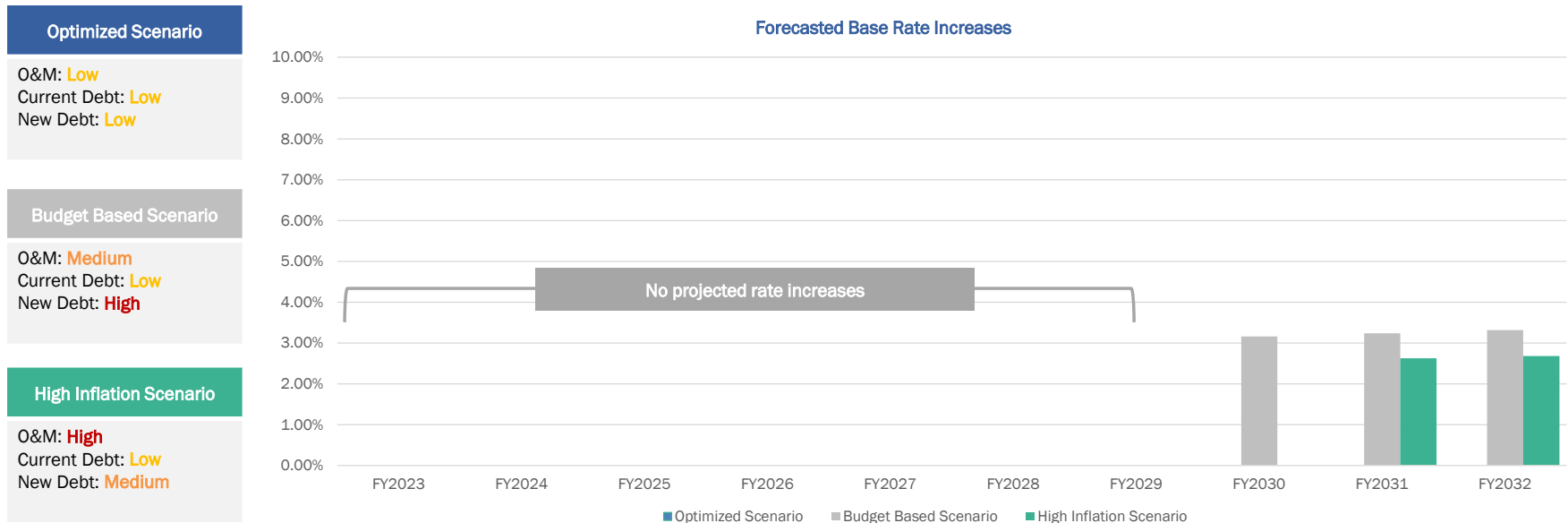
- Forecasted debt service impacted by targeted \$1.8B to support forecasted CAPEX
- New money need higher in high inflation scenario than Optimized Scenario (despite the same CAPEX assumptions) due to higher O&M and thereby less capital fund contributions from revenue year over year

Note: Assumptions do not include BABS sequestration impacts. BABS sequestration could impact projected rate increases & debt service, if Congress takes action

Water 10 Year Financial Scenario Analysis



Potential Base Rate Increases driven by Fixed Charge Coverage (FCC) & Debt Service Coverage (DSC) Pressure



Optimized Scenario
 O&M: **Low**
 Current Debt: **Low**
 New Debt: **Low**

Budget Based Scenario
 O&M: **Medium**
 Current Debt: **Low**
 New Debt: **High**

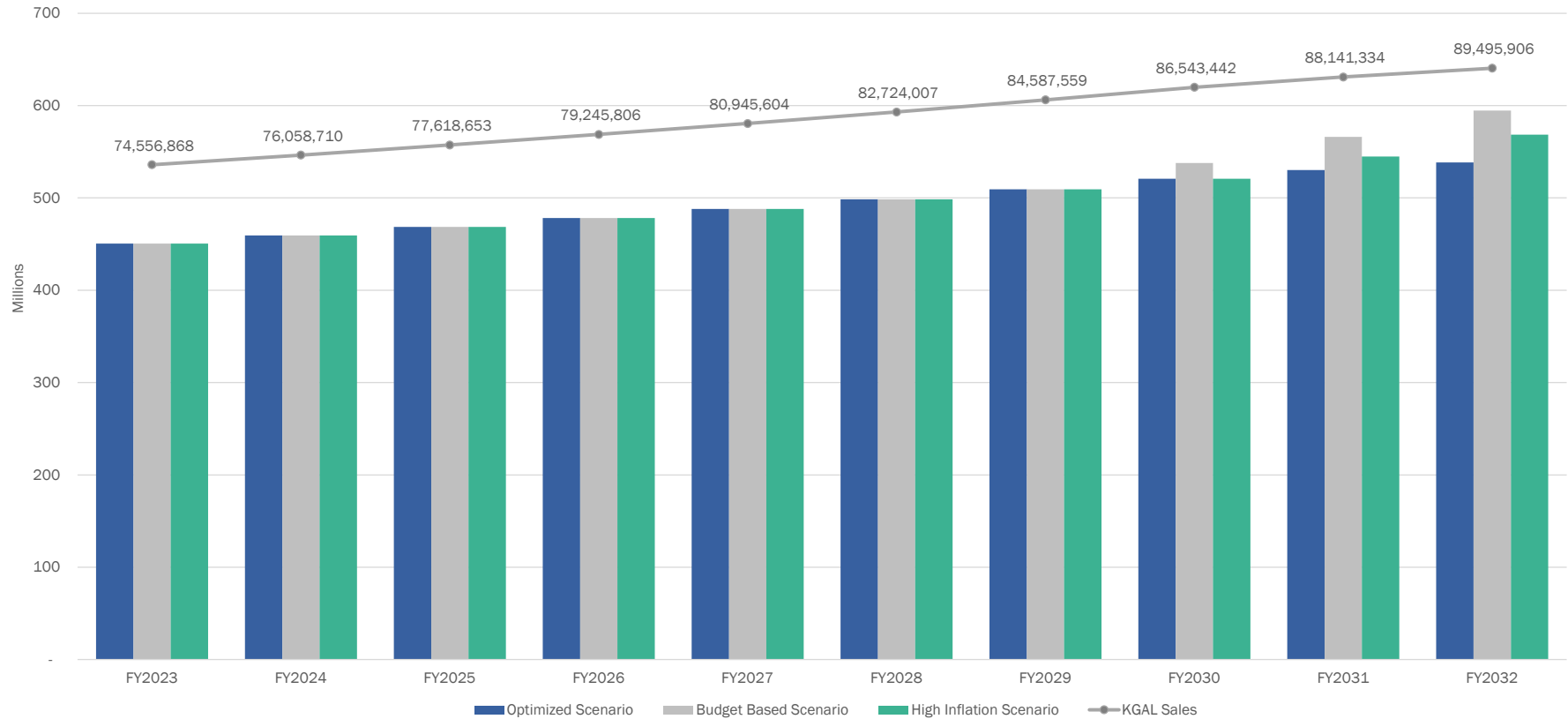
High Inflation Scenario
 O&M: **High**
 Current Debt: **Low**
 New Debt: **Medium**

*FCC takes into consideration impacts from changes to net revenue, changes to total aggregated debt service, and city contribution assumptions.
 JEA's current long term internal FCC target is 2.0x.*

*DSC takes into consideration impacts from changes to net revenue and changes to total aggregated debt service
 JEA's pricing policy DSC target is 2.0x.*

Water 10 Year Financial Scenario Analysis

Projected Base Revenues & Sales



Growing revenue is primarily driven by higher sales and customer growth

Electric 10 Year Financial Scenario Analysis

Optimized Scenario Results



Projections (Budget Basis)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
MWH Sold - Territorial	12,200,000	12,200,000	12,200,000	12,200,000	12,200,000	12,200,000	12,200,000	12,200,000	12,200,000	12,200,000
Revenue Projections										
Fuel Rate \$/MWh ¹	\$51.91	\$44.71	\$42.13	\$41.54	\$42.15	\$43.38	\$44.57	\$45.80	\$47.07	\$48.37
Fuel Rate % Change ¹	18.86%	-13.88%	-5.77%	-1.40%	1.47%	3%	3%	3%	3%	3%
Fuel Rate Revenue ¹	\$627,914,939	\$540,771,600	\$509,548,450	\$502,403,468	\$509,769,333	\$524,690,848	\$539,111,217	\$553,964,196	\$569,262,765	\$585,020,291
Base Rate Revenue \$/MWh ²	\$64.84	\$67.11	\$69.46	\$71.89	\$74.41	\$76.45	\$78.55	\$80.71	\$82.93	\$85.21
Base Rates % Change	0.75%	3.50%	3.50%	3.50%	3.50%	2.75%	2.75%	2.75%	2.75%	2.75%
Base Rate Revenue ²	\$791,048,000	\$818,734,680	\$847,390,394	\$877,049,058	\$907,745,775	\$932,708,783	\$958,358,275	\$984,713,128	\$1,011,792,739	\$1,039,617,039
NFPP Projections										
Total Non Fuel Purchase Power	\$251,277,616	\$208,585,322	\$231,193,311	\$218,868,185	\$223,555,007	\$214,838,986	\$244,375,904	\$271,411,360	\$267,630,011	\$278,731,636
O&M Projections										
Total Operating and Maintenance Expense ^{3,4,5}	\$257,727,897	\$253,081,422	\$262,255,896	\$271,762,955	\$281,614,656	\$282,823,491	\$293,402,407	\$304,364,820	\$315,724,633	\$327,496,251
Debt Service Projections										
Total Debt Service Expense ⁶	\$76,798,079	\$88,132,371	\$94,186,861	\$129,998,881	\$146,962,574	\$147,587,779	\$141,567,294	\$148,595,308	\$149,836,448	\$146,888,046
CAPEX Projections										
Total Capital Spending ^{7,8}	\$210,585,633	\$176,658,846	\$178,113,579	\$308,917,847	\$333,068,433	\$300,000,000	\$300,000,000	\$300,000,000	\$300,000,000	\$300,000,000
Capital Fund Balance	\$160,121,072	\$182,607,855	\$218,538,085	\$208,115,987	\$145,184,788	\$198,208,068	\$195,269,751	\$171,558,142	\$165,406,873	\$166,597,410
Metric Projections										
Debt Service Coverage	5.52	5.01	4.60	3.47	3.14	3.34	3.37	3.10	3.20	3.29
Fixed Charge Coverage	2.33	2.00	1.77	1.63	1.59	1.70	1.69	1.61	1.67	1.70
Debt to Asset Ratio	46%	44%	43%	43%	42%	41%	37%	33%	28%	25%
Modified Days Cash	165	175	175	153	131	115	108	101	99	98
Modified Days Liquidity	289	299	297	272	248	232	223	213	208	204

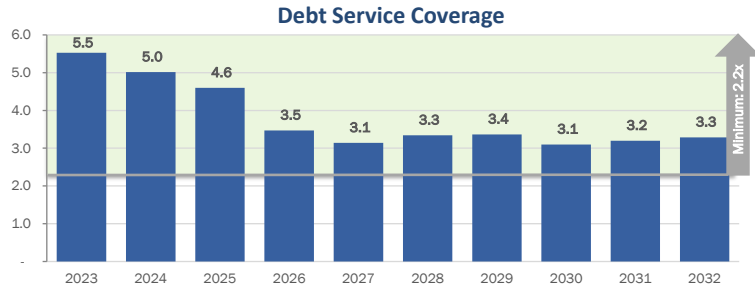
- (1) FY23-27 align with Fuels July Forecast. FY28 & out escalated at a rate of 3%.
- (2) Includes base rate revenue assumptions only. Excludes environmental & conservation revenue assumptions
- (3) FY23 reflective of forecasted spend, not budget request. O&M growth rate based on FY18-FY22F average O&M growth rate
- (4) Budget basis total operating and maintenance expenses. To include: non-fuel O&M, environmental O&M, conservation/DSM O&M, and natural gas pass through O&M assumptions
- (5) FY23 includes one time Kennedy Remediation expense. FY24 & out assumptions set at \$1.5M (average five year spend)
- (6) Targeting new debt to partially support GEC and other new generation placeholder CAPEX
- (7) Forecasted total capital spending reflective of forecasted spend, not budget request. FY18-FY22F average spend rates applied to budget request, with placeholder new generation CAPEX in the back half of the ten year window
- (8) Includes environmental CAPEX

Notes:
 Assumptions do not include BABS sequestration impacts. BABS sequestration could impact projected rate increases & debt service
 Assumptions do not include IRP results (not yet complete). IRP recommendation could impact fuel, NFPP, capital spending, O&M, rates, and metrics.

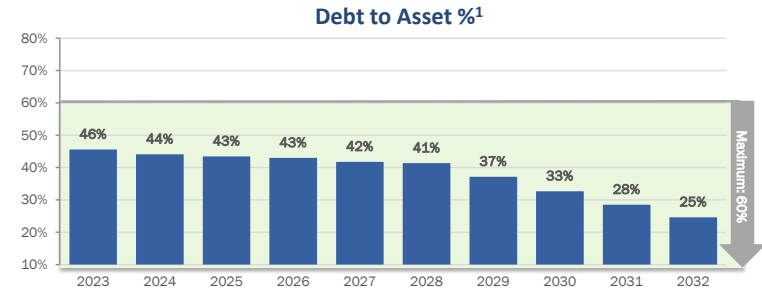


Electric 10 Year Financial Scenario Analysis

Optimized Scenario Financial Projections

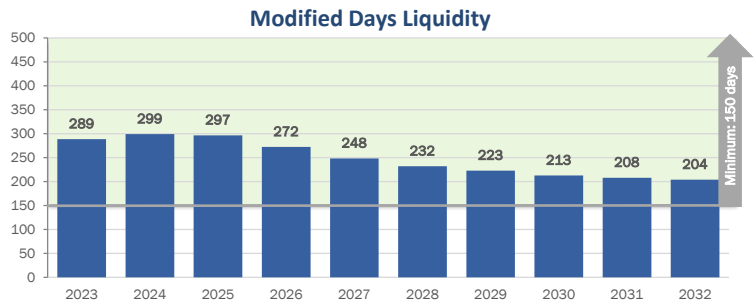


Strong Debt Service Coverage metrics result of prior accelerated debt repayments. Near-term opportunity to refinance debt for additional savings

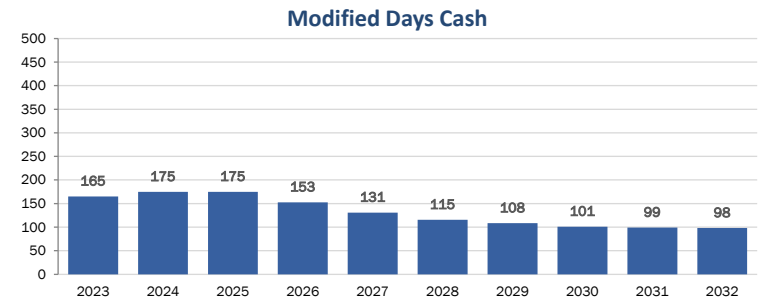


Debt to Asset % under internal policy targets

¹ Includes Electric System, Scherer and SJRPP



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



Modified days cash above 90 days in five-year window

Electric 10 Year Financial Scenario Analysis

Budget Based Scenario Results



Projections (Budget Basis)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
MWH Sold - Territorial	12,200,000	12,200,000	12,200,000	12,200,000	12,200,000	12,200,000	12,200,000	12,200,000	12,200,000	12,200,000
Revenue Projections										
Fuel Rate \$/MWh	\$51.91	\$44.71	\$42.13	\$41.54	\$42.15	\$43.38	\$44.57	\$45.80	\$47.07	\$48.37
Fuel Rate % Change	18.86%	-13.88%	-5.77%	-1.40%	1.47%	3%	3%	3%	3%	3%
Fuel Rate Revenue	\$627,914,939	\$540,771,600	\$509,548,450	\$502,403,468	\$509,769,333	\$524,690,848	\$539,111,217	\$553,964,196	\$569,262,765	\$585,020,291
Base Rate Revenue \$/MWh ¹	\$64.84	\$67.92	\$71.15	\$74.53	\$78.07	\$80.41	\$82.82	\$85.30	\$87.86	\$90.50
Base Rates % Change	0.75%	4.75%	4.75%	4.75%	4.75%	3.00%	3.00%	3.00%	3.00%	3.00%
Base Rate Revenue ¹	\$791,048,000	\$828,622,780	\$867,982,362	\$909,211,524	\$952,399,072	\$980,971,044	\$1,010,400,175	\$1,040,712,180	\$1,071,933,546	\$1,104,091,552
NFPP Projections										
Total Non Fuel Purchase Power	\$251,277,616	\$208,585,322	\$231,193,311	\$218,868,185	\$223,555,007	\$214,838,986	\$244,375,904	\$271,411,360	\$267,630,011	\$278,731,636
O&M Projections										
Total Operating and Maintenance Expense ²	\$294,871,671	\$284,311,308	\$294,099,031	\$300,443,841	\$311,643,982	\$325,239,329	\$328,778,351	\$340,633,892	\$347,975,639	\$359,669,783
Debt Service Projections										
Total Debt Service Expense	\$76,798,079	\$88,269,639	\$96,826,188	\$136,814,616	\$159,802,266	\$161,832,471	\$155,811,986	\$165,345,129	\$166,586,269	\$163,637,867
CAPEX Projections										
Total Capital Spending ³	\$268,006,000	\$224,828,398	\$226,679,793	\$393,150,450	\$423,886,175	\$300,000,000	\$300,000,000	\$300,000,000	\$300,000,000	\$300,000,000
Metric Projections										
Debt Service Coverage	4.95	4.71	4.31	3.30	2.97	3.07	3.16	2.90	3.04	3.15
Fixed Charge Coverage	2.07	1.89	1.71	1.61	1.57	1.64	1.67	1.59	1.67	1.71
Debt to Asset Ratio	45%	43%	44%	44%	46%	46%	42%	38%	33%	30%
Modified Days Cash	132	122	128	100	94	75	70	64	65	69
Modified Days Liquidity	252	243	247	217	208	188	181	172	172	172

(1) Includes base rate revenue assumptions only. Excludes environmental & conservation revenue assumptions

(2) Budget basis total operating and maintenance expenses. To include: non-fuel O&M, environmental O&M, conservation/DSM O&M, and natural gas pass through O&M assumptions

(3) Includes environmental CAPEX.

Electric 10 Year Financial Scenario Analysis

High Inflation Scenario Results



Projections (Budget Basis)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
MWH Sold - Territorial	12,200,000	12,200,000	12,200,000	12,200,000	12,200,000	12,200,000	12,200,000	12,200,000	12,200,000	12,200,000
Revenue Projections										
Fuel Rate \$/MWh ¹	\$51.91	\$44.71	\$42.13	\$41.54	\$42.15	\$43.38	\$44.57	\$45.80	\$47.07	\$48.37
Fuel Rate % Change ¹	18.86%	-13.88%	-5.77%	-1.40%	1.47%	3%	3%	3%	3%	3%
Fuel Rate Revenue ¹	\$627,914,939	\$540,771,600	\$509,548,450	\$502,403,468	\$509,769,333	\$524,690,848	\$539,111,217	\$553,964,196	\$569,262,765	\$585,020,291
Base Rate Revenue \$/MWh ²	\$64.84	\$67.92	\$71.15	\$74.53	\$78.07	\$80.80	\$83.63	\$86.55	\$89.58	\$92.72
Base Rates % Change	0.75%	4.75%	4.75%	4.75%	4.75%	3.50%	3.50%	3.50%	3.50%	3.50%
Base Rate Revenue ²	\$791,048,000	\$828,622,780	\$867,982,362	\$909,211,524	\$952,399,072	\$985,733,039	\$1,020,233,696	\$1,055,941,875	\$1,092,899,840	\$1,131,151,335
NFPP Projections										
Total Non Fuel Purchase Power	\$251,277,616	\$208,585,322	\$231,193,311	\$218,868,185	\$223,555,007	\$214,838,986	\$244,375,904	\$271,411,360	\$267,630,011	\$278,731,636
O&M Projections										
Total Operating and Maintenance Expense ^{3,4,5}	\$275,498,330	\$285,106,582	\$310,252,983	\$321,499,988	\$333,154,709	\$345,231,927	\$357,746,957	\$370,715,670	\$384,154,513	\$398,080,528
Debt Service Projections										
Total Debt Service Expense ⁶	\$76,798,079	\$88,132,371	\$94,186,861	\$129,998,881	\$146,962,574	\$147,587,779	\$141,567,294	\$148,595,308	\$149,836,448	\$146,888,046
CAPEX Projections										
Total Capital Spending ^{7,8}	\$210,585,633	\$176,658,846	\$178,113,579	\$308,917,847	\$333,068,433	\$300,000,000	\$300,000,000	\$300,000,000	\$300,000,000	\$300,000,000
Capital Fund Balance	\$142,350,639	\$142,802,476	\$151,096,267	\$122,125,357	\$51,158,566	\$93,361,421	\$86,410,050	\$66,033,799	\$71,142,353	\$92,131,166
Metric Projections										
Debt Service Coverage	5.22	4.72	4.26	3.31	3.08	3.26	3.33	3.12	3.28	3.43
Fixed Charge Coverage	2.19	1.89	1.66	1.57	1.56	1.66	1.68	1.62	1.71	1.76
Debt to Asset Ratio	46%	44%	43%	43%	42%	41%	37%	33%	28%	25%
Modified Days Cash	157	158	149	122	99	81	74	68	70	75
Modified Days Liquidity	279	279	266	237	212	192	183	174	173	175

(1) FY23-27 align with Fuels July Forecast. FY28 & out escalated at a rate of 3%.

(2) Includes base rate revenue assumptions only. Excludes environmental & conservation revenue assumptions

(3) FY23-26 escalated according to peak inflation assumptions. FY27 & out O&M growth rate based on FY18-FY22F average O&M growth rate

(4) Budget basis total operating and maintenance expenses. To include: non-fuel O&M, environmental O&M, conservation/DSM O&M, and natural gas pass through O&M assumptions

(5) FY23 includes one time Kennedy Remediation expense. FY24 & out assumptions set at \$1.5M (average five year spend)

(6) Targeting new debt to partially support GEC and other new generation placeholder CAPEX

(7) Forecasted total capital spending reflective of forecasted spend, not budget request. FY18-FY22F average spend rates applied to budget request, with placeholder new generation CAPEX in the back half of the ten year window

(8) Includes environmental CAPEX

Notes:

Assumptions do not include BABS sequestration impacts. BABS sequestration could impact projected rate increases & debt service

Assumptions do not include IRP results (not yet complete). IRP recommendation could impact fuel, NFPP, capital spending, O&M, rates, and metrics.

Water 10 Year Financial Scenario Analysis

Optimized Scenario Results



Projections (Budget Basis)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Water KGALS	39,504,198	40,096,761	40,698,212	41,308,686	41,928,316	42,557,241	43,195,599	43,843,533	44,501,186	45,168,704
Sewer KGALS	29,494,470	29,936,887	30,385,940	30,841,729	31,304,355	31,773,921	32,250,530	32,734,287	33,225,302	33,723,681
Reclaimed KGALS	5,558,200	6,025,062	6,534,500	7,095,391	7,712,933	8,392,846	9,141,430	9,965,621	10,414,846	10,603,521
Total System KGALS	74,556,868	76,058,710	77,618,653	79,245,806	80,945,604	82,724,007	84,587,559	86,543,442	88,141,334	89,495,906
Revenue Projections										
Base Rate Revenue \$/KGAL ¹	\$6.04	\$6.04	\$6.04	\$6.03	\$6.03	\$6.03	\$6.02	\$6.02	\$6.02	\$6.02
Base Rates % Change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Base Rate Revenue ¹	\$450,442,215	\$459,321,507	\$468,523,955	\$478,098,403	\$488,074,062	\$498,482,967	\$509,360,262	\$520,744,509	\$530,231,100	\$538,432,611
O&M Projections										
Total Operating and Maintenance Expense ^{2,3}	\$193,177,229	\$203,708,701	\$214,814,318	\$226,525,382	\$238,874,900	\$251,897,679	\$265,630,422	\$280,111,835	\$295,382,733	\$311,486,158
Debt Service Projections										
Total Debt Service Expense	\$103,138,134	\$105,050,176	\$106,841,033	\$107,542,330	\$112,830,160	\$115,887,205	\$129,694,741	\$133,921,502	\$143,914,397	\$158,435,289
CAPEX Projections										
Total Capital Spending ^{4,5}	\$301,318,760	\$375,284,983	\$450,000,000	\$401,980,301	\$300,000,000	\$450,000,000	\$450,000,000	\$450,000,000	\$450,000,000	\$450,000,000
Capital Fund Balance	\$131,102,267	\$44,442,924	\$30,202,235	\$45,611,228	\$107,689,502	\$115,988,731	\$109,304,768	\$96,694,885	\$69,681,563	\$21,059,461
Metric Projections										
Debt Service Coverage	4.02	4.05	3.98	3.87	3.68	3.58	3.18	3.07	2.82	2.52
Fixed Charge Coverage	3.75	3.76	3.69	3.58	3.40	3.30	2.93	2.82	2.58	2.30
Debt to Asset Ratio	35%	31%	32%	32%	32%	34%	35%	36%	36%	37%
Modified Days Cash	293	154	128	156	241	253	246	233	206	160
Modified Days Liquidity	421	284	252	272	353	362	353	336	306	255

1. Includes commodity base rate revenue assumptions only. Excludes environmental revenue assumptions
2. FY23 reflective of forecasted spend, not budget request. O&M growth rate based on FY18A-FY22F average O&M growth rate
3. Budget basis total operating and maintenance expenses. To include: O&M and environmental O&M
4. Forecasted total capital spending reflective of forecasted spend, not budget request. FY18A-FY22F average spend rate applied to budget request, with system maximum spend set at \$450M for any given year
5. Total includes environmental CAPEX. Environmental CAPEX set at \$15M per year for FY24 & out. Actual environmental CAPEX TBD based on pricing policy edits

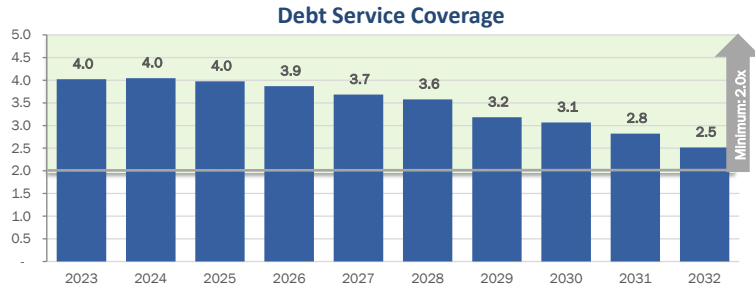
Notes:

Assumptions do not include BABS sequestration impacts. BABS sequestration could impact projected rate increases & debt service
 Assumptions do not include any adjustments for the elimination of the environmental rate. Could have impacts to capital fund minimums, liquidity metrics, and debt service.

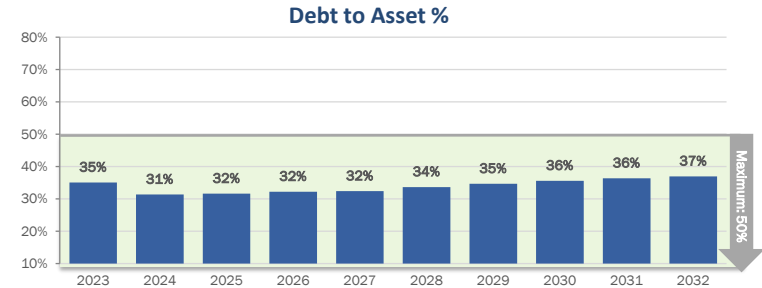


Water 10 Year Financial Scenario Analysis

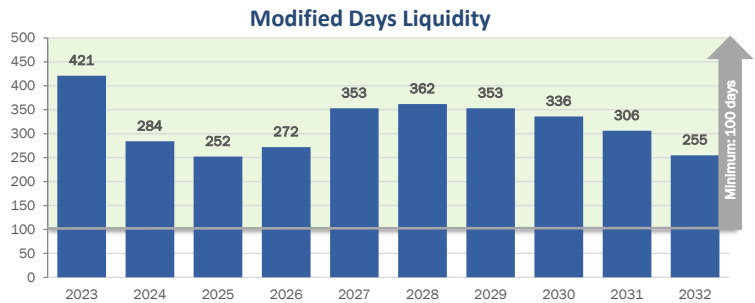
Optimized Scenario Financial Projections



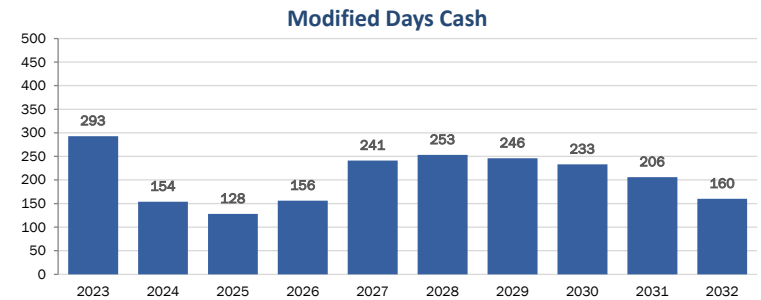
Strong Debt Service Coverage metrics result of prior accelerated debt repayments. Near-term opportunity to refinance debt for additional savings



Debt to Asset % under internal policy targets



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



Modified days cash above 90 days in five-year window

Water 10 Year Financial Scenario Analysis

Budget Based Scenario Results



Projections (Budget Basis)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Water KGALS	39,504,198	40,096,761	40,698,212	41,308,686	41,928,316	42,557,241	43,195,599	43,843,533	44,501,186	45,168,704
Sewer KGALS	29,494,470	29,936,887	30,385,940	30,841,729	31,304,355	31,773,921	32,250,530	32,734,287	33,225,302	33,723,681
Reclaimed KGALS	5,558,200	6,025,062	6,534,500	7,095,391	7,712,933	8,392,846	9,141,430	9,965,621	10,414,846	10,603,521
Total System KGALS	74,556,868	76,058,710	77,618,653	79,245,806	80,945,604	82,724,007	84,587,559	86,543,442	88,141,334	89,495,906
Revenue Projections										
Base Rate Revenue \$/KGAL ¹	\$6.04	\$6.04	\$6.04	\$6.03	\$6.03	\$6.03	\$6.02	\$6.21	\$6.42	\$6.64
Base Rates % Change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	3.16%	3.24%	3.32%
Base Rate Revenue ¹	\$450,442,215	\$459,321,507	\$468,523,955	\$478,098,403	\$488,074,062	\$498,482,967	\$509,360,262	\$537,800,902	\$566,033,569	\$594,625,307
O&M Projections										
Total Operating and Maintenance Expense ²	\$204,939,349	\$211,027,529	\$217,298,355	\$223,757,306	\$230,410,025	\$237,262,326	\$244,320,196	\$251,589,801	\$259,077,495	\$266,789,820
Debt Service Projections										
Total Debt Service Expense	\$103,138,134	\$105,050,176	\$119,852,805	\$134,144,176	\$143,248,792	\$149,486,493	\$180,643,058	\$207,423,558	\$220,018,807	\$236,274,602
CAPEX Projections										
Total Capital Spending ³	\$400,000,000	\$498,190,000	\$661,273,000	\$469,729,000	\$396,462,000	\$733,000,000	\$815,000,000	\$450,000,000	\$450,000,000	\$450,000,000
Metric Projections										
Debt Service Coverage	3.93	4.00	3.53	3.12	2.96	2.87	2.40	2.20	2.18	2.12
Fixed Charge Coverage	3.66	3.71	3.28	2.89	2.74	2.65	2.22	2.04	2.02	1.98
Debt to Asset Ratio	34%	36%	40%	41%	41%	45%	49%	50%	50%	50%
Modified Days Cash	118	127	117	113	120	138	132	147	155	164
Modified Days Liquidity	239	253	239	229	236	252	247	259	266	273

(1) Includes commodity base rate revenue assumptions only. Excludes environmental revenue assumptions

(2) Budget basis total operating and maintenance expenses. To include: O&M & environmental O&M

(3) Includes environmental CAPEX

Water 10 Year Financial Scenario Analysis

High Inflation Scenario Results



Projections (Budget Basis)	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Water KGALS	39,504,198	40,096,761	40,698,212	41,308,686	41,928,316	42,557,241	43,195,599	43,843,533	44,501,186	45,168,704
Sewer KGALS	29,494,470	29,936,887	30,385,940	30,841,729	31,304,355	31,773,921	32,250,530	32,734,287	33,225,302	33,723,681
Reclaimed KGALS	5,558,200	6,025,062	6,534,500	7,095,391	7,712,933	8,392,846	9,141,430	9,965,621	10,414,846	10,603,521
Total System KGALS	74,556,868	76,058,710	77,618,653	79,245,806	80,945,604	82,724,007	84,587,559	86,543,442	88,141,334	89,495,906
Revenue Projections										
Base Rate Revenue \$/KGAL ¹	\$6.04	\$6.04	\$6.04	\$6.03	\$6.03	\$6.03	\$6.02	\$6.02	\$6.18	\$6.35
Base Rates % Change	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.0%	0.0%	2.6%	2.7%
Base Rate Revenue ¹	\$450,442,215	\$459,321,507	\$468,523,955	\$478,098,403	\$488,074,062	\$498,482,967	\$509,360,262	\$520,744,509	\$544,714,300	\$568,585,851
O&M Projections										
Total Operating and Maintenance Expense ^{2,3}	\$208,181,456	\$225,318,265	\$243,917,581	\$257,185,103	\$271,175,933	\$285,929,504	\$301,487,396	\$317,893,461	\$335,193,938	\$353,437,587
Debt Service Projections										
Total Debt Service Expense	\$103,138,134	\$105,050,176	\$107,708,484	\$112,747,039	\$120,926,374	\$123,983,419	\$139,236,707	\$144,909,221	\$158,082,771	\$175,784,318
CAPEX Projections										
Total Capital Spending ^{4,5}	\$301,318,760	\$375,284,983	\$450,000,000	\$401,980,301	\$300,000,000	\$450,000,000	\$450,000,000	\$450,000,000	\$450,000,000	\$450,000,000
Capital Fund Balance	\$116,098,040	\$22,767,539	\$53,676,152	\$83,535,251	\$105,271,093	\$96,285,957	\$68,769,127	\$61,996,360	\$50,303,658	\$27,746,027
Metric Projections										
Debt Service Coverage	3.87	3.83	3.67	3.41	3.16	3.06	2.69	2.56	2.40	2.20
Fixed Charge Coverage	3.60	3.55	3.38	3.13	2.89	2.79	2.46	2.33	2.19	2.00
Debt to Asset Ratio	35%	32%	34%	36%	36%	37%	39%	41%	42%	43%
Modified Days Cash	254	113	145	186	214	206	179	175	167	149
Modified Days Liquidity	374	232	256	290	315	303	274	267	256	234

(1) Includes commodity base rate revenue assumptions only. Excludes environmental revenue assumptions

(2) FY23 reflective of forecasted spend, not budget request. FY23-25 assumes inflation at CY21 levels. FY26 & out escalated at historic O&M growth rates (FY2018A-FY2022F)

(3) Budget basis total operating and maintenance expenses. To include: O&M & environmental O&M

(4) Forecasted total capital spending reflective of forecasted spend, not budget request. FY18-FY22F average spend rates applied to budget request, with system maximum spend set at \$450M for any given year

(5) Total includes environmental CAPEX. Environmental CAPEX set at \$15M per year for FY24 & out. Actual environmental CAPEX TBD based on pricing policy edits

Notes:

Assumptions do not include BABS sequestration impacts. BABS sequestration could impact projected rate increases & debt service

Assumptions do not include any adjustments for the elimination of the environmental rate. Could have impacts to capital fund minimums, liquidity metrics, and debt service.



EXTERNAL AFFAIRS COMMITTEE

8th Floor, 21 West Church Street, Jacksonville, FL 32202
July 25, 2022 | 2:00 pm – 4:00 pm

WELCOME

Meeting Called to Order

Rick Morales, Chair

Adoption of Agenda (Action)

Safety Briefing

Renee Manna, Manager, Government Relations

COMMENTS / PRESENTATIONS

Comments from the Public

FOR COMMITTEE CONSIDERATION

Committee Goals

Importance of Integrated External Affairs Strategy

Laura Schepis, Chief External Affairs Officer

Electric Integrated Resource Plan Update

Raynetta Curry Marshall, Chief Operating Officer

Economic Development / Real Estate Update

Paul Mitchell, Vice President, Economic Development

Surface Water Discharge Elimination and Outreach Update

Hai Vu, Vice President, Water/Wastewater Systems
Wayne Young, Vice President, Environmental Services

Supply Chain and Outreach Update

Alan McElroy, Vice President, Supply Chain & Operations Support
Kurt Wilson, Vice President, Government Relations

2022 YOUtility Customer Messaging Campaign Review

Mark Stultz, Vice President, Communications

CLOSING CONSIDERATIONS

Other New Business/Open Discussion

Announcements – Next Committee Meeting December 16

Rick Morales, Chair

Adjournment

ADDITIONAL INFORMATION

Appendix A: FY22 Corporate Communications and Community Outreach



External Affairs Committee

July 25, 2022

To submit a public comment to be read during the meeting, please email Melissa Charleroy at charmm2@jea.com. Public comments must be received no later than 9:10 am.

To provide public comment via WebEx, please refer to the Public Notice on jea.com for detailed instructions.

If you experience any technical difficulties during the meeting, contact Ontario Blackmon at (904) 665-4203 or JEA's WebEx Support Team at webexsupport@jea.com.



Safety Briefing

Renee Manna
Manager, Government Relations



Safety Briefing



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

Emergency Evacuation Route (use stairwell)

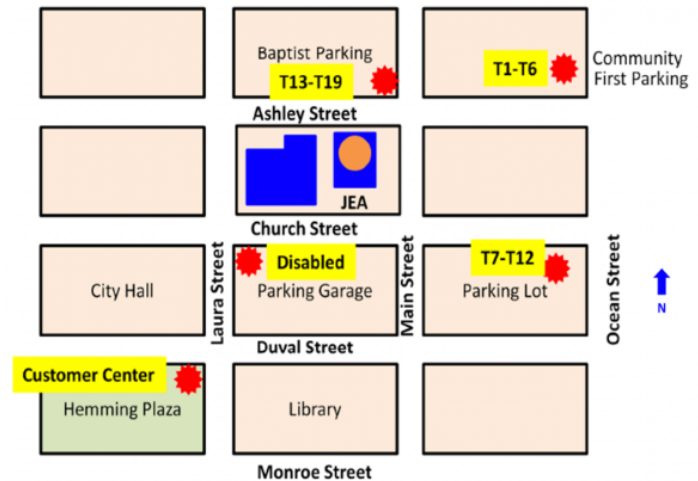
Assembly Location: Parking Lot (corner of Church & Ocean St.)

Safety or Medical Assistance: Notify JEA Security Officer

Hazard & Situational Awareness

Cell Phone & Computer Etiquette

EVACUATION ASSEMBLY CENTERS During normal business hours



Be Prepared for Emergencies



Committee Goals

Importance of Integrated External Affairs Strategy

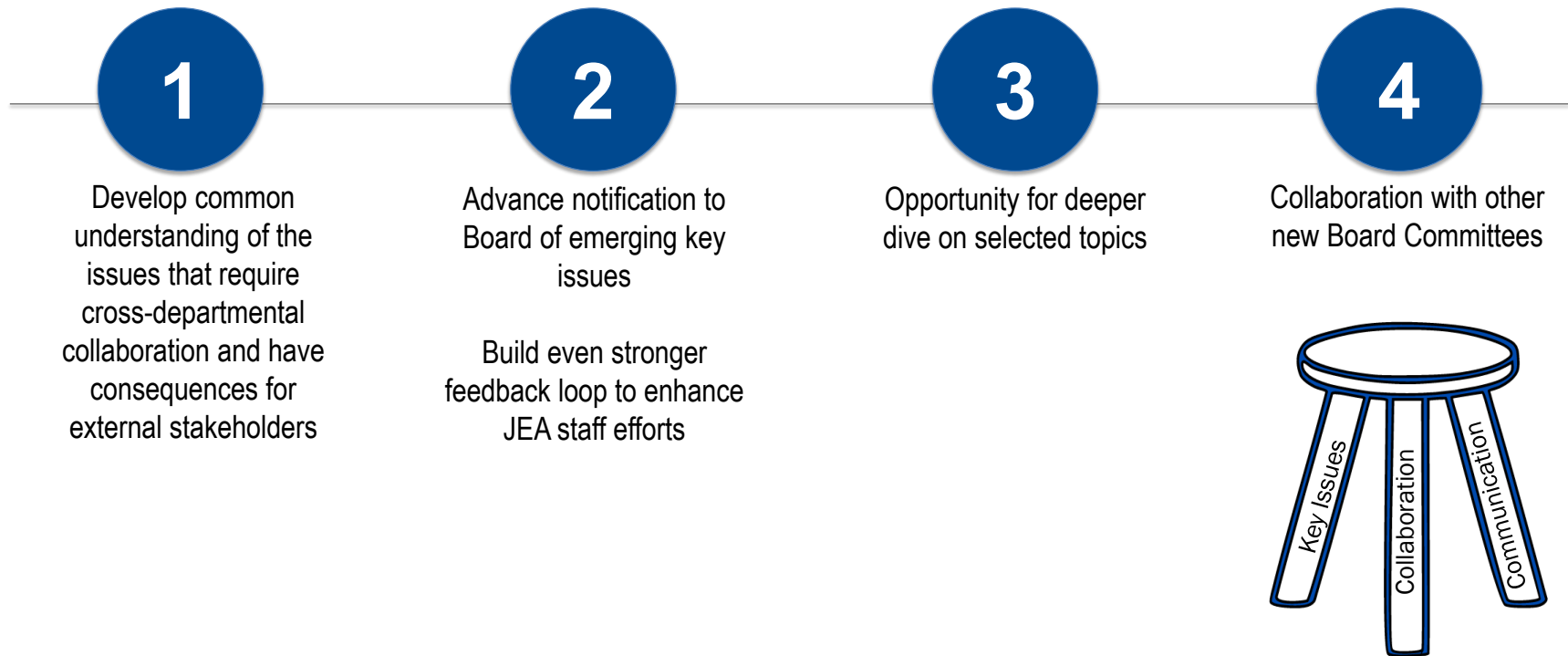
Laura Schepis
Chief External Affairs Officer



JEA External Affairs Approach



Committee Goals



Complex issues, handled across JEA, communicated consistently

Current Examples



Federal / State Funding Initiatives



Integrated Resource Plan



Economic Development



Electric Integrated Resource Plan Update

Laura Schepis
Chief External Affairs Officer

Raynetta Curry Marshall
Chief Operating Officer



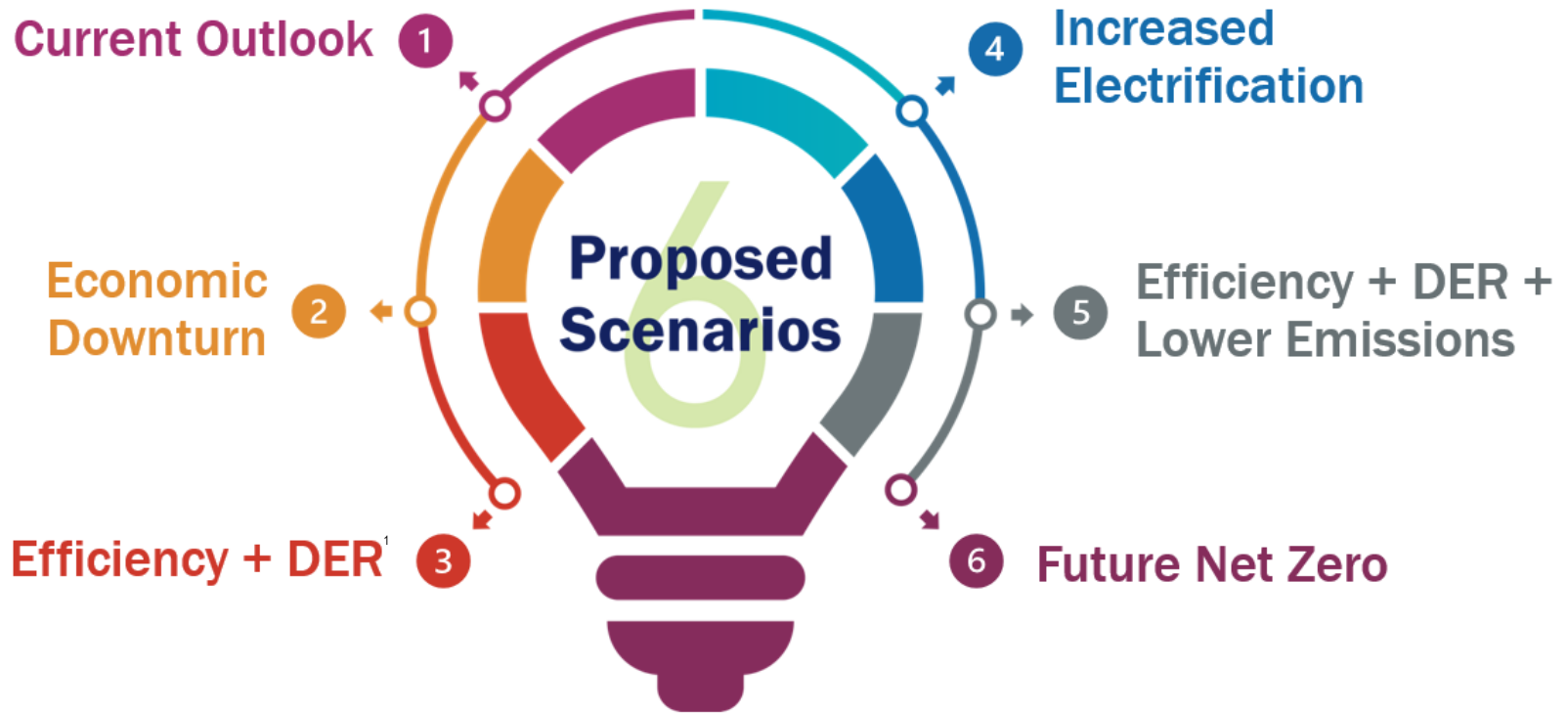
Electric Integrated Resource Plan



- 1 Stakeholder group has conducted four meetings; series continues through December 2022
- 2 September meeting will focus on initial results of scenario modeling
- 3 Results will illuminate impacts (cost, reliability, emissions) of different generation choices
- 4 Additional Board updates will be provided in Fall 2022 and Winter 2023



Proposed Integrated Resource Plan Scenarios



¹ Distributed Energy Resources



Economic Development / Real Estate Update

Paul Mitchell
*Vice President, Economic
Development*



Strategic Assets Update

Thoughtful Approach to Real Property Assets

Inventory JEA-owned properties to determine current and future utility needs

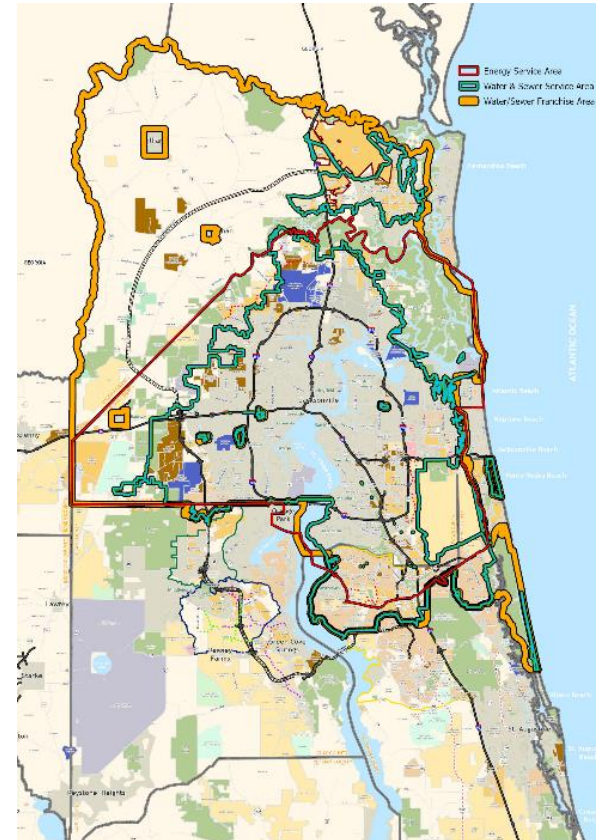
Identify properties with economic development potential

Develop real estate strategy to:

- Assess portfolio for existing assets or acquisition needs to support JEA's infrastructure expansion and business initiatives

- Create certainty for assets supporting economic development

- Dispose of properties that do not support economic development or utility needs



Driving economic development

St. Johns River Power Park

Site Assessment to Create Certainty

What is involved in creating certainty for assets supporting economic development?

- Assess site conditions
- Define and permit wetlands
- Determine future wetland impacts
- Identify title encumbrances
- Determine utility availability
- Assess land use and zoning opportunities
- Validate integrity of infrastructure
- Identify site access options
- Investment



Driving economic development

JEA Headquarters Building – 21 W. Church St



What will we do with the HQ campus after move?

Architectural and engineering study for reuse and market conditions

Property assessment and valuation

Marketing and strategy for disposition



Driving economic development

Supporting JEA and Community Growth

Business Initiatives and Economic Development



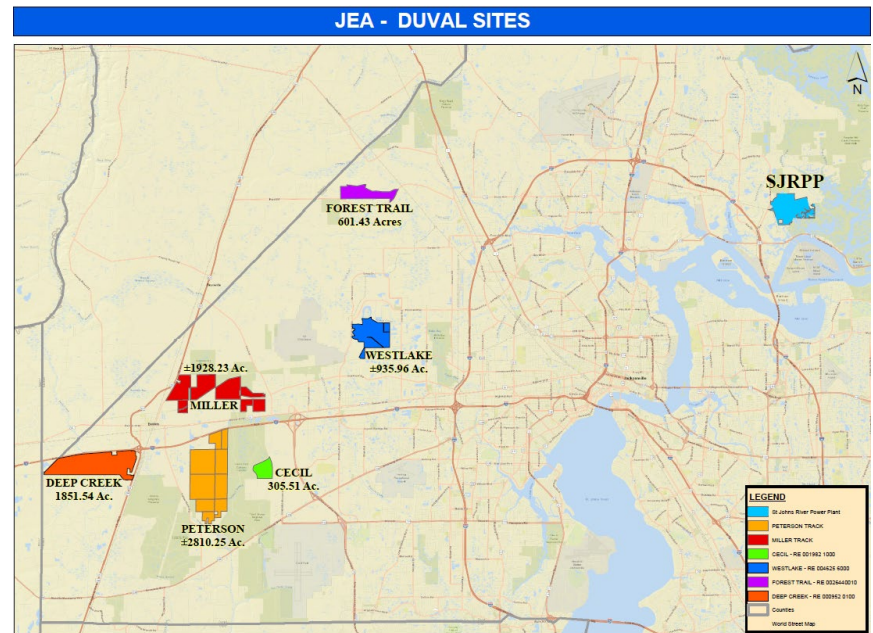
JEA Real Estate Team

Continuous evaluation of business needs to support regional and system growth

Site assessments, due diligence, and market studies for strategic uses or disposition

Providing solutions to real property requirements

Marketing Strategic Assets



Driving economic development



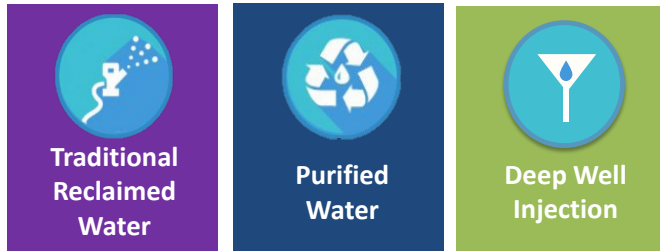
Surface Water Discharge Elimination & Outreach Update

Hai Vu
*Vice President, Water/Wastewater
Systems*

Wayne Young
Vice President, Environmental Services



Surface Water Discharge Elimination



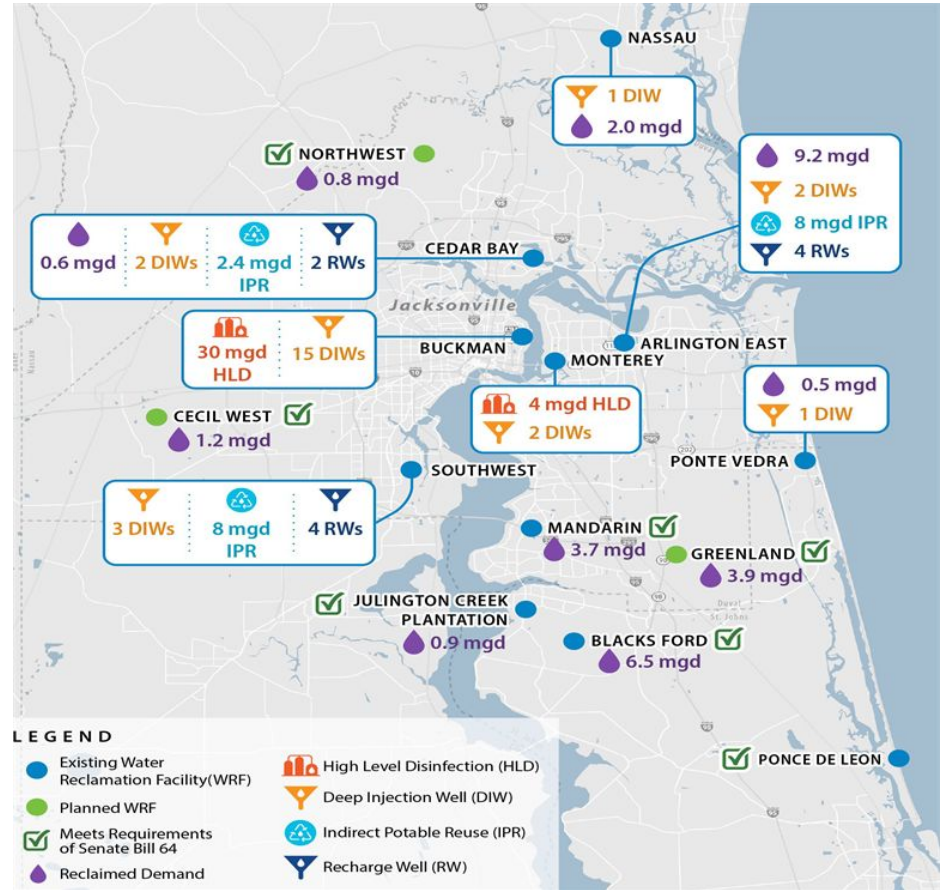
Traditional Reclaimed Water	Purified Water	Deep Well Injection
10 Facilities	3 Facilities	26 Wells
30 MGD	20 MGD	30 MGD

Plan **approved** by Florida Department of Environmental Protection

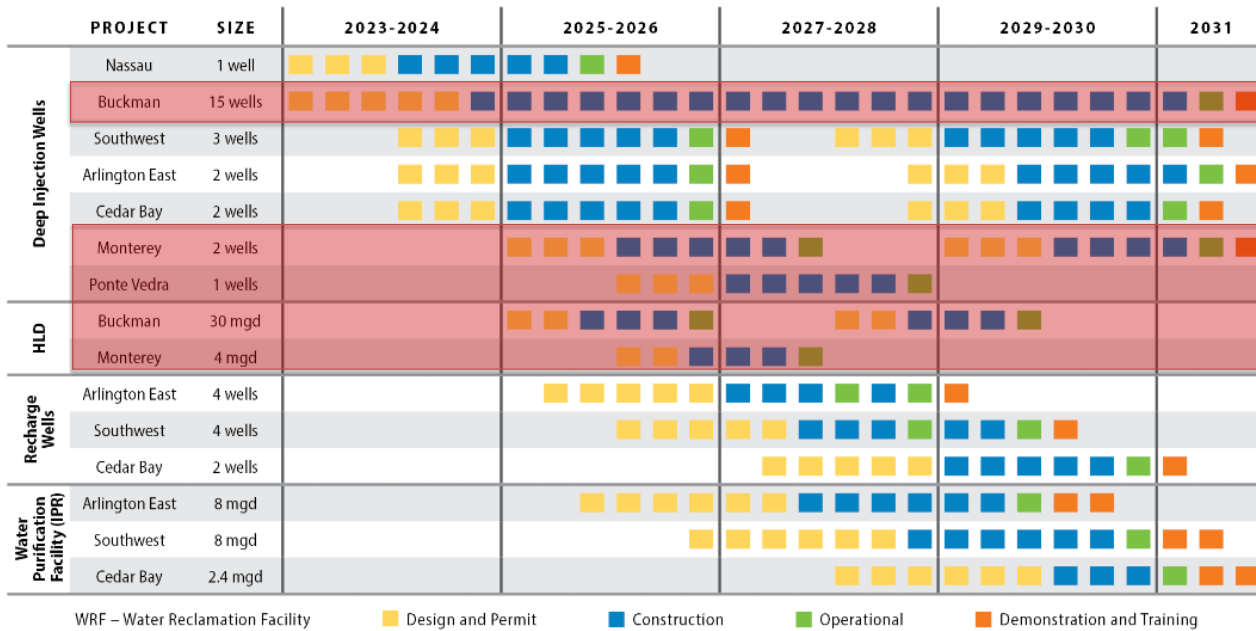
Reclaimed Water program has been active since 2007 and JEA is committed to growing the system from 20 to 30 MGD

20 MGD planned for Indirect Potable Reuse
 Demonstration facility is currently under design and full-scale implementation are planned for three facilities

A deep well injection exploratory well is currently in permitting to confirm viability in Northeast Florida



Surface Water Discharge Elimination



Projects being implemented:

- Indirect Potable Reuse
- Demonstration Facility
- Arlington East WRF
- Cedar Bay WRF
- Southwest WRF
- Deep Well Disposal
- Nassau Regional WRF

Projects needing further review:

- Buckman WRF
- Monterey WRF
- Ponte Vedra WRF

CHALLENGES

- Uncertain costs
- Rules and regulations not yet in place
- No deep well injections have been constructed in NE FL

- Available resources (engineering, permitting, construction)
- Duration of permitting and testing
- Staffing

Initial cost estimate of capital improvements is \$1.855 Billion

Outreach Update



Florida Department of Environmental Protection



St. Johns River
Water Management District

St. Johns River Water Management District



City of Jacksonville Environmental Quality Division



ST. JOHNS
RIVERKEEPER®

St. Johns Riverkeeper



Florida Sector American Water Works Association



Florida Water Environment Association



Florida Sector WaterReuse Association



Florida Industrial Pretreatment Association



Supply Chain & Outreach Update

Alan McElroy
Vice President Supply Chain & Operations Support

Kurt Wilson
Vice President, Government Relations



Supply Chain Update



Current State



Alternative Solutions



Project/Materials Model



On-Going Efforts

Supply Chain Update

Electric Services Asset Use Guidelines

Maintain customers in-service with emergency restoration and storm response

Support economic development

Pause Overhead-to-Underground projects



Outreach Update



Northeast Florida Builders Association (NEFBA)
Coordination

Developer Town Hall Meetings

Individual Developer and Contractor Outreach





2022 **YOU**tility Customer Messaging Campaign Review

Mark Stultz
Vice President, Communications



Campaign Scope and Goals



Included paid media buys across numerous outlets and platforms from March 14 – May 29

Continue to change beliefs and attitudes about JEA



Show the value of being a community-owned utility

Improve brand reputation



Earn customer loyalty

Improve positive communications recall



Increase J.D. Power scores

Reach audiences how and where they consume information



Ensure stakeholders hear our story



Campaign Results

CAMPAIGN TOTALS	BROADCAST/OOH	DIGITAL	
Key measures and Spend	Awareness Goal	Engagement	Awareness
48,485,305 Impressions	23,761,075 Impressions	13,877,907 Impressions	10,846,323 Impressions
64,681 Clicks		52,528 Clicks	90% Video/Audio Completion Rate
\$253,883 (45%) Digital Spend		0.38% Click-through Rate	12,153 Clicks
\$313,335 (55%) Traditional media spend		20,615 JEA.com landing page visits	
<i>JEA Benchmarks (cumulative FY22): CTR¹: 0.39% V/ACR²: 92%</i>	<i>TV, Radio, Digital Out-of-home billboards</i>	<i>Paid Social (display & video), Native (display and video), Digital Display, jea.com</i>	<i>Connected TV, Hulu, Pre-roll³, YouTube, Digital Audio</i>

¹ Click Through Rate

² Video Automatic Content Recognition (Target Messaging)

³ 15-second videos shown prior to another video (YouTube, Instagram, etc.)

Messaging Strategy



Survey and Focus Group Tested for Maximum Impact



Awareness Channels
share overarching messages



Action Channels
Promotion of specific services/programs

- Broadcast TV
- Connected TV
- Radio
- Digital Billboards
- Digital Display Advertising
- Digital Video and Audio
- Social Media
- Earned Media
- Web, Email

Leveraging Our Digital Channels

Customer Solutions Pillar Example



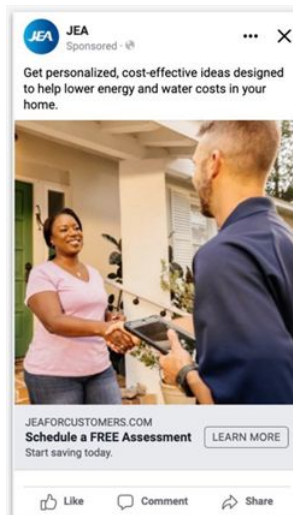
Digital Advertising Banners



Paid Social



Organic Social Media



All-Customer Emails



Driving Customers to Take Action at jea.com





2022 **YOU**tility Customer Messaging Campaign Review

Supplemental Information



Telling Our Story



Television/Streaming

Testimonial Videos/Radio

Digital Billboards

Small Business/Jobs



Customer Solutions



Reliability



Community Engagement



Environmental



Post-Campaign Focus Group Feedback

Brand Reputation and Campaign Recall Measurement



Highly Engaged Residents

"I think that through this, I realized all the community improvement stuff. I don't have kids or anything, so to me I'm just paying my bill and that's it. But it seems like they do actually have a lot of good stuff going on." – Male, 19-24 YO, White

"I think when I came in here, I must have read an article about the misbehaviors about former executives, so that was fresh in my mind when you talked about JEA. And then we saw the commercials, it reminded me like, oh yeah, you know about all this stuff that goes on out in the community. And so, that made me increase [my score]." Female, 35-39 YO, African American

Small Business Owners

"The information that was provided I didn't know before. The educational programs for children, the paid internship for the adults, the incentive, the rebates. Those are things that I didn't know that JEA offered." – Female, 45-49 YO, Asian

"I already like JEA, but it went up, mostly, because if you're going to invest this kind of money in commercials and community, and you value what we think, not just what we pay you, it makes me feel better about giving you my money." – Female, 55-59 YO

Addendum – 2022 Messaging Map



Month	March			April				May					June				July					August				September									
JDP Fielding	2/28	3/7	3/14	3/21	3/28	4/4	4/11	4/18	4/25	5/2	5/9	5/16	5/23	5/30	6/6	6/13	6/20	6/27	7/4	7/11	7/18	7/25	8/1	8/8	8/15	8/22	8/29	9/5	9/12	9/19					
Broadcast TV			Economic Dev			Community Engagement			Reliability									:30 Foreman				:30 Major Storm				:30 Foreman									
			Environment			Customer Solutions			Best performer														:30 Storm				:30 Major Storm								
CTV, Pre-Roll, YouTube			Economic Dev			Community Engagement			Reliability									:30 Foreman				:30 Major Storm				:30 Major Storm									
			Environment			Customer Solutions			Best performer																										
Broadcast			Economic Dev			Community Engagement			Reliability									:30 Contact Info				:30 Contact Info				:30 Contact Info									
			Environment			Customer Solutions			Best performer									:30 Restoration				:30 Restoration				:30 Restoration									
Audio			Economic Dev			Community Engagement			Reliability																										
			Environment			Customer Solutions			Best performer																										
Digital			Economic Dev			Community Engagement			Reliability																										
			Environment			Customer Solutions			Best performer																										
Native Video			Economic Dev			Community Engagement			Reliability																										
			Environment			Customer Solutions			Best performer																										
Video			Economic Dev			Community Engagement			Reliability																										
			Environment			Customer Solutions			Best performer																										
Social			Economic Dev			Community Engagement			Reliability																										
			Environment			Customer Solutions			Best performer																										
Image/GIF			Economic Dev			Community Engagement			Reliability																										
			Environment			Customer Solutions			Best performer																										
Social Giveaway																																			
DOOH & Display			Economic Dev			Community Engagement			Reliability																										
			Environment			Customer Solutions			Best performer																										
Key	Gap Campaign		Economic Development			Environmental			Community Engagement					Customer Solutions				Reliability					Storm				TBD								

Post-Campaign Focus Group Testing

Brand Reputation and Campaign Recall Measurement



Four follow-up focus groups on June 28 - 29

- Small/local business customers
- Residential customers
- Low-income residential customers
- Residential customers with high level of community involvement


Provided qualitative feedback on:

- Campaign awareness, breakthrough and effectiveness
- Before and after perceptions of JEA
- Communications, brand and technology opportunities



August 2022

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 and time and provide peace of mind.

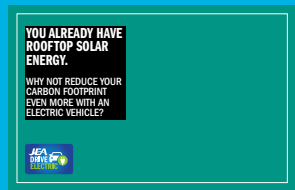
ADVERTISING & SOCIAL MEDIA CAMPAIGNS • CUSTOMER COMMUNICATIONS • DIGITAL COMMUNICATIONS • EARNED MEDIA • VIDEOGRAPHY • COMMUNITY OUTREACH

JEA Campaigns Educate Customers on Storm Restoration and Encourage Them to Drive Electric

RESTORATION 1-2-3

We are always mindful of the importance of customer education. Our focus over the past few months has been making those in our service area aware of the measures we take on their behalf before, during, and after a storm through promotion of our Restoration 1-2-3 process. The campaign reinforces our commitment to restore power as quickly as possible by highlighting the three phases of the restoration process: public safety, individual customers, and final repairs. Through television spots, radio, social media, and bill inserts, we showcase our ongoing commitment to place our customers' safety and quality of life at the forefront of all we do.

RESTORATION 1.2.3



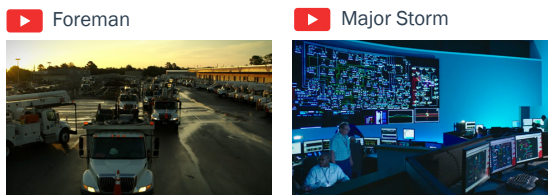
DRIVE ELECTRIC

We recently partnered with JEA's Electrification team and Sagewell, the implementation contractor for our EV program,

on a campaign to promote JEA's Drive Electric program. We targeted specific audiences including engaged EV drivers, high propensity groups and rebate customers. The campaign emphasized the benefits of electric vehicles and how JEA makes it easy to research, buy and love an EV with JEA Drive Electric. The program offers helpful EV experts, information on EV models and local deals available, and assistance with charger installation.

RESTORATION 1.2.3

TV Commercials and Digital Videos



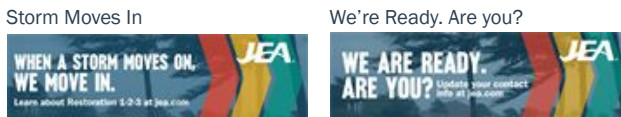
August Bill Insert



Radio Commercials

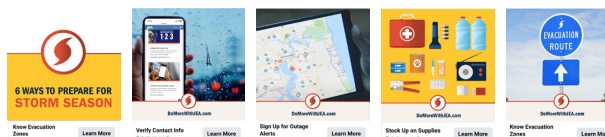
- Contact Info
- Restoration Process

Digital Out-of-Home Advertising

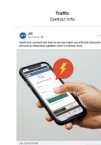


Social Media

Storm Season Preparation



Verify Contact Info



Outage Alerts



Monthly Paid Media Impressions

MEDIA	IMPRESSIONS	
	MAY	JUNE
Television/Cable	2,054,000	32,000
Radio	1,871,000	66,000
Out-of-Home	6,921,368	5,553,880
Online Display/Video	8,679,705	1,096,262
Paid Social	1,662,602	132,437
Online Paid Search	111,883	96,913
Print	3,000	0
TOTAL	21,303,558	6,977,492



SOCIAL MEDIA INSIGHTS

Over the May-June period, JEA's sentiment breakdown of social conversations involving JEA was 66 percent neutral, **22 percent positive** and only 12 percent unfavorable.

Key conversation starters included scam alert messages, JEA featured projects during Infrastructure Week, our partnership with JTA for its Zero-Emissions Industry Forum, and promotions around Florida's Disaster Preparedness Sales Tax Holiday.

Positive mentions came from media stories about JEA lineworkers saving a woodpecker nest in Atlantic Beach, congratulations about Tim Hunt's promotion, and JEA's involvement with scholarships awarded to seven future JFRD firefighters.

Digital Communications Update

JEA Small Business Webinar Series – Customer & Community Engagement partnered with Commercial Services to host a free three-part webinar series May 4-18 as part of our efforts to support our small- and midsize-business customers and deepen relationships with them. The series focused on best practices for small business marketing and promotions, featuring local online marketing and media experts.



Ways to Save/Chill Your Bill – At the start of a traditionally high seasonal consumption period, we prepared messaging focused on steps customers could take to reduce their consumption and avoid the shock of a high monthly bill. These messages included a blend of behavior change – adjusting your thermostat to 78 during the day and JEA programs such as MyBudget leveled billing and free consumption alerts. We shared these messages via jea.com, all-customer emails, social media and traditional media, garnering stories from First Coast News and News4Jax.



Utility Tracker Upgrade – Digital Communications is working with the Customer Experience Insights group to begin the process of identifying a replacement solution for JEA's online utility consumption tracker. The teams are vetting requirements with internal stakeholders and scheduling vendor demonstrations in preparation to publish an RFP in the next few months.

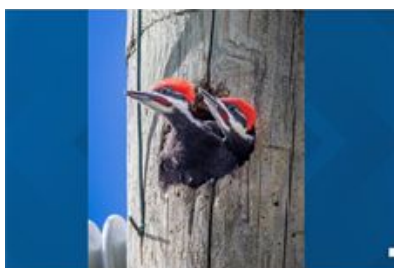


Video Highlight

JEA's Technology Services department is integral to what we do every day of our business. Not only does it protect employees, customers, the city and the greater electric grid from cyber-attack, it also increases worker productivity and connectivity with our software applications.

Media Highlights

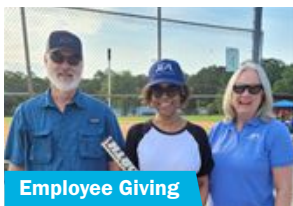
JEA received notable positive news coverage in the last several months, with local media highlighting various aspects of how JEA improves lives and builds community. Coverage included stories on our volunteers **cleaning up Jax Beach**, energy auditors helping customers conserve energy and save money via **FirstCoastNews** and **News4Jax** and our preparations for Hurricane Season from **FirstCoastNews**, **News4Jax** and the **Florida Times-Union**. Several outlets featured stories on our new headquarters after JEA & Ryan hosted a media tour of the new HQ: **News4Jax** and **Jacksonville Business Journal**.



Our Media Relations team collaborated with Communications team members and a local wildlife photographer to share the story of how JEA lineworkers rescued a pileated woodpecker family when replacing a pole in Atlantic Beach: **FirstCoastNews**.

**IN ALL, PUBLICITY VALUE
TOTALED MORE THAN \$58,000**

Community Outreach



Employee Giving

Our Community Engagement team continues to impact our community in a positive way through in-person and virtual activities. Some of the highlights from past months include:

Power Pals presentations

Duval Charter School Summer Camp, Communities in School Summer Program and RV Daniels Elementary School.

Junior Achievement Day of the Girl
JEA partnered with the Girl Scouts at this educational event held at UNF.



Junior Achievement

YMCA Thingamajig

Ambassadors made STEM-related presentations for children.



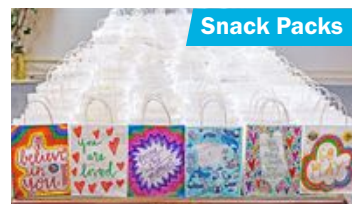
Fireworks Cleanup

Fireworks Cleanup

More than 30 JEA volunteers cleaned up Jax Beach after the Independence Day celebration.

Food Drive for Hungry Kids

JEA collected over 1,100 items to fill 221 snack packs that were also decorated by JEA volunteers. This event was in honor of Public Power Month of Giving.



Snack Packs

In addition, JEA's Community Engagement team concluded a three-month Creating Healthier Communities employee giving campaign. This campaign, which included a charity softball tournament, is just another example of how JEA employees put action to their words by supporting the local health organizations in the community we service.

AMBASSADORS AND VOLUNTEERS OF THE MONTH

MAY 2022

AOM



Zasha Del Orbe
Manager
WW Treatment and Reuse
- South Grid

VOM



Kyle Padgett
Manager
Field Services

JUNE 2022

AOM



Jamilya Akrayi
Manager
Project Management

VOM



Lori Maxwell
Manager
Natural Gas
Commercial Services

JULY 2022

AOM



Randy Ellis
Manager
WW Treatment and Reuse
- St. Johns Grid

VOM



Genie Neiberger
Process Chemical Technician
Northside Generating
Station



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

GOVERNANCE, AUDIT, & COMPLIANCE COMMITTEE

8th Floor, 21 West Church Street, Jacksonville, FL 32202

July 14, 2022 | 9:00 am – 11:00 am

WELCOME

Meeting Called to Order

Adoption of Agenda (Action)

Approval of Previous Governance Committee Minutes – November 8, 2021 (Action)

Marty Lanahan, Chair

Safety Briefing

Rashid Brittain, Senior Information
Technology Auditor

COMMENTS / PRESENTATIONS

Comments from the Public

Public

FOR COMMITTEE CONSIDERATION

2022 Audit Plan

John DiSanto, Managing Director, Ernst & Young

Identity Theft Protection Program & Annual Risk Assessment

Dan Mishra, Director, CIP Compliance

FY22 Ethics Officer Report

Walette Stanford, Director, Ethics

Audit Services Update

Lee Montanez, Director, Audit Services

JEA Charter Amendments

Regina Ross, Chief Legal Officer

Board Policy Manual (Action)

Board By-Laws (Action)

Annual Board Self-Assessment Criteria and Process

Annual CEO Evaluation Criteria and Process

Jordan Pope, Vice President, Corporate Strategy

OTHER BUSINESS AND CLOSING CONSIDERATIONS

Old and Other New Business / Open Discussion

Announcements – Next Committee Meeting October 13, 2022

Marty Lanahan, Chair

Adjournment



Governance, Audit, and Compliance Committee

July 14, 2022

To submit a public comment to be read during the meeting, please email Melissa Charleroy at charmm2@jea.com. Public comments must be received no later than 9:10 am.

To provide public comment via WebEx, please refer to the Public Notice on jea.com for detailed instructions.

If you experience any technical difficulties during the meeting, contact Ontario Blackmon at (904) 665-4203 or JEA's WebEx Support Team at webexsupport@jea.com.



Safety Briefing

Rashid Brittain
Manager, Internal Audit



Safety Briefing



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

Emergency Evacuation Route (use stairwell)

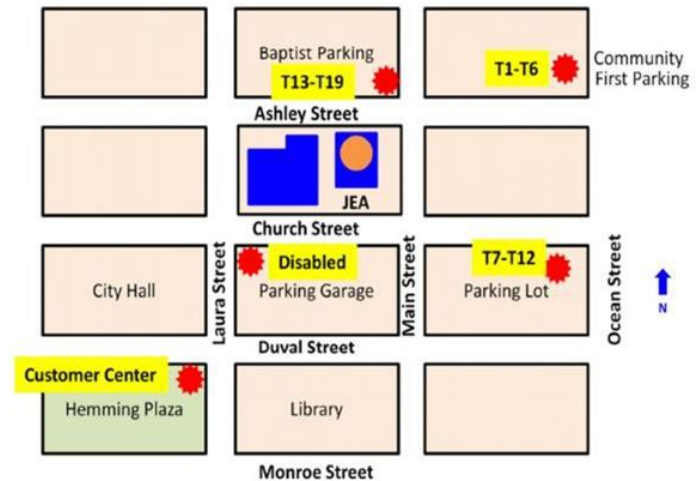
Assembly Location: Parking Lot (corner of Church & Ocean St.)

Safety or Medical Assistance: Notify JEA Security Officer

Hazard & Situational Awareness

Cell Phone & Computer Etiquette

EVACUATION ASSEMBLY CENTERS During normal business hours



Be Prepared for Emergencies



Executive summary

Key business priorities

- Uniform Guidance Audit (FEMA) for 2021
 - No findings
 - Unmodified opinions on compliance
- Plant Vogtle
- GASB 87, Leases, adoption

Additional points to consider

- “Governments and all types of organizations around the world have agreed ambitious targets to cut and eventually end their dependency on carbon energy. Clients are increasingly seeking our help across service-lines as they look to invest in renewables, including off-shore wind, solar and, increasingly, hydrogen.”
- We can discuss JEA’s position on renewable energy, reaching these targets, and possibly engaging EY in the process.

What’s new and next

New: The following GASB pronouncements come into effect for fiscal year 2022:

- GASB Statement No. 87, Leases
- GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period
- GASB Statement No. 92, Omnibus 2020
- GASB Statement No. 93, Replacement of Interbank Offered Rates
- GASB Statement No. 98, The Annual Comprehensive Financial Report

Next: See [Important Updates: New GASB Pronouncements \(looking ahead\)](#) for additional slides on GASB pronouncements effective fiscal year 2022 and beyond.

Digital commitment

We continue to benefit from and improve upon the digital audit technology implemented during our previous audits, including:

- Canvas client portal: Shared audit team access to documentation to ensure status of requests is shared; segregated access of sensitive data to appropriate users.
- EY Helix: Executed the revenue and payroll expense audit programs which resulted in a reduction of traditional tests of details.
- Trade Receivables Analyzer: Identified key items that pose the greatest risk of material misstatement by analyzing aggregated accounts receivable transactions.
- Fixed Asset Analyzer: EY is teaming with JEA management to perform a trial run of the FA Analyzer during our interim procedures before attempting use at year-end.

2022 audit plan

Audit timeline

- We will perform our planning procedures during the months of May and June, walkthrough and interim procedures August and September, and our year-end procedures during the months of October through December.

Audit strategy, including significant risks identified

- Our audit strategy, including significant risks identified, for the 2022 audit is outlined in the Areas of audit emphasis. Our approach is consistent with prior years

Involvement of internal audit and others

- We plan to use the work of the internal auditors in selected areas of our 2022 audit similar to previous years. Refer to the Involvement of Internal Auditors section.

Leases

Status of management's implementation

- ▶ Initial assessment of the potential effects of the standard, including its systems and processes
- ▶ Management's project plan and proposed timeline
- ▶ Management's progress to date on its implementation of changes to systems and processes (and related controls, as applicable)

Key areas of management focus







1. Executing management's plan, including identifying the appropriate resources and educating key internal stakeholders on the new standard.
2. Identifying a complete population of leases and gathering the data needed to calculate the transition adjustments.
3. Analyzing lease contracts to identify changes to accounting policies and processes (and related controls, as applicable).
4. Determining whether to elect the transition practical expedients.
5. Determining which available accounting policy elections to apply.
6. Determining and implementing how to track the information needed to account for and disclose leases (e.g., modify or add an IT system, use Excel spreadsheets).

Summary of key audit procedures related to the implementation







Audit procedures	Status
Test the completeness of the population of leases	Procedure to be performed at interim.
Test the completeness and accuracy of the lease data	Procedure to be performed at interim.
Test the computation of the transition adjustments	Procedure to be performed at interim.
Test the implementation of a new [or modified] IT system	Procedure to be performed at interim.













Areas of emphasis

Topic	Significance	Subjectivity	Considerations
Revenue recognition and sales commitments	 <p>Moderate</p>	 <p>Low</p>	<ul style="list-style-type: none"> ▶ Review calculation of unbilled revenue ▶ Test contractual arrangements, including unique terms and conditions, to obtain reasonable assurance of compliance with the applicable accounting standards ▶ Test timing of revenue recognition based on the terms of the arrangement ▶ Confirm terms and conditions with both customers and management as considered necessary ▶ Test account reconciliations to determine timely completion and review ▶ Perform detailed analytical review procedures, by system, including predictive analytics based on verifiable consumption and production data ▶ Perform detailed tests over a sample of revenue transactions to assess the appropriateness and accuracy of recorded amounts ▶ Through the use of data analytics we will analyze 100% of the revenue data within the general ledger and perform a correlation analysis between revenue, AR and cash
Regulatory accounts	 <p>Moderate</p>	 <p>Moderate</p>	<ul style="list-style-type: none"> ▶ Test approval of any new regulatory assets/liabilities ▶ Verify that amortization and expense recognition are consistent with rate recovery ▶ Vouch significant activity ▶ Test account reconciliations ▶ Perform projection tests to determine that regulatory accounts will be recovered/amortized over the remaining maturities/useful lives of related debt and capital assets
Asset Retirement Obligation	 <p>Moderate</p>	 <p>Moderate</p>	<ul style="list-style-type: none"> ▶ Review the ARO rollforward and gained understanding of any changes ▶ Reviewed corresponding memos/closing plan documentation ▶ Engage specialist team to perform a high-level assessment of the ARO ▶ Agreed ownership percentages to ARO calculation for Scherer

Areas of emphasis

Topic	Significance	Subjectivity	Considerations
Derivative instruments and hedging activities	 Low	 Moderate	<ul style="list-style-type: none"> ▶ Test assessment of hedge effectiveness documentation, including re-performance where quantitative methods are used ▶ Confirm instruments with counterparties ▶ Test recorded market values using independently developed estimates ▶ Test fuel hedge contract settlements ▶ Evaluate disclosures ▶ Reconsider normal purchase/normal sales assumptions for commodity contracts
Other Postemployment Benefit (OPEB) Plans	 Low	 Moderate	<ul style="list-style-type: none"> ▶ We will review the Actuary's Report and ensure that disclosures, Required Supplementary Information, and funding for the OPEB liability are in accordance with requirements of GASB 75. ▶ We will review significant assumptions used by the actuary for reasonableness and test data provided by JEA used in the actuary's calculations. ▶ We will engage and work with EY internal specialists to assist the audit team with the review of the actuarial assumptions used in order to estimate JEA's OPEB liability as of year end. ▶ We will audit Plan assets held by the Florida Municipal Pension Trust Fund for JEA's OPEB trust. ▶ We will review the note disclosure and required supplementary information to ensure it is complete and accurate.
Pension plan accounting and reporting – COJ Plan	 Low	 Low	<ul style="list-style-type: none"> ▶ Review actuary reports for reasonableness of assumptions and methodology ▶ For cost sharing plan (City Plan) obtain audited allocation schedule to determine the City's liabilities, expenses, deferred inflows and outflows ▶ In accordance with AU-C 805, obtain a report on elements from CRI, the Plan's auditors. ▶ Census data testing for JEA plan participants ▶ Assess reasonableness of required disclosures

Areas of emphasis

Topic	Significance	Subjectivity	Considerations
Pension plan accounting and reporting – SJRPP Plan	 Low	 Low	<ul style="list-style-type: none"> ▶ Review actuary reports for reasonableness of assumptions and methodology ▶ For single employer plan, obtain actuary's reports and procedures performed by plan auditors ▶ Census data testing for JEA plan participants ▶ Assess reasonableness of required disclosures ▶ Substantively test plan assets
Investments	 Moderate	 Moderate	<ul style="list-style-type: none"> ▶ Assess estimation uncertainty for significant classes of securities in JEA's portfolio ▶ Confirm investments with custodial institutions and managers ▶ Test valuation for selected securities using alternative pricing sources ▶ Test selected transactions ▶ Evaluate GASB 40 risk disclosures ▶ Evaluate GASB 72 fair market value disclosures
Capital assets	 Moderate	 Low	<ul style="list-style-type: none"> ▶ Review items capitalized to determine whether they should be capitalized versus expensed ▶ Test selection of assets added, retired, and disposed of during the fiscal year ▶ Review depreciation for reasonableness
Asset impairments	 Low	 Moderate	<ul style="list-style-type: none"> ▶ Review and evaluate impairment indicators through inquiries and review of other records and meeting minutes ▶ Discuss and understand management's assessment if a change in circumstance potentially effects the value of an asset ▶ If applicable, test impairment computations and disclosures
Plant Vogtle	 Moderate	 Moderate	<ul style="list-style-type: none"> ▶ As part of our procedures we will continue to inquire of management and legal counsel and evaluate the possible impact on JEA's financial statements including possible contingent liabilities and required disclosures



Important Updates: New GASB Pronouncements (effective fiscal year ending 2022)

GASB Pronouncement	Description
GASB Statement No. 87, Leases	This Statement requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. This will require reporting of certain lease liabilities that currently are not reported. (Note certain purchase power agreements are specifically excluded).
GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period	This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. These requirements should be applied prospectively.





Important Updates: New GASB Pronouncements (effective fiscal year ending 2022)

GASB Pronouncement	Description
GASB Statement No. 92, Omnibus 2020	This Statement establishes accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activities of public entity risk pools, fair value measurements, and derivative instruments. The requirements of this Statement apply to the financial statements of all state and local governments.
GASB Statement No. 93, Replacement of Interbank Offered Rates	This Statement establishes accounting and financial reporting requirements related to the replacement of IBORs in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. The requirements of this Statement apply to the financial statements of all state and local governments. JEA will need to evaluate the effect on hedge accounting and assess the effect these provisions will have on lease modifications, including remeasurement of lease liabilities and receivables.





Important Updates: New GASB Pronouncements (effective fiscal year ending 2022)

GASB Pronouncement	Description
GASB Statement No. 98, The Annual Comprehensive Financial Report	This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. The requirements of this Statement apply to the financial statements of all state and local governments.





Important Updates: New GASB Pronouncements (looking ahead)

GASB Pronouncement	Effective for Fiscal Year Ending	Description
GASB Statement No. 91, Conduit Debt Obligations	September 30, 2023	This statement clarifies definition of conduit debt, establishes that conduit debt is not an obligation of the issuer, requires the third-party obligor to record the liability for the debt and requires additional footnote disclosures.
GASB Statement No. 94, Public - Private and Public - Public Partnerships and Availability Payment Arrangements	September 30, 2023	This Statement establishes standards of accounting and financial reporting for PPPs and APAs for governments. The requirements of this Statement apply to financial statements of all state and local governments.
GASB Statement No. 96, Subscription - Based Information Technology Arrangements	September 30, 2023	Provides accounting guidance on subscription-based information technology arrangements ("SB ITAs"), such as cloud computing arrangements. Requires recognition of a right-to-use asset and a corresponding liability for SB ITAs, and requires expensing of certain costs associated with SB ITAs.



How data is driving this year's audit

We continue to broaden and deepen our use of data analytics as we continue on our data-driven audit journey. We plan to focus on expanding our use of data in these key areas.

1

Broaden data-driven risk assessment to all significant accounts

This year, we're utilizing data to identify and assess risk for the following significant accounts and processes: trade receivables, revenue, and expenses
Doing so will allow us to focus our procedures on higher risks and ask better questions.

2

Use data to focus on change in the business and new risks

This year, we will focus on new or changing risks by analyzing changes in the data compared with the prior year.
Doing so allows us to focus our procedures on new or emerging risks.

3

Use data to enhance our response to identified fraud risks

We aim to refine our audit procedures over revenue and the risk of management override through the use of data.
Doing so allows us to identify unusual transactions outside the normal course of business that have a higher risk of fraud.

4

Deepen our understanding of the trade payables processes

We aim to refine our audit procedures over revenue and the risk of management override through the use of data.
Doing so allows us to identify unusual transactions outside the normal course of business that have a higher risk of fraud.

How can we team successfully?

- ▶ Provide trade receivables subledger data and journal entry data by October 15, 2022
- ▶ Continued use of EY Canvas Client Portal



Involvement of internal audit and others

Areas/significant classes of transactions where EY is planning to use the work of the internal auditors under the direct assistance model	
Internal audit	Estimated Hours
▸ Revenue and expense test of transactions	35
▸ Derivative swaps	40
▸ Accruals	30
▸ Fixed assets	35
▸ Officer expense testing	20
▸ Cost to be recovered	40

¹ Direct assistance model – When we use the direct assistance model, we treat internal audit or others as our own staff by providing audit programs, supervising their work, and performing a detail and second-level review of the workpapers.

² Reliance model – When we use the reliance model, we perform certain procedures to evaluate the quality and effectiveness of internal audit's or others' work. Procedures will include reviewing audit programs, understanding supervision of procedures performed, reviewing workpapers and results, and performing tests of their work.





Required communications

Area	Comments
<ul style="list-style-type: none"> ▶ Terms of the audit engagement, including the objective of the audit, the auditor’s responsibilities under generally accepted auditing standards and management’s responsibilities 	Refer to the engagement letter.
<ul style="list-style-type: none"> ▶ Overall planned scope and timing of the audit, and significant risks identified and any changes thereto 	Refer to the executive summary and areas of emphasis for additional information.
<ul style="list-style-type: none"> ▶ Significant issues discussed with management in connection with the auditor’s initial appointment or recurring retention 	There are no matters to communicate.
<ul style="list-style-type: none"> ▶ Independence matters 	None
<ul style="list-style-type: none"> ▶ Inquiries regarding: <ul style="list-style-type: none"> – Risks of material misstatement – Fraud and noncompliance with laws and regulations (illegal acts) – Related-party relationships and transactions 	Inquiries regarding these matters are to be performed at this meeting.

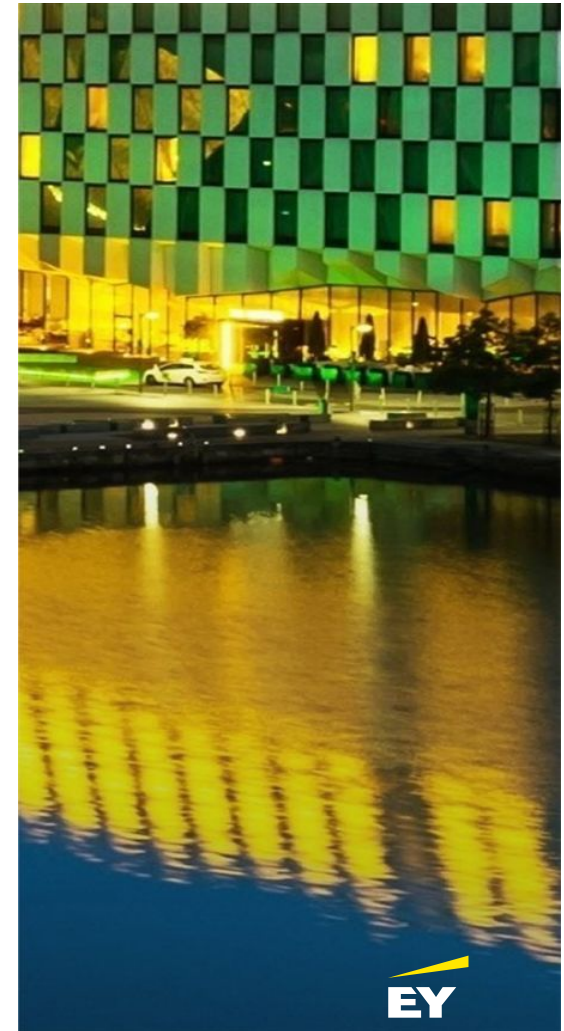
As required, provided above is a summary of required communications between the audit team and those charged with governance, as required by AICPA Clarified US Auditing Standard (AU-C) 260, *The Auditor’s Communication With Those Charged With Governance*, and other applicable auditing standards. This communication is intended solely for the information and use of those charged with governance and, if appropriate, management, and is not intended to be, and should not be, used by anyone other than these specified parties.



Business insights: 2022 board priorities

We believe that better questions lead to better answers and a better working world. Likewise, we believe that a board's most effective tool is asking compelling questions. These questions can lead to better governance and organizations that drive value for all stakeholders. Heading into 2022, we've highlighted the four key board priority themes around which boards should consider asking questions:

- 1** **Strategy and innovation.** Companies continue to refresh their strategy to strengthen agility, resiliency and sustainability and leverage innovative opportunities that can accelerate their performance over the long term. Trajectories of companies that are thriving and leaning into this strategic reset are diverging rapidly from those that are merely surviving.
- 2** **Risk management that enables resiliency amid new and evolving challenges.** Climate risks, global supply chain challenges, fast-changing consumer preferences and intrinsic changes to the global order are key drivers of change. Meanwhile, as companies advance technologically and work moves to anywhere, the landscape for cybersecurity threats widens. These and other risks call for enhanced scenario analyses and contingency planning across multiple, extreme scenarios.
- 3** **Broader oversight of culture and talent in a transforming labor market.** Technological advances continue to transform operating models and ways of working and living, reshaping stakeholder expectations, and requiring companies to accelerate their digital ambitions and expand worker flexibility to create competitive advantage. As a result, companies are upskilling and reskilling their workforces and putting people and culture at the core of value creation.
- 4** **Dynamic governance that addresses expanded and changing oversight requirements.** Boards have both the opportunity and the responsibility to help guide companies in this new era. However, this can't be achieved through a historical governance model. Boards should continue their own transformation to a new agile and dynamic form of governance and continuously challenge their composition, committee structure, agendas and ways of working to position their organizations to thrive in the long term.



Business insights: cybersecurity: staying vigilant through prevention, oversight and governance

Cybersecurity is now widely seen as the risk of the decade. Audit committees and boards charged with oversight and governance should push cybersecurity to the top of their agenda and take the lead in driving proactive change. These key areas should be prioritized:

Ransomware – prepare for the inevitable

- ▶ When cyber criminals strike, leadership is the main differentiator between failure and weathering the crisis. Readiness, presence and constant engagement must come from the top of the organization. If leadership deems it important, so will the rest of the team.
- ▶ Ransomware attacks are inevitable, catastrophic damage is not. Influence, disruption and deterrence are proactive measures each organization should take before incidents occur. Early detection; isolating critical assets; continuity plans for operating in crisis mode; complying with authorities while hedging against litigation; and communicating with employees, customers and investors are essential components of preemptive planning.

Oversight and strategy – leaning into leading practices

- ▶ New threats stemming from remote work and the expansion of digital transformation projects are forcing organizations to reimagine attacks, not just react to them, shifting cybersecurity from a control space to a conceptual space. “Trust by design” philosophy calls for bringing security in at the beginning and building new technologies and business services with security in mind.
- ▶ Conducting rigorous attack and response simulations, aligning escalation procedures for notifying boards, establishing third-party risk protocols and engaging in swift post-incident reporting make for stronger defenses.

Regulatory developments – defend and disclose

- ▶ A national privacy law that simplifies the current state of a fragmented patchwork of state guidelines may be passed in the US. However, onerous privacy rules in many other parts of the world will continue to burden companies that compete in a global marketplace.
- ▶ Managing cyber risk is not just about technical expertise and proper disclosure compliance. Companies need to start thinking comprehensively and promote a culture of cooperation – both internally and with other companies – to prevent future attacks.

Experts agree, to build better defenses against evolving cyber threats, organizations need to break out of silos and echo chambers. Independent outside parties can help companies expand knowledge bases, build stronger capabilities and identify blind spots in security and risk management programs.

Governance, Audit, and Compliance Committee - Presentation

EY | Building a better working world

EY exists to build a better working world, helping create long-term value for clients, people and society and build trust in the capital markets.

Enabled by data and technology, diverse EY teams in over 150 countries provide trust through assurance and help clients grow, transform and operate.

Working across assurance, consulting, law, strategy, tax and transactions, EY teams ask better questions to find new answers for the complex issues facing our world today.

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About EY's Assurance Services

Our assurance services help our clients meet their reporting requirements by providing an objective and independent examination of the financial statements that are provided to investors and other stakeholders. Throughout the audit process, our teams provide a timely and constructive challenge to management on accounting and reporting matters and a robust and clear perspective to audit committees charged with oversight.

The quality of our audits starts with our 90,000 assurance professionals, who have the breadth of experience and ongoing professional development that come from auditing many of the world's leading companies.

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Identity Theft Protection Program & Annual Risk Assessment

Daniel Mishra
Director, CIP Compliance



Identity Theft Protection Program Overview



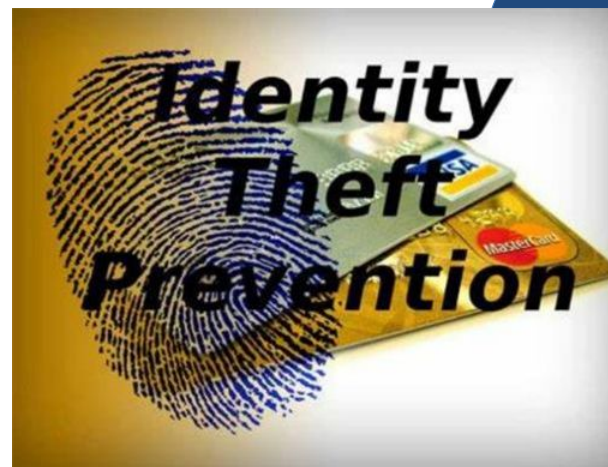
Complies with Federal and State regulations concerning identity theft:

Fair Credit Reporting Act (FCRA), 15 U.S.C. § 1681

Fair and Accurate Credit Transactions Act (FACTA) of 2003

Florida Information Protection Act (FIPA), (501.171) - 2014

Addresses protection of Personally Identifiable Information (PII) of customers, employees, agents, and contractors in JEA's possession



JEA Compliance Oversight Committee oversees compliance with identity theft protection standards

Risk Assessment Approach



Two-Part Review

Acquired

Review of controls applied to JEA data and information acquired by JEA using customer service channels

Stored

Review of controls applied to JEA data and information stored within JEA and shared with business partners and JEA personnel



JEA Identity Theft Protection & Detection



47,297  Accounts Opened Annually

12  Identity Theft Confirmed

5-Year Average (2017 - 2021)
20 Cases Opened Annually
12 Identity Theft Confirmed Cases

13
 ID Theft Confirmed 2020

9
 ID Theft Confirmed 2021

18 Days
 JEA average days to resolve identity theft cases



120+ Days
 IRS average days due to pandemic

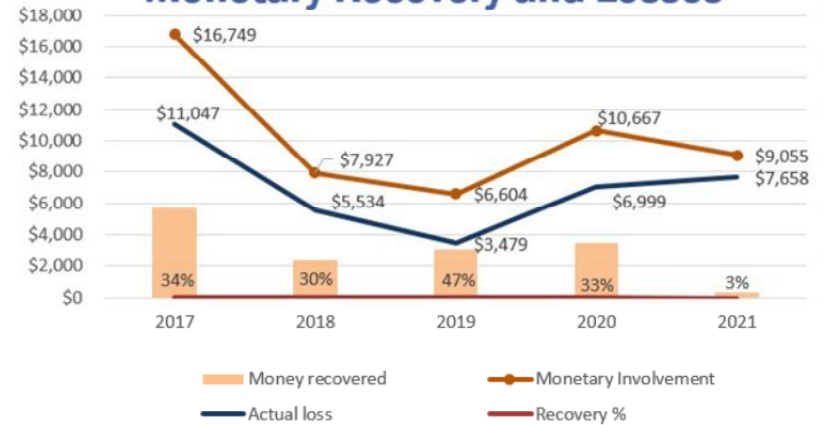
\$10,200
 5-Year Average Monetary Involvement



30%
 5-Year Recovery Average



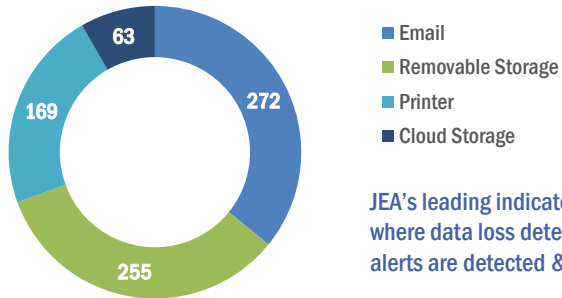
Monetary Recovery and Losses



Data Loss Prevention & Detection



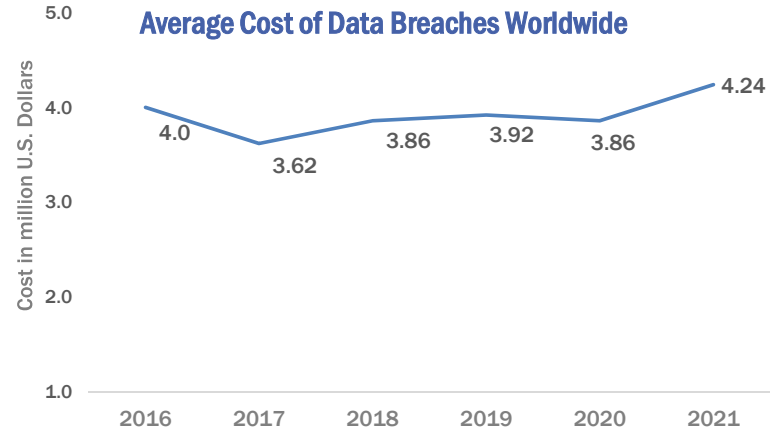
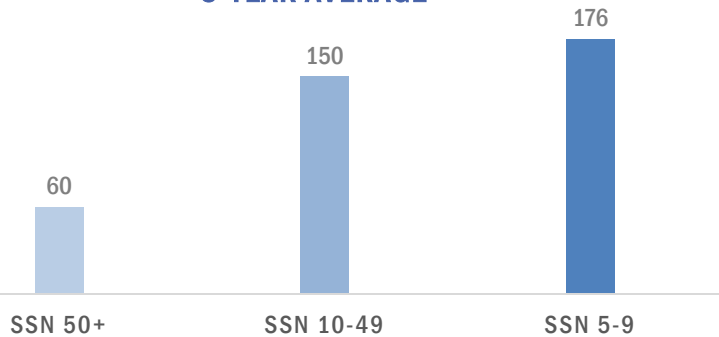
Sources of JEA Alerts | 3-Year Average



JEA's leading indicators for data in motion where data loss detection and prevention alerts are detected & investigated

No confirmed data breaches for this reporting period

JEA ALERTS BY SOCIAL SECURITY NUMBER
3-YEAR AVERAGE



<https://www.statista.com/statistics/987474/global-average-cost-data-breach/>

Risk and Improvements Strategy



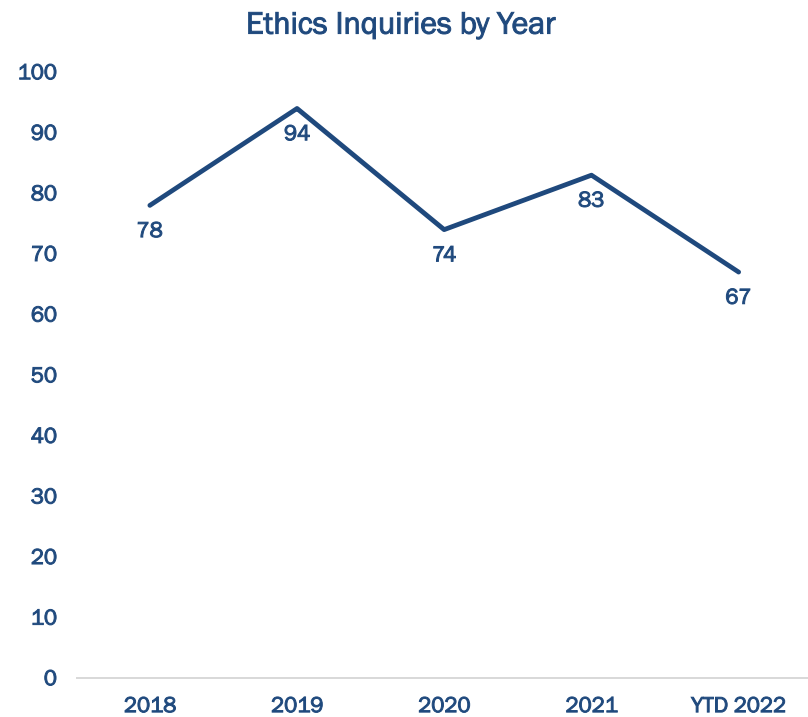
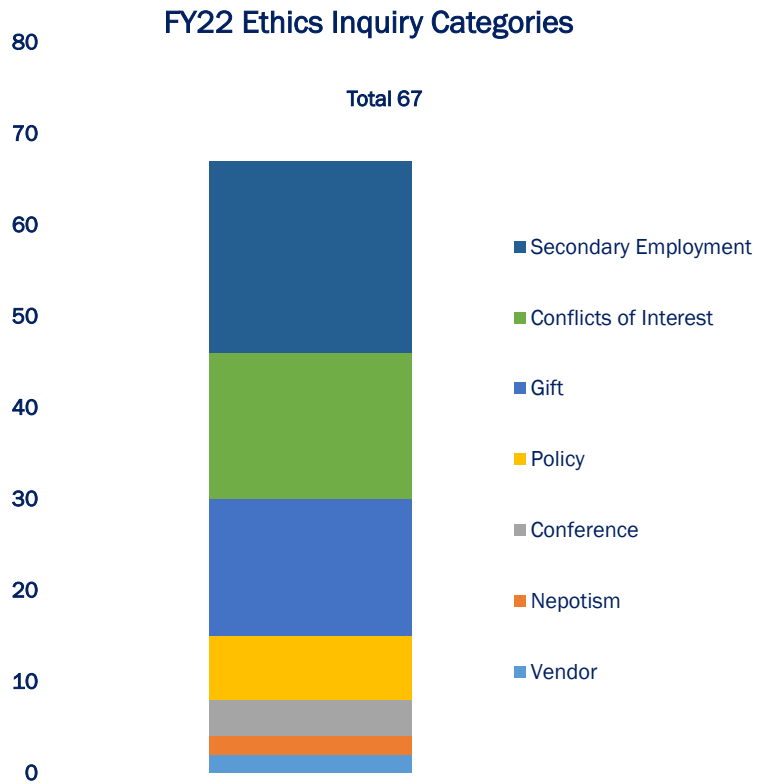
Activity	Target Date
Data Registry for authorized users who transmit sensitive data on behalf of JEA	2019 - Complete
Post-Account opening audits	2019 - Complete
Identity and Access Management based Access Control for Personal Identifiable Information (PII) data	2022 - Summer
Privilege Account Management Solution	2022 - Implementation Stage Estimated Completion End of 2022
Customer PII information upload solution	2022 - Design
PII Security Assessment	2023 - Planning

FY22 Ethics Officer Report

Walette Stanford
Ethics Director/Officer



Ethics at a Glance



Types and Volume of Ethics Inquiries

Ethics Training



Open Government Training

In partnership with Office of General Council and City of Jacksonville Ethics Office and in accordance with Article 21 JEA Charter

4 training sessions held in February 2022

267 Participants

Ethics Refresher Training

Scheduled in May 2022

Training for all non-management employees

99% completion



What's Next with Business Ethics



- End of year Ethics Scorecard
- Prepare quarterly Ethics modules for rollout in FY23
- Update Policies and Procedures
- Update Secondary Employment process for new hires
- Audit of Conflict of Interest forms





Audit Services Update

Lee Montanez
Director, Audit Services



Top Risk Trends

The business risk owners, with the assistance of Enterprise Risk Management, have identified the following current risks that could impact JEA's operations:

Supply Chain Disruption

Risk Owner: Ted Phillips

Direct Report Risk Owner:
Alan McElroy

Risk Impact(s):



Current Assessment:

External factors, including oil shortages and global political tensions, continue to escalate. Several operational areas are experiencing supply shortages and increasing O&M costs. Key factors include raw material and labor shortages, increased fuel costs and delayed shipping. The increased demand for core steel with EV incentives and new development growth is causing extreme delays in getting transformers. Lead time continues to increase without notice, causing issues from a planning perspective.

Staffing

Risk Owner: David Emanuel

Direct Report Risk Owner:
Pat Maillis
Robb Mack

Risk Impact(s):



Current Assessment:

Factors such as low unemployment rate (2.6% as of May 2022), and the migration of employers to the Jacksonville area have created a challenge in hiring and retaining employees. In addition, the number of experienced employees eligible for retirement continue. In some cases, the position requires years of training to effectively execute the job requirements.

Top Risk Trends (cont.)



Fuels Management

Risk Owner: Raynetta Marshall

Direct Report Risk Owner:

Ricky Erixton

Garry Baker

Risk Impact(s):



Current Assessment:

Due to political instability in Colombia, coal availability and transportation may become an issue, even though there are agreements in place thru the end of calendar year 2022. The only limestone supplier for the Northside operations shut down operations in Mexico. Alternate sourcing is possible, but at an increased cost.

Enterprise Risk Management Staff will continue to assess these emerging risks with business owners and the Leadership Team by completing Business Unit Risk Assessments (BURAs) and communicating our findings in a timely manner

Current Internal Audit Plan Status



Completed Audits and Engagements w/Rating

JEA Performance Pay Audit	No Rating
External Audit Assistance – EY	No Rating
TEA Audit (new)	Satisfactory
** C2M Project Tracking – Partial Reports #1, 2 @ 3 (new)	No Rating
IA/ERM & Forensic Audit Collaboration (new)	No Rating
System Protections & Controls (new)	Well-Managed

In-Process Audits and Engagements w/Status

Identity Management	Reporting
Procurement Services	Reporting
Data Center, Storage & Backups	Testing
Fiber Network Resiliency	Testing
Fleet Services	Testing
Enterprise Risk Management	Ongoing
** C2M Project Tracking – Partial Report #4	Ongoing
Project Accounting	Planning
** Construction Manager at Risk (CMAR) Invoice Review	Planning
Appointed Timecard Entry	Planning

Upcoming Audits and Engagements

Appointed Hiring Process
Debt Management

** Additions to the Audit Plan based on Management’s requests

Cancelled or Postponed Audits and Engagements

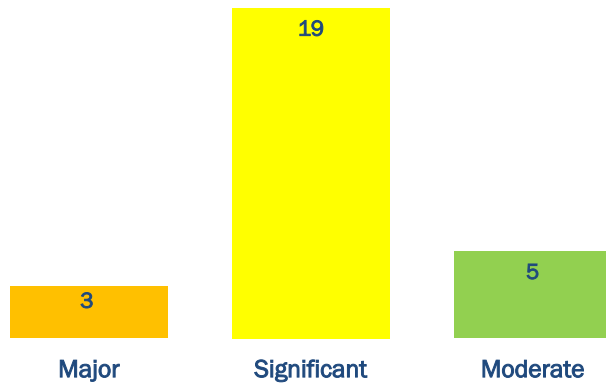
Green-e Agreed-Upon Procedures Engagement
Receivables & Collections

Internal Audit staff is on track to complete the FY22 Audit Plan

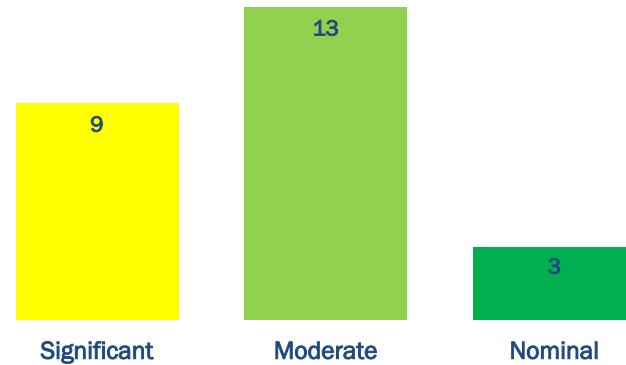
Open/Closed Audit Report Issues



Current Open Action Plans by Issue Rating - (27 Total)



YTD Closed Action Plans by Issue Rating - FY22 (25 Total)



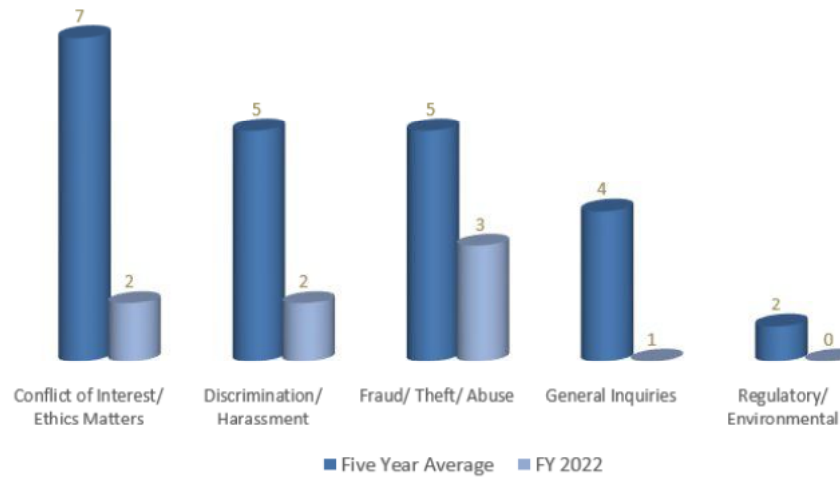
Closed Action Plan Highlights

Audit Name	Description
JEA Culture	Programs for building trust were implemented, such as Women in Trade and Civil Service conversations training
Investment Recovery	A new process was developed that improved asset valuations, segregation of duties, surplus forms, and the listing of obsolete assets
Fuels Management Services	The Fuels Procurement Directive and Procedures related to Heat Rate Curves were updated

Forensic Audit & Investigations (FAI) Highlights



Hotline Cases by Allegation



Currently reviewing communication strategies to better inform employees about the Hotline

With the recent addition of a Senior Forensic Auditor, we are fully staffed to conduct internal investigations of these matters



JEA Charter Amendments

Regina Ross
Chief Legal Officer





Board Governing Documents

Jordan Pope
Vice President, Corporate Strategy



Board Governing Documents



from Article 21 JEA Charter Section 21.03 c

Charter Requirements

The governing body of JEA shall adopt governing documents, including, but not limited to, a board policy manual, and such other rules and regulations not inconsistent with this Article, the charter or general law.

Unless otherwise provided herein, the governing body of JEA shall annually review and update its governing documents.

JEA's bylaws, board policy manual, and other governing documents, including any amendments thereto, shall be posted on JEA's website in a conspicuous manner for the public to view.

JEA's Board Governance

JEA Bylaws
JEA Board Policy Manual

Last reviewed November 2021
Updates proposed for Board approval July 2022

Available on jea.com in the Additional Board Information section

Proposing Board approval of updated board governing documents

Board Resolution 2022-14 Board Policy Manual



A RESOLUTION OF THE JEA BOARD OF DIRECTORS APPROVING THE GOVERNANCE, AUDIT, AND COMPLIANCE COMMITTEE'S RECOMMENDATION TO ADOPT THE AMENDED JEA BOARD POLICY MANUAL SUBSTANTIALLY IN THE SAME FORM AS ATTACHED HERETO; DIRECTING THE BOARD SERVICES MANAGER TO POST THE BOARD POLICY MANUAL ON JEA'S WEBSITE IN A CONSPICUOUS MANNER; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, in accordance with Article 21, Section 21.03, City of Jacksonville Charter, referred to within this resolution as "JEA Charter", "[t]he governing body of JEA shall adopt governing documents, including, but not limited to bylaws, a board policy manual, and such other rules and regulations not inconsistent with this Article, the charter or general law"; and

WHEREAS, in accordance with the JEA Charter, "the governing body of JEA shall annually review and update its governing documents"; and

WHEREAS, the JEA Board Policy Manual was last reviewed by the Governance Committee on November 8, 2021 and approved by the Board of Directors on November 16, 2021; and

WHEREAS, in accordance with the JEA Charter, "JEA's bylaws, board policy manual, and other governing documents, including any amendments thereto, shall be posted on JEA's website in a conspicuous manner for the public to view"; and

WHEREAS, at its July 14, 2022 meeting, the JEA Governance, Audit, and Compliance Committee recommended that the Board Policy Manual be amended in accordance with the document attached hereto as Exhibit A and incorporated herein; and

WHEREAS, it is in the best interests of JEA to adopt the amended Board Policy Manual as recommended by the Governance, Audit, and Compliance Committee.

NOW THEREFORE, BE IT RESOLVED by the JEA Board of Directors that:

The above recitals are incorporated into the body of this Resolution and are adopted as findings of fact.

The Board adopts the amended JEA Board Policy Manual substantially in the same form as attached hereto.

The Board Services Manager is directed to post the Board Policy Manual on JEA's website in a conspicuous manner.

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

This Resolution shall be effective upon approval by the Board.

Dated this 10th day of August 2022.

Proposing Board approval of updated Board Policy Manual

Board Resolution 2022-13 Board By-Laws



A RESOLUTION OF THE JEA BOARD OF DIRECTORS APPROVING THE GOVERNANCE, AUDIT, AND COMPLIANCE COMMITTEE'S RECOMMENDATION TO ADOPT THE AMENDED JEA BOARD BY-LAWS SUBSTANTIALLY IN THE SAME FORM AS ATTACHED HERETO; DIRECTING THE BOARD SERVICES MANAGER TO POST THE BY-LAWS ON JEA'S WEBSITE IN A CONSPICUOUS MANNER; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, in accordance with Article 21, Section 21.03, City of Jacksonville Charter, referred to within this resolution as "JEA Charter", "The governing body of JEA shall adopt governing documents, including, but not limited to bylaws, a board policy manual, and such other rules and regulations not inconsistent with this Article, the charter or general law"; and

WHEREAS, in accordance with the JEA Charter, "the governing body of JEA shall annually review and update its governing documents; and

WHEREAS, the JEA Board By-Laws were last reviewed by the Governance Committee on November 8, 2021 and approved by the Board of Directors on November 16, 2021; and

WHEREAS, in accordance with the JEA Charter, "JEA's bylaws, board policy manual, and other governing documents, including any amendments thereto, shall be posted on JEA's website in a conspicuous manner for the public to view"; and

WHEREAS, at its July 14, 2022 meeting, the JEA Governance, Audit, and Compliance Committee recommended that the JEA Board By-Laws be amended in accordance with the document attached hereto as Exhibit A and incorporated herein; and

WHEREAS, it is in the best interests of JEA to adopt the amended JEA By-Laws as recommended by the Governance, Audit, and Compliance Committee.

NOW THEREFORE, BE IT RESOLVED by the JEA Board of Directors that:

The above recitals are incorporated into the body of this Resolution and are adopted as findings of fact.

The Board adopts the amended JEA Board By-Laws substantially in the same form as attached hereto.

The Board Services Manager is directed to post the Board By-Laws on JEA's website in a conspicuous manner.

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

This Resolution shall be effective upon approval by the Board.

Dated this 10th day of August 2022.

Proposing Board approval of updated Board By-Laws



Annual Board Self-Assessment Criteria and Process

Jordan Pope
Vice President, Corporate Strategy



Annual Board of Directors Self-Assessment



Overview and Timeline

July 14

Governance, Audit, and Compliance Committee to review Board Self-Assessment timeline / criteria and discuss adjustments needed

October 18

Board Members Complete Online Self-Assessment

JEA will send an email to Board Members including:

- Instructions for completing the online self-assessment
- An electronic version can be made available upon request
- Completion Date: November 15

January 13

Governance, Audit, and Compliance Committee will receive an overview of the Board Self-Assessment results

January 24

January Board Meeting

- Governance, Audit, and Compliance Committee Chair will provide the results of the Board Self-Assessment

Annual Board of Directors Self-Assessment



JEA Board Policy Manual – “The Board will conduct a self-assessment on an annual basis”.

The Board understands and supports JEA’s mission, vision, and strategic focus areas and engages in strategic planning

The Board understands and adheres to the Article 21 – Charter, JEA By-Laws, JEA Board Policy Manual, City of Jacksonville Ethics Code, and applicable Florida Statutes and City Ordinances

The Board has a strong working relationship with the CEO

As a Board member, I feel I have the knowledge needed to tackle the important issues, to provide proper oversight, and to be an ambassador for JEA

Board members are well prepared for the meetings and spend adequate time engaged in discussion and providing direction to staff

The Board is focused on being proactive rather than reactive and is primarily focused on the future rather than past or present

In what areas is the Board most effective?

Are there areas where the Board can improve?



Annual CEO Evaluation Criteria and Process

Jordan Pope
Vice President, Corporate Strategy



Annual CEO Evaluation



Overview & Timeline

JEA Board Policy Manual – “Board evaluation of the CEO will be done annually and based on criteria set by the Board.”

July 14

Governance, Audit, and Compliance Committee review current CEO Evaluation criteria and discuss any adjustments to criteria for FY23

by October 10

CEO to complete a self-evaluation to be included in the October 21 Governance, Audit, and Compliance Committee materials

October 18

Board Members Complete Online Evaluation

JEA will send an email to Board Members including:

- Instructions for completing the online evaluation
- Evaluation Criteria
- FY22 Performance Scorecard
- CEO Self-Evaluation
- Completion Date: November 15

by December 30

Schedule Meeting for Board Chair to review evaluation and feedback with CEO

January 13

Governance, Audit, and Compliance Committee

- Overview of FY22 CEO Evaluation Results

January 24

January Board Meeting

- Board Chair will provide overview of FY22 CEO Evaluation Process & Results

Annual CEO Evaluation



Executive Core Competencies

1. CEO demonstrates executive core competencies
 - a. Embodies JEA's values of safety, respect, and integrity
 - b. Communicates effectively
 - c. Actively supports the Board of Directors, maintains candid dialogue, and transparency on all issues associated with JEA
 - d. Maintains positive public relations and builds relationships with key stakeholders in the community
 - e. Leads others effectively
 - f. Plans for the future and drives results
 - g. Leverages industry acumen
2. CEO maintains 100% compliance with respect to Article 21 applicable provisions and all applicable legal and fiduciary responsibilities
3. CEO has a viable succession plan
4. CEO updates the Board regularly on JEA's performance of key measures aligned to JEA's strategy as outlined in JEA's corporate scorecard

- Pay-for-Performance Measure
- ▲ Higher is good
- ▼ Lower is good
- On Plan or Better
- At Risk
- Unfavorable

JEA Performance Scorecard | Data through September 30, 2022

		FY20	FY21	FY22 Goal	FY22 YTD	FY22 Forecast
UNBEATABLE TEAM	● ▼ Safety - Lost Time Incident Rate (LTIR)	0.38	0.66	0.44	0.00	0.10
	Retention	94%	93%		93%	93%
	New Hires	97	182		138	214
	▲ Diversity - Female Representation %	22%	22%		22.7%	22.4%
	▲ Diversity - People of Color Representation %	25%	26%		26.5%	26.1%
	▲ Diversity - Veteran Representation %	19%	20%		18.5%	19.0%
CUSTOMER LOYALTY	● ▲ Customer Satisfaction - Residential (JD Power)	3rd Quartile	3rd Quartile	2nd Quartile	2nd Quartile	2nd Quartile
	● ▲ Customer Satisfaction - Commercial (JD Power)	2nd Quartile	4th Quartile	2nd Quartile	2nd Quartile	2nd Quartile
	▼ Nitrogen to the River (tons)	299	372	440	238	412
	▼ Sanitary Sewer Overflows (Total Count)	48	35	31	15	26
	▼ Environmental Compliance - Permit Exceedances	1	1	4	0	0
	Example True Data to be supplied October 18th					
BUSINESS EXCELLENCE	▲ Sales - Electric System (MWh)	12,185	12,216	12,200	6,487	12,279
	▲ Sales - Water System (Million Gallons)	38,272	37,181	39,000	21,480	38,991
	▲ Sales - Wastewater System (Million Gallons)	28,160	28,139	29,000	16,484	29,244
	▲ Sales - Reclaim (Million Gallons)	4,427	4,463	5,000	2,653	5,125
	▲ Revenue - Total System (\$M)	\$1,600	\$1,628	\$1,638	\$954	\$1,851
	▼ Total Debt (\$M)	\$3,257	\$3,000	\$2,731	\$2,834	\$2,734
	▼ Net Funded Debt (\$M)	\$3,031	\$2,788	\$2,547	\$2,674	\$2,544
	▼ Operations & Maintenance (O&M) Spend (\$M)	\$393	\$381	\$441	\$227	\$426
	▲ Capital Spend (\$M)	\$387	\$355	\$500	\$208	\$560
	▼ Fuel & Purchased Power Expense (\$M)	\$343	\$425	\$534	\$291	\$612
	● ▲ Electric O&M (\$)	\$218	\$214	\$253	\$125	\$238
	● ▲ Water O&M (\$)	\$171	\$163	\$183	\$99	\$184
	▼ Reliability - Customers Experiencing Multiple Interruptions (CEMI-5)	0.25%	0.14%	0.80%	0.23%	0.08%
	▼ Reliability - Effective Forced Outage Rate (EFOR)	2.3%	4.0%	3.2%	0.2%	0.2%
	▼ Reliability - Water Unplanned Outages (Number of Customers)	15,342	12,257	7,700	2,626	4,502
▼ Water Pressure (average min < 30 psi)	4.0	2.1	2.8	0.7	2.5	



Governance, Audit, and Compliance Committee

Supplemental Information



Audit Services Staffing Changes



Promotions



Lee Montanez
Director, Audit Services

CIA, CISA, & CRMA

Over 10 years of experience at JEA as a Senior Information Technology Auditor and Manager, Internal Audit

Always looking for opportunities for improving controls and processes



Rashid Brittain
Internal Audit Manager

CPA & CISA

Worked in Audit Services for the past six years as a Senior Information Technology Auditor

Great communication and collaborative skills

New Hire



Tina McFarlin
Senior Forensic Auditor

CPA

Six years as a Financial Reporting Specialist

Strengths include problem solving, analysis, process improvement, and expert knowledge of Oracle and Excel

Retirement



Steve Tuten
Director, Audit Services

Experienced leader at JEA for over six years

Trusted advisor to the Board, Management, and Audit Services staff

Certified Internal Auditor (CIA)
Certified Information Systems Auditor (CISA)
Certified Public Accountant (CPA)
Certification in Risk Management Assurance (CRMA)

New Governance, Risk, and Compliance (GRC) System Implementation



Highbond

An enterprise governance software platform that creates stronger audit, assurance, compliance, and risk management

Allows for better integration of Enterprise Risk Management (ERM) and Internal Audit data

Enhanced access to reports and data from stakeholders

Centralized workflow

Aggregated data for real-time decision-making and reporting



Completed Audits and Engagements



Audit or Engagement	Rating	Good Practice Observed	Key Observation
TEA Audit	Satisfactory	TEA staff was very diligent in mitigating past observations and provide the Audit team with all necessary documentation.	Audit identified issues related to system monitoring alerts and lack of integration of the IT Risk Register.
IA/ERM & Forensic Audit Collaboration	No Rating	The ERM team is making good progress in the implementation of the HighBond application. The Forensic Audit team was able to clear some case backlog.	Several Top Enterprise Risk profiles related to environmental risks and procurement were updated. Internal Auditors worked on the backlog of several Forensic Audit cases.
C2M Project Tracking (related to partial reports #1, 2 &3)	No Rating	The Implementation team has improved their testing approach and communication with external consultants.	Audit identified the lack of a comprehensive governance structure and gaps in both testing and coverage.
System Protections & Controls	Well-Managed	The System Protections & Controls team have good controls over maintenance records for Bulk Electric System (BES) and non-BES relays.	Audit identified the need for updating the Business Continuity Plan and Procedures.

FAI – Summary of Hotline Closed Cases Since Last Committee Report



Allegation(s)	Results
Management processed invoice payments that did not match up to the contract	The allegation was unfounded Language in the vendor contract allowed for deviations from contracted prices A sample review of invoices did not disclose any inconsistencies with the contract language
Midge fly larvae (blood worms) were found in a filter and ground storage tanks	The allegation was unfounded
Employees were told to keep quiet	Staff interpreted a comment to not call JEA Environmental Services as an attempt to evade a reporting responsibility
The Environmental Department was never notified	Larvae being present is an aesthetic issue that the Florida Department of Environmental Protection does not consider to be a health risk.
At least two/three co-workers have arrived late to work for the last couple of years (<i>Two separate but identical reports received, reported out as one</i>).	The allegation was unsubstantiated. An investigation was not performed due insufficient information. Attempts to obtain additional information from the Caller were unsuccessful.
Two employees routinely arrive late to work.	The allegation was substantiated. The employees arrived late on multiple occasions but stayed late to make up for arriving late.
A subcontractor falsified documents, overbilled for time and incomplete work.	The allegation was unfounded.
The Project Manager was part of the excess billing.	No evidence was found to support JEA procurement policy violations, improper billing, or Project Manager collusion.

FAI – Summary of Hotline Closed Cases Since Last Committee Report



Allegation(s)	Results
A Manager made a Contractor do personal work. The Contractor has been over paid and has been given contracts.	The misuse of position and procurement violations allegations were unfounded.
The Manager made racial jokes about employees.	The improper jokes allegation was unsubstantiated.
A WebEx Presidio TV was purchased on a directive from Northside Generating Station Management (NGS), was a misappropriation of funds, and was a violation of corporate policy.	The allegation was unfounded. The TV was ordered through an active and appropriate contract with proper approvals. The transaction complied with JEA Procedures.
A Manager displayed unprofessional behavior in front of employees. The Caller (contract employee) was reassigned from JEA.	The allegation of unprofessional conduct was unsubstantiated. The anonymity of the complaint and the limited information provided, we could not prove/disprove the allegation.
An employee used tools in the NGS Maintenance Shop after hours. The employee may have been involved with missing welder.	Personal use of JEA equipment was substantiated but Management allowed the action. No specific JEA policy prohibited the use; the City's Ordinance Code prohibits the use for personal benefit.
Suspicious purchases were made to replace broken/lost tools.	The theft allegation was unsubstantiated by Law Enforcement.

Note: FY22 YTD, ten (10) cases have been closed

JEA GOVERNANCE COMMITTEE MINUTES

November 8, 2021

The Governance Committee of the JEA Board met at 3:00 pm on Monday, November 8, 2021 on the 8th Floor, 21 W. Church Street, Jacksonville, Florida. The meeting was properly noticed and the public was invited to attend this meeting in-person at the physical location and virtually via WebEx. Attendees were required to follow CDC guidelines at the meeting location, including wearing masks and social distancing.

WELCOME

Meeting Called to Order – Committee Chair General Joseph DiSalvo called the meeting to order at 3:00 pm. Committee member Rick Morales was present for the meeting. Committee member Tom VanOsdol and Board Chair John Baker attended the meeting via WebEx. Dr. Zachary Faison was not in attendance for the meeting. A quorum of the committee was not physically present for the meeting.

Others in attendance in-person were Jay Stowe, Managing Director/CEO; Jody Brooks, Chief Administrative Officer; and Regina Ross, Chief Legal Officer, Office of General Counsel. Laura Dutton, Chief Strategy Officer; Ted Phillips, Chief Financial Officer; Laura Schepis, Chief External Affairs Officer; Raynetta Marshall, Chief Operating Officer; Kurtis Wilson, Vice President, Government Relations; Ricky Erixton, Vice President, Electric Systems; Joe Orfano, Vice President, Financial Services; Jordan Pope, Vice President, Corporate Strategy; Stephen Datz, Vice President, Technical Services; Brad Krol, Chief Information Officer; Hai Vu, Vice President, Water/Wastewater Systems; and Paul Mitchell, Vice President, Economic Development, participated in the meeting via WebEx.

Adoption of Agenda – Due to the lack of quorum, this item was deferred to the Board for approval at its November 16, 2021 meeting.

Approval of Minutes – May 6, 2021 – Due to the lack of quorum, this item was deferred to the Board for approval at its November 16, 2021 meeting.

Safety Briefing – Melissa Charleroy, Board Services Manager, provided the safety briefing.

FOR COMMITTEE CONSIDERATION

JEA Bylaws – Modification for Meeting Cadence – Jody Brooks, Chief Administrative Officer, referencing materials provided in the committee’s meeting packet, provided an overview of the JEA Board Policy Manual, Article V, Section 1 regarding regular meetings. Ms. Brooks reviewed the current Bylaws language that does not align with the City of Jacksonville Charter, Article 21, which states the JEA Board shall meet once a month, but in no event less than eight (8) times a year. Ms. Brooks noted staff is recommending the JEA Bylaws be revised to state regular meetings shall be held in accordance with the requirements set forth in Article 21 – JEA Charter. A brief discussion ensued to which Committee members offered comments. Due to the lack of quorum, this item was deferred to the Board for approval at its November 16, 2021 meeting.

Board Self-Evaluation Review – Laura Dutton, Chief Strategy Officer, presented as required in the Charter, Article 21, the Board of Directors are to conduct an annual self-evaluation. Ms. Dutton reviewed the evaluation and feedback provided including items that are going well and areas for consideration. Board Members held discussions regarding the self-evaluation results, as well as questions for future self-evaluations. This agenda item was received for information.

CEO Evaluation

FY21 Evaluation Criteria & Process – Ms. Brooks presented as of November 30, 2021, Mr. Stowe will have completed one year of service at JEA. In accordance with the CEO contract and JEA Board Policy Manual, the Board of Directors will conduct an annual CEO evaluation based on Appendix A1, Executive Core Competencies and CEO evaluation criteria. Ms. Brooks reviewed the CEO evaluation timeline, which concludes with Chair Baker providing an overview of the FY21 evaluation process and results at the January 11, 2022 JEA Board meeting. Committee members had no comments. This item was received for information.

FY22 Evaluation Criteria & Process – Ms. Brooks referencing materials provided in the committee’s meeting packet, provided an overview of the CEO Evaluation Criteria including the Executive Core Competencies and Measures of Effectiveness. Ms. Brooks proposed utilizing the JEA Corporate Scorecard in place of the Measures of Effectiveness. Committee members held discussions regarding the evaluation criteria and discussed replacing the Measures of Effectiveness with the JEA Corporate Scorecard while retaining the Core Competencies. This agenda item was received for information.

CLOSING CONSIDERATIONS

Announcements – Next Board Meeting November 16, 2021

Adjournment – With no further business coming before the Committee, Committee Chair General DiSalvo declared the meeting adjourned at 3:52 pm.

APPROVED BY:

Joseph DiSalvo, Committee Chair

Date: _____

Submitted by:

Melissa Charleroy
Board Services Manager

ARTICLE 21. - JEA

Section 21.01. - JEA created and continued; audits.

(a) *Creation.* There is hereby created and established a body politic and corporate to be known as JEA, which is authorized to own, manage and operate for the benefit of the City of Jacksonville the utilities systems within and without the City of Jacksonville. JEA is created for the express purpose of acquiring, constructing, operating, financing and otherwise having plenary authority with respect to electric, water, sewer, natural gas and such other utility system as may be under its control now or in the future. The utilities systems may be owned, operated or managed by JEA for the benefit of the City of Jacksonville separately or in such combined or consolidated manner as JEA may determine and JEA may use such name or names in the conduct of its business in connection therewith as it may determine. It is the specific purpose of this Article to repose in JEA all powers with respect to electric, water, sewer, natural gas and such other utility system which are now, in the future could be, or could have been but for this Article, exercised by the City of Jacksonville. JEA created and established by this Article is the same Jacksonville Electric Authority previously created and established by Chapter 67-1569, Laws of Florida, as amended, (including as added to Chapter 67-1320, Laws of Florida by Chapter 78-538, Laws of Florida and, as amended and readopted by Chapters 80-515, and 92-341, Laws of Florida) and, except as otherwise provided or authorized by this Article, JEA shall continue to function under this Article the same as it previously functioned under Chapter 67-1569, Laws of Florida, as amended (including as added to Chapter 67-1320, Laws of Florida by Chapter 78-538, Laws of Florida and, as amended and readopted by Chapters 80-515 and 92-341, Laws of Florida).

(b) *Audits.* JEA shall be subject to the council auditor's authority set forth in Section 5.10 of the Charter. (Laws of Fla., Ch. 78-538, § 1; Laws of Fla., Ch. 80-515, § 1; Ord. 84-1307-754, § 25; Laws of Fla., Ch. 92-341, § 1; Ord. 93-82-1385, § 1; Ord. 97-12-E, § 2; Ord. 98-253-E, § 1; Ord. 2020-419-E, § 2)

Section 21.02. - Definitions.

In the interpretation of this Article, unless the context otherwise requires:

(a) The term "utilities systems" means the electric utility system and the water and sewer utility system now operated by JEA which shall include, except where inconsistent with Chapter 80-513, Laws of Florida, as amended, or where the context otherwise requires, any "system" or "project" authorized pursuant to the provisions of Chapter 80-513, Laws of Florida, as amended and any natural gas utility system to be operated in the future by JEA together with any other additional utility system as may be hereafter designated as a part of the utilities systems operated by JEA as provided in Section 21.04(v) herein.

- (b) The term "member" means an individual confirmed by the council to serve on the governing body pursuant to this Article.
- (c) The term "managing director" means the chief executive officer of JEA.
- (d) The term "utility system" shall mean any separate utility system operated by JEA such as its electric utility system, its water utility system, its wastewater utility system, its natural gas utility system or any other additional utility system as may be hereafter designated as a part of the utilities systems operated by JEA as provided in Section 21.04(v) herein.
- (e) The terms "sewer utility system" and "wastewater utility system" shall each have the same meaning as the other and these terms shall be interpreted as meaning the same.
- (f) The term "district energy system" or "DES" shall mean a system of centrally located chillers designed to provide chilled or heated water via pipes for the purposes of providing heating and cooling within a designated area.
- (g) The term "governing body of JEA" means the governing body of JEA consisting of seven members.

(Laws of Fla., Ch. 78-538, § 1; Laws of Fla., Ch. 80-515, § 1; Ord. 84-1307-754, § 25; Laws of Fla., Ch. 92-341, § 1; Ord. 93-82-1385, § 1; Ord. 97-12-E, § 2; Ord. 98-253-E, § 1; Ord. 2015-764-E, § 2; Ord. 2020-419-E, § 2)

Section 21.03. - Composition; compensation; officers; meetings.

- (a) *Composition; qualifications; removal.* The governing body of JEA shall consist of seven members, each of whom shall serve for a term of four years or until such member's successor has been appointed and has qualified. Four members shall be nominated by the council president and confirmed by the council, and three members shall be appointed by the mayor and shall be confirmed by the council. With regard to one member appointed by council through open application, the council president shall nominate an applicant who has one of the following qualifications: was a former JEA employee, or person recommended by an employee, union or group of current or former JEA employees. To the extent feasible and regarding member appointments generally, individuals who have demonstrated corporate, executive or administrative experience working in public or private organizations, including, but not limited to, non-profit and government organizations, are preferred, but not required, to serve on the governing body of JEA. Each member shall have been a resident and elector of the city for at least six consecutive months prior to such member's appointment. No member shall hold any other public office or position. If at any time during a member's tenure on the governing body of JEA, such member shall cease to possess the qualifications required for membership on the governing body of JEA, such member shall cease to be a member and a vacancy shall exist on JEA. Any vacancy on the governing body of JEA, however created, shall be filled for the unexpired term in the same manner as the position was originally filled, and the person filling the vacancy shall have and shall retain all the qualifications prescribed for membership on JEA. Any member appointed to the governing body of JEA for two

consecutive full terms shall not be eligible for the succeeding term. The members appointed by the mayor may be removed by the mayor at any time with or without cause, but a removal must be approved by a two-thirds vote of the council. The members appointed by the council may be removed by the council at any time with or without cause, but a removal must be approved by a two-thirds vote of the council.

- (b) *Compensation; applicable laws.* Members shall not be entitled to pension or other retirement benefits on account of service on the governing body of JEA, but members shall be entitled to payment or reimbursement for reasonable expenses incurred (e.g., travel expenses) as prescribed by the council by ordinance. Members shall be subject to the provisions of F.S. § 286.012, as amended, relating to voting at meetings of JEA, and the provisions of F.S. §§ 112.311 through 112.3175, as amended, relating to financial disclosure and conflicts of interest. Additionally, Members shall be subject to all other relevant and applicable laws and ordinances, including but not limited to, F.S. Ch. 286 (Public Business: Miscellaneous Provisions), as amended; F.S. Ch. 112, Part III (Code of Ethics for Public Officers and Employees), as amended; and F.S. Ch. 119 (Public Records), as amended, and Chapter 602 (Jacksonville Code of Ethics), Ordinance Code of the City of Jacksonville, as amended.
- (c) *Officers; meetings; quorum; governing documents.* The governing body of JEA shall elect a chairperson, vice-chairperson and secretary of JEA and may elect one or more assistant secretaries of JEA, each of whom shall serve for one year or until such officer's successor is chosen. JEA may meet at such times and places designated by the governing body of JEA and shall hold regular meetings as necessary. Generally, JEA shall meet once a month, but in no event less than eight (8) times a year. Special meetings may be held upon the call of the chairperson or any three (3) members. JEA meetings shall be subject to F.S. § 286.011 (Florida Open Meetings Laws), as amended. A majority of the membership shall constitute a quorum for the purpose of meeting and transacting business. Each member shall have one vote. The governing body of JEA shall adopt governing documents, including, but not limited to, bylaws, a board policy manual, and such other rules and regulations not inconsistent with this Article, the charter or general law. Unless otherwise provided herein, the governing body of JEA shall annually review and update its governing documents. JEA's bylaws, board policy manual, and other governing documents, including any amendments thereto, shall be posted on JEA's website in a conspicuous manner for the public to view.
- (d) *Office-holding; oath.* JEA membership shall be considered an office and limited by the office holding provisions as provided for under the Florida Constitution. No member shall be eligible to serve as a member while holding another office or being an employee of JEA. Members shall be required to take an oath of office consistent with the oath of office taken by other public officials serving on city boards and commissions.
- (e) *Transparency in meetings.* JEA should hold its meetings in the most open and transparent manner practicable for the benefit of the public and citizens of the City of Jacksonville. JEA shall adopt

procedural rules regarding the publication of meeting agendas, meeting materials, meeting minutes, and public participation during all meetings, including regular, special and committee meetings, where action by the governing body of JEA or committee is contemplated. To the greatest extent feasible, JEA is encouraged to adhere to best practices and recommendations regarding openness and transparency contained in the latest published edition of Florida's Government-In-the-Sunshine Law Manual prepared by the Office of the Attorney General. At a minimum, such procedural rules should require JEA to (i) publish an agenda and any meeting materials for its regular, special and committee meetings in a conspicuous manner on JEA's official website; (ii) promptly post meeting minutes generally within 72 hours after each meeting; and (iii) provide the timeframe for when an agenda and any meeting materials must be made available to the public in advance of such meetings. Such procedural rules should also require JEA to deliver copies of its meeting agendas, including regular, special and committee meeting agendas, and any meeting materials related thereto, to the council auditor in substantially the same timeframe and content as provided to members. Nothing in this subsection shall prohibit JEA from amending previously published meeting agendas and meeting materials in accordance with its bylaws, board policy manual, or other applicable governing documents.

(Ord. No. 2020-100-E, § 2 (Referendum of November 3, 2020); Ord. 2020-419-E, §§ 1, 2)

Editor's note— Ord. 2020-419-E, §§ 1 and 2, amended the Charter by repealing former § 21.03 in its entirety and adding a new § 21.03. Former § 21.03 pertained to similar subject matter, and derived from Laws of Fla., Ch. 75-538, § 1; Laws of Fla., Ch. 80-515, § 1; Ord. 83-693-582, § 1; Ord. 84-1307-754, § 25; Laws of Fla., Ch. 92-341, § 1; Ord. 93-82-1385, § 1; Ord. 98-253-E, § 1; and Ord. 2016-764-E, § 2. Amendments made by Ord. 2020-100-E, § 2, were retained and incorporated into Ord. 2020-419-E.

Section 21.04. - Powers.

JEA shall have the following powers, in addition to powers otherwise conferred:

- (a) To construct, own, acquire, establish, improve, extend, enlarge, reconstruct, reequip, maintain, repair, finance, manage, operate, and promote the utilities systems.
- (b) To acquire for the use of the utilities systems by grant, purchase, gift, devise, condemnation by eminent domain proceedings, exchange, lease or in any other manner, all property, real or personal, or any estate or interest therein, including without limitation, property used:
 - (1) In connection with the generation, transmission and distribution of electric power and energy;
 - (2) In connection with the collection, storage, treatment, processing, disposal, transmission and distribution of water and wastewater including, but not limited to, raw water, potable water, non-potable water, chilled water and reused water; however, JEA shall have no power or authority for the function of stormwater runoff and drainage management;

Governance, Audit, and Compliance Committee - Supplemental Information

6/28/22, 4:24 PM

Jacksonville, FL Code of Ordinances

- (3) In connection with the production, procurement, extraction, manufacture, transmission, transport, distribution, and storage of natural gas; and
- (4) In connection with the production of steam, the mining, extraction, development, production, manufacture, procurement, transportation, handling, storage, processing or reprocessing of fuel of any kind, to likewise acquire any facility or rights with respect to the supply of water, any rights with respect to minerals, including but not limited to coal, petroleum coke, natural gas and oil and bio-mass facilities for the processing of by-products derived from the operation of the utilities systems, solid waste disposal and environmental protection facilities, communication and computer facilities, and any other property, equipment, facilities or property rights whatsoever determined by JEA to be necessary or convenient in connection with the operation, promotion, financing, construction, management, improvement, extension, enlargement, reconstruction, re-equipment, maintenance, repair, decommissioning or disposal of the utilities systems or any part thereof, and to sell, lease or otherwise transfer, with or without consideration, any such property when in JEA's discretion it is no longer needed or useful, or such sale, lease or transfer otherwise is in the best interest of JEA, all upon such terms and conditions as JEA shall by resolution fix and determine.

The right of eminent domain conferred herein shall be exercised by JEA in the manner provided by law. If JEA leases any real property to another agency, firm, corporation, entity, or individual, it shall cause a memorandum of said lease to be recorded in the official records with the clerk of the circuit court where the property is located. For any real property that exceeds either an assessed value or just market value of \$50,000 as determined by the property appraiser of the county where the real property is located, JEA shall not sell such real property for less than the appraised value as certified by an MAI certified appraiser, unless approved by the council.

Regarding any real property interests acquired or disposed of by JEA pursuant to this subsection, the governing body of JEA shall approve real estate rules and procedures and any amendments thereto governing the reporting, acquisition, sale, purchase, lease, license, transfer, and disposition of real property. Such real estate rules and procedures shall not be inconsistent with this Article, including, but not limited to, the express prohibitions set forth in Section 21.11 herein. The governing body of JEA shall review its real estate rules and procedures no less than biennially. The governing body of JEA shall not delegate its approval authority of such real estate rules and procedures, including any amendments thereto, to the managing director or any other officer, employee or agent of JEA. JEA shall post such real estate rules and procedures, including any amendments thereto, on JEA's website in a conspicuous manner for the public to view.

- (c) To furnish electricity, water, sanitary sewer service, natural gas and other utility services as authorized herein to any person or entity, public or private, within or without the city and for

said purposes shall have the right to construct and maintain electric lines, pipelines, water and sewer mains, natural gas lines and related facilities in and along all public highways and streets within or without the city.

- (d) To sell power and energy, water, sanitary sewer service, natural gas and other utility services as authorized herein at wholesale and retail and/or to provide transmission or other services of any kind to any person or entity, public or private, within or without the State of Florida, directly by JEA, indirectly through other entities and jointly through associations with other utilities or entities engaged in these activities.
- (e) To enter into contracts with any person or entity, public or private, deemed necessary or desirable by JEA in connection with carrying out its powers and duties, except as otherwise prohibited in this Article or the charter.
- (f) To fix, pledge to establish or establish, levy, regulate, impose and collect rates, assessments, fees and charges for the use or benefit of the utilities system and to alter and amend same from time to time, which rates, assessments, fees and charges shall result in JEA receiving or possessing an amount which, together with accumulated balances from prior years available therefore is not less than is required to operate and maintain a self-liquidating or self-sustaining utilities system. When establishing or altering rates, assessments, fees or charges for retail service, JEA shall first give notice of and hold a public hearing in the City of Jacksonville. The notice shall be published not less than one (1) week in advance in at least one (1) newspaper of general circulation in the city. Said notice shall be at least one-fourth page in size, inviting the public to be present and heard. JEA shall have the power to impose sanctions to enforce compliance with any rule or regulation which JEA may adopt in the management and operation of, or the sale or use of any utility service provided by JEA from the utilities system including, without limitation, electricity, water, sewer and natural gas services. The city and other public bodies shall be required to pay for any utility services provided by JEA upon the same basis as other users.
- (g) To sue and be sued, implead and be impleaded, complain and defend in all courts, to adopt and use a corporate seal, to apply for, hold and own patents and copyrights, to sell or license patents, copyrights, patented or copyrighted materials to other public or private entities. Prices or fees for such sales or licensing may be based upon market considerations. JEA may designate how proceeds from such sales or licensing shall be used. Prices or fees for the sale of copyrighted data processing software, as defined in F.S. § 119.011, shall be established pursuant to § 119.084, as amended.
- (h) To make or cause to be made such surveys, investigations, studies, borings, maps, drawings and estimates of cost and revenues as it may deem necessary, and to prepare and adopt a comprehensive plan or plans for the location, relocation, construction, improvement, revision and development of the utilities system.

- (i) (1) To issue revenue bonds or revenue certificates of JEA for the purpose of financing or refinancing system, including without limitation the financing of any one or more enlargements, expansion developments, replacements, acquisitions or modernization of the utilities system, any expense utilities system, any reserves deemed necessary or desirable by JEA and any other purpose not prohibited by law, and retiring any bond, note or revenue certificate issued under this Article, or note or revenue certificate issued by or on behalf of the city to finance the water and sewer utility previously owned or operated by the city, and for any combination of one or more such purposes single issue of revenue bonds or revenue certificates. At the discretion of JEA, such bonds or revenue certificates may be issued for any one or more of the several utility systems of JEA (or any combination thereof).
- (2) The bonds or revenue certificates of each issue shall be authorized by resolution of JEA, which resolution shall contain such provisions relating to the protection and security of the holders of the bonds or revenue certificates, including their rights and remedies, and the rights, powers, privileges, duties and obligations of JEA with respect to the same. Such resolution may also contain provisions providing for the pledge of all or any part of the revenues of the utilities system, to which may, at JEA's discretion, be limited to the revenues of one or more of the several utility systems, to secure the payment of the bonds or revenue certificates of any issue and may provide for the pledge of other funds and accounts of JEA. Such resolution also shall determine the timing and manner of sale, which may be public or private; maturities; rate or rates of interest, which may be fixed or may vary at such time or times as provided or in accordance with a specified formula or method of determination (subject to any legal limitations on interest, as established by F.S. § 215.84, or according to said Section as it may from time to time be amended); and other terms and conditions of the bonds or revenue certificates, provided that JEA may delegate to the chairperson, managing director or other officer or employee of JEA designated by JEA the power to determine any such terms or conditions. However, the amounts and maturities of such bonds or revenue certificates and the interest rate or rates of such bonds or revenue certificates shall be within the limits prescribed by JEA and its resolution delegating to the chairperson, managing director or such other officer or employee of JEA the power to authorize the issuance and sale of such bonds or revenue certificates, and, in the case of the total aggregate amount of bonds or revenue certificates issued by JEA, within the limits prescribed by ordinance of the council. In case any officer whose signature or facsimile of whose signature shall appear on any bonds or revenue certificates shall cease to be such officer before the delivery of such bonds or revenue certificates, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery. All bonds and revenue certificates issued under the provisions of this Article shall have and are hereby declared to have all the

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6/28/22, 4:24 PM

Jacksonville, FL Code of Ordinances

qualities and incidents of negotiable instruments under the negotiable instruments law of the state. The issuance of such bonds and revenue certificates shall not be subject to any limitations or conditions contained in any other law.

- (3) Bonds or revenue certificates and refunding bonds or refunding revenue certificates issued pursuant to this Article if sold by bid shall be sold to the bidder whose bid produces the lowest true interest cost to JEA. JEA may restrict the bidders in any sale by pre-qualification or otherwise and may reserve the right to reject any or all bids. Prior to any sale by bid of bonds or revenue certificates JEA shall cause notice to be given in such manner and at such time as JEA shall determine. Said notice shall specify such matters relating to the bonds or revenue certificates offered for sale as JEA shall determine and shall state the manner in which bids shall be given. JEA may reserve the right to waive any informalities or irregularities if JEA determines that such actions are in its best interest. In no event shall said bonds or revenue certificates be sold at a net interest cost to JEA in excess of the legal limit, as established by F.S. § 215.84, or according to said Section as it may from time to time be amended.
- (4) In no event shall general obligation bonds be issued hereunder.
- (5) Bonds or revenue certificates may be issued by resolution of JEA, subject only to the approval by ordinance of the council of the aggregate principal amount of such bonds or revenue certificates.
- (j) To borrow money and to issue notes for any purpose or purposes for which bonds or revenue certificates may be issued under the provisions of this Article, in accordance with the provisions of this Article relating to the issuance of bonds or revenue certificates, and to refund the same and to issue notes in anticipation of the receipt of the proceeds of the sale of any such bonds or revenue certificates.
- (k) To borrow money from the city, for any period not to exceed one year, to provide JEA with working capital to meet routine or emergency cash requirements and to maintain adequate inventories, at such interest rates and upon such conditions concerning the method of borrowing, the time and manner of payment and the maximum amount that may be on loan at any time, as are determined by ordinance of the council; to lend money from one of its utilities operations to another of its utilities operations for such period, at such interest rates and upon such other conditions concerning the method of borrowing, the time and manner of payment and the maximum amount that may be on loan at any time, all as determined by JEA; and to borrow money from lending institutions, including, without limitation, borrowing as part of a commercial paper or other short-term note financing program which may include provision for payment upon demand by the purchaser or purchasers, as authorized by resolution of JEA. When authorized by resolution of JEA, such notes, including renewals thereof, may be sold or placed by officers of JEA at public or private sale and delivered by such officers to the purchaser

or purchasers thereof within the limitations and restrictions contained in such resolution. Such loans between utility systems and such borrowings from lending institutions, or between one or more of the utility systems, including borrowing as part of a commercial paper or other short-term note financing program, will not require the approval of the council.

- (l) To enter into contracts determined by JEA to be necessary or desirable for the prudent management of JEA's funds, debt or fuels, and any and all other commodities used for the several utility systems including, without limitation, interest rate swaps, option contracts, futures contracts, contracts for the future delivery or price management of power, energy, natural gas or other related commodities, hedging contracts, other risk management techniques, securities lending agreements and forward purchase contracts.
- (m) To invest money of JEA not required for immediate use, including proceeds from the sale of any bonds, revenue certificates or notes, in such obligations, securities, and other investments as JEA shall deem prudent, subject to any agreement with bondholders, revenue certificate holders or note holders.
- (n) To enter into joint project agreements as provided by Part II of F.S. Ch. 361, as amended, for the purpose of implementing a project, as such term is defined in Part II of F.S. Ch. 361. A copy of all such joint project agreements shall be filed with the council, the council auditor, and the mayor at least thirty days prior to the effective date of the agreement. Anything in this provision to the contrary notwithstanding, (i) any joint project agreement that involves a transfer of the electric system, function or operation that is subject to the requirements and limitations of Section 21.11 herein or (ii) any joint project agreement that involves the issuance of debt not previously authorized by Section 21.04(i)(2) herein, shall require prior approval of the council.
- (o) To enter into agreements with one or more other electric utilities, public or private, and related contracts with respect to joint electric power projects as provided in Section 2 of Chapter 80-513, Laws of Florida, as amended. The provisions of said Chapter 80-513 shall govern and control JEA in all respects in the carrying out of a joint electric power project authorized thereunder notwithstanding any provision of the charter or of the Ordinance Code of the City of Jacksonville which may be in conflict therewith.
- (p) To provide, supply, transfer, sell, finance, or lease services, products, by-products, and activities developed or used by JEA incident to the exercise of the powers conferred by this Article in the delivery of the utilities systems in the following manner:
 - (1) *JEA governing body approval.* The governing body of JEA shall approve in advance all services, products, by-products or activities developed or used by JEA in accordance with this subsection (p) at a duly noticed meeting. The governing body of JEA shall not delegate its approval authority under this subsection to the managing director or any other officer, employee or agent of JEA.
 - (2) *Permitted services, products, by-products and activities.* The services, products, by-products

Governance, Audit, and Compliance Committee - Supplemental Information

6/28/22, 4:24 PM

Jacksonville, FL Code of Ordinances

and activities expressly permitted to be developed or used by JEA pursuant to this subsection (p) shall include providing, supplying, transferring, selling, financing or leasing the following: (i) energy performance contracting; (ii) water, sewer and natural gas (and any other utility service hereafter provided by JEA) contracting; (iii) power marketing services; (iv) testing and maintenance of customer-owned facilities such as transformers, capacitors, lighting, HVAC systems, water cooling and heating systems, energy management systems, etc.; (v) temporary leasing of JEA facilities such as oil storage tanks; (vi) steam or other thermal energy services and contracting; (vii) services regarding specially conditioned power on the premises of customers; (viii) services or products to build, transfer, lease, finance, operate or sell cogeneration facilities, small power production facilities, specially conditioned power, energy conservation, energy efficiency and dispersed generation to other electric utilities both within and without the state or to any wholesale or retail customers of JEA, upon such terms and conditions as JEA shall by resolution fix and determine; and (ix) financing, testing, maintenance and operation of customer owned facilities used in water, wastewater and natural gas functions.

- (3) *Required notice of additional services or products not expressly listed in subsection (p)(2) above.* JEA may provide "additional services or products" not listed in subsection (p)(2) above. However, JEA shall not provide, supply, transfer, sell, finance or lease any additional service, product, by-product or activity not expressly listed in subsection (p)(2)(i)—(ix) above ("additional service or product") to any person or entity under this subsection without first providing written notice as provided herein of such additional service or product to the council auditor no less than 60 days prior to such date that the governing body of JEA is scheduled to approve such additional service or product in accordance with subsection (p) (1). JEA's required written notice to the council auditor shall include the following information regarding such additional service or product: (i) an express reference in the notice that the notice is being provided pursuant to this subsection; (ii) a detailed description of the additional service or product; (iii) a copy of any applicable business plans; (iv) a copy of any proposed contracts or contract forms; (v) a financial analysis, including projected revenues and expenses; and (vi) any other information developed by JEA or third parties regarding the additional service or product. Any action by JEA to provide, supply, transfer, sell, finance or lease an additional service or product pursuant to this subsection shall be void without the required prior approval of the governing body of JEA and prior notice to the council auditor as provided herein. JEA shall provide the mayor and council with a notice containing the information in items (i) and (ii) above regarding such additional service or product concurrent with the required council auditor notice provided herein.
- (4) *Annual report.* JEA shall provide a comprehensive annual written report to the mayor, council, and council auditor regarding all services, products, or by-products developed or used by JEA pursuant to this subsection (p). JEA shall post such written report on JEA's

website in a conspicuous manner for the public to view.

- (5) *Prohibition.* JEA shall not exercise any powers pursuant to this subsection (p) that are expressly prohibited in the charter or this Article, including, but not limited to, the express prohibitions set forth in Section 21.11 herein.
- (q) To implement giving programs in the following manner:
- (1) Upon approval of the governing body of JEA, to collect from customers and ratepayers monthly or one-time voluntary contributions to be deposited into an elderly and/or handicapped or low-income customer emergency trust fund administered by JEA. The proceeds of such trust fund may be expended periodically by JEA for the purpose of providing financial assistance to elderly and/or handicapped or otherwise needy low-income residents living within the service area of JEA for the payment of their utilities needs. The method of administration of such trust fund, including the collection and distribution thereof, shall be as provided by ordinance of the council. The results of such giving program shall be reported annually each July 1st to the council.
 - (2) Upon approval of the governing body of JEA, to collect monthly or one-time voluntary contributions from customers and ratepayers, for a charitable, scholastic, or public service community giving program. Contributions from any such program shall be passed through to an appropriate non-profit entity for administration and distribution and shall not be administered by JEA. The results of such giving program shall be reported annually each July 1st to the council.
 - (3) Upon approval of the governing body of JEA, to collect monthly or one-time voluntary contributions from customers, ratepayers or other contributors for other customer assistance programs directly related to services or utilities provided by JEA. Contributions from any such program shall be passed through to an appropriate non-profit entity for administration and distribution and shall not be administered by JEA. The results of any such giving program shall be reported annually each July 1st to the council.
- (r) To jointly or separately plan, finance, operate, use, share costs of, sponsor, publicize or otherwise participate in projects, systems, programs or measures to promote or implement electric and natural gas energy, electrotechnologies, water, wastewater and natural gas conservation and efficiency, power conditioning and load management, including, but not limited to, energy, water and wastewater conservation, energy efficiency and conditioning or load reducing or load shaping modifications to the maintenance and operating procedures and facilities of a building or facility or in the installation therein; energy, water and wastewater conserving and energy efficiency modifications to windows and doors, pipes, pumps and motors; caulking and weatherstripping; insulation; automatic energy control systems; load

management systems; hot water systems; replacements or modifications of lighting fixtures; and energy recovery and recycling systems; and research and development relating thereto within or without the state.

- (s) Except as otherwise prohibited herein, to delegate any act authorized pursuant to this Article to any officer, employee or agent of JEA as it may deem necessary or desirable for the prudent management of JEA.
- (t) To do all acts and deeds necessary, convenient or desirable, incidental to the exercise and performance of the powers and duties granted to JEA in this Article.
- (u) Express authority is given JEA to enter into any contracts, leases or other agreements with other governmental bodies (either local, state or federal) for the purpose of carrying out any of the provisions, powers or purposes of this Article. JEA is expressly prohibited from appropriating or expending any of its funds for payments, contributions or transfer to any non-profit organization or any other group, association or entity other than those whose primary purpose directly involves the electric, water, wastewater and natural gas utility, (or any other utility which may, in the future, be operated by JEA) industries, or electric energy, water, wastewater and natural gas (or any other utility which may, in the future, be operated by JEA) related matters.
- (v) If JEA determines that it is necessary or appropriate for it to provide, operate or maintain any other utility system or function other than electric, water wastewater and natural gas, JEA shall by resolution identify such additional utility system or systems or function or functions and indicate its desire to provide such utility service or services or function or functions to the council. Sixty days prior to JEA filing the JEA resolution via legislation with the council, JEA shall provide written notice to the council auditor regarding the additional utility system, function, or utility service that JEA desires to provide, operate and maintain. Such notice to the council auditor shall include the following information regarding such additional utility system, function, or utility service: (i) an express reference in the notice that the notice is being provided pursuant to this subsection; (ii) a detailed description of the additional utility system, function or utility service; (iii) a copy of any applicable business plans; (iv) a copy of any proposed contracts or contract forms; (v) a financial analysis, including projected revenues and expenses; and (vi) any other information developed by JEA or third parties regarding the additional utility system, function, or utility service. The JEA resolution to be provided to council via legislation for adoption and approval by the council shall address relative real property tax treatment of JEA providing, operating or maintaining the additional utility system and shall include the information listed in (i)-(vi) above. Upon the adoption and approval of this resolution by JEA and the council, voting as separate entities, JEA, with respect to the specified system or systems, shall be vested with all powers set forth herein or in general law that would, but for the provisions of this Article, apply to such specified utility system or systems.

- (w) To exercise all powers granted to the city with regard to sewage collection and disposal and to wat pursuant to F.S. Chs. 170 and 180, including the issuance of bonds or notes in anticipation thereof from special assessments under said F.S. Ch. 170.
- (x) To coordinate carefully with the Department of Public Works of the City of Jacksonville, the Jacksonville Transportation Authority, and other independent agencies, the planning and execution of engineering and construction projects involving underground work and streets and highways to seek to minimize the total cost of such projects and to reduce disruption to the citizens of the city to the maximum extent possible.
- (y) To expend JEA funds up to one (1%) percent of the prior year's gross revenues to promote the efficient use of JEA's services through public education including exhibits, conferences, displays, tours and other events customary to the utilities industry and also to publicize, advertise and promote the objectives of this Article and to promote the objectives of JEA all in the manner set forth by resolution of JEA. Accordingly, JEA may expend its funds to make known to the users, potential users and public in general the advantages, facilities, resources, products, attractions and attributes of the services provided by JEA and to further create a favorable climate of opinion concerning the activities and projects authorized and indicated by this Article. JEA may also, to the extent permitted by the laws of the State of Florida, expend funds in cooperative efforts to and with other agencies, both public and private, in accomplishing the purposes enumerated and indicated by this Article; and in furtherance thereof. JEA may also authorize reasonable expenditures for any and all of the purposes herein enumerated, including but not limited to, reasonable food and beverage expenditures in the interest of promoting and engendering good will toward the activities and projects herein authorized. Whenever an expenditure of funds for any of the foregoing purposes is made by a member or employee of JEA, JEA may reimburse such member or employee therefor, but only after such expenditures have been duly authorized by JEA or its managing director if so delegated to do so. JEA will provide a list of proposed promotional expenditures for the current fiscal year to the council auditors on or before December 31st of each fiscal year. The spending limitation on promotional expenditures set forth in this subsection shall not apply to a newly approved utility system, function or utility service under subsection (v) herein and newly approved additional services or products under subsection (p) herein. For purposes of this subsection "newly approved" shall mean within seven years of the approval date by council for matters subject to the provisions of subsection (v) or by the governing body of JEA for matters subject to the provisions of subsection (p), as applicable. All funds expended by JEA as reimbursement for travel expenses shall be subject to Chapter 106, Part 7, of the Ordinance Code of the City of Jacksonville, as amended. JEA shall not exercise any powers pursuant to this subsection to promote the privatization, sale, transfer or reorganization of JEA as expressly prohibited in Section 21.11 herein or otherwise in this Article or the charter.
- (z) To allocate costs between the electric, water, sewer, natural gas and any other utility system

Governance, Audit, and Compliance Committee - Supplemental Information

6/28/22, 4:24 PM

Jacksonville, FL Code of Ordinances

operated now or in the future by JEA on a cost accounted basis.

- (aa) To assist the City of Jacksonville and any of its departments and independent agencies in the development of joint financing programs for the purpose of financing capital improvement programs for the City of Jacksonville and any of its departments and independent agencies.
- (bb) To enter into such interlocal agreements authorized by, and to become a member of such separate legal entity or entities created pursuant to F.S. Ch. 163, as JEA shall determine by resolution are necessary or desirable to accomplish the purposes enumerated and indicated by this Article; and, to the extent permitted by the laws of the State of Florida, to enter into such joint ventures, partnerships, joint ownership arrangements, or other similar arrangements with other persons or entities, public or private, as JEA shall determine by resolution are necessary or desirable to accomplish the purposes enumerated and indicated by this Article.
- (cc) To allocate and allot the sums appropriated by the council in JEA's annual budget for more specific purposes and to transfer from time to time during the fiscal year, without further council approval, appropriated funds including capital outlay funds from one of the purposes for which funds are appropriated to another of such purposes, if, in the discretion of JEA, such transfer is necessary to carry out all of the purposes for which funds were appropriated, subject to applicable law; provided however, nothing in this Section shall authorize JEA to transfer appropriated funds from its operating budget to its capital outlay budget or vice versa, without prior approval of the council. This includes the financing of power conditioning and energy conservation equipment for both residential and nonresidential customers providing that the receivables at any point in time will not exceed ten (10) percent of the prior year's utilities system's revenues. A written summary of all budget transfers shall be provided to the council auditor at the end of each quarter.
- (dd) To the extent permitted by the laws of the State of Florida, to have ownership and membership in separate organization entities, including but not limited to corporations, to conduct utility related activities and functions. A copy of all such ownership agreements, and any amendments thereto, shall be filed with the council and the mayor at least thirty (30) days prior to the effective date of the agreement.
- (ee) (1) To shut off and discontinue the supplying of services of one utility system, to any and all users of the utilities system, for the nonpayment, when due, of the rates, assessments, fees or charges, for facilities or services of that particular utility system, or for facilities or services of any other utility system.
(2) To deny any application for services of one utility system, to any and all users or potential users of the utilities system for the nonpayment, when due, of rates, assessments, fees or charges for facilities or services of that particular utility system, or for facilities or services of any other utility system.
- (ff) Subject to the prior approval of the governing body of JEA, to:

Governance, Audit, and Compliance Committee - Supplemental Information

6/28/22, 4:24 PM

Jacksonville, FL Code of Ordinances

- (1) Transfer to an entity by sale, lease, assignment or other disposition of up to, but not more than the net capital assets calculation (as defined in Section 21.11) of an included system, or the management or operation of any portion of an included system which comprises more than the net capital assets calculation of such included system;
- (2) Explore, investigate or consummate a reorganization of JEA, or JEA's governance structure in a manner that would affect JEA's ownership or management control of up to, but not more than, the net capital assets calculation (as defined in Section 21.11) of an included system;
- (3) Sell, lease, assign or otherwise transfer less than .01 or one percent (1%) of the service territory (as calculated in Section 21.11(d)) of a JEA included system to any entity; and
- (4) Sell, lease, assign or otherwise transfer less than .01 or one percent (1%) of JEA's electric, water, or wastewater, customer accounts (as calculated in Section 21.11(d)) based on the latest available JEA monthly financial statements.

For purposes of this subsection and as applicable, terms and phrases used in this subsection shall have the meaning ascribed to them in Section 21.11 herein. This subsection (ff) is subject to the limitations and prohibitions on privatization, sale, reorganization, and service territory transfers set forth in Section 21.11

(Laws of Fla., Ch. 78-538, § 1; Laws of Fla., Ch. 80-515, § 1; Laws of Fla., Ch. 82-312, § 15; Ord. 84-1307-754, § 25; Ord. 86-164-454, § 1; Ord. 86-1458-879, § 1; Laws of Fla., Ch. 92-341, § 1; Ord. 93-82-1385, § 1; Ord. 94-1268-757, § 1; Ord. 97-12-E, § 2; Ord. 98-253-E, § 1; Ord. 2005-1032, § 1; Ord. 2015-764-E, § 2; Ord. 2018-142-E, § 1; Ord. 2020-419-E, § 2)

Section 21.05. - Construction.

In addition to the express powers granted in this Article, JEA shall have all implied powers necessary or incidental to carrying out the expressed powers and the expressed purposes for which JEA is created. The express powers granted to JEA in this Article shall be strictly construed, and the implied powers granted to JEA in this Section shall be strictly construed in relation to the relevant and applicable express power granted to JEA in this Article. The fact that this Article specifically states that JEA possesses a certain power does not mean that JEA must exercise such power unless this Article specifically so requires. JEA's power to levy special assessments shall not be deemed to be the power to levy taxes.

(Ord. 93-82-1385, § 1; Ord. 97-12-E, § 2; Ord. 98-253-E, § 1; Ord. 2020-419-E, § 2)

Section 21.06. - Bonds and revenue certificates eligible for legal investments.

Notwithstanding any provisions of any other law or laws to the contrary, all revenue bonds and revenue certificates including refunding bonds and refunding revenue certificates, issued pursuant to this Article shall constitute legal investments for savings banks, trust companies, executors, administrators, trustees,

guardians, and other fiduciaries, and for any board, body, agency or instrumentality of the State of Florida, or of any county, municipality, or other political subdivision of the State of Florida; and shall be eligible as security for deposits of state, county, municipal and other public funds.

(Laws of Fla., Ch. 78-538, § 1; Laws of Fla., Ch. 80-515, § 1; Ord. 84-1307-754, § 25; Ord. 93-82-1385, § 1)

Editor's note— Former § 21.06, relative to transfer of property by the city, was deleted by § 1 of Ord. 93-82-1385, and former § 21.05 was subsequently renumbered as s. 21.06. The provisions of former § 21.06 derived from Laws of Fla., Ch. 78-538, § 1; Laws of Fla., Ch. 80-515, § 1; Ord. 84-1307-754, § 25 and Laws of Fla., Ch. 92-341, § 1.

Section 21.07. - Fiscal and budgetary functions.

JEA shall have fiscal and budgetary functions, subject to the limitations herein expressed:

- (a) The fiscal year of JEA shall commence on October 1 of each year and end on the following September 30.
- (b) JEA shall prepare and submit its budget for the ensuing year to the city on or before July 1 of each year, setting forth its estimated gross revenues and other available funds, and estimated requirements for operations and maintenance expenses, capital outlay, debt service, and depreciation and reserve account. The council and the mayor shall approve or disapprove such budget in the manner provided in Article 14 for budgets of independent agencies.
- (c) As consideration for the unique relationship between the City of Jacksonville and JEA, as a tax-exempt entity within the consolidated government, and in recognition of the shared attributes with the consolidated City of Jacksonville in connection with its electric, water, and sewer distribution systems, there shall be assessed upon JEA in each fiscal year, for the uses and purposes of the city, from the revenues of the electric system and the water and sewer system operated by JEA available after the payment of all costs and expenses incurred by JEA in connection with the operation of such electric system and water and sewer system (including, without limitation, all costs of operation and maintenance, debt service on all obligations issued by JEA in connection with such electric system and water and sewer system and required reserves therefore and the annual deposit to the depreciation and reserve account required pursuant to Section 21.07(g)), an amount as provided herein. Effective October 1, 2016, consistent with the provisions of this Section 21.07(c), JEA shall pay the city combined assessment for the electric system and the water and sewer system. The combined assessment for the electric system and the water and sewer system shall equal, but not exceed the greater of (A) the sum of (i) the amount calculated by multiplying 7.468 mills by the gross kilowatt-hours delivered by JEA to retail users of electricity in JEA's service area and to wholesale customers under firm contracts having an original term of more than one year (other than sales of energy to Florida Power and Light Company from JEA's St. Johns River Power Park System, exception

ending December 31, 2017) during the twelve-month period ending on April 30 of the fiscal year immediately preceding the fiscal year for which such assessment is applicable plus (ii) the amount calculated by multiplying 389.20 mills by the number of K-Gals (1=1000 gallons) potable water and sewer service, excluding reclaimed water service, provided to consumers during the twelve-month period ending on April 30 of the fiscal year immediately preceding the fiscal year for which such assessment is applicable, or (B) a minimum calculated amount which increases by 1% per year from fiscal year 2016-2017 through fiscal year 2022-2023 using the fiscal year 2015-16 combined assessment of \$114,187,538 as the base year. The amounts applicable to clause (B) above are: for fiscal year 2016-2017 - \$115,329,413; for fiscal year 2017-2018 - \$116,482,708; for fiscal year 2018-2019 - \$117,647,535; for fiscal year 2019-2020 - \$118,824,010; for fiscal year 2020-2021 - \$120,012,250; for fiscal year 2021-2022 - \$121,212,373; and for fiscal year 2022-2023 - \$122,424,496.

- (d) The assessment calculations for the electric system and the water and sewer system shall be in effect until September 30, 2023. The council may reconsider the assessment calculations after October 1, 2022 and changes, if any, shall become effective October 1, 2023. The council may change the assessment calculations by ordinance within the provisions of this Section 21.07. Should the council not reconsider the assessment calculations, the assessments shall be calculated using the existing formulas specified in Section 21.07(c), including a minimum calculated amount in clause (B) therein, which increases by one percent per year for each fiscal year computed as provided in Section 21.07(c). In addition to the annual assessment as calculated in Section 21.07(c), JEA pursuant to the terms of an Interagency Agreement (as amended) with the City, agreed to provide total nitrogen water quality credit to the City to assist the City in meeting its Basin Management Action Plan load reduction goal (BMAP Credit). If JEA cannot provide the BMAP Credit pursuant to the terms of the Interagency Agreement dated March 22, 2016 (as amended), council and JEA shall work cooperatively to address the BMAP Credit shortfall or council may reconsider the assessment calculations.
- (e) The council shall have the power to appropriate annually a portion of the available revenues of each utility system (other than the electric, water and sewer systems) operated by JEA for the uses and purposes of the city. This appropriation shall be based on a formula to be agreed upon by JEA and the council. Any covenants or pledges to lenders associated with such proposed additional utility system which impair council's ability to appropriate revenues from that additional utility system, other than a pledge of gross revenues to bondholders, shall be included in the JEA resolution required in s. 21.04(v) or any future resolution allowing for financing of activities associated with that additional utility system.
- (f) JEA shall pay over to the city (i) the amounts assessed upon JEA pursuant to Section 21.07(c) and (ii) such portions of the funds actually appropriated by the council pursuant to Section 21.07(e) at such time as the council may request, but not in advance of collection. Although the calculation for (i) the amounts assessed upon JEA pursuant to Section 21.07(c) and (ii) the

Governance, Audit, and Compliance Committee - Supplemental Information

6/28/22, 4:24 PM

Jacksonville, FL Code of Ordinances

annual transfer of available revenue from JEA to the city pursuant to Section 21.07(e) is based upon formulas that are applied specifically to the respective utility systems operated by JEA, JEA, in its sole discretion, may utilize any of its revenues regardless of source to satisfy its total annual obligation to the city mandated by said Sections 21.07(c) and (e).

- (g) JEA shall be required to set aside each year in a depreciation and reserve account established for each utility system it operates, an amount equal to not less than 10 percent of its annual net revenues for the previous year attributable to each such system. For such purpose, "annual net revenue" shall mean annual gross revenues derived by JEA from the operation of such system reduced by expenses for operation and maintenance allocable to such system and debt service allocable to such system. Funds set aside in each such depreciation and reserve account shall be used exclusively for enlargements, extensions, improvements and replacements of capital assets of the utility system for which such account was established or to pay or provide for the payment of JEA's bonds, notes or revenue certificates relating specifically to such system; provided, however, that if JEA by resolution determines that it is in the best interests of JEA to use all or any portion of the funds set aside in the depreciation and reserve account established with respect to a particular utility system for the purposes of another utility system, then such funds may be so applied.
- (h) JEA shall not be required to utilize the personnel, motor pool, purchasing, communication or information systems services of the city. By mutual agreement of JEA and the city such services may be provided from one party to the other but only on a cost-accounted basis. JEA shall be required to use the legal services of the city on a cost-accounted basis except in those cases when the chief legal officer of the city determines that the city legal staff cannot or should not provide legal services in the required legal area. JEA shall appropriate the funds necessary to meet the obligations for outside legal services as determined by the general counsel of the city. The general counsel shall consult with JEA before he or she selects outside counsel.
- (i) Unless otherwise determined by JEA, all revenues and service charges receivable by JEA as payment for the sale of utilities services shall be collected and received by the tax collector. The tax collector shall deposit to the account of or otherwise turn over to JEA such funds at such times and in such manner as JEA may from time to time designate by resolution. JEA may provide for the collection of such revenues and service charges directly by JEA, provided that the council auditor shall be notified in writing of any proposed change from the current collection process utilizing the Tax Collector and that such change shall not take place until the next fiscal year after such notice is given.
- (j) Reserved.
- (k) JEA is authorized to pay over to other local governmental units outside the city annually a portion of available revenues derived from operations in such local governmental units' territories, for the uses and purposes of such local governmental units, an amount not to

Governance, Audit, and Compliance Committee - Supplemental Information

6/28/22, 4:24 PM

Jacksonville, FL Code of Ordinances

exceed that which would be calculated using the procedures in Sections 21.07(c) and (e), but only to the extent that JEA is able to, and does, include in the rates imposed only upon the customers in such local governmental units' territories the total amounts in respect of such payments.

- (l) In addition to all other sums paid by JEA to the City of Jacksonville, JEA shall pay to the City of Jacksonville a franchise fee in an amount equal to three percent (3%) of the revenues of the electric system and the water and sewer system as set forth in Section 21.07(c) herein. The franchise fee will commence for revenues derived effective April 1, 2008 and shall be paid monthly with the first payment payable on June 1, 2008. The franchise fee shall be limited to (1) revenues derived within Duval County not including Urban Service Districts 2-5, and (2) per customer, total water and sewer rate revenues, and (3) up to a per customer maximum of \$2,400,000 per fiscal year of electric rate revenues. The franchise fee shall be calculated each month by multiplying three percent (3%) by the sum of JEA's base rate electric revenues, fuel rate revenues, water rate revenues and sewer rate revenues for that month excluding unbilled revenues and uncollectible accounts. The franchise fee shall be calculated on revenues derived from the sale of gross kilowatt-hours and number of cubic feet of potable water and cubic feet of sewer service as set forth in Section 21.07(c). Notwithstanding the foregoing, no franchise fee shall be paid on franchise fees, state utility taxes, fuel related interchange sales, sales for resale, City of Jacksonville accounts, JEA accounts, investment income and other revenues. JEA shall be authorized to pass-through the amount of the franchise fees set forth herein and associated charges resulting from the stated three percent (3%) franchise fee calculation on rate revenues notwithstanding the \$2,400,000 limit set forth herein to the customers of JEA, in accordance with the customers' proportionate share of rate revenues as calculated above. This franchise fee is in consideration of the administrative costs incurred by the City to coordinate functions and services with JEA, for the exclusive right to serve electric, water and sewer customers, for use by JEA of the public rights-of-way used by it in connection with its electric distribution system and its water and sewer distribution and collection system, and in further consideration of the unique relationship of JEA and the City, in which JEA is a wholly owned public utility, and such other good and valuable consideration that has been agreed to between JEA and the City of Jacksonville. The gross franchise fee and the amount of the pass-through set forth herein may be increased by ordinance, initiated by the Mayor and approved by two-thirds supermajority of the City Council, but the franchise fee shall not exceed six percent (6%) of the gross utility revenues as calculated above. The JEA and the City shall enter into a Franchise Fee Agreement for the administration of the Franchise Fee.
- (m) When JEA is in receipt of a request for information from the council auditor pursuant to the authority of the council auditor under Section 5.10 of the charter, it shall, within two business days of receipt of the request, 1) acknowledge receipt of the request by electronic mail to the council auditor, and 2) submit to the council auditor an estimated timeframe for which the

Governance, Audit, and Compliance Committee - Supplemental Information

6/28/22, 4:24 PM

Jacksonville, FL Code of Ordinances

information requested will be available to the council auditor for review. If the information requested by the council auditor is not within the purview of JEA or JEA is unsure of the request or unfamiliar with the information that is requested, it should provide such explanation in its response to the council auditor.

(Laws of Fla., Ch. 78-538, § 1; Laws of Fla., Ch. 80-515, § 1; Ord. 81-921-490, § 1; Ord. 84-1307-754, § 25; Ord. 89-1001-632, § 1; Laws of Fla., Ch. 92-341, § 1; Ord. 93-82-1385, § 1; Ord. 97-12-E, § 2; Ord. 98-253-E, § 1; Ord. 2003-1320-E, § 1; Ord. 2007-838-E, § 1; Ord. 2007-1132-E, § 1; Ord. 2015-764-E, § 2; Ord. 2018-747-E, § 2; Ord. No. 2020-40-E, § 1; Ord. 2020-419-E, § 2)

Sec. 21.08. - Employees generally; managing director; employment contract restrictions.

- (a) *Generally.* All employees of the utilities systems shall be employees of JEA and shall be subject to Articles 16 and 17 of the charter unless otherwise provided by the council, which shall be and continue to be the legislative body as provided in F.S. § 447.203(10), as amended. JEA shall be fully responsible for the administration and operation of all utility services as set out in this Article and in order to meet its administrative and operational responsibilities, JEA shall have full and independent authority to hire, transfer, promote, discipline, terminate and evaluate employees engaged to provide any and all of the utilities services for which it is responsible and accordingly, consistent with the provisions of Article 17 of the charter, JEA may establish employment policies relating to hiring, promotion, discipline and termination, and other terms and conditions of employment, and enter into negotiations with employee organizations with respect to wages, hours and terms and conditions of employment and take such other employment related action as needed to assure effective and efficient administration and operation of the utilities systems. In order to effectively implement the foregoing, JEA shall perform all functions with regard to its own employees that are performed by the City department or division which oversees city employees in regard to personnel matters. JEA, at its expense, shall provide accidental death benefits for all employees engaged in hazardous duty as determined by JEA, in the amount of \$50,000 payable to the beneficiary named by the employee, or as otherwise provided, in the event said employee dies as a result of an accident occurring to any employee in the course of his/her employment. Nothing contained in this Section shall be construed to supersede or repeal any provision of Section 12 of Chapter 80-513, Laws of Florida, as amended.
- (b) *Managing Director.* The governing body of JEA shall employ and fix the compensation of the managing director, who shall serve at the pleasure of the governing body of JEA. The managing director shall manage the affairs of the utilities systems under the supervision of the governing body of JEA. The entire working time of such managing director shall be devoted to the performance of the duties of such office and the managing director shall have no outside employment. Subject to the approval of the governing body of JEA, the managing director may engage in or have unrelated business interests so long as such business interests do not interfere

with the managing director's duties as provided herein. The managing director shall be a graduate of an accredited college or university, and have at least five years executive experience within the utilities industry. The managing director shall have a fiduciary duty of loyalty, fidelity, and allegiance to act at all times in the best interests of JEA and will act in a manner consistent with the responsibilities of this Article and other policies, rules and regulations governing the conduct of JEA employees. The managing director's employment agreement, if any, shall be subject to the provisions of subsection (d) below.

- (c) *Other Employees.* The governing body of JEA may appoint and fix the compensation of staff assistants to the managing director, to serve at the pleasure of the governing body of JEA. JEA shall employ and fix the compensation of the department heads, deputy directors of departments, division chiefs and assistant division chiefs of the utilities systems. JEA may adopt position titles different from those recited herein, consistent with utility industry practice. The managing director, department heads, deputy directors of departments, staff assistants, division chiefs and assistant division chiefs shall not be included within the civil service system of the city. The managing director may employ such certified public accountants, consultants and other employees for special purposes, not within the civil service system, as it may require, and fix and pay their compensation. Whenever used in this Section 21.08, "compensation" shall mean both salary and benefits, exclusive of any city retirement benefits pursuant to Article 16 of the charter.
- (d) *Employment contract restrictions.* JEA may have an employment contract with the managing director only. The managing director's employment contract shall be approved by the governing body of JEA. Nothing in this subsection, or in any employment agreement entered into pursuant to this subsection, may be construed as a guarantee of employment for the managing director at any time, or for any length of time. At a minimum, the managing director's employment contract shall satisfy the following requirements:
- (1) The contract term, including any renewal term, shall not exceed five (5) years;
 - (2) The amount of severance pay, if any, shall not exceed the amounts allowed under Florida law and shall not be permitted if the managing director is terminated for cause or terminated for misconduct, as defined in F.S. § 443.036(29), as amended;
 - (3) The contract shall not contain a mandatory consulting, separation and transition, or similar agreement that is operative due to the managing director's termination without cause under the contract;
 - (4) JEA shall not be required to release, indemnify or hold harmless the managing director against any claims except as otherwise permitted by law;
 - (5) JEA shall not be required to pay for or provide legal counsel to the managing director beyond the legal counsel required of the Office of General Counsel pursuant to the charter or general law;
 - (6) The contract shall contain a provision that the managing director serves at the pleasure of the

Governance, Audit, and Compliance Committee - Supplemental Information

6/28/22, 4:24 PM

Jacksonville, FL Code of Ordinances

governing body of JEA and may be terminated without cause at any time, and such provision may provide for not more than 30 days advance notice to the managing director of such termination without cause;

- (7) The contract may contain a provision for termination of the managing director for cause, provided that "cause" shall be defined consistent with the definition of cause as contained in Rule 9.05(a) of the Civil Service and Personnel Rules and Regulations of the City of Jacksonville;
- (8) All compensation terms shall be reasonable and customary and similar to other public utilities comparable to JEA when taking into account the size of JEA's territory area, employee workforce, and utility systems; and
- (9) Any such other terms as may be in the best interest of JEA and not inconsistent with this section.

Any managing director employment contract entered into by JEA that does not satisfy the minimum requirements above shall be null and void.

- (e) *Pension Plan; Defined Contribution Plan; Deferred Compensation Plan.* All personnel appointed by JEA pursuant to this Section shall participate in one of the city's retirement plans, as governed by the rules and requirements of such retirement plans and in the same manner as other JEA employees who participate in such plan. JEA is authorized to maintain a separate single tax-qualified defined contribution program pursuant to Section 401(a) of the Internal Revenue Code of 1986, as amended, for its employees that is supplemental to any city defined contribution program. Additionally, JEA is authorized to maintain a separate single eligible deferred compensation program pursuant to Section 457(b) of the Internal Revenue Code of 1986, as amended, for its employees that is supplemental to any city deferred compensation program. Such programs shall be approved by the governing body of JEA and shall be subject to and comply with all federal and state laws applicable to deferred compensation and defined contribution programs for public or government employees, including, but not limited to, the Internal Revenue Code of 1986, as amended, F.S. § 112.215, as amended, and Part VII of F.S. Ch. 112. JEA shall periodically provide the council auditor with a written report regarding such deferred compensation and defined contribution programs. JEA shall post such written report on JEA's website in a conspicuous manner for the public to view.
- (f) *Employee Bonus Program.* JEA may implement or adopt an employee bonus plan or program ("bonus program") for JEA employees pursuant to F.S. § 215.425(3), as amended, subject to the prior approval of the governing body of JEA. The governing body of JEA shall approve such bonus program annually for each fiscal year, and if a bonus program is implemented in any fiscal year without first obtaining the approval of the governing body of JEA, such program shall be void. The governing body of JEA shall not delegate its approval authority regarding a bonus program under this subsection to the managing director or any other officer, employee or agent of JEA. Such bonus program must comply with F.S. § 215.425(3), as amended, the charter, and other applicable laws.

Governance, Audit, and Compliance Committee - Supplemental Information

6/28/22, 4:24 PM

Jacksonville, FL Code of Ordinances

The governing body of the JEA shall establish rules, procedures, and standards regarding such bonus program. Additionally, JEA shall include a budget line item and specific detailed plan regarding such bonus program as an exhibit to its annual budget submission to council. JEA shall also provide the council auditor with an annual end of fiscal year written report on or before December 31st of each fiscal year regarding the disbursements related to the bonus program. JEA shall post such written report on JEA's website in a conspicuous manner for the public to view.

(Ord. 2020-419-E, §§ 1, 2)

Editor's note— Ord. 2020-419-E, §§ 1 and 2, amended the Charter by repealing former § 21.08 and adding a new § 21.08. Former § 21.08 pertained to employees, and derived from Laws of Fla., Ch. 78-538, § 1; Laws of Fla., Ch. 80-515, § 1; Ord. 84-1307-754, § 25; Ord. 87-203-345, § 1; Laws of Fla., Ch. 92-341, § 1; Ord. 97-12-E, § 2; Ord. 98-253-E, § 1; Ord. 2011-732-E; and Ord. 2015-764-E, § 3. Additionally, Ordinance 2007-839-E, § 18, authorized updated department/division names pursuant to reorganization.

Sec. 21.09. - Procurement generally; contracts generally.

- (a) *Applicability.* Unless otherwise provided herein, this Section shall apply to contracts entered into by JEA pursuant to this Article.
- (b) *Procurement generally.*
 - (1) *Open and Fair Competition.* To the greatest extent reasonably practicable, JEA shall use open, fair, competitive, and generally accepted government procurement methods that seek to encourage the most competition and best price for the purchase of supplies, construction, professional and other contractual services. JEA should adhere to all applicable state procurement laws, including, but not limited to, laws governing the purchase of construction services and professional design services.
 - (2) *Procedures; governing body approval.* JEA shall not be required to follow the City's procurement procedures. JEA may establish its own procurement procedures regarding the purchase of goods, supplies, equipment, and services, subject to applicable state law. JEA's procurement procedures, including any amendments thereto, shall be reviewed and approved by the governing body of JEA. The governing body of JEA may not delegate its approval of the procurement procedures, including any amendments thereto, to the managing director or any other officer, employee or agent of JEA. In the absence of JEA established procurement procedures, JEA shall follow the city's procurement procedures. JEA shall adhere to its procurement procedures in entering into procurement contracts, including but not limited to, contracts relating to the construction, reconstruction, repair, operation or maintenance of the utilities systems or the purchase of supplies, equipment, machinery and materials for the utilities systems or the contracting or otherwise purchasing for any advisory, professional or other services necessary or incidental to the operation of the utilities systems.

- (3) *Jacksonville Small Emerging Business (JSEB) Program; Minority Business Enterprises.* JEA shall adhere to the city's Jacksonville Small Emerging Business (JSEB) Program, or successor city program, in its procurement procedures. Subject to applicable federal, state and local laws, JEA is authorized to implement and take actions necessary to administer a race-conscious purchasing and procurement program to remedy the present effects of past discrimination by JEA, if any, in the awarding of contracts. Any such race-conscious program implemented by JEA to remedy the present effects of past discrimination by JEA, if any, in the awarding of contracts must be supported by evidence and based on the required criteria and standards set forth in applicable federal and state laws.
- (4) *Certain solicitation specifications and standards prohibited; rejection of bids, proposals, and replies.* JEA should not develop solicitation specifications that are so narrowly tailored to an entity or entities that other qualified entities (i.e., bidders, respondents and vendors) are precluded from participating in such solicitation. Additionally, JEA should not develop standards that limit open competition and preclude qualified entities (i.e., bidders, respondents and vendors) from participating in solicitations. JEA shall have the right to reject any and all bids, proposals, or replies, in whole or in part, in the best interests of JEA.
- (5) *Annual survey.* JEA shall annually conduct a survey of actual, interested and prospective bidders, respondents, and vendors to obtain feedback on JEA's procurement process. Such survey shall be on a form approved by JEA and participation in the survey shall be open to actual, interested and prospective bidders, respondents, and vendors. Survey topics may include, without limitation, various aspects of JEA's procurement process such as information transparency and accessibility, pre-conferences, bid submittal packages, evaluations, and awards. JEA shall consider such survey results during JEA's biennial review of its procurement code.
- (6) *Transparency in procurement governing documents.* The procurement code and any procurement policies, operating procedures, rules, directives, standards, and other procurement governing documents, including any amendments thereto, shall be posted on JEA's website in a conspicuous manner for the public to view.
- (7) *Biennial review; annual report.* JEA shall biennially review its procurement procedures. JEA shall also prepare and deliver a written report to the council and mayor on or before December 31st of each fiscal year summarizing the procurement contract awards for the immediately prior fiscal year. Such written report shall contain at a minimum the following information:
- (i) The number of contract awards for the reporting fiscal year;
 - (ii) A detailed listing of all contract awards categorized by service type (e.g., construction, professional, supplies, professional design services), award type (e.g., single source, emergency, request for proposal, invitation to negotiate, piggyback, etc.) and a brief description of each contract award containing the contractor name, contract amount and procurement method used;

Governance, Audit, and Compliance Committee - Supplemental Information

6/28/22, 4:24 PM

Jacksonville, FL Code of Ordinances

- (iii) The number of JSEB contract awards categorized by service type (e.g., construction, engineering professional), award type (e.g., single source, emergency, request for proposal, invitation to ne piggyback, etc.), and a brief description of each contract award containing the JSEB contractor amount and procurement method used;
 - (iv) The number of bid protests for the reporting fiscal year and the outcome of each protest (i.e., whether JEA prevailed); and
 - (v) The annual survey results pursuant to the survey requirement in subsection (b) above.
- JEA shall post such written report on JEA's website in a conspicuous manner for the public to view.
- (8) *Prohibition.* JEA shall not exercise any powers pursuant to this Section to explore, investigate or consummate a privatization, sale, transfer or reorganization of JEA as expressly prohibited in Section 21.11 herein or this Article.
- (c) *Contracts Generally.*
- (1) *Maximum indebtedness.* Unless otherwise provided herein or by law, all contracts of any kind entered into by JEA pursuant to this Article, including, but not limited to, procurement contracts, joint project contracts, and interlocal agreements shall contain a provision clearly specifying a fixed, maximum monetary indebtedness of JEA thereunder. Such contracts may, however, provide for a lesser variable indebtedness of JEA upon a reasonable basis, subject to such fixed, maximum monetary indebtedness.
 - (2) *Public records; ethics training.* All contracts and related documents entered into by JEA shall contain a provision clearly stating that such vendor or contractor shall comply with the provisions of F.S. Ch. 119 (Public Records Law), as amended. All senior-level employees, including the managing director and senior-level officers, directors and managers of JEA, shall be trained by the Office of General Counsel, in consultation with the Ethics Office, at least annually on Florida's open meetings laws, public records and ethics laws in accordance with policies and procedures established by JEA.
 - (3) *Audit.* JEA shall require a person or entity providing contractual services (e.g., construction services, professional design services, or other contractual services) purchased by JEA to agree and be deemed to have agreed by virtue of doing business under contract with JEA to be subject to audit by the council auditor's office pursuant to Article 5 of the charter, as applicable. Additionally, JEA shall include a provision in any contract entered into pursuant to this Article that such vendor or contractor shall comply with all applicable federal, state and local laws, rules and regulations as the same exist or as may be amended from time to time.
 - (4) *Confidentiality agreements.* The use of confidentiality, nondisclosure or similar agreements by government agencies are contrary to open and transparent government. Except regarding information or records deemed by JEA to be confidential or exempt information or records by

6/28/22, 4:24 PM

Jacksonville, FL Code of Ordinances

law, JEA should not enter into confidentiality or nondisclosure agreements with third parties and should use confidentiality, nondisclosure or similar agreements sparingly in the conduct and operation of the utilities systems. Additionally, JEA should not require a member, officer or employee of JEA to execute any type of confidentiality or nondisclosure agreement that would require such member, officer or employee to maintain the confidentiality of information or records that is not confidential or exempt by law.

- (5) *No financial interest.* Except for an employment contract or agreement executed pursuant to Section 21.08, no member, officer or employee of JEA shall either directly or indirectly be a party to, or be in any manner interested in, any contract or agreement with JEA for any matter, cause or thing whatsoever in which such member shall have a financial interest or by reason whereof any liability or indebtedness shall in any way be created against JEA. If any contract or agreement shall be made in violation of the provisions of this Section the same shall be null and void and no action shall be maintained thereon against JEA.

- (d) *No limitation.* Unless otherwise provided herein, nothing in this Section shall be construed to limit the power of JEA to construct, repair, or improve the utilities systems or any part thereof, or any addition, betterment or extension thereto.

(Ord. 2020-419-E, §§ 1, 2)

Editor's note— Ord. 2020-419-E, §§ 1 and 2, amended the Charter by repealing former § 21.09 and adding a new § 21.09. Former § 21.09 pertained to awards of contracts, and derived from Laws of Fla., Ch. 78-538, § 1; Laws of Fla., Ch. 80-515, § 1; Ord. 80-113-169, § 1; Ord. 81-921-490, § 2; Ord. 84-1307-754, § 25; Ord. 84-229-307, § 1; Ord. 86-1475-875, § 1; Ord. 88-989-705, § 1; Ord. 91-678-447, § 1; Laws of Fla., Ch. 92-341, § 1; Ord. 93-82-1385, § 1; Ord. 97-12-E, § 2; and Ord. 98-253-E, § 1.

Section 21.10. - Execution of instruments; examination of claims; funding through revenue bonds or revenue certificates.

All instruments in writing necessary to be signed by JEA shall be executed by the chairperson and secretary or assistant secretary, or by such officer, agent or employee of JEA as it may by resolution designate. JEA shall provide for the examination of all payrolls, bills, and other claims and demands against JEA to determine before the same are paid that they are duly authorized, in proper form, correctly computed, legally due and payable, and that JEA has funds on hand to make payment. Funds on hand to make payment shall be deemed to have been provided when revenue bonds or revenue certificates of JEA (or notes issued in anticipation thereof) to finance the acquisition and construction of plants and facilities for the production and/or transmission of electricity, the production and transmission of water, the transmission and treatment of wastewater and the transmission of natural gas, costing in excess of \$10,000,000.00 have been duly authorized as provided in this Article whereupon JEA may enter into instruments in writing for the acquisition

Governance, Audit, and Compliance Committee - Supplemental Information

6/28/22, 4:24 PM

Jacksonville, FL Code of Ordinances

and construction of such plants and facilities and may sell such revenue bonds or revenue certificates (or notes issued in anticipation thereof) in the manner provided in this Article in installments to provide funds as obligations of JEA under such instruments in writing become due.

(Laws of Fla., Ch. 78-538, § 1; Laws of Fla., Ch. 80-515, § 1; Ord. 84-1307-754, § 25; Laws of Fla., Ch. 92-341, § 1; Ord. 93-82-1385, § 1; Ord. 97-12-E, § 2; Ord. 98-253-E, § 1)

Sec. 21.11. - Privatization, sale, reorganization, service territory transfers prohibited.

(a) *Definitions.* For purposes of this section, the following definitions shall apply:

"entity" shall mean any person or entity, public or private.

"net capital assets" shall mean the net capital assets based on the Combining Statement of Net Position in latest available JEA annual financial statements for the appropriate Enterprise Fund for each included system.

"net capital assets calculation" shall mean the net capital assets for each included system multiplied by .10 or 10%. For purposes of this section, the initial net capital asset calculation for each included system shall be established based on the September 30, 2020, audited financial statements. The net capital assets calculation shall reset every five years thereafter.

"calculation period" shall mean the five year period after the net capital assets calculation is established during which the cumulative impact on the net capital assets of the sale, lease, assignment, other disposition, or the assignment of the management function or operation of such portion of an included system, shall be recorded.

"service territory" shall mean the geographically defined areas in which JEA is the utility provider.

"included system" shall mean the electric system and bulk power supply system, and the water and sewer utility system reported on the financial statements as the water and sewer Enterprise Fund, owned, operated and managed by JEA.

"excluded system" shall mean JEA's district energy system, and the St. Johns River Power Park system.

(b) *Prohibition on privatization, sale, reorganization and transfer of management.* JEA shall not directly, or indirectly through a consultant or advisor, explore, investigate or consummate a privatization or transfer to an entity by sale, lease, assignment or other disposition of the net capital assets of an included system, or the management, function, or operation of any portion of an included system which cumulatively comprises more than the net capital assets calculation during the calculation period, without obtaining approval of the council in advance by amending this Section to permit such action by JEA; provided, however, that no final approval of such disposition by the council shall become effective without subsequent referendum approval of the terms and conditions of the

disposition, lease, or other assignment of the management, function or operation of such portion of a included system. Additionally, JEA shall not directly or indirectly through a consultant or advisor, explore, investigate or consummate a reorganization of JEA, or JEA's governance structure in a manner that would affect JEA's ownership or management control of the net capital assets of an included system which cumulatively comprises more than the net capital assets calculation during the calculation period, without obtaining approval of the council in advance by amending this Section to permit such action by JEA. Upon approval by the council for JEA to explore or investigate a privatization, transfer, or reorganization of JEA, council may in its discretion prescribe by ordinance budget restrictions related to professional consultants, legal engagements, promotional expenses, and other expenses anticipated by JEA during such exploration or investigation. The terms "explore" and "investigate" as used in this subsection shall include, but not be limited to, exploring or investigating in connection with any strategic planning process undertaken by JEA or any of its consultants or advisors.

- (c) *Reports.* JEA shall report to the council auditor within 30 days of the issuance of the annual audited financial statements the change in net capital assets for each included system for the period covered by the financial statements. JEA shall also report the cumulative impact of the change in net capital assets for each included system during the calculation period. Both reports will include supporting documentation as requested by the council auditor.
- (d) *Prohibited service territory transfers.* Any sale, lease, assignment or other transfer of the service territory of a JEA included system to any entity that will result in a total net loss of .01 or 1% or more of the service territory or any sale, lease, assignment, or transfer to any entity that will result in a total net loss of .01 or 1% or more of JEA's electric, water, or wastewater, customer accounts based on the latest available JEA monthly financial statements shall require council approval in advance. JEA shall not enter into any agreement, contract, memorandum of understanding, letter of intent or other arrangement that would exceed the .01 or 1% or more threshold without obtaining council approval in advance.
- (e) *Interlocal Agreements with St. Johns and Nassau Counties.* Nothing in this Section shall prevent JEA from complying with the terms and conditions of the interlocal agreements with St. Johns County and Nassau County executed by the parties prior to January 1, 2020, which include, but are not limited to, an option to purchase the assets and service territory of JEA within the respective counties without council or referendum approval.

(Ord. [2020-419-E](#), § 2)

Editor's note— Ord. [2020-419-E](#), § 2, amended the Charter by renumbering former §§ 21.11 and 21.12 as new 21.13 and 21.14, and adding a new §§ 21.11 and 21.12.

Sec. 21.12. - Public engagement.

JEA should seek to fully engage and inform its ratepayers, the public, interested stakeholders, and other interested parties in any future planning discussions, including, but not limited to short-term and long-term plans, objectives and goals, regarding the future of JEA to enable its ratepayers, the public, interested stakeholders and other interested parties to fully participate in such planning discussions to the greatest extent reasonably practicable. Examples of ways for JEA to fully engage and inform its ratepayers, the public, interested stakeholders, and other interested parties pursuant to this Section may include, but not be limited to, hosting town hall meetings and JEA workshops and proactively making information regarding such discussions available to its ratepayers, the public, and other interested parties.

(Ord. 2020-419-E, § 2)

Note— See editor's note, § 21.11.

Section 21.13. - Legislative authority of council.

Notwithstanding any provision of this charter to the contrary, the council may repeal or amend any portion of this Article, by two-thirds vote of the membership of the council. A public hearing on the adoption of the ordinance shall be advertised in substantially the same manner as the council is required to advertise its intention pursuant to F.S. § 200.065, and held not earlier than 30 days after the introduction of the ordinance into the council. The council shall take final action on the ordinance only after the expiration of 60 days after the advertised public hearing, and no ordinance shall be enacted except by a two-thirds vote of the entire council. If the mayor disapproves the ordinance, the council may enact it notwithstanding such disapproval only by a four-fifths vote of the entire council.

(Laws of Fla., Ch. 78-538, § 1; Laws of Fla., Ch. 80-515, § 1; Ord. 84-1307-754, § 25; Laws of Fla., Ch. 92-341, § 1; Ord. 2020-419-E, § 2)

Note— Former § 21.11. See editor's note, § 21.11.

Section 21.14. - Severability.

If any provisions of this Article or the application thereof to any person or circumstance is held invalid by a court of competent jurisdiction, the invalidity shall not affect other provisions or applications of this Article which can be given effect without the invalid provision or application, and to this end the provisions of this Article are declared to be severable.

(Ord. 93-82-1385, § 1; Ord. 2020-419-E, § 2; Ord. 2020-419-E, § 2)

Note— Former § 21.12. See editor's note, § 21.11.

JEA Board of Directors

Board Policy Manual



ROLES OF THE JEA BOARD OF DIRECTORS

- Set JEA's mission, vision, core values, and strategic areas of focus
- Engage in strategic planning
- Approve and monitor JEA's programs and services
- Protect JEA's assets and provide proper financial oversight
- Ensure sound risk management policies
- Select and support the Managing Director/Chief Executive Officer, referred to within this document simply as CEO



RESPONSIBILITIES OF THE JEA BOARD OF DIRECTORS

- Board members are required to comply with applicable provisions of Chapter 112 of Florida Statutes, Chapter 602 Jacksonville Code of Ordinances, and Article 21.
[\(Chapter 112 of Florida Statutes\)](#)
[\(Chapter 602 Jacksonville Code of Ordinances\)](#)
[\(Article 21\)](#)
- The Board shall govern in accordance with legal requirements, with an emphasis on (a) outward vision rather than internal focus, (b) encouragement of diversity in viewpoints, (c) strategic leadership more than administrative detail, (d) clear distinction of Board and CEO roles, (e) collective rather than individual decisions, (f) future more so than past or present, and (g) proactivity rather than reactivity.
- In conducting its duties as a Board in Florida, the Board shall comply with the Open Government Laws, including requirements regarding public meetings and public records. [Board Governance & Sunshine Law](#)
- The Board shall conduct an annual JEA Board self-assessment.
- The Board shall conduct an annual CEO evaluation.
- The Board will instruct the CEO through written policies that describe organizational situations and actions to be avoided, allowing the CEO to use any reasonable interpretation of these policies.
- Board members will respect their fiduciary responsibilities to protect and enhance the value of JEA as a citizen-owned enterprise with due diligence using sound business judgment consistent with JEA's Charter.
- New Board members will coordinate with the Board Services Manager to receive Board member orientation including the required ethics brief by the city's Office of Ethics, Compliance, and Oversight.



JEA Board Policy Manual

Approved by the JEA Board of Directors on _____

Governance Process and Style—The leadership success of the Board is a direct result of the individual and collegial participation of its members. The Board will cultivate a sense of group responsibility and will be a proactive Board versus a reactive Board. The Board, not the staff, will be responsible for excellence in governing.

The Board will govern in accordance with legal requirements, with an emphasis on (a) outward vision rather than internal focus, (b) encouragement of diversity in viewpoints, (c) strategic leadership more than administrative detail, (d) clear distinction of Board and Chief Executive Officer roles, (e) collective rather than individual decisions, (f) future more so than past or present, and (g) proactivity rather than reactivity.

Board Self-Assessment—The Board will conduct a self-assessment on an annual basis.

Agenda Planning—The agenda along with supporting documentation will be made available to Board members such that Board members have sufficient time to review agenda materials prior to the meeting. Every effort shall be made to provide the agenda and supporting documentation to Board members at least seven days prior to Board and committee meetings.

BOARD MEMBER'S CODE OF CONDUCT AND RULES OF ORDER

Board meetings will be conducted in an orderly and fair process consistent with the requirements of Florida Law, Ordinances of the City of Jacksonville, the Charter, the JEA By-Laws, and this governance policy. Meetings will be led by the Chair, in the absence of the Chair, the Vice Chair, or, in the absence of both, by the Chair's designee.

When further rules of order are to be developed by the Board, the Board will consider the Standard Code of Parliamentary Procedure, Robert's Rules of Order, as a resource guide. The Chief Legal Officer may serve the Board as a resource on Parliamentary Procedure.

Members are expected to represent the interests of the ownership. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other Boards. It also supersedes the personal interest of any Board member acting as a consumer of the organization's services.

Governance, Audit, and Compliance Committee - Supplemental Information

Members' interaction with the CEO or with staff must recognize the lack of authority vested in individuals except when explicitly authorized by the Board.

Members' interaction with the public, media, or other entities must recognize the same limitation and the inability of any Board member to speak for the Board except to repeat explicitly stated Board decisions. Except as otherwise expressly authorized by the Board, only the Board Chair, or, in the unavailability of the Board Chair, the Board Vice-Chair, will have the authority to speak on behalf of the Board.

Members are expected to support the legitimacy and authority of the final determination of the Board on any matter, without regard to the member's personal position on the issue.

BOARD-MANAGEMENT DELEGATION

The Board's sole official connection to the operational organization, its achievements, and conduct will be through the Managing Director/CEO and the CEO's authorized designees. The CEO is accountable only to the Board as an organization, and not to individual Board members. Accordingly, the relationship between the CEO and individual members of the Board, including the Chair, is collegial, not hierarchical.

Unity of Control—Only officially passed motions of the Board are binding on the CEO. Decisions or instructions of individual Board members, officers, or committees are not binding on the CEO. In the case of Board members or committees requesting information or assistance without Board authorization, the CEO can refuse such requests that require, in the CEO's opinion, a material amount of staff time or funds, or are disruptive. The CEO shall promptly inform the Board if requests from Board members or committees are refused.

Delegation to the CEO—The Board will instruct the CEO through written policies that describe organizational situations and actions to be avoided, allowing the CEO to use any reasonable interpretation of these policies.

Accountability of the CEO—The CEO is the Board's only link to operational achievement and conduct, so that all authority and accountability of staff, as far as the Board is concerned, is considered the authority and accountability of the CEO. The Board as a body and individual Board members will never give instructions to persons who report directly or indirectly to the CEO.

Should the CEO violate a Board policy, he or she shall promptly inform the Board. Informing is simply to guarantee no violation may be intentionally kept from the Board, not to request approval. Board response, either approving or disapproving, does not exempt the CEO from subsequent Board judgment of the action nor does it curtail any executive decision.

CEO Evaluation—Board evaluation of the CEO will be done annually and based on criteria set by the Board. Utilizing feedback received from the Board, the Board Chair will meet with the CEO to provide a formal review. The Board Chair will provide a report to the Board at a publicly noticed Board meeting.



BOARD EDUCATION AND DEVELOPMENT

Board Members shall have the opportunity to attend appropriate education and development training, conferences, and meetings as it relates to their service as a JEA Board member and receive reimbursement in accordance with JEA's Travel Expense and Guidelines.



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By-Laws of JEA

Approved by the JEA Board of Directors on _____



Building Community

ARTICLE I – OFFICES

The principal office of JEA shall be located in Jacksonville, Florida. Branch offices of JEA may be established at such places as JEA may designate from time to time.

ARTICLE II – MEMBERS OF JEA GOVERNING BODY

A. General Powers—The affairs of JEA shall be managed by the JEA governing body (“Board”) as provided in the Charter, as amended, and other applicable laws.

B. Appointment, Number, and Tenure—The membership of the JEA Board shall be constituted in number, qualifications, manner of appointment, and tenure as provided in the Charter, as amended.

C. Expense Reimbursement—Board members are entitled to payment or reimbursement for reasonable expenses in accordance with the Charter. Members are also subject to JEA’s travel policies and procedures.

ARTICLE III – OFFICERS

Board Officers—Board Officers assure the integrity of the Board’s processes and records. Board Officers are: Chair, Vice Chair, and Secretary.

Elections—In accordance with the Charter, the governing body of JEA shall elect a Chair, Vice Chair, and Secretary. The Board may elect one or more Assistant Secretaries, each of whom shall serve for one year or until such Officer’s successor is chosen. The Chair may serve for two consecutive one-year terms, which shall not include any period served as replacement Chair during the unexpired portion of the predecessor’s term. Elections of Officers shall be conducted at the first regular meeting in March, or the next subsequent Board of Directors meeting, which shall be preceded by a meeting of the Governance, Audit, and Compliance Committee to recommend a slate of officers.

Vacancy of a Board Officer—A vacancy of the Board Officers may occur for any of the following events:

- Death of a member;
- Physical or mental incapacitation due to disease or

illness when there is reasonable cause to believe the member will not be able to perform the duties of his/her office for the remainder of his/her term;

- Resignation of a member;
- A member moving outside of the service territory;
- A member’s absence from the state for more than 60 days, except in the following situations: upon approval of the Board, or with the consent of the Board for an additional period not to exceed the absence of 90 calendar days;
- Active military service that extends for more than 60 days; or
- A member’s conviction of a felony or any offense involving a violation of his/her official duties or conviction of a crime resulting in the forfeiture of office.

Time and Process for Filling a Vacancy of a Board Officer

—When a vacancy of a Board Officer occurs, the Board shall, within 60 days of the date of the vacancy or the next scheduled Board meeting thereafter, elect a replacement Officer from the remaining Board members for the unexpired term. Preceding a vote by the Board, the Governance, Audit, and Compliance Committee will meet to recommend a replacement Officer for election by the Board as a whole. When a vacancy of a Board Officer occurs as a result of active military service that extends for more than 60 days, the appointment of a replacement Officer shall be temporary in nature, expiring upon the Board Officer’s return from active military service or upon expiration of the term of office, whichever occurs first.

Chair—The Chair shall preside at all meetings of the JEA Board unless the Chair delegates otherwise. The Chair’s role is to see that the Board operates consistently within its own rules and those rules and regulations imposed upon it from outside the organization.

The Chair is authorized to:

- A. Make decisions that fall within topics covered by Board policies on governance process and Board-management delegation, including making reasonable interpretations of policies where applicable, with the exception of (i) employment or termination of the Managing Director/Chief

Governance, Audit, and Compliance Committee - Supplemental Information



Executive Officer, and (ii) areas where the Board specifically delegates portions of this authority to others;

- B. Designate from time to time such standing or special committees as the Chair deems appropriate, including designating members, a Committee Chair, and the subject matter assigned to each committee for consideration; and
- C. Represent the Board to outside parties in announcing Board-stated positions and in stating the Chair's decisions and interpretations within the area delegated to that role. The Chair may delegate this authority but remains accountable for its use.

Vice-Chair—The Vice-Chair shall perform such duties as are assigned by the Chair in addition to the functions for which the Vice-Chair is responsible as mentioned above.

The Vice-Chair, or in the absence of the Vice-Chair, the immediate past Chair will serve as Chair in the absence of the current Chair. In the event of the Chair's prolonged absence or disability, the Vice Chair shall exercise all functions of the Chair for a period of up to thirty days, at the expiration of which a special election shall be conducted by the JEA Board as a whole and a permanent Chair elected, which shall be preceded by a meeting of the Governance, Audit, and Compliance Committee to recommend a new Board Chair.

Secretary—The Secretary has oversight of the procedures used by the JEA staff to accurately produce minutes of all Board and committee meetings and submission for public record. Minutes from Board and committee meetings will be posted on the JEA website in accordance with the Charter. The Secretary shall perform such other duties as from time to time may be assigned by the Chair.

ARTICLE III—OFFICERS

Board Committee Principles—Board committees, when used, will be assigned so as to reinforce the wholeness of the Board's job and not to interfere with delegation from the Board to the CEO. Board committees may not speak or act for the Board except when formally given such authority for specific purposes. Expectations and authority will be carefully stated in order to prevent conflict with authority delegated to the CEO. Board committees cannot exercise authority over staff. The CEO works for the full Board, and will therefore not be required to obtain the approval of a Board committee before an executive action. This policy applies to any group that is formed by Board action, whether or not it is called a committee and regardless of whether the group includes Board members.

Board Committee Structure—A committee is a Board committee only if its existence and scope come from the Board Chair, regardless of whether Board members sit on the committee. Board members may attend any Board committee meeting. The Board Chair will take into consideration any term expirations when making revisions to committee assignments. The membership of standing and special committees will generally consist of three Board members, appointed annually by the Board Chair. The Board Chair shall appoint one of the committee members as the Board Committee Chair and one as Vice-Chair. The CEO, or his/her designee, will attend meetings of each committee, but shall not have a vote. The CEO may specify that one or more Leadership Team members shall assist the committee. The current Board Committee structure is located in the **Board Policy Manual Appendix—Board Committee Structure**.

Governance, Audit, and Compliance Committee - Supplemental Information

Standing Committees—The Chair may appoint standing committees from time to time which shall be composed of members of the JEA Board as determined by the Chair and in accordance with the JEA By-Laws. A standing committee shall continue until such time as it is terminated by the Board Chair.

Special Committees—The Board Chair may appoint special committees from time to time. When a special committee has fulfilled its function or when the best interests of JEA have been served, the Board Chair shall formally dissolve the committee.

Responsibilities and Powers of the Committee and the Committee Chair

—The Committee Chair will determine the meeting cadence. The JEA Leadership Team member(s) assigned to the committee are responsible for working with the Committee Chair to determine the agenda and will support the Committee Chair with the meetings. Topics and requests for approval will generally go through the Board committees prior to any full Board approval requests. As required by the Charter or at the guidance of the Chief Legal Officer, by motion, a committee may generally recommend to the JEA Board that action be taken on matters under consideration by the committee. The Committee Chair, or Vice-Chair in the absence of the Chair, will report on items to be brought to the full Board, either requiring the full Board’s awareness and/or approval. The Committee Chair, or Vice-Chair in the absence of the Chair, shall have the power and authority to call meetings of the committee upon reasonable written notice to the members, and to set the date, time, and location of such meetings. In the absence or inaction of the Committee Chair, the committee’s Leadership Team member assigned as a liaison may call a committee meeting upon request of one or more of the remaining committee members.

Committee Vacancies—The Board Chair shall fill vacancies in the membership of any committee within 30 days of a vacancy occurring. Should the Chair of the JEA Board fail to fill a vacancy within 30 days after such a vacancy occurs, then such vacancy may be filled by a majority of the members of the JEA Board acting in any regular or special meeting.

Conduct of Committee Business—A physical quorum of the committee must be present in order for the committee to conduct business. A majority of the entire membership of the committee physically present shall constitute a quorum, and an act of the majority of the committee present at any meeting shall constitute the act of the committee. All JEA Board members may attend

and participate in any committee meeting; however, only committee members have the right to make motions and vote. Except as provided otherwise herein, Roberts Rules of Order shall govern the conduct of committee business.

Committee Meeting Requirements—Committees shall be subject to the requirements of Chapter 286, Florida Statutes (Government in the Sunshine). Reasonable notice shall be given prior to all committee meetings, and all committee meetings shall be open to the public. Opportunity for public comment shall be given prior to any action taken by a committee.

ARTICLE V—CONDUCT OF AUTHORITY BUSINESS

Regular and Special Meetings—Regular and special meetings shall be held and noticed in accordance with the requirements set forth in the Charter.

Teleconference or Videoconference Meetings

—All Board and Committee meetings will be conducted in accordance with the Charter and Florida Statutes. Whenever any Board member attends a meeting by teleconference or videoconference, the Chair shall conduct the meeting in a manner so as to allow, to the fullest extent possible, simultaneous communication.

Quorum and Votes Required for Action

—A majority of the Board’s membership physically present shall constitute a quorum for the purposes of meeting and transacting business. Each member shall have one vote. A majority vote of the members physically present at a meeting shall be required to accomplish an act of business. A Board member may attend a meeting virtually when extraordinary circumstances would not permit the Board member to be physically present at the meeting. Whether extraordinary circumstances exist shall be a determination of the Board members physically present at the meeting. Providing a quorum physically present has been met, and the Board members who are physically present have determined that extraordinary circumstances exist to justify the Board member’s virtual attendance, a Board member attending virtually may vote. By adoption of these By-Laws, the following are presumed to constitute extraordinary circumstances with no need for further action on the part of the Board:

- Military duty
- Health-related issues
- Board member being out of town due to circumstances beyond Board member’s control
- State of emergency declared by federal, state, or local authority
- Other reasons as deemed appropriate by the Board

Governance, Audit, and Compliance Committee - Supplemental Information

Pursuant to Chapter 286, Florida Statutes, no member who is present at any Board meeting may abstain from voting except when there is, or appears to be, a possible conflict of interest. In such case, the abstaining Board member shall comply with the disclosure requirements of Chapter 112, Florida Statutes.

Vacancies—Any vacancy occurring in the office of a member of the JEA Board shall be filled for the unexpired term in the manner provided in the Charter, as amended. The Vice President, Government Relations will work with the Office of the Mayor, City Council President, and Office of General Counsel as deemed necessary.

Rules and Procedures—The Board may adopt rules or procedures to govern the conduct of JEA Board business. In the absence of rules or procedures adopted by the Board, the conduct of the Board's business shall be governed by Robert's Rules of Order.

Amendments to By-Laws—These By-Laws may be amended, suspended, repealed or altered, in whole or in part, by the affirmative votes of a majority of members at any regular or special meeting, provided such subject has been included in an agenda item.

Effect of By-Laws—Noncompliance with these By-Laws shall not operate to invalidate any JEA Board action otherwise valid under applicable law.



Building Community

21 West Church Street
Jacksonville, Florida 32202-3139
jea.com

Board Member Terms



John Baker

Appointed on April 14, 2020
Term Ending on February 28, 2024



Joseph DiSalvo

Appointed on April 14, 2020
Term Ending on February 28, 2026



Dr. Zachary Faison, Jr.

Appointed on April 14, 2020
Term Ending on February 28, 2026



Marty Lanahan

Appointed on April 14, 2020
Term Ending on February 28, 2023



Rick Morales

Appointed on September 28, 2021
Term Ending on February 28, 2024



Bobby Stein

Appointed on April 14, 2020
Term Ending on February 28, 2025



Tom VanOsdol

Appointed on April 14, 2020
Term Ending on February 28, 2023

Board and Committee Meeting Dates



FY22 Board Meeting Dates

August 10

September 20

FY22 Board Committee Dates

External Affairs Committee – July 25

Finance and Operations Committee – September 9

Governance, Audit, and Compliance Committee – July 14

Workforce and Customer Committee – September 16

FY23 Board Meeting Dates

October 25

January 24

February 28

March 28

April 25

June 27

August 29

September 26

FY23 Board Committee Dates

External Affairs Committee – December 16, April 18, September 8

Finance and Operations Committee – December 16, March 10, April 14, June 23, September 15

Governance, Audit, and Compliance Committee – October 13, January 13, August 4

Workforce and Customer Committee – October 21, January 20, April 14, August 25

Board Committee Structure 2022



GOVERNANCE, AUDIT, AND COMPLIANCE COMMITTEE

The Governance, Audit, and Compliance Committee's primary function is to assist the Board in fulfilling its oversight responsibilities in the areas of Board governance and compliance, including audit and risk management

Ms. Marty Lanahan (Chair)
 General Joe DiSalvo (Vice Chair)
 Dr. Zachary Faison

 Jody Brooks, Chief Administrative Officer

FINANCE & OPERATIONS COMMITTEE

The Finance & Operations Committee's primary function is to assist the Board in fulfilling its oversight responsibilities with JEA's strategic objective of Delivering Business Excellence

General Joe DiSalvo (Chair)
 Ms. Marty Lanahan (Vice Chair)
 Mr. Rick Morales

 Raynetta Marshall, Chief Operations Officer &
 Ted Phillips, Chief Financial Officer

WORKFORCE AND CUSTOMER COMMITTEE

The Workforce and Customer Committee's primary function is to assist the Board in fulfilling its oversight responsibilities with JEA's strategic objectives of Building an Unbeatable Team and Earning Customer Loyalty

Mr. Tom VanOsdol (Chair)
 Dr. Zachary Faison (Vice Chair)
 Mr. John Baker

 David Emanuel, Chief Human Resources Officer &
 Sheila Pressley, Chief Customer Officer

EXTERNAL AFFAIRS COMMITTEE

The External Affairs Committee's primary function is to assist the Board in fulfilling its oversight responsibilities by reviewing and monitoring JEA's stakeholder strategies, environmental stewardship, economic development, and communications

Mr. Rick Morales (Chair)
 Mr. Tom VanOsdol (Vice Chair)
 Mr. John Baker

 Laura Schepis, Chief External Affairs Officer

EXECUTIVE COMMITTEE

The Executive Committee's primary function is to address high-level or pressing matters as directed by the Committee or Board Chair

Mr. John Baker (Chair)
 Mr. Bobby Stein (Vice Chair)
 Ms. Marty Lanahan
 General Joe DiSalvo

 Jay Stowe, Chief Executive Officer

JEA Board Policy Manual

Highlighted information
carried over to 2022 JEA
Board By-Laws and
Policy Manual

JEA Board Policy Manual

Dated this 16 day of November 2021.

JEA Board Chair

JEA Board Secretary

Adopted in its entirety by the JEA Board on February 16, 2010
and as Amended and Adopted by the JEA Board on November 16, 2021.

JEA Board Policy Manual**TABLE OF CONTENTS****Policy Category I: Governance Process**

1.0	By-Laws of JEA	4
1.1	JEA Board Mission, Vision, Values, Goals & Objectives	8
1.2	Global Governance Process	9
1.3	Governing Style	10
1.4	Board Job Description	11
1.5	Agenda Planning	12
1.6	Board Officers	13
1.7	Rules of Order	14
1.8	Board Member's Code of Conduct	16
1.9	Board Member's Individual Responsibility	17
1.10	Board Committee Principles	18
1.11	Board Committee Structure	19
1.12	Cost of Governance	21

Policy Category II: Board-Management Delegation

2.0	Global Board-Management Delegation	22
2.1	Unity of Control	23
2.2	Accountability of the CEO	24
2.3	Delegation to the CEO	25
2.4	Monitoring CEO Performance	26
2.5	CEO Remuneration	27

Policy Category III: Executive Mandates

3.0	General Executive Oversight and Assurances	28
3.1	Treatment of Consumers	29
3.2	Treatment of Staff	30
3.3	Financial Planning/Budgeting	31
3.4	Financial Condition and Activities	32
3.5	Workforce Readiness and Succession Planning	33
3.6	Asset Protection	34
3.7	Compensation and Benefits	35
3.8	Communication and Support to the Board	36
3.9	Regulatory / Legislative Requirements	37
3.10	Enterprise Risk Management	38
3.11	Procurement Activities	39
3.12	Economic Development	40

Policy Category IV: Measures of Effectiveness (MOEs)

4.0	MOEs	41
4.1	Electric Service	42
4.2	Water Service	43
4.3	Sewer Service	44
4.4	Cost of Service	45
4.5	Environmentally Sound	46
4.6	Informative Communication	47

Adopted in its entirety by the JEA Board on February 16, 2010
and as Amended and Adopted by the JEA Board on November 16, 2021

JEA Board Policy Manual

TABLE OF CONTENTS (Cont'd)

Appendix

A1	Executive Core Competencies	49
A2	JEA Board Evaluation Criteria	54

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.0

POLICY TITLE: *BY-LAWS OF JEA*

ARTICLE I - OFFICES

The principal office of JEA shall be located in Jacksonville, Florida. Branch offices of JEA may be established at such places as JEA may designate from time to time.

ARTICLE II - MEMBERS OF JEA GOVERNING BODY

Section 1. General Powers. The affairs of JEA shall be managed by the JEA governing body ("Board") as provided in Article 21, Charter of the City of Jacksonville, as amended, and other applicable laws.

Section 2. Appointment, Number, Tenure, and Expense Reimbursement. The membership of the JEA Board shall be constituted in number, qualifications, manner of appointment and tenure as provided in Article 21, Charter of the City of Jacksonville, as amended. Members of the JEA Board shall receive reimbursement for all expenses incurred which are reimbursable by law.

ARTICLE III - OFFICERS

Section 1. Elections. The Officers of the JEA Board shall be a Chair, Vice-Chair, and a Secretary who shall be elected by the members and who shall serve as such officers for one year or until a successor is chosen. The Chair may serve for two consecutive one-year terms, which shall not include any period served as replacement Chair during the unexpired portion of the predecessor's term. Elections of Officers shall be conducted at the first regular meeting in March which may be preceded by a meeting of the nominating committee composed of the JEA Board acting as a whole or such other membership as the Chair may designate.

Section 2. Vacancies. A vacancy in any office because of death, illness, removal or otherwise, may be filled by the remaining members for the unexpired term.

Section 3. Chair. The Chair shall preside at all meetings of the JEA Board unless the Chair delegates otherwise. The Chair shall designate from time to time such special committees as the Chair deems appropriate and shall designate the subject matter assigned to each committee for consideration. In the event of the Chair's prolonged absence or disability, the Vice-Chair shall exercise all functions of the Chair for a period of up to thirty (30) days, at the expiration of which a special election shall be conducted by the JEA Board and a permanent Chair elected.

Section 4. Vice-Chair. The Vice-Chair shall perform such duties as are assigned by the Chair in addition to the functions for which the Vice-Chair is responsible under Section 3 above.

Section 5. Secretary. The Secretary has oversight of the procedures used by the JEA Staff to accurately produce Minutes of all Board and Committee meetings and submission for public record. The Secretary shall perform such other duties as from time to time may be assigned by the Chair.

ARTICLE IV - COMMITTEES

Section 1. Ordinary Committees.

(a) Standing Committees. The Chair may appoint standing committees from time to time which shall be composed of as many members of the JEA Board as determined by the Chair. The Chair

Adopted in its entirety by the JEA Board on February 16, 2010
and as Amended and Adopted by the JEA Board on November 16, 2021

4

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.0

POLICY TITLE: BY-LAWS OF JEA

shall name one of the committee members as committee chair and one as committee vice-chair. A standing committee shall continue until such time as it is terminated by the Chair.

(b) Special Committees. The Chair may appoint special committees from time to time, and the Chair may specify that one or more individuals who are not members of the JEA Board shall work with and assist the special committee. The Chair shall name one of the committee members as committee chair and one as committee vice-chair; both positions must be filled by current members of the JEA Board. When a special committee has fulfilled its function or when the best interests of JEA have been served, the committee shall be terminated without formal action.

Section 2. Term of Committee Members. Each member of a committee shall serve until the expiration of his/her term of office as a JEA Board member, until that member's successor is appointed and has accepted such appointment, or until the committee is terminated.

Section 3. Powers of the Committee and the Committee Chair. The committee chair, or vice-chair in the absence of the chair, shall have the power and authority to call meetings of the committee upon reasonable verbal or written notice to the members, and to set the date, time and place of such meetings. This function may also be performed by a majority of the remaining members of the committee upon inaction by the chair. A committee secretary may be designated by the committee chair. A committee may submit reports to the Chair and members of the JEA Board in writing as determined by the committee chair. Committee reports shall contain both majority and minority reports of committee members. A committee may by motion recommend to the JEA Board that action be taken on matters under consideration by the committee. Matters under consideration by the committee may include resolutions or other proposed actions presented to the committee by the JEA Managing Director.

Section 4. Committee Vacancies. The Chair shall fill vacancies in the membership of any committee. Should the Chair of the JEA Board fail to fill a vacancy within a reasonable length of time after such a vacancy occurs, then such vacancy may be filled by a majority of the members of the JEA Board acting in any regular or special meeting.

Section 5. Conduct of Committee Business. A majority of the entire membership of the committee shall constitute a quorum, and an act of the majority of the committee present at any meeting shall constitute the act of the committee. Should a quorum not be present at a scheduled meeting, the committee chair, or vice-chair in the absence of the chair, may appoint as many JEA Board members as necessary to constitute a quorum. Such appointment is for the purpose of that meeting only. All JEA Board members may attend and participate in any committee meeting, but only committee members have the right to make motions and to vote. Except as provided otherwise herein, Roberts Rules of Order shall govern the conduct of committee business, unless the majority of the committee present at such meeting shall elect to utilize other rules or procedures consistent with applicable law and these By-Laws.

ARTICLE V - CONDUCT OF AUTHORITY BUSINESS

Section 1. Regular Meetings. Regular meetings shall be held in accordance with the requirements set forth in Article 21 – JEA Charter at the principal offices of JEA in the City of Jacksonville, or at such other public place within the City of Jacksonville as may be determined by the Chair, and at such times as the Chair or a majority of the members may designate. More frequent regular meetings may be held at the pleasure of a majority of the members.

Section 2. Special Meetings. Special meetings of the members may be called by the Chair or by any three (3) members and shall be held at the principal offices of JEA in the City of Jacksonville, or at such other public place within the City of Jacksonville as may be determined by the Chair.

Adopted in its entirety by the JEA Board on February 16, 2010
and as Amended and Adopted by the JEA Board on November 16, 2021

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.0

POLICY TITLE: BY-LAWS OF JEA

Section 3. Notice of Special Meetings and Purpose. Notice of each special meeting of the members shall be given by the Chair or by the three (3) members who may have called such special meeting. Such notice shall be in writing and shall be provided to every member not less than seven days before the meeting and shall state the purpose, time and place of the special meeting. Attendance by a member at a special meeting shall constitute waiver of notice. A member may, however, appear at a meeting for the sole purpose of objecting to the transaction of any business on the ground that the meeting was not lawfully called without losing the right to object to improper notice. No business shall be transacted at any special meeting other than the purpose specified in the notice unless a majority of the members in attendance at such special meeting agree to transact other business.

Section 4. Teleconference or Videoconference Meetings. The Chair may allow Board member(s) to attend a regular or special meeting by teleconference or videoconference, provided that all JEA Board members attending the meeting and all other persons participating in the meeting may hear each other. Whenever any Board member attends a meeting by teleconference or videoconference, the Chair shall conduct the meeting in a manner so as to allow, to the fullest extent possible, simultaneous communication. A Board member or other person wishing to speak must first identify himself/herself to the Chair and request recognition from the Chair before speaking. Visual presentations shall be described in detail for any Board member attending by teleconference who is unable to view the presentation. It is the Board's preference that meetings be held with a quorum physically present except, on occasion, when the Board needs to transact business for a special matter typically conducted at a special meeting.

Section 5. Quorum and Votes Required for Action. The majority of the Board members shall constitute a quorum for the purpose of meeting and transacting business. Four (4) affirmative votes shall be required to accomplish an act of business. Pursuant to Chapter 286, Florida Statutes, no member who is present at any Board meeting may abstain from voting except when there is, or appears to be, a possible conflict of interest. In such case, the abstaining Board member shall comply with the disclosure requirements of Chapter 112, Florida Statutes.

Section 6. Vacancies. Any vacancy occurring in the office of a member of the JEA Board shall be filled for the unexpired term in the manner provided in Article 21, Charter of the City of Jacksonville, as amended.

Section 7. Rules and Procedures. Except as provided otherwise herein, Robert's Rules of Order shall govern the conduct of the JEA Board business, unless the majority of members shall elect to utilize other rules or procedures consistent with applicable law and these By-Laws.

ARTICLE VI - AMENDMENTS TO BY-LAWS

These By-Laws may be amended, repealed or altered, in whole or in part, by the affirmative votes of four (4) members at any regular or special meeting, provided such subject has been included in an agenda item.

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.0

POLICY TITLE: *BY-LAWS OF JEA*

ARTICLE VII - EFFECT OF BY-LAWS

Noncompliance with these By-Laws shall not operate to invalidate any JEA Board action otherwise valid under applicable law.

Adopted in its entirety by the JEA Board on February 16, 2010
and as Amended and Adopted by the JEA Board on November 16, 2021

7

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.1

POLICY TITLE: *JEA BOARD MISSION, VISION, VALUES, GOALS AND OBJECTIVES*

Mission

The JEA Board will exercise ownership, management and operate utilities systems for the City of Jacksonville and rate payers.

Vision

Make JEA the best in class for public utilities in the United States.

Values

- Leadership – Make the tough calls.
- Selfless Service – Do what is right for the community.
- Competency – Have a strategic understanding of the public utilities industry.
- Integrity – Adhere to a strict moral and ethical code and total transparency.

Goals & Objectives

- Be proactive in issuing important guidance and making timely decisions.
 - Objective: Maintain a planning horizon that is forward looking and anticipate key decisions to be made.
- Act in the best interest of the JEA workforce, rate payers and the citizens of Jacksonville.
 - Objective: Utilize the expertise of board members to enhance the ability of the board to act as a collective body.
- Exercise due diligence so well- informed decisions are made.
 - Objective: Use sound business judgement consistent with JEA's legislative charter.
- Secure the trust and confidence of the Jacksonville community and rate payers.
 - Objective: Strict adherence to Sunshine laws, JEA Charter, Florida & Jacksonville City Ethics Codes and JEA Code of Conduct.

Adopted in its entirety by the JEA Board on February 16, 2010
and as Amended and Adopted by the JEA Board on November 16, 2021

8

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.2

POLICY TITLE: GLOBAL GOVERNANCE PROCESS

The mission of the JEA Board is to exercise ownership, management and operate utilities systems for the City of Jacksonville and rate payers and make JEA the best in class for public utilities in the United States.

- 1.2.1 **Governing Style:** The Board will govern in accordance with legal requirements, with an emphasis on (a) outward vision rather than internal preoccupation, (b) encouragement of diversity in viewpoints, (c) strategic leadership more than administrative detail, (d) clear distinction of Board and chief executive roles, (e) collective rather than individual decisions, (f) future more so than past or present, and (g) proactivity rather than reactivity.
- 1.2.2 **Board Job Description:** Specific responsibilities of the Board are those that ensure appropriate organizational performance.
- 1.2.3 **Agenda Planning:** To accomplish its responsibilities with a governance style consistent with Board policies, the Board will follow an annual agenda that (a) reviews the MOEs (measures of effectiveness) and (b) continually improves Board performance through education and deliberation.
- 1.2.4 **Board Officers:** Board officers assure the integrity of the Board's process and record's. Board officers are: Chair, Vice-Chair and Secretary.
- 1.2.5 **Rules of Order:** Board meetings will be conducted in an orderly and fair process consistent with the requirements of Florida law, Ordinances of the City of Jacksonville, the JEA Charter and these governance policies. Meetings will be led by the Chair, or, in the absence of the Chair, the Vice-Chair, or, in the absence of both, by the Chair's designee.
- 1.2.6 **Board Member's Code of Conduct:** The Board commits itself to lawful, ethical and businesslike conduct, following all requirements of Florida Law, Ordinances of the City of Jacksonville, and the JEA Charter including proper use of its authority and appropriate decorum when acting as Board members.
- 1.2.7 **Board Member's Individual Responsibility:** The leadership success of the Board is a direct result of the individual and collegial participation of its members. Board members will commit to preparation for all JEA related meetings and activities.
- 1.2.8 **Board Committee Principles:** Board committees, when used, will be assigned so as to reinforce the wholeness of the Board's job and not to interfere with delegation from the Board to the CEO.
- 1.2.9 **Board Committee Structure:** A committee is a Board committee only if its existence and charge come from the Board, regardless of whether Board members sit on the committee. The only Board committees are those which are set forth in in this policy. Unless otherwise stated, a committee ceases to exist as soon as its task is complete. The CEO will attend meetings of each committee, but shall not have a vote.
- 1.2.10 **New Board Members On-Boarding Requirements:** Coordinate with the JEA Executive Staff Assistant for exact requirements. Generally new board members will a) execute a facilities orientation; b) receive a JEA email account; c) file financial disclosure Form 1; d) get a JEA photograph and JEA employee access pass; e) execute Technology Services agreement, General Security Awareness Training; and f) ethics brief by the City's Office of Ethics, Compliance, and Oversight.
- 1.2.11 **JEA Board Evaluation:** Done annually as per App A3.

Adopted in its entirety by the JEA Board on February 16, 2010
and as Amended and Adopted by the JEA Board on November 16, 2021

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.3

POLICY TITLE: GOVERNING STYLE

The Board will govern in accordance with legal requirements, observing the principles of the Policy Governance model, with an emphasis on (a) outward vision rather than internal preoccupation, (b) encouragement of diversity in viewpoints, (c) strategic leadership more than administrative detail, (d) clear distinction of Board and chief executive roles, (e) collective rather than individual decisions, (f) future more so than past or present, and (g) proactivity rather than reactivity.

Accordingly,

- 1.3.1 Unique Requirements of Florida Law for Public Boards: In conducting its duties as a Board in Florida, the Board is required to comply with the Florida Sunshine Law, which prohibits any two or more members of the Board from meeting unless the meeting has been properly noticed and conducted in accordance with the legal requirements. In addition, Florida Law contains requirements regarding Public Records, conflicts of interest and voting which must be followed in the conduct of the Board's business.
- 1.3.2 The Board will cultivate a sense of group responsibility and will be a proactive Board versus a reactive Board. The Board, not the staff, will be responsible for excellence in governing. The Board will be the initiator of policy, not merely a reactor to staff initiatives.
- 1.3.3 Although the Board can change its Governance Process policies at any time, it will diligently observe those currently in force.
- 1.3.4 Continual Board development will include orientation of new Board members in the Board's governance process and an annual Board discussion of governance process improvement.
- 1.3.5 The Board will allow no officer, individual, or committee of the Board to hinder or serve as an excuse for the Board not fulfilling its commitments.
- 1.3.6 Each member of the Board will respect the final determination of the Board concerning any particular matter, regardless of the member's personal position concerning such matter.

Adopted in its entirety by the JEA Board on February 16, 2010
and as Amended and Adopted by the JEA Board on November 16, 2021
10

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.4

POLICY TITLE: *BOARD JOB DESCRIPTION*

Specific responsibilities of the Board are those that ensure appropriate organizational performance.

Accordingly,

- 1.4.1 The Board is the authoritative link between the organization and the ownership.
- 1.4.2 The Board will provide governing policies that realistically address the broadest levels of all organizational decisions and situations:
 - a. Governance Process: Specification of how the Board develops, carries out, and monitors its own responsibilities
 - b. Board-Management Delegation: Specification of how power is delegated and its proper use monitored; clarity on the CEO's role, authority, and accountability.
 - c. Executive Mandates: Constraints on executive authority that establish the prudence and ethics boundaries within which all executive activity and decisions must take place.
 - d. Measures of Effectiveness: The organizational outcomes to its recipients including the relative worth of such outcomes in cost or priority.
- 1.4.3 This CEO annual evaluation will be done formally in person with the CEO and full board. CEO evaluation criteria as per Appendix A1 (with CEO core competencies)
- 1.4.4 The Board will evaluate its own performance annually as per App A3.
- 1.4.5 Board members will respect their fiduciary responsibilities to protect and enhance the value of JEA as a citizen-owned enterprise with due diligence using sound business judgment consistent with JEA's legislative charter.

Adopted in its entirety by the JEA Board on February 16, 2010
and as Amended and Adopted by the JEA Board on November 16, 2021
11

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.5

POLICY TITLE: *AGENDA PLANNING*

To accomplish its responsibilities with a governance style consistent with Board policies, the Board will follow an annual agenda that (a) completes a re-exploration of the Measures of Effectiveness (MOEs) policies at least annually and (b) continually improves Board performance through education and deliberation.

Accordingly,

- 1.5.1 The Board will establish its annual agenda during an annual retreat to be scheduled around March of each year.
 - a. The Board will review the MOEs as often as necessary, but minimally once a year.
 - b. Consultations with selected groups in the ownership, or other methods of gaining ownership input, will be scheduled as part of the annual agenda.
 - c. Governance education and education related to the MOEs (presentations by futurist, demographers, advocacy groups, staff, etc.) will be scheduled as part of the annual agenda.
- 1.5.2 The agenda for the Board's monthly meeting will be established through consultation with the Chair and the CEO.
 - a. The agenda along with supporting item documentation will be made available to Board members and the city auditor (as per Art 21.03(e) minimally seven days prior to monthly Board meetings and committee meetings.
 - b. A Board member may bring up new business at the appropriate time on the agenda during any meeting, however, if a formal response or presentation is necessary, a request should be made to the CEO no later than two weeks before the Board meeting to allow others on the Board to receive information 7 days in advance.

Adopted in its entirety by the JEA Board on February 16, 2010
and as Amended and Adopted by the JEA Board on November 16, 2021
12

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.6

POLICY TITLE: BOARD OFFICERS

Board officers assure the integrity of the Board's process and record's. Board officers are: Chair, Vice-Chair, and Secretary.

Accordingly,

- 1.6.1 The Chair, a specially empowered member of the Board, ensures the integrity of the Board's process and, secondarily, occasionally represents the Board to outside parties.
- a. The Chair's role is to see that the Board behaves consistently within its own rules and those rules and regulations imposed upon it from outside the organization.
 - (1) Meeting discussion content will consist of issues that clearly belong to the Board to decide or to monitor according to Board policy.
 - (2) Deliberation will be fair, open, and thorough but also timely, orderly, and kept to the point.
 - b. The authority of the Chair consists in making decisions that fall within topics covered by Board policies on Governance Process and Board-Management Delegation, with the exception of (a) employment or termination of the CEO and (b) areas where the Board specifically delegates portions of this authority to others. The Chairman is authorized to use any reasonable interpretation of provisions in these policies.
 - (1) The Chair is empowered to chair Board meetings with all the commonly accepted powers of that position, such as ruling and recognizing.
 - (2) The Chair may represent the Board to outside parties in announcing Board-stated positions and in stating the Chair's decisions and interpretations within the area delegated to that role.
 - (3) The Chair may delegate this authority but remains accountable for its use.
 - (4) The Chair may appoint members and a Chair for each Board Committee, unless otherwise stipulated by Board policies.
- 1.6.2 The Vice-Chair, or in the absence of the Vice-Chair, the immediate Past Chair will serve as Chair in the absence of the current Chair.
- 1.6.3 The Board Secretary is an officer of the Board whose purpose is to exercise oversight of the procedures used by the JEA Staff to accurately produce Minutes of all Board and Committee meetings and submission for public record within. Minutes from board and committee meetings will be posted on the JEA website within a reasonable period of times after the meeting concludes (which entails board/committee actioning approval of the minutes before posting). The Secretary shall perform such other duties as from time to time may be assigned by the Chair Note, refer to other reporting requirements contained in Article 21.04 section.
- 1.6.4 All Board officers are accountable to the Chair unless otherwise determined by Board policy.

Adopted in its entirety by the JEA Board on February 16, 2010
and as Amended and Adopted by the JEA Board on November 16, 2021

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.7

POLICY TITLE: RULES OF ORDER

Board meetings will be conducted in an orderly and fair process consistent with the requirements of Florida Law, Ordinances of the City of Jacksonville, the JEA Charter, Bylaws and these governance policies. Meetings will be led by the Chair, or, in the absence of the Chair, the Vice-Chair, or, in the absence of both, by the Chair's designee.

Accordingly,

- 1.7.1 Board meetings will be conducted with punctuality and order.
 - a. Board meetings shall be called to order at the time specified in the notice of meeting and upon satisfaction of a quorum.
 - b. Meeting order shall be maintained and all members treated with dignity, respect, courtesy, and fairness during discussion and debate and in all other respects.
 - c. Board members must keep their comments relevant to the issue under consideration.
 - d. In order to conduct business, a quorum of four (4) board members must be present. Four affirmative votes are required to decide all motions before the Board regardless of number in attendance.
- 1.7.2 Board meetings will be conducted at a level of informality considered appropriate by the Chair, yet with predictable discipline.
 - a. Discussion of a matter not on the previously distributed agenda may occur only after Board consent that the matter be heard.
 - b. Proposals that the Board take action, or decide a particular matter, shall (unless otherwise agreed to by unanimous consent) be made by main motion of a Board member, discussed, and then voted on. Motions require a second to proceed to discussion and subsequent vote.
 - c. The Chair may not make motions but can engage in debate and is required to vote.
 - d. A motion to amend a main motion may be amended but third level amendments are not to be heard.
 - e. A motion to refer to a committee, postpone, or table, may be made with respect to a pending main motion, shall take precedence over the pending motion and, if carried, shall set the main motion (the initial proposal) aside accordingly.
 - f. Board members may speak to a pending motion on as many occasions, and at such length, as the Chair may reasonably allow.
 - g. A vote on a motion shall be taken when discussion ends, but any Board member may, during the course of debate, move for an immediate vote (close debate or call the question) which, if carried, shall end discussion and the vote on the main motion shall then be taken. Votes

Adopted in its entirety by the JEA Board on February 16, 2010
and as Amended and Adopted by the JEA Board on November 16, 2021

JEA Board Policy Manual

may be made by voice vote or by roll call. All members of the Board are required to vote unless a conflict of interest is declared.

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.7

POLICY TITLE: *RULES OF ORDER*

- h. A motion to adjourn a Board meeting may be offered by any Board member or, on the conclusion of all business, adjournment of the meeting may be declared by the Chair.
- 1.7.3 When further rules of order are to be developed by the Board, the Board will consider the Standard Code of Parliamentary Procedure (Robert's Rules of Order) as a resource guide. The representative from the Office of General Council may serve the Board as a resource on Parliamentary Procedure.

Adopted in its entirety by the JEA Board on February 16, 2010
and as Amended and Adopted by the JEA Board on November 16, 2021
15

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.8

POLICY TITLE: BOARD MEMBER'S CODE OF CONDUCT

The Board commits itself to lawful, ethical and businesslike conduct, following all requirements of Florida Law, Ordinances of the City of Jacksonville, and the JEA Charter including proper use of its authority and appropriate decorum when acting as Board members.

Accordingly,

- 1.8.1 Members are expected to represent the interests of the ownership. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other Boards or staffs. It also supersedes the personal interest of any Board member acting as a consumer of the organization's services.
- 1.8.2 Members must avoid conflict of interest with respect to their fiduciary responsibility. Such conflicts of interest include but are not limited to the following:
 - a. There will be no self-dealing or business by a board member with any entity that might be reasonably seen as representing a conflict of interest.
 - b. When the Board is to decide upon an issue about which a member has an unavoidable conflict of interest, that member shall announce and declare publicly any conflict of interest and withdraw without comment not only from the vote but also from the deliberation.
 - c. No board member will have an individual contractual relationship with JEA (directly or indirectly) during their board tenure and for 2 years following member's date of termination from board membership.
- 1.8.3 Members may not attempt to exercise individual authority over the organization except as explicitly set forth in Board policies.
 - a. Members' interaction with the CEO or with staff must recognize the lack of authority vested in individuals except when explicitly authorized by the Board.
 - b. Members' interaction with the public, the press, or other entities must recognize the same limitation and the inability of any Board member to speak for the Board except to repeat explicitly stated Board decisions.
 - c. Except for participation in Board deliberation about whether the CEO has achieved any reasonable interpretation of Board policy, members will not express individual judgments of negative performance of employees or the CEO.
- 1.8.4 Members are expected to support the legitimacy and authority of the final determination of the Board on any matter, without regard to the member's personal position on the issue.
- 1.8.5 Members who have any question about the appropriateness of their conduct should consult with the Office of General counsel or appropriate Ethics offices for information.

Adopted in its entirety by the JEA Board on February 16, 2010
and as Amended and Adopted by the JEA Board on November 16, 2021

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.9

POLICY TITLE: *DIRECTORS' INDIVIDUAL RESPONSIBILITY*

The leadership success of the Board is a direct result of the individual and collegial participation of its members.

Accordingly, each Board member is expected to participate in the following ways:

- 1.9.1 Time Investment to Accomplish Board Responsibilities - As Board contemplation, deliberation and decision-making are processes which require wholeness, collaboration and participation, attendance at Board meetings is expected of Board members.
 - a. Expected Commitments:
 - (1) Monthly Board Meetings
 - (2) Annual Team Building (to include professional education)
 - (3) Annual CEO evaluation and Board Self-Assessment (4) Bond Rating Agency Trip, 3 days (Board Chair is expected to attend).
 - b. Optional Involvement:
 - (1) Internal educational meetings with staff upon request
 - (2) Industry related seminars and conferences
 - (3) Visit other utilities and related industries
- 1.9.2 Preparation and Participation - Board members will prepare for Board and committee meetings and will participate productively in discussions, always within the boundaries of discipline established by the Board. Each member will contribute his or her own knowledge, skills and expertise to the Board's efforts to fulfill its responsibilities.
- 1.9.3 Members as Individuals - The CEO is accountable only to the Board as an organization, and not to individual Board members. Accordingly, the relationship between the CEO and individual members of the Board, including the Chair, is collegial, not hierarchical.

Adopted in its entirety by the JEA Board on February 16, 2010
and as Amended and Adopted by the JEA Board on November 16, 2021
17

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.10

POLICY TITLE: BOARD COMMITTEE PRINCIPLES

Board committees, when used, will be assigned so as to reinforce the wholeness of the Board's job and not to interfere with delegation from the Board to the CEO.

Accordingly,

- 1.10.1 Board committees are to help the Board accomplish its responsibilities and are not assigned to perform staff functions. Committees ordinarily will assist the Board by preparing policy alternatives and implications for Board deliberation. In keeping with the Board's broader focus, Board committees will normally not have direct dealings with current staff operations unless specifically outlined in committee objectives.
- 1.10.2 Board committees may not speak or act for the Board except when formally given such authority for specific purposes. Expectations and authority will be carefully stated in order to prevent conflict with authority delegated to the CEO.
- 1.10.3 Board committees cannot exercise authority over staff. The CEO works for the full Board, and will therefore not be required to obtain the approval of a Board committee before an executive action.
- 1.10.4 Committees will be formed for a specific purpose only. Its purpose and function will be documented in a written charge. All committees are accountable to the Board as a whole.
- 1.10.5 This policy applies to any group that is formed by Board action, whether or not it is called a committee and regardless of whether the group includes Board members, it does not apply to committees formed under the authority of the CEO.

Adopted in its entirety by the JEA Board on February 16, 2010
and as Amended and Adopted by the JEA Board on November 16, 2021
18

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.11

POLICY TITLE: BOARD COMMITTEE STRUCTURE

A committee is a Board committee only if its existence and charge come from the Board, regardless of whether Board members sit on the committee. The only standing Board committees are those which are set forth in this policy. Unless otherwise stated, a committee ceases to exist as soon as its task is complete. The CEO will attend meetings of each committee, but shall not have a vote.

Accordingly,

- 1.11.1 Nominating Committee: The purpose of the Nominating committee is to recommend Board officers for election by the Board as a whole.
- a. The Nominating Committee will be comprised of three members. The current Chair (who shall serve as Chair of the committee) and the two most immediate past Chairs still remaining on the Board will constitute the Committee. If one or more past Chairs is no longer serving on the Board, the Chair shall select Board members to fill out a committee of three.
 - b. The Nominating Committee shall be formed no later than January of each year and will make its recommendation to the Board for action at its March meeting.
- 1.11.2 Finance and Audit Committee: The purpose of the Finance and Audit Committee is to assist the Board in fulfilling its oversight responsibilities by reviewing financial information, systems of internal controls, and audit process, including a high level review of the operating and capital budgets. The committee will provide an open avenue of communication between the Board, Management, Audit Services, and external auditors.
- a. The Finance and Audit Committee will be comprised of three members appointed annually by the Chair and confirmed by the Board. Two members will constitute a quorum.
 - b. The Committee will meet at least four times per year. A schedule of regular meetings will be established by the committee annually. Special meetings may be called by any Committee member. Meeting dates, times and location will be announced to the entire Board.
 - c. The Committee shall oversee:
 - (1) Internal controls and risk assessment
 - (2) Audit Services
 - (3) Compliance with laws, regulations and code of conduct
 - (4) Financial reporting
 - d. The Committee will oversee the External Auditor.

Adopted in its entirety by the JEA Board on February 16, 2010
and as Amended and Adopted by the JEA Board on November 16, 2021
19

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.11

POLICY TITLE: *BOARD COMMITTEE STRUCTURE*

- 1.11.3 Governance Committee: The purpose of Governance Committee is to assist the Board in updating the JEA Board documents, primarily the Board Policy Manual (which includes the JEA By-Laws).
- a. The Governance Committee will be comprised of at least three members appointed annually by the Chair. The Board Chair shall appoint one of the Committee members as Chairperson.
 - b. The Committee will meet at least once per year. Special meetings may be called by any Committee member. Meeting dates, times and location will be announced to the entire Board.
 - c. The Committee will work with JEA Staff Compliance Officer to oversee compliance of all applicable provisions in City Council Article 21.
- 1.11.4 Other Committees may be established as designated by the Chair.

Adopted in its entirety by the JEA Board on February 16, 2010
and as Amended and Adopted by the JEA Board on November 16, 2021
20

JEA Board Policy Manual

POLICY TYPE: GOVERNANCE PROCESS

POLICY 1.12

POLICY TITLE: COST OF GOVERNANCE

The Board will invest in continuous improvement in its governance capacity.

Accordingly,

- 1.12.1 The Board will use appropriate methods to improve its governing skills.
 - a. Training and retraining will be used liberally to orient new members as well as to maintain and increase existing members' skills and understandings.
 - b. Outside monitoring assistance can be arranged so that the Board can exercise confident control over organizational performance. This includes but is not limited to a financial audit.
 - c. Outreach mechanisms can be used as needed to ensure the Board's ability to listen to owner viewpoints and values.
 - d. Knowledgeable industry experts can be made available to the Board in various ways to continuously improve the Board's awareness of emerging utility industry issues.
- 1.12.2 Costs for appropriate Board governance will be included during annual budget preparations. Any expenditure required will be in accordance with JEA procurement policies. Items may include but not be limited to the following as annually decided by the Board:
 - a. Training
 - b. Attendance at conferences, industry site visits and Rating Agency presentations
 - c. Audit and other third-party monitoring of organizational performance
 - d. Surveys, focus groups, opinion analysis, and meeting costs

Adopted in its entirety by the JEA Board on February 16, 2010
and as Amended and Adopted by the JEA Board on November 16, 2021
21

JEA Board Policy Manual

POLICY TYPE: BOARD MANAGEMENT DELEGATION

POLICY 2.0

POLICY TITLE: GLOBAL BOARD-MANAGEMENT DELEGATION

The Board's sole official connection to the operational organization, its achievements, and conduct will be through a chief executive officer titled Managing Director / CEO, referred to within this document simply as CEO.

Accordingly,

- 2.0.1 **Unity of Control:** Only officially passed motions of the Board are binding on the CEO.
- 2.0.2 **Accountability of the CEO:** The CEO is the Board's only link to operational achievement and conduct, so that all authority and accountability of staff, as far as the Board is concerned, is considered the authority and accountability of the CEO.
- 2.0.3 **Delegation to the CEO:** The Board will instruct the CEO through written policies that prescribe the organizational MOEs (measures of effectiveness) to be achieved and describe organizational situations and actions to be avoided, allowing the CEO to use any reasonable interpretation of these policies.
- 2.0.4 **CEO Remuneration:** Salary and benefits and other terms of employment for the CEO will be determined by contract.
- 2.0.5 **Core Competencies:** Executive Core Competencies are included in the Appendix.

Adopted in its entirety by the JEA Board on February 16, 2010
and as Amended and Adopted by the JEA Board on May 25, 2021.

22

JEA Board Policy Manual

TYPE: BOARD MANAGEMENT DELEGATION

POLICY 2.1

POLICY TITLE: *UNITY OF CONTROL*

Only officially passed motions of the Board are binding on the CEO.

Accordingly,

- 2.1.1 Decisions or instructions of individual Board members, officers, or committees are not binding on the CEO.
- 2.1.2 In the case of Board members or committees requesting information or assistance without Board authorization, the CEO can refuse such requests that require, in the CEO's opinion, a material amount of staff time or funds, or are disruptive. The CEO shall promptly inform the Board if requests from Board members or committees are refused.

Adopted in its entirety by the JEA Board on February 16, 2010
and as Amended and Adopted by the JEA Board on May 25, 2021.

23

JEA Board Policy Manual

POLICY TYPE: BOARD MANAGEMENT DELEGATION

POLICY 2.2

POLICY TITLE: ACCOUNTABILITY OF CEO

The CEO is the Board's only link to operational achievement and conduct, so that all authority and accountability of staff, as far as the Board is concerned, is considered the authority and accountability of the CEO.

Accordingly,

- 2.2.1 The Board as a body and individual board members will never give instructions to persons who report directly or indirectly to the CEO.
- 2.2.2 The Board will not evaluate, either formally or informally, any staff other than the CEO. However, the CEO will discuss his evaluation with the Board of the executives identified as potential interim CEO successors (refer to Policy 3.5.1).

JEA Board Policy Manual

POLICY TYPE: BOARD MANAGEMENT DELEGATION

POLICY 2.3

POLICY TITLE: *DELEGATION TO THE CEO*

The Board will instruct the CEO through written policies that prescribe the organizational (Measures of Effectiveness) MOEs to be achieved and describe organizational situations and actions to be avoided, allowing the CEO to use any reasonable interpretation of these policies.

Accordingly,

- 2.3.1 The Board will develop policies instructing the CEO to achieve specified results, for specified recipients, at a specified cost. These policies will be developed systematically from the broadest, most general level to more defined levels and will be captured in the MOEs.
- 2.3.2 Should the CEO violate a Board policy, he or she shall promptly inform the Board. Informing is simply to guarantee no violation may be intentionally kept from the Board, not to request approval. Board response, either approving or disapproving, does not exempt the CEO from subsequent Board judgment of the action nor does it curtail any executive decision.

JEA Board Policy Manual

POLICY TYPE: BOARD MANAGEMENT DELEGATION

POLICY 2.4

POLICY TITLE: *MONITORING CEO PERFORMANCE*

Board evaluation of the CEO will be done annually and based on App A1, Executive Core competencies and CEO evaluation criteria.

Adopted in its entirety by the JEA Board on February 16, 2010
and as Amended and Adopted by the JEA Board on May 25, 2021.

26

JEA Board Policy Manual

POLICY TYPE: BOARD MANAGEMENT DELEGATION

POLICY 2.5

POLICY TITLE: CEO REMUNERATION

Salary and benefits and others terms of employment for the CEO will be determined by contract.

- 2.5.1 The governing body of JEA shall employ and fix the compensation of the CEO, who shall serve at the pleasure of JEA.
- 2.5.2 The entire working time of the CEO shall be devoted to the performance of the duties and office and the CEO shall have no outside employment or business.
- 2.5.3 The CEO shall be a graduate of an accredited college or university, and have at least 5 years of executive experience within the utilities industry.
- 2.5.4 The CEO shall have a fiduciary duty of loyalty, fidelity, and allegiance to act at all times in the best interest of JEA and will act in a manner consistent with the responsibilities of City Council's Article 21 and other policies, rules, and regulations established by JEA regarding the conduct of JEA employees.
- 2.5.5 The CEO's contract term, including any renewal term, shall not exceed five (5) years.
- 2.5.6 The amount of severance pay, if any, shall not exceed the amounts allowed under Florida law and shall not be permitted if the CEO is terminated for cause.
- 2.5.7 The contract shall not contain a mandatory consulting, separation and transition, or similar agreement that is triggered due to the CEO's termination under the contract.
- 2.5.8 JEA shall not be required to release, indemnify or hold harmless the CEO against any claims except as otherwise required by law.
- 2.5.9 JEA shall not be required to pay for or provide legal counsel to the CEO beyond the legal counsel required of the Office of General Counsel pursuant to the City Charter of Florida law.
- 2.5.10 The contract shall contain a provision that the CEO serves at the pleasure of the JEA members and may be terminated with or without cause.
- 2.5.11 All compensation terms shall be reasonable and customary and similar to other public utilities comparable to JEA when taking into account the size of JEA's territory area, employee size, and utility systems.
- 2.5.12 The contract must be reviewed and approved as to form and substance by the Office of General Counsel.

Adopted in its entirety by the JEA Board on February 16, 2010
and as Amended and Adopted by the JEA Board on May 25, 2021.

27

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE MANDATES

POLICY 3.0 POLICY TITLE: GENERAL EXECUTIVE OVERSIGHT AND ASSURANCES

The CEO shall oversee and ensure that organizational practices, activities, decisions, and circumstances are lawful, prudent, and not in violation of commonly accepted business and professional ethics and practices.

- 3.0.1 **Treatment of Consumers:** With respect to interactions with consumers or those applying to be consumers, the CEO shall oversee and ensure conditions, procedures, and decisions that are safe, timely, dignified, and not unnecessarily intrusive.
- 3.0.2 **Treatment of Staff:** With respect to the treatment of staff, the CEO shall oversee and ensure conditions that are fair, safe, dignified, organized, and clear.
- 3.0.3 **Financial Planning/Budgeting:** The CEO shall oversee and ensure financial planning for any fiscal year or the remaining part of any fiscal year will not deviate materially from the Board's MOEs priorities, risk financial jeopardy, and will be derived from a multiyear plan.
- 3.0.4 **Financial Condition and Activities:** With respect to the actual, ongoing financial conditions and activities, the CEO shall oversee and ensure actual expenditures that will not result in financial jeopardy or materially deviate from Board priorities established in MOEs policies.
- 3.0.5 **Workforce Readiness and Succession Planning:** The CEO shall oversee and ensure a workforce that is prepared to meet current or future business demands.
- 3.0.6 **Asset Protection:** The CEO shall oversee and ensure corporate assets are protected, adequately maintained and not unnecessarily risked.
- 3.0.7 **Compensation and Benefits:** With respect to employment, compensation, and benefits to employees, consultants, contract workers, and volunteers, the CEO shall oversee and ensure no impairments to financial integrity or to public image.
- 3.0.8 **Communication and Support to Board:** The CEO shall oversee and ensure that the Board is informed and supported in its work.
- 3.0.9 **Regulatory/Legislative Requirements:** The CEO shall oversee and ensure regulatory and legislative actions that are favorable to the organization.
- 3.0.10 **Enterprise Risk Management:** The CEO shall oversee and ensure conditions, procedures and decisions that will identify, measure, monitor and manage, within established risk tolerances, potential events that may affect achievement of the MOEs.
- 3.0.11 **Procurement Activities:** The CEO shall oversee and ensure the development of procurement policies and procedures that adhere to all applicable federal, state and local laws and ordinances and provide for increased public confidence in the procurement activities of JEA.

Adopted in its entirety by the JEA Board on February 16, 2010
and as Amended and Adopted by the JEA Board on May 25, 2021.

28

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE MANDATES

POLICY 3.1

POLICY TITLE: *TREATMENT OF CONSUMERS*

With respect to interactions with consumers or those applying to be consumers, the CEO shall oversee and ensure conditions, procedures, or decisions that are safe, timely, dignified, and not unnecessarily intrusive.

Accordingly, the CEO will:

- 3.1.1 Elicit information for which there is a clear necessity.
- 3.1.2 Use methods of collecting, reviewing, transmitting, or storing client information that will protect against improper access.
- 3.1.3 Operate facilities with appropriate accessibility and privacy.
- 3.1.4 Articulate to consumers a clear understanding of what they can expect from services offered.
- 3.1.5 Operate with clearly established and updated Customer Service procedures and published rules and regulations for service.
- 3.1.6 Operate with mechanisms for collecting consumer complaints that provide for resolution at the lowest staff level and also include prompt response when warranted.

Adopted in its entirety by the JEA Board on February 16, 2010
and as Amended and Adopted by the JEA Board on May 25, 2021.

29

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE MANDATES

POLICY 3.2

POLICY TITLE: *TREATMENT OF STAFF*

With respect to the treatment of paid and volunteer staff, the CEO shall oversee and ensure conditions that are fair, safe, dignified, organized, and clear.

Accordingly, the CEO will:

- 3.2.1 Operate with written personnel rules and regulations that:
 - a. clarify rules for staff
 - b. provide for effective handling of grievances
 - c. protect against wrongful conditions such as nepotism and grossly preferential treatment for personal reasons.
 - d. allow for volunteerism in the community
 - e. require high ethical standards
 - f. recognize the need for work/life balance
- 3.2.2 Operate with written job descriptions and performance requirements and reviews that
 - a. characterize the nature of work to be performed
 - b. identify technical, behavioral and physical skills required
 - c. identify clear standards of responsibilities, accountability and associated authorities.
- 3.2.3 Provide a safe work environment.
- 3.2.4 Identify and provide training necessary to accomplish the quality of work expected.
- 3.2.5 Not allow discrimination or retaliation against any staff member for non-disruptive expression of dissent.
- 3.2.6 Acquaint staff with the CEO's interpretation of their protections under this policy.
- 3.2.7 Allow staff to be prepared to deal with emergency situations.
- 3.2.8 Insure that the company's Core Values are routinely communicated and reinforced to all employees.

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE MANDATES

POLICY 3.3

POLICY TITLE: *FINANCIAL PLANNING/BUDGETING*

The CEO shall oversee and ensure financial planning for any fiscal year or the remaining part of any fiscal year will not deviate materially from the Board's MOEs priorities, risk financial jeopardy, and will be derived from a multiyear plan.

Accordingly, the CEO will:

- 3.3.1 Prevent the risk of incurring those situations or conditions described as unacceptable in the Board policy "Financial Condition and Activities (refer to Policy 3.4)."
- 3.3.2 Include credible projection of revenues and expenses, separation of capital and operational items, cash flow, and disclosure of planning and budgeting assumptions.
- 3.3.3 Identify the source for capital expenditures (e.g. internally generated cash, new debt, carry over funds from previous fiscal year).
- 3.3.4 Adhere to approved tariff rates and fees.
- 3.3.5 Set and follow an annual budgeting process that results in a final budget submittal to City Council by July 1 proceeding the budgeted fiscal year.
- 3.3.6 Not provide less for Board prerogatives during the year than is set forth in the "Cost of Governance" policy (refer to Policy 1.12).

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE MANDATES

POLICY 3.4

POLICY TITLE: *FINANCIAL CONDITION AND ACTIVITIES*

With respect to the actual, ongoing financial conditions and activities, the CEO shall oversee and ensure actual expenditures that will not result in financial jeopardy or materially deviate from Board priorities established in MOEs policies.

Accordingly, the CEO will:

- 3.4.1 Operate within the budget established for the fiscal year.
- 3.4.2 Not make budget transfers in excess of \$5,000,000 without Board approval.
- 3.4.3 Inform the Board in monitoring reports when reserves are required to meet current expenditures.
- 3.4.4 Maintain financial and accounting separation between electric, water and wastewater, and District Energy funds as required by regulatory agencies and bond covenants.
- 3.4.5 Operate within established financial parameters and will engage the Board when established parameters are considered inadequate to affect a desired bond rating.

Current financial parameters:

- a. Debt Service Coverage
 - b. Fixed Charge coverage
 - c. Cash on Hand
 - d. Working Capital
 - e. Line of Credit
 - f. Fuel Rate Reserve
- 3.4.6 Not operate in violation of JEA's Debt Management Policies.
 - 3.4.7 Settle payroll and debts in a timely manner.
 - 3.4.8 Ensure tax payments or other government-ordered payments or filings are not overdue or inaccurately filed.
 - 3.4.9 Establish reasonable security measures to protect against loss of receivables.
 - 3.4.10 Aggressively pursue receivables after a reasonable grace period.

Adopted in its entirety by the JEA Board on February 16, 2010
and as Amended and Adopted by the JEA Board on May 25, 2021.

32

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE MANDATES

POLICY 3.5 POLICY TITLE: *WORKFORCE READINESS AND SUCCESSION PLANNING*

The CEO shall oversee and ensure a workforce that is prepared to meet current or future business demands.

Accordingly, the CEO will:

- 3.5.1 Ensure that no fewer than two other executives are sufficiently familiar with Board and CEO issues and processes, which will enable either to take over with reasonable proficiency as an interim successor to protect the Board from sudden loss of CEO services.
- 3.5.2 Prepare for long-term CEO succession.
- 3.5.3 Prepare for Executive Team succession.
- 3.5.4 Operate with strategic and tactical plans to have and maintain the right people, in the right place, with the right talent, skills and knowledge.
- 3.5.5 Develop a workforce that recognizes the value of cultural diversity in internal operations and in serving customers.

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE MANDATES

POLICY 3.6

POLICY TITLE: ASSET PROTECTION

The CEO shall oversee and ensure that corporate assets are protected, adequately maintained, and not unnecessarily risked.

Accordingly, the CEO will:

- 3.6.1 Insure adequately against theft and casualty and against liability and losses to Board members, staff, and the organization itself.
- 3.6.2 Not allow personnel who are not bonded to have access to material amounts of funds.
- 3.6.3 Not subject facilities and equipment to improper wear and tear or insufficient maintenance.
- 3.6.4 Not unnecessarily expose the organization, the Board, or its staff to claims of liability.
- 3.6.5 Operate with written claims policies that address fair treatment of claimants, legal liability, ratepayer costs and sound business practices.
- 3.6.6 Protect corporate assets including, but not limited to, property rights, corporate image, physical assets, intangible assets, intellectual property, information, and files from loss or significant damage.
- 3.6.7 Receive, process, or disburse funds with sufficient controls.
- 3.6.8 Invest funds that are not in violation of JEA's Investment Policies.
- 3.6.9 Ensure that all employees and outsourced contract service providers understand their responsibility to comply with all applicable laws and regulations and JEA's Code of Ethics.

Adopted in its entirety by the JEA Board on February 16, 2010
and as Amended and Adopted by the JEA Board on May 25, 2021.

34

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE MANDATES

POLICY 3.7

POLICY TITLE: *COMPENSATION AND BENEFITS*

With respect to employment, compensation, and benefits to employees, consultants, contract workers, and volunteers, the CEO shall oversee and ensure no impairments to financial integrity or to public image.

Accordingly, the CEO will:

- 3.7.1 Not change the CEO's own compensation and benefits, except as those benefits are consistent with a package for other appointed employees.
- 3.7.2 Not promise or imply unconditional permanent or guaranteed employment.
- 3.7.3 Promote a compensation philosophy that is complementary to JEA's compensation philosophy of providing a total rewards package that encompasses salary/wages, retirement benefits, incentives, and health and welfare benefits. Salary/wages will meet the market (50th percentile), which is where the majority of companies in the geographic area reside. The 50th percentile pays competitively for behavior that meets expectations. Additional consideration will be given to behaviors that exceed expectations which are typically rewarded at the 75th percentile. Internal equity will be achieved by evaluating differences in skill, effort, responsibility, and working conditions among jobs.

Adopted in its entirety by the JEA Board on February 16, 2010
and as Amended and Adopted by the JEA Board on May 25, 2021.

35

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE MANDATES

POLICY 3.8

POLICY TITLE: *COMMUNICATION AND SUPPORT TO BOARD*

The CEO shall oversee and ensure that the Board is informed and supported in its work.

Accordingly, the CEO will ensure:

- 3.8.1 Submission of monitoring data required by the Board in Board-Management Delegation policy "Monitoring CEO Performance" in a timely, accurate, and understandable fashion, directly addressing provisions of Board policies being monitored, and including CEO interpretations consistent with Board-Management Delegation policy "Delegation to the CEO," as well as relevant data (refer to Policy 2.4).
- 3.8.2 The Board is aware of any actual or anticipated noncompliance with any MOEs or Executive Mandates policy of the Board regardless of the Board's monitoring schedule.
- 3.8.3 The Board receives decision information required periodically by the Board and keeps the Board aware of relevant trends.
- 3.8.4 The Board is aware of any significant incidental information it requires, including anticipated media coverage, threatened or pending lawsuits, and material internal and external changes.
- 3.8.5 The Board is aware that, in the CEO's opinion, the Board is not in compliance with its own policies on Governance Process and Board-Management Delegation, particularly in the case of Board behavior that is detrimental to the work relationship between the Board and the CEO (refer to Policy 2.0).
- 3.8.6 Information is not in an unnecessarily complex or lengthy form, or in a form that fails to differentiate among information of three types: monitoring, decision preparation, and other.
- 3.8.7 The Board is provided a workable mechanism for official Board, officer, or committee communications.
- 3.8.8 Dealings with the Board do not favor or privilege certain Board members over others, except when (a) fulfilling individual requests for information; or (b) responding to officers or committees duly charged by the Board.
- 3.8.9 Submission to the Board of a consent agenda containing items delegated to the CEO yet required by law, regulation, or contract to be Board-approved, along with applicable monitoring information.
- 3.8.10 Providing a process to retain relevant background information on previous Board policy decisions.

Adopted in its entirety by the JEA Board on February 16, 2010
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36

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE MANDATES

POLICY 3.9

POLICY TITLE: *REGULATORY/LEGISLATIVE REQUIREMENTS*

The CEO shall oversee and ensure regulatory and legislative actions that are favorable to the organization.

Adopted in its entirety by the JEA Board on February 16, 2010
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37

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE MANDATES

POLICY 3.10

POLICY TITLE: *ENTERPRISE RISK MANAGEMENT*

The CEO shall oversee and ensure conditions, procedures and decisions that will identify, measure, monitor and manage within established risk tolerances, potential events that may affect achievement of the MOEs.

Accordingly, the CEO will:

- 3.10.1 Establish and maintain a written Enterprise Risk Management (ERM) Plan and an ERM program that includes management-level policies, procedures and process controls to help ensure that the enterprise-wide business risk exposures are properly identified, managed and, when appropriate, reported to the Board.

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE MANDATES

POLICY 3.11

POLICY TITLE: *PROCUREMENT ACTIVITIES*

The CEO shall oversee and ensure the development of procurement policies and procedures in accordance with applicable federal, state and local laws and ordinances, and that provide for increased public confidence in the procurement activities of JEA.

Accordingly, the CEO will:

- 3.11.1 Develop and disseminate simple, clear and up-to-date rules for all procurement.
- 3.11.2 Ensure the fair and equitable treatment of all persons who deal with the JEA procurement system.
- 3.11.3 Provide increased economy in all procurement activities and to maximize to the fullest extent practicable the purchasing value of JEA funds.
- 3.11.4 Foster effective, broad-based competition within the free enterprise system.
- 3.11.5 Provide safeguards for the maintenance of the procurement system, quality and integrity.
- 3.11.6 Provide a clear and timely administrative remedy process to all those aggrieved during any phase of the procurement process.
- 3.11.7 Provide effective access for Small and Emerging Local Businesses.

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39

JEA Board Policy Manual

POLICY TYPE: EXECUTIVE MANDATES

POLICY 3.12

POLICY TITLE: ECONOMIC DEVELOPMENT

The CEO will develop and implement an Economic Development Policy intended to promote, encourage and facilitate the development of responsible and properly planned initiatives within our service area in order to help expand and strengthen the local economy.

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40

JEA Board Policy Manual

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 4.0

POLICY TITLE: *MOEs*

JEA exists to provide clean, safe, reliable, and reasonably priced electric, water and sewer services to the citizens of Jacksonville and portions of surrounding counties while remaining environmentally sound and financially strong while providing revenue for the City of Jacksonville.

- 4.0.1 **Quality of Electric Service:** Provide clean, safe and reliable electric service to all prescribed consumers.
- 4.0.2 **Quality of Water Service:** Provide clean, safe and reliable water service to all prescribed consumers.
- 4.0.3 **Quality of Sewer Services:** Provide clean, safe and reliable sewer services to all prescribed consumers.
- 4.0.4 **Cost of Service:** Provide all utility services at a reasonable and accurate cost.
- 4.0.5 **Environmentally Sound:** Provide all utility services in a manner that is environmentally sound and sustainable.
- 4.0.6 **Informative Communication:** Effectively communicate with consumers and other stakeholders.
- 4.0.7 **Safety Standards:** Compliance is measured using OSHA's Recordable Incident Rate (RIR) calculation. JEA aspires to zero incidents, but also establishes an annual RIR target below average industry rates. Related preventive controls are validated by timely safety checks and closing of work orders.
- 4.0.8 **Financial Integrity:** Sections V and VI of the JEA Pricing Policy require ensuring the financial integrity of the Electric and Water/Sewer Systems respectively by establishing minimum annual total debt service coverage ratios and days of liquidity, maximum debt to asset ratios, and the maintenance of stabilization funds. Achieving these fiscal targets will help attain AA-level credit ratings.

Adopted in its entirety by the JEA Board on February 16, 2010
and as Amended and Adopted by the JEA Board on May 25, 2021.

41

JEA Board Policy Manual

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 4.1

POLICY TITLE: *QUALITY OF ELECTRIC SERVICE*

Provide clean, safe and reliable electric service to all prescribed consumers.

Accordingly,

- 4.1.1 Annually update an Electric Integrated Resource Supply Plan (IRP) to ensure consumers' future electricity supply needs are met at the lowest evaluated total lifecycle cost while maintaining fuel diversity.
- 4.1.2 Minimize the frequency of electric distribution system outages and report status through the System Average Interruption Frequency Index (SAIFI).
- 4.1.3 Minimize the frequency of electric distribution system voltage sags and report status through the System Average Root Mean Square Frequency Index (SARFI-80).
- 4.1.4 Minimize the duration of electric distribution system outages and report status through the System Average Interruption Duration Index (SAIDI).
- 4.1.5 Focus on reducing individual customer outages and report status through the customers experiencing more than five interruptions (CEMi-5).

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42

JEA Board Policy Manual

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 4.2

POLICY TITLE: QUALITY OF WATER SERVICE

Provide clean, safe and reliable water service to all prescribed consumers.

Accordingly,

- 4.2.1 Annually update an Integrated Water Resource Plan (IWRP) to ensure consumers' future water supply needs are met at the lowest evaluated cost while also ensuring water resources are available for future generations. This includes a thorough evaluation of water supply alternatives.
- 4.2.2 Minimize the duration of water distribution system low pressure events and report status of the number of cumulative minutes water pressure drops below 30 pounds per square inch (psi) for all existing water distribution system pressure monitoring points.
- 4.2.3 Conduct water testing in accordance with the standards of the Florida Department of Environmental Protection (FDEP) and the Environmental Protection Agency (EPA) and report testing results to all water consumers and stakeholders.
- 4.2.4 Ensure compliance with JEA's Consumption Use Permit (CUP).

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43

JEA Board Policy Manual

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 4.3

POLICY TITLE: *QUALITY OF SEWER SERVICE*

Provide clean, safe and reliable sewer service to all prescribed consumers.

Accordingly,

- 4.3.1 Minimize the frequency of sewer back-ups and overflows and report status by:
 - a. the number of Sanitary Sewer Overflows (SSO's) per 100 miles of existing sewer pipe.
 - b. the total number of sewer system cave-ins.
- 4.3.2 Limit the total amount of nutrients discharged into the St. John's River from all wastewater treatment facilities.
 - a. Reduce the total nutrient discharge into the St. John's River to meet JEA's Florida Department of Environmental Protection (FDEP) Total Maximum Daily Load (TMDL) allocation.
 - b. Increase the production and distribution of reclaimed water.

JEA Board Policy Manual

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 4.4

POLICY TITLE: *COST OF SERVICE*

Provide all utility services at a reasonable and accurate cost.

Accordingly,

- 4.4.1 All utility services are to be reasonably priced.
 - a. Pricing for all utility services is to be frequently benchmarked against other state and regional utilities to demonstrate competitiveness.
 - b. Pricing for each utility service for all classes of consumers is to be based on the cost to serve each consumer class. Cost of service studies are to be conducted in no more than five year intervals.
- 4.4.2 Minimize the number of consumer bills that are inaccurate, are estimated due to the lack of a current meter reading, or are untimely. The expectation is 99.9% accurate and timely.

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45

JEA Board Policy Manual

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 4.5

POLICY TITLE: ENVIRONMENTALLY SOUND

Provide all utility services in a manner that is environmentally sound and sustainable.

Accordingly,

- 4.5.1 The CEO is expected to comply with all existing environmental regulations that apply.
- 4.5.2 Conservation: Pursue all options to communicate and incentivize customer conservation and efficiency while avoiding excessive customer cost.
 - a. Electric System: Maintain the electric conservation fund by collecting an additional one cent per kwh for every kwh over 2750 on monthly residential consumption and by allocating 50 cents per mwh of base rate revenues (a total of approximately 0.5% of electric gross revenues.) The funds are to be spent for customer conservation initiatives and incentives only.
- 4.5.3 Renewable Energy Supply: Explore all options for renewable electric energy supply while avoiding excessive customer cost since a state or federal Renewable Electricity Standard (RES) is yet to be established and the timing for setting a standard remains uncertain.
- 4.5.4 Incorporate in generation planning and other utility operations strategies and actions to reduce greenhouse gases.

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46

JEA Board Policy Manual

POLICY TYPE: MEASURES OF EFFECTIVENESS (MOEs)

POLICY 4.6

POLICY TITLE: INFORMATIVE COMMUNICATION

Effectively communicate with consumers and other stakeholders.

Accordingly,

- 4.6.1 To enable and encourage public dialogue on electric, water, and sewer issues at the local, state and national levels.
- 4.6.2 To inform consumers of potential or pending charges being considered for utility services or charges.
- 4.6.3 To inform consumers of the potential financial and consumption impact of conservation incentives and other activities under consideration.
- 4.6.4 Maintain top quartile JD Power ratings for all customer and communication categories.

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47

JEA Board Policy Manual

APPENDIX

- A1 Executive Core Competencies
- A2 JEA Board Evaluation Criteria

JEA Board Policy Manual

A1 - EXECUTIVE CORE COMPETENCIES

Models Integrity

- Demonstrates high ethical and moral standards and models important values for others to follow.
- Behaves and expresses oneself in an open and honest manner; is consistent in word and deed
- Represents information accurately and completely
- Assumes responsibility and accountability for own behavior; admits to mistakes

Makes Quality Decisions

- Prioritizes decisions and initiatives in ways that ensures the highest value for the organization
- Makes high-quality strategic decisions for the organization even when the consequences may be controversial
- Seeks the input of others to ensure that decisions made will be best for the organization and will minimize conflict with other initiatives
- Takes appropriate risks that weighs the positive and negative impact of each decision on the organization

Takes Initiative

- Reacts quickly to address problems that threaten organizational objectives
- Seeks out opportunities to extend or expand upon the organization's position in the market place
- Is passionate, highly engaged and highly energetic
- Forward looking; anticipates potential issues and mitigation measures.

Communicates Effectively

- Listens actively to ensure understanding of each person's point of view
- Clearly articulates (through speech or in writing) own knowledge and ideas so they are easily understood and applied to others
- Addresses difficult problems and perceptions that, if left untreated, could undermine the success of the organization
- Ensures regular, consistent, and meaningful communication throughout the organization

Drives Results

- Seeks to achieve improved or even unprecedented results and demonstrates personal accountability for outcomes
- Creates a positive environment in which results flow from a desire to achieve
- Sets strategic goals and measurable performance expectations for defining success
- Demonstrates ownership for performance of entire organization, and holds self and organization accountable for decisions and results
- Takes appropriate action when a mistake is made (analyze what went wrong and preventative measures to preclude repeated the same mistake.

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49

JEA Board Policy Manual

A1- EXECUTIVE CORE COMPETENCIES

Focuses on the Customer

- Places high priority on identifying and meeting customer needs
- Ensures that customers understand and receive the fullest value possible from the products and services of the organization
- Utilizes follow-up procedures to ensure consistency and determine where improvements can be made to maintain high customer satisfaction

Fosters Teamwork

- Shares relevant expertise and knowledge to ensure team members have adequate information to make decisions and achieve objectives
- Contributes to inclusive culture by valuing others' viewpoints, encouraging others to share ideas, and treating others in an accepting, respectful manner
- Recognizes and capitalizes on the strengths of others to accomplish organizational objectives
- Directly confronts behaviors that undermine team effectiveness
- Exemplifies selfless service.
- Ensures the entire JEA team knows "why" JEA exists, and not just "what" JEA does and how it executes its mission.

Manages and Supports Change

- Effectively copes with changing environments, tasks and responsibilities
- Encourages others to embrace change and use it as an opportunity to be creative and improve performance
- Ensures that change initiatives are aligned with strategic initiatives, values, and mission of the organization
- Leverages resources to promote and sustain change efforts

Visionary Strategist

- Develops the strategies and actions needed to make JEA the best in class for public utilities in the U.S.
- Communicates the organization's vision in a way that is meaningful and actionable for employees
- Collaborates with Executive Team and Board of Directors to determine vision and strategy, and ensures support throughout the organization
- Reviews the planning, organization, and direction of initiatives to ensure support of the mission statement and values
- Accurately anticipates the implications of events or decisions for various stakeholders in the organization and plans strategy accordingly

Manages Performance

- Motivates others to achieve results by getting buy in on JEA's mission and establishing an environment where everyone can make a positive impact.
- Provides the team with constructive feedback, guidance, and coaching for improving performance

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50

JEA Board Policy Manual

A1- EXECUTIVE CORE COMPETENCIES

- Sets clear performance expectations and standards, regularly monitors performance, and provides accurate and timely feedback

Delegates to Others

- Does not micromanage the staff; allows those with responsibilities to do their job. Provides others with the resources, authority, and support to complete delegated tasks successfully
- Develops employees for assuming additional responsibilities; anticipates talent gaps and accelerates development plans to fill gaps

Maintains Positive Public Relations

- Seeks and builds relationships with external constituencies (e.g., elected officials, government agencies, other utility leaders, trustees, investment bankers) to strengthen the organization's impact and reputation in the community
- Represents JEA with credibility and transparency to the media.
- Ensures all communications are honest and candid, and resolves discrepancies expeditiously.

Actively Supports Board of Directors

- Keeps Board of Directors informed on progress towards implementing strategic initiatives and other important information
- Updates the Board on large-scale progress of the organization towards its objectives
- Shows an appreciation for the unique role of a Board member and treats all Board members equally.
- Educates the Board on the strategies and priorities that balance the needs of customers with operational needs
- Keeps Board members informed on important issues – “no surprises”
- Provide Board members preparatory materials at least seven (7) days prior to meetings so members can properly digest.

Leads Others Effectively

- Is a servant-leader who puts the team's welfare above their own?
- Builds trusting, collaborative relationships across organizational boundaries to achieve goals
- Leads with integrity and values, and a focus at all times on the mission of the organization
- Challenges and motivates others in a way that is inclusive, tactful, empowering, and inspires superior performance
- Assumes full ownership and accountability for own performance
- Not afraid to make the tough calls.

Leverages Industry Acumen

- Monitors and analyzes financial data and key cost drivers) to evaluate options and make decisions
- Understands overall financial and operational performance of JEA in order to effectively position it in the marketplace

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51

JEA Board Policy Manual

A1- EXECUTIVE CORE COMPETENCIES

- Follows appropriate legal and fiduciary requirements when reconciling and reporting financial transactions
- Grows continuously in business knowledge and experience
- Identifies metrics and other documentation to help board members responsibly monitor JEAs performance.

Plans for the Future

- Develops a proposed long term strategic plan based on the interests of all stakeholders and priorities of the board.
- Identifies and balances risks and benefits when developing plans
- Identifies need for and ensures contingency plans are developed
- Aligns and allocates resources and time according to strategic priorities and company interests
- Develops a CEO succession plan that results in qualified personnel to step up and successfully perform the duties of the CEO on short notice.

Embraces Diversity

- Promotes the active recruiting of diverse individuals
- Does not tolerate any form of discrimination (gender, ethnic, religious, sexual orientation, etc.). Demonstrates visible support for programs that remove barriers (e.g., stereotypes) between diverse individuals and affords all personnel consideration for upward mobility opportunities.
- Actively monitors organization to ensure equality and fairness for all members; objectively allocates compensation, rewards, and opportunities
- Promotes an inclusive culture where different viewpoints are valued and encouraged

Negotiates Collaboratively

- Strives to understand each party's position by asking in-depth questions and probing for specific needs and issues
- Discloses appropriate and important information to establish openness and trust
- Keeps arguments or disputes issue-oriented rather than personal
- Maintains flexibility in negotiating style, adapting style to the specific needs of a given situation

JEA Board Policy Manual

A1 - Executive Core Competencies

CEO Evaluation Criteria

1. CEO maintains safety as a top priority and executes an effective risk mitigation plan.
2. KPAs and associated KPIs as per Policy Category IV MOEs.
3. CEO ensures read-ahead materials are distributed to board members in a timely manner before all meetings to facilitate board meeting preparedness (7 days).
4. CEO complies with all applicable legal & fiduciary responsibilities.
5. CEO establishes a positive environment where diversity is embraced, and the workforce is proud to be a member of JEA, knows their mission, and trusts the CEO and his senior leadership team.
6. CEO maintains a candid dialogue with the board and is completely transparent on all issues associated with JEA.
7. CEO has a viable succession plan.
8. CEO keeps JEA on the right strategic path based on the most current strategic plan.
9. CEO maintains 100% compliance with respect to Article 21 applicable provisions.
10. Complies with executive core competencies (as per app 1).

JEA Board Policy Manual

A2 - JEA BOARD EVALUATION CRITERIA

The JEA Board self- assess annually as per the Self-Assessment Form below. JEA's Compliance Office will be the third party facilitator to assist board members in discussing survey results and deciding what is actionable.

No.	Statements (Please rate the following statements based on your perception of the Board's Performance)	Ratings 1 (Strongly Disagree) 2 (Disagree) 3 (Undecided) 4 (Agree) 5 (Strongly Agree)	Comments
Board Members...			
1	Receive a comprehensive orientation to prepare them to perform their roles and responsibilities.		
2	Are prepared for and participate in monthly Board meetings.		
3	Understand and fulfill the Board's roles and responsibilities.		
4	Understand and support JEA's mission and strategic objectives.		
5	Understand and adhere to the JEA Charter, Bylaws, Board Policies, and applicable Florida Statutes and City Ordinances.		
6	Understand JEA's MOEs so accurate assessments can be made.		
7	Understand and discuss JEA's financial reports and annual budget.		
8	Work together to make good decisions.		
9	Have a strong working relationship with the CEO.		
10	Understand CEO evaluation criteria.		
11	Respect the confidentiality of Board matters in accordance with public records laws.		
12	Reflect behavior consistent with JEA's Code of Conduct and Code of Ethics.		
13	Are knowledgeable about JEA's programs and services.		
14	Follow industry trends and important developments related to JEA, and understand key corporate risks.		
15	Actively self-educate and stay current with industry trends.		
16	Work in coordination with the CEO on succession plan.		
17	Actively look to improve processes.		
18	Act as goodwill ambassadors for JEA in the community.		

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JEA Board Policy Manual

Board Meetings...			
19	Are generally well-run, make good use of members' time, and are of an optimal length.		
20	Board briefing packets are complete and issued at least 7 days in advance of meetings.		
The Board...			
21	Is represented with the necessary skills, stakeholders, and diversity.		
22	Demonstrates the principle of transparency in its governance activities.		
23	Delegates sufficient authority to the CEO to lead the organization.		
24	Reviews CEO performance and compensation annually.		
Total Score		0	
Average Score		0.00	

General Comments (if any):

2021 Board Self-Evaluation Status



Areas for Consideration and Status for Average Responses < 4.5

Areas for Consideration

Status

Board members receive a comprehensive orientation to prepare them to perform their roles and responsibilities

Beginning with Board Member Rick Morales, a formal Board orientation was provided. Materials are available on jea.com under Additional Board Information. Board members may schedule orientation sessions with the Leadership Team, as well as schedule tours of JEA facilities at their request.

The Board is represented with the necessary skills, stakeholders, and diversity

Board members are selected in accordance with Article 21 – JEA Charter Resolution 2021-11 – May 25, 2021 – Diverse and Inclusive JEA Board of Directors stated, “recognizing the importance of having a diverse and inclusive membership is reflective of the community and JEA’s values.” Resolution was submitted to the City Council President and Mayor requesting “during the member selection process that consideration of the compilation of the Board be considered and propose and select candidates that would provide for a diverse and inclusive Board.”

Board members follow industry trends and important developments related to JEA, and understand key corporate risks

JEA Board Committees have been restructured and expanded to include discussions related to all strategic areas of focus. Information related to industry trends, important JEA developments, and key corporate risks will be provided in greater detail at the committee level. All Board members are welcome to attend committee meetings.

Board members actively self-educate and stay current with industry trends

Board members will soon have access to a tool within Diligent that will provide information related to JEA current topics and important industry trends. Estimated Completion: Fall 2022

The Board reviews CEO performance and compensation annually

In accordance with the JEA Board Policy Manual, “Board evaluation of the CEO will be done annually and based on set criteria set by the Board.” In accordance with Article 21 – JEA Charter, the Board of Directors “shall fix the compensation of the managing director”. The current CEO employment agreement began on November 30, 2020, and includes base salary, benefits, and an annual increase of 3% effective on November 30th of years 2021 through 2024.

Board members work in coordination with the CEO on a succession plan

CEO has met and discussed a succession plan with Board Officers Bobby Stein, Marty Lanahan, and General Joseph DiSalvo and will update other Board members by the end of the fiscal year.

JEA BOARD OF DIRECTORS MEETING MINUTES

May 24, 2022

The JEA Board met in regular session at 9:00 am on Tuesday, May 24, 2022, on the 19th Floor, 21 W. Church Street, Jacksonville, Florida. The public was invited to attend this meeting in-person at the physical location and virtually via WebEx.

WELCOME

Meeting Called to Order – Board Chair Bobby Stein called the meeting to order at 9:00 am. Board members in attendance were Marty Lanahan, John Baker, and Rick Morales. General Joseph DiSalvo and Dr. Zachary Faison participated in the meeting virtually. Board Member Tom VanOsdol was not in attendance for the meeting. A quorum of the Board was physically present.

Others in attendance in-person were Jody Brooks, Chief Administrative Officer; Laura Dutton, Chief Strategy Officer; David Emanuel, Chief Human Resources Officer; Sheila Pressley, Chief Customer Officer; Ted Phillips, Chief Financial Officer; Laura Schepis, Chief External Affairs Officer; Regina Ross, Chief Legal Officer, Office of General Counsel; Jordan Pope, Vice President, Corporate Strategy; Joe Orfano, Vice President, Financial Services; Madricka Jones, Executive Assistant to the CEO, and Melissa Charleroy, Manager, Board Services.

Time of Reflection – A moment of reflection was observed by all.

Introductions – Chair Stein recognizing there were no introductions to be made proceeded with the business of the meeting.

Adoption of the Agenda – On *motion* by Marty Lanahan and seconded by John Baker, the agenda was approved.

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.

On *motion* by Board Vice Chair Marty Lanahan and seconded by John Baker, all Consent Agenda items were approved as amended to move the Increase in JEA Guaranty to The Energy Authority agenda item following the industry update provided by Joanie Teofilo, The Energy Authority.

Board Meeting Minutes – April 5, 2022

Modifications to JEA Disclosure Policies and Procedures

Annual Disclosure Reports

Eminent Domain

Southside Integrated Piping System

Circuit 663

Safety Briefing and Moment – Brandon Edwards, Director, Security & Emergency Preparedness, presented the Safety Briefing and a Safety Moment on hurricane preparedness.

Finance & Operations Committee Report – Committee Chair General Joseph DiSalvo provided an overview of the newly formed Finance and Operations Committee held on May 23, 2022. Committee Chair DiSalvo thanked Committee members Marty Lanahan and Rick Morales, as well as Board Chair Bobby Stein

and John Baker for attending and providing valuable feedback. Committee Chair DiSalvo expressed appreciation to Ted Phillips, Chief Financial Officer; Raynetta Curry Marshall, Chief Operating Officer, and staff for their work. Committee Chair DiSalvo reviewed agenda items presented at the May 23, 2022 meeting including, Electric System Cost-of-Service Study, District Energy System Cost-of-Service Results and Recommendations. Committee Chair DiSalvo expressed appreciation to Juli Crawford, Director, Financial Planning & Analysis and the Financial Planning and Rates team, as well as the Leadership Team for their great work. Additional agenda items were approved in the Consent Agenda including February 11, 2022 Committee Minutes, Modifications to JEA Disclosure Policies and Procedures, Annual Disclosure Reports, and Eminent Domain for both the Southside Integrated Pipeline and Circuit 663. This report was received for information.

COMMENTS / PRESENTATIONS

Council Liaison's Comments – Council Member Michael Boylan did not have any comments.

Comments from the Public

There were no in-person, virtual, or emailed public comments.

Managing Director / CEO Report – Jay Stowe, Managing Director/CEO was not in attendance at today's meeting.

Industry Update – Joanie Teofilo, President & Chief Executive Officer, The Energy Authority (TEA), provided a review of the origins of TEA, drivers of change, values of public power, TEA ownership, mission, strategic solutions, economies of scale, risk reduction, portfolio optimization, qualitative value streams, JEA's benefits to being a member, and driving innovation factors. Board members held discussions on the importance of public power. Additionally, Ms. Teofilo provided a review of the JEA guaranty, risks, credit process, ownership structure, and the purpose of the increase.

On *motion* by Board Vice Chair Lanahan and seconded by Mr. Morales, the Board approved the increase in the JEA guaranty to The Energy Authority.

JEA Performance Update – Bryan Dewberry, Senior Manager, Project Support & Controls, provided an overview of the JEA Performance Scorecard data through April 30, 2022. Focusing on the three strategic focus areas, Mr. Dewberry highlighted results for operation & maintenance spend, fuel & purchased power expenses, capital spend, safety, and noted pay per performance is currently projected at 2.66% of base salaries. This presentation was received for information.

FOR BOARD CONSIDERATION

BUSINESS EXCELLENCE

FY23 Budget – Juli Crawford, Director, Financial Planning & Analysis, provided a presentation as a follow-up to the May 23, 2022 presentation to the Finance and Operations Committee. Chair Stein expressed appreciation to Ted Phillips, Chief Financial Officer and his team for their great work. Ms. Crawford noted the budget is created through the lens of JEA's core values and strategic focus areas and highlighted Non-Fuel Operation & Maintenance expenses, workforce planning, capital plan projects, increase in fuel and purchased power costs, contribution to the rate stabilization fund in preparation for the Plant Vogtle units coming online, reasonable rates, and provided a review of JEA's financial objectives.

Chair Stein departed the meeting at 9:47 am and returned at 9:49 am.

On *motion* by Board Vice Chair Lanahan and seconded by Mr. Morales, the Board approved the FY23 budget.

Proposed Cost Participation Policy – Robert Zammataro, Director, Water/Wastewater Planning & Development, provided a review of the existing and proposed Cost Participation Policy. Mr. Morales highlighted staff met with the building community to review the proposed policy which was positively received.

On *motion* by Mr. Morales and seconded by Vice Chair Lanahan, the Board approved the Cost Participation Policy.

Vogtle Update – Jody Brooks, Chief Administrative Officer, provided a review on Plant Vogtle, the one-time tender offer, and Project J. Joe Orfano, Vice President, Financial Services, provided additional information on Project J costs, JEA’s options, factors triggering the one-time tender offer, and the timeline. Chair Stein expressed appreciation to Mr. Orfano, Ms. Brooks, and their team for their continued work. This presentation was received for information.

Annual Disclosure Reports – Mr. Orfano noted the Board was provided updates to the Annual Disclosure Reports related to Plant Vogtle disclosure.

On *motion* by Vice Chair Lanahan and seconded by Rick Morales, the Board approved the updates to the Annual Disclosure Reports.

OTHER BUSINESS AND CLOSING CONSIDERATION

Old and Other New Business / Open Discussion – None

Chair’s Report – None

Announcements – None

Adjournment – With no further business coming before the Board, Chair Stein declared the meeting adjourned at 10:04 am.

APPROVED BY:

Joseph DiSalvo, Secretary

Date: _____

Board Meeting Recorded by:

Melissa Charleroy
Manager, Board Services

JEA GOVERNANCE COMMITTEE MINUTES
November 8, 2021

The Governance Committee of the JEA Board met at 3:00 pm on Monday, November 8, 2021 on the 8th Floor, 21 W. Church Street, Jacksonville, Florida. The meeting was properly noticed and the public was invited to attend this meeting in-person at the physical location and virtually via WebEx. Attendees were required to follow CDC guidelines at the meeting location, including wearing masks and social distancing.

WELCOME

Meeting Called to Order – Committee Chair General Joseph DiSalvo called the meeting to order at 3:00 pm. Committee member Rick Morales was present for the meeting. Committee member Tom VanOsdol and Board Chair John Baker attended the meeting via WebEx. Dr. Zachary Faison was not in attendance for the meeting. A quorum of the committee was not physically present for the meeting.

Others in attendance in-person were Jay Stowe, Managing Director/CEO; Jody Brooks, Chief Administrative Officer; and Regina Ross, Chief Legal Officer, Office of General Counsel. Laura Dutton, Chief Strategy Officer; Ted Phillips, Chief Financial Officer; Laura Schepis, Chief External Affairs Officer; Raynetta Marshall, Chief Operating Officer; Kurtis Wilson, Vice President, Government Relations; Ricky Erixton, Vice President, Electric Systems; Joe Orfano, Vice President, Financial Services; Jordan Pope, Vice President, Corporate Strategy; Stephen Datz, Vice President, Technical Services; Brad Krol, Chief Information Officer; Hai Vu, Vice President, Water/Wastewater Systems; and Paul Mitchell, Vice President, Economic Development, participated in the meeting via WebEx.

Adoption of Agenda – Due to the lack of quorum, this item was deferred to the Board for approval at its November 16, 2021 meeting.

Approval of Minutes – May 6, 2021 – Due to the lack of quorum, this item was deferred to the Board for approval at its November 16, 2021 meeting.

Safety Briefing – Melissa Charleroy, Board Services Manager, provided the safety briefing.

FOR COMMITTEE CONSIDERATION

JEA Bylaws – Modification for Meeting Cadence – Jody Brooks, Chief Administrative Officer, referencing materials provided in the committee’s meeting packet, provided an overview of the JEA Board Policy Manual, Article V, Section 1 regarding regular meetings. Ms. Brooks reviewed the current Bylaws language that does not align with the City of Jacksonville Charter, Article 21, which states the JEA Board shall meet once a month, but in no event less than eight (8) times a year. Ms. Brooks noted staff is recommending the JEA Bylaws be revised to state regular meetings shall be held in accordance with the requirements set forth in Article 21 – JEA Charter. A brief discussion ensued to which Committee members offered comments. Due to the lack of quorum, this item was deferred to the Board for approval at its November 16, 2021 meeting.

Board Self-Evaluation Review – Laura Dutton, Chief Strategy Officer, presented as required in the Charter, Article 21, the Board of Directors are to conduct an annual self-evaluation. Ms. Dutton reviewed the evaluation and feedback provided including items that are going well and areas for consideration. Board Members held discussions regarding the self-evaluation results, as well as questions for future self-evaluations. This agenda item was received for information.

CEO Evaluation

FY21 Evaluation Criteria & Process – Ms. Brooks presented as of November 30, 2021, Mr. Stowe will have completed one year of service at JEA. In accordance with the CEO contract and JEA Board Policy Manual, the Board of Directors will conduct an annual CEO evaluation based on Appendix A1, Executive Core Competencies and CEO evaluation criteria. Ms. Brooks reviewed the CEO evaluation timeline, which concludes with Chair Baker providing an overview of the FY21 evaluation process and results at the January 11, 2022 JEA Board meeting. Committee members had no comments. This item was received for information.

FY22 Evaluation Criteria & Process – Ms. Brooks referencing materials provided in the committee’s meeting packet, provided an overview of the CEO Evaluation Criteria including the Executive Core Competencies and Measures of Effectiveness. Ms. Brooks proposed utilizing the JEA Corporate Scorecard in place of the Measures of Effectiveness. Committee members held discussions regarding the evaluation criteria and discussed replacing the Measures of Effectiveness with the JEA Corporate Scorecard while retaining the Core Competencies. This agenda item was received for information.

CLOSING CONSIDERATIONS

Announcements – Next Board Meeting November 16, 2021

Adjournment – With no further business coming before the Committee, Committee Chair General DiSalvo declared the meeting adjourned at 3:52 pm.

APPROVED BY:

Joseph DiSalvo, Committee Chair

Date: _____

Submitted by:

Melissa Charleroy
Board Services Manager



BOARD RESOLUTION: 2022-14

August 10, 2022

A RESOLUTION OF THE JEA BOARD OF DIRECTORS APPROVING THE GOVERNANCE, AUDIT, AND COMPLIANCE COMMITTEE'S RECOMMENDATION TO ADOPT THE AMENDED JEA BOARD POLICY MANUAL SUBSTANTIALLY IN THE SAME FORM AS ATTACHED HERETO; DIRECTING THE BOARD SERVICES MANAGER TO POST THE BOARD POLICY MANUAL ON JEA'S WEBSITE IN A CONSPICUOUS MANNER; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, in accordance with Article 21, Section 21.03, City of Jacksonville Charter, referred to within this resolution as "JEA Charter", "[t]he governing body of JEA shall adopt governing documents, including, but not limited to bylaws, a board policy manual, and such other rules and regulations not inconsistent with this Article, the charter or general law"; and

WHEREAS, in accordance with the JEA Charter, "the governing body of JEA shall annually review and update its governing documents"; and

WHEREAS, the JEA Board Policy Manual was last reviewed by the Governance Committee on November 8, 2021 and approved by the Board of Directors on November 16, 2021; and

WHEREAS, in accordance with the JEA Charter, "JEA's bylaws, board policy manual, and other governing documents, including any amendments thereto, shall be posted on JEA's website in a conspicuous manner for the public to view"; and

WHEREAS, at its July 14, 2022 meeting, the JEA Governance, Audit, and Compliance Committee recommended that the Board Policy Manual be amended in accordance with the document attached hereto as Exhibit A and incorporated herein; and

WHEREAS, it is in the best interests of JEA to adopt the amended Board Policy Manual as recommended by the Governance, Audit, and Compliance Committee.

NOW THEREFORE, BE IT RESOLVED by the JEA Board of Directors that:

1. The above recitals are incorporated into the body of this Resolution and are adopted as findings of fact.
2. The Board adopts the amended JEA Board Policy Manual substantially in the same form as attached hereto.
3. The Board Services Manager is directed to post the Board Policy Manual on JEA's website in a conspicuous manner.
4. To the extent that there are any typographical, administrative, and/or scrivener's errors contained here in that do not change the tone, tenor, or purpose of this Resolution, then such errors may be corrected with no further action required by the Board.
5. This Resolution shall be effective upon approval by the Board.

Dated this 10th day of August 2022.

JEA Board Chair

JEA Board Secretary

Form Approved by

Office of General Counsel

VOTE	
In Favor	
Opposed	
Abstained	

JEA Board of Directors

Board Policy Manual



ROLES OF THE JEA BOARD OF DIRECTORS

- Set JEA's mission, vision, core values, and strategic areas of focus
- Engage in strategic planning
- Approve and monitor JEA's programs and services
- Protect JEA's assets and provide proper financial oversight
- Ensure sound risk management policies
- Select and support the Managing Director/Chief Executive Officer, referred to within this document simply as CEO



RESPONSIBILITIES OF THE JEA BOARD OF DIRECTORS

- Board members are required to comply with applicable provisions of Chapter 112 of Florida Statutes, Chapter 602 Jacksonville Code of Ordinances, and Article 21. [\(Chapter 112 of Florida Statutes\)](#) [\(Chapter 602 Jacksonville Code of Ordinances\)](#) [\(Article 21\)](#)
- The Board shall govern in accordance with legal requirements, with an emphasis on (a) outward vision rather than internal focus, (b) encouragement of diversity in viewpoints, (c) strategic leadership more than administrative detail, (d) clear distinction of Board and CEO roles, (e) collective rather than individual decisions, (f) future more so than past or present, and (g) proactivity rather than reactivity.
- In conducting its duties as a Board in Florida, the Board shall comply with the Open Government Laws, including requirements regarding public meetings and public records. [Board Governance & Sunshine Law](#)
- The Board shall conduct an annual JEA Board self-assessment.
- The Board shall conduct an annual CEO evaluation.
- The Board will instruct the CEO through written policies that describe organizational situations and actions to be avoided, allowing the CEO to use any reasonable interpretation of these policies.
- Board members will respect their fiduciary responsibilities to protect and enhance the value of JEA as a citizen-owned enterprise with due diligence using sound business judgment consistent with JEA's Charter.
- New Board members will coordinate with the Board Services Manager to receive Board member orientation including the required ethics brief by the city's Office of Ethics, Compliance, and Oversight.



JEA Board Policy Manual

Approved by the JEA Board of Directors on _____

Governance Process and Style—The leadership success of the Board is a direct result of the individual and collegial participation of its members. The Board will cultivate a sense of group responsibility and will be a proactive Board versus a reactive Board. The Board, not the staff, will be responsible for excellence in governing.

The Board will govern in accordance with legal requirements, with an emphasis on (a) outward vision rather than internal focus, (b) encouragement of diversity in viewpoints, (c) strategic leadership more than administrative detail, (d) clear distinction of Board and Chief Executive Officer roles, (e) collective rather than individual decisions, (f) future more so than past or present, and (g) proactivity rather than reactivity.

Board Self-Assessment—The Board will conduct a self-assessment on an annual basis.

Agenda Planning—The agenda along with supporting documentation will be made available to Board members such that Board members have sufficient time to review agenda materials prior to the meeting. Every effort shall be made to provide the agenda and supporting documentation to Board members at least seven days prior to Board and committee meetings.

BOARD MEMBER'S CODE OF CONDUCT AND RULES OF ORDER

Board meetings will be conducted in an orderly and fair process consistent with the requirements of Florida Law, Ordinances of the City of Jacksonville, the Charter, the JEA By-Laws, and this governance policy. Meetings will be led by the Chair, in the absence of the Chair, the Vice Chair, or, in the absence of both, by the Chair's designee.

When further rules of order are to be developed by the Board, the Board will consider the Standard Code of Parliamentary Procedure, Robert's Rules of Order, as a resource guide. The Chief Legal Officer may serve the Board as a resource on Parliamentary Procedure.

Members are expected to represent the interests of the ownership. This accountability supersedes any conflicting loyalty such as that to advocacy or interest groups and membership on other Boards. It also supersedes the personal interest of any Board member acting as a consumer of the organization's services.

Members' interaction with the CEO or with staff must recognize the lack of authority vested in individuals except when explicitly authorized by the Board.

Members' interaction with the public, media, or other entities must recognize the same limitation and the inability of any Board member to speak for the Board except to repeat explicitly stated Board decisions. Except as otherwise expressly authorized by the Board, only the Board Chair, or, in the unavailability of the Board Chair, the Board Vice-Chair, will have the authority to speak on behalf of the Board.

Members are expected to support the legitimacy and authority of the final determination of the Board on any matter, without regard to the member's personal position on the issue.

BOARD-MANAGEMENT DELEGATION

The Board's sole official connection to the operational organization, its achievements, and conduct will be through the Managing Director/CEO and the CEO's authorized designees. The CEO is accountable only to the Board as an organization, and not to individual Board members. Accordingly, the relationship between the CEO and individual members of the Board, including the Chair, is collegial, not hierarchical.

Unity of Control—Only officially passed motions of the Board are binding on the CEO. Decisions or instructions of individual Board members, officers, or committees are not binding on the CEO. In the case of Board members or committees requesting information or assistance without Board authorization, the CEO can refuse such requests that require, in the CEO's opinion, a material amount of staff time or funds, or are disruptive. The CEO shall promptly inform the Board if requests from Board members or committees are refused.

Delegation to the CEO—The Board will instruct the CEO through written policies that describe organizational situations and actions to be avoided, allowing the CEO to use any reasonable interpretation of these policies.

Accountability of the CEO—The CEO is the Board's only link to operational achievement and conduct, so that all authority and accountability of staff, as far as the Board is concerned, is considered the authority and accountability of the CEO. The Board as a body and individual Board members will never give instructions to persons who report directly or indirectly to the CEO.

Should the CEO violate a Board policy, he or she shall promptly inform the Board. Informing is simply to guarantee no violation may be intentionally kept from the Board, not to request approval. Board response, either approving or disapproving, does not exempt the CEO from subsequent Board judgment of the action nor does it curtail any executive decision.

CEO Evaluation—Board evaluation of the CEO will be done annually and based on criteria set by the Board. Utilizing feedback received from the Board, the Board Chair will meet with the CEO to provide a formal review. The Board Chair will provide a report to the Board at a publicly noticed Board meeting.



BOARD EDUCATION AND DEVELOPMENT

Board Members shall have the opportunity to attend appropriate education and development training, conferences, and meetings as it relates to their service as a JEA Board member and receive reimbursement in accordance with JEA's Travel Expense and Guidelines.



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jea.com



BOARD RESOLUTION: 2022-13

August 10, 2022

A RESOLUTION OF THE JEA BOARD OF DIRECTORS APPROVING THE GOVERNANCE, AUDIT, AND COMPLIANCE COMMITTEE'S RECOMMENDATION TO ADOPT THE AMENDED JEA BOARD BY-LAWS SUBSTANTIALLY IN THE SAME FORM AS ATTACHED HERETO; DIRECTING THE BOARD SERVICES MANAGER TO POST THE BY-LAWS ON JEA'S WEBSITE IN A CONSPICUOUS MANNER; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, in accordance with Article 21, Section 21.03, City of Jacksonville Charter, referred to within this resolution as "JEA Charter", "The governing body of JEA shall adopt governing documents, including, but not limited to bylaws, a board policy manual, and such other rules and regulations not inconsistent with this Article, the charter or general law"; and

WHEREAS, in accordance with the JEA Charter, "the governing body of JEA shall annually review and update its governing documents; and

WHEREAS, the JEA Board By-Laws were last reviewed by the Governance Committee on November 8, 2021 and approved by the Board of Directors on November 16, 2021; and

WHEREAS, in accordance with the JEA Charter, "JEA's bylaws, board policy manual, and other governing documents, including any amendments thereto, shall be posted on JEA's website in a conspicuous manner for the public to view"; and

WHEREAS, at its July 14, 2022 meeting, the JEA Governance, Audit, and Compliance Committee recommended that the JEA Board By-Laws be amended in accordance with the document attached hereto as Exhibit A and incorporated herein; and

WHEREAS, it is in the best interests of JEA to adopt the amended JEA By-Laws as recommended by the Governance, Audit, and Compliance Committee.

NOW THEREFORE, BE IT RESOLVED by the JEA Board of Directors that:

1. The above recitals are incorporated into the body of this Resolution and are adopted as findings of fact.
2. The Board adopts the amended JEA Board By-Laws substantially in the same form as attached hereto.
3. The Board Services Manager is directed to post the Board By-Laws on JEA's website in a conspicuous manner.
4. To the extent that there are any typographical, administrative, and/or scrivener's errors contained here in that do not change the tone, tenor, or purpose of this Resolution, then such errors may be corrected with no further action required by the Board.
5. This Resolution shall be effective upon approval by the Board.

Dated this 10th day of August 2022.

JEA Board Chair

JEA Board Secretary

Form Approved by

Office of General Counsel

VOTE	
In Favor	
Opposed	
Abstained	

By-Laws of JEA

Approved by the JEA Board of Directors on _____



ARTICLE I—OFFICES

The principal office of JEA shall be located in Jacksonville, Florida. Branch offices of JEA may be established at such places as JEA may designate from time to time.

ARTICLE II—MEMBERS OF JEA GOVERNING BODY

A. General Powers—The affairs of JEA shall be managed by the JEA governing body (“Board”) as provided in the Charter, as amended, and other applicable laws.

B. Appointment, Number, and Tenure—The membership of the JEA Board shall be constituted in number, qualifications, manner of appointment, and tenure as provided in the Charter, as amended.

C. Expense Reimbursement—Board members are entitled to payment or reimbursement for reasonable expenses in accordance with the Charter. Members are also subject to JEA’s travel policies and procedures.

ARTICLE III—OFFICERS

Board Officers—Board Officers assure the integrity of the Board’s processes and records. Board Officers are: Chair, Vice Chair, and Secretary.

Elections—In accordance with the Charter, the governing body of JEA shall elect a Chair, Vice Chair, and Secretary. The Board may elect one or more Assistant Secretaries, each of whom shall serve for one year or until such Officer’s successor is chosen. The Chair may serve for two consecutive one-year terms, which shall not include any period served as replacement Chair during the unexpired portion of the predecessor’s term. Elections of Officers shall be conducted at the first regular meeting in March, or the next subsequent Board of Directors meeting, which shall be preceded by a meeting of the Governance, Audit, and Compliance Committee to recommend a slate of officers.

Vacancy of a Board Officer—A vacancy of the Board Officers may occur for any of the following events:

- Death of a member;
- Physical or mental incapacitation due to disease or

illness when there is reasonable cause to believe the member will not be able to perform the duties of his/her office for the remainder of his/her term;

- Resignation of a member;
- A member moving outside of the service territory;
- A member’s absence from the state for more than 60 days, except in the following situations: upon approval of the Board, or with the consent of the Board for an additional period not to exceed the absence of 90 calendar days;
- Active military service that extends for more than 60 days; or
- A member’s conviction of a felony or any offense involving a violation of his/her official duties or conviction of a crime resulting in the forfeiture of office.

Time and Process for Filling a Vacancy of a Board Officer

—When a vacancy of a Board Officer occurs, the Board shall, within 60 days of the date of the vacancy or the next scheduled Board meeting thereafter, elect a replacement Officer from the remaining Board members for the unexpired term. Preceding a vote by the Board, the Governance, Audit, and Compliance Committee will meet to recommend a replacement Officer for election by the Board as a whole. When a vacancy of a Board Officer occurs as a result of active military service that extends for more than 60 days, the appointment of a replacement Officer shall be temporary in nature, expiring upon the Board Officer’s return from active military service or upon expiration of the term of office, whichever occurs first.

Chair—The Chair shall preside at all meetings of the JEA Board unless the Chair delegates otherwise. The Chair’s role is to see that the Board operates consistently within its own rules and those rules and regulations imposed upon it from outside the organization.

The Chair is authorized to:

- A. Make decisions that fall within topics covered by Board policies on governance process and Board-management delegation, including making reasonable interpretations of policies where applicable, with the exception of (i) employment or termination of the Managing Director/Chief



Executive Officer, and (ii) areas where the Board specifically delegates portions of this authority to others;

- B. Designate from time to time such standing or special committees as the Chair deems appropriate, including designating members, a Committee Chair, and the subject matter assigned to each committee for consideration; and
- C. Represent the Board to outside parties in announcing Board-stated positions and in stating the Chair's decisions and interpretations within the area delegated to that role. The Chair may delegate this authority but remains accountable for its use.

Vice-Chair—The Vice-Chair shall perform such duties as are assigned by the Chair in addition to the functions for which the Vice-Chair is responsible as mentioned above.

The Vice-Chair, or in the absence of the Vice-Chair, the immediate past Chair will serve as Chair in the absence of the current Chair. In the event of the Chair's prolonged absence or disability, the Vice Chair shall exercise all functions of the Chair for a period of up to thirty days, at the expiration of which a special election shall be conducted by the JEA Board as a whole and a permanent Chair elected, which shall be preceded by a meeting of the Governance, Audit, and Compliance Committee to recommend a new Board Chair.

Secretary—The Secretary has oversight of the procedures used by the JEA staff to accurately produce minutes of all Board and committee meetings and submission for public record. Minutes from Board and committee meetings will be posted on the JEA website in accordance with the Charter. The Secretary shall perform such other duties as from time to time may be assigned by the Chair.

ARTICLE III—OFFICERS

Board Committee Principles—Board committees, when used, will be assigned so as to reinforce the wholeness of the Board's job and not to interfere with delegation from the Board to the CEO. Board committees may not speak or act for the Board except when formally given such authority for specific purposes. Expectations and authority will be carefully stated in order to prevent conflict with authority delegated to the CEO. Board committees cannot exercise authority over staff. The CEO works for the full Board, and will therefore not be required to obtain the approval of a Board committee before an executive action. This policy applies to any group that is formed by Board action, whether or not it is called a committee and regardless of whether the group includes Board members.

Board Committee Structure—A committee is a Board committee only if its existence and scope come from the Board Chair, regardless of whether Board members sit on the committee. Board members may attend any Board committee meeting. The Board Chair will take into consideration any term expirations when making revisions to committee assignments. The membership of standing and special committees will generally consist of three Board members, appointed annually by the Board Chair. The Board Chair shall appoint one of the committee members as the Board Committee Chair and one as Vice-Chair. The CEO, or his/her designee, will attend meetings of each committee, but shall not have a vote. The CEO may specify that one or more Leadership Team members shall assist the committee. The current Board Committee structure is located in the **Board Policy Manual Appendix—Board Committee Structure**.

Standing Committees—The Chair may appoint standing committees from time to time which shall be composed of members of the JEA Board as determined by the Chair and in accordance with the JEA By-Laws. A standing committee shall continue until such time as it is terminated by the Board Chair.

Special Committees—The Board Chair may appoint special committees from time to time. When a special committee has fulfilled its function or when the best interests of JEA have been served, the Board Chair shall formally dissolve the committee.

Responsibilities and Powers of the Committee and the Committee Chair—The Committee Chair will determine the meeting cadence. The JEA Leadership Team member(s) assigned to the committee are responsible for working with the Committee Chair to determine the agenda and will support the Committee Chair with the meetings. Topics and requests for approval will generally go through the Board committees prior to any full Board approval requests. As required by the Charter or at the guidance of the Chief Legal Officer, by motion, a committee may generally recommend to the JEA Board that action be taken on matters under consideration by the committee. The Committee Chair, or Vice-Chair in the absence of the Chair, will report on items to be brought to the full Board, either requiring the full Board’s awareness and/or approval. The Committee Chair, or Vice-Chair in the absence of the Chair, shall have the power and authority to call meetings of the committee upon reasonable written notice to the members, and to set the date, time, and location of such meetings. In the absence or inaction of the Committee Chair, the committee’s Leadership Team member assigned as a liaison may call a committee meeting upon request of one or more of the remaining committee members.

Committee Vacancies—The Board Chair shall fill vacancies in the membership of any committee within 30 days of a vacancy occurring. Should the Chair of the JEA Board fail to fill a vacancy within 30 days after such a vacancy occurs, then such vacancy may be filled by a majority of the members of the JEA Board acting in any regular or special meeting.

Conduct of Committee Business—A physical quorum of the committee must be present in order for the committee to conduct business. A majority of the entire membership of the committee physically present shall constitute a quorum, and an act of the majority of the committee present at any meeting shall constitute the act of the committee. All JEA Board members may attend

and participate in any committee meeting; however, only committee members have the right to make motions and vote. Except as provided otherwise herein, Roberts Rules of Order shall govern the conduct of committee business.

Committee Meeting Requirements—Committees shall be subject to the requirements of Chapter 286, Florida Statutes (Government in the Sunshine). Reasonable notice shall be given prior to all committee meetings, and all committee meetings shall be open to the public. Opportunity for public comment shall be given prior to any action taken by a committee.

ARTICLE V—CONDUCT OF AUTHORITY BUSINESS

Regular and Special Meetings—Regular and special meetings shall be held and noticed in accordance with the requirements set forth in the Charter.

Teleconference or Videoconference

Meetings—All Board and Committee meetings will be conducted in accordance with the Charter and Florida Statutes. Whenever any Board member attends a meeting by teleconference or videoconference, the Chair shall conduct the meeting in a manner so as to allow, to the fullest extent possible, simultaneous communication.

Quorum and Votes Required for Action—

A majority of the Board’s membership physically present shall constitute a quorum for the purposes of meeting and transacting business. Each member shall have one vote. A majority vote of the members physically present at a meeting shall be required to accomplish an act of business. A Board member may attend a meeting virtually when extraordinary circumstances would not permit the Board member to be physically present at the meeting. Whether extraordinary circumstances exist shall be a determination of the Board members physically present at the meeting. Providing a quorum physically present has been met, and the Board members who are physically present have determined that extraordinary circumstances exist to justify the Board member’s virtual attendance, a Board member attending virtually may vote. By adoption of these By-Laws, the following are presumed to constitute extraordinary circumstances with no need for further action on the part of the Board:

- Military duty
- Health-related issues
- Board member being out of town due to circumstances beyond Board member’s control
- State of emergency declared by federal, state, or local authority
- Other reasons as deemed appropriate by the Board

Pursuant to Chapter 286, Florida Statutes, no member who is present at any Board meeting may abstain from voting except when there is, or appears to be, a possible conflict of interest. In such case, the abstaining Board member shall comply with the disclosure requirements of Chapter 112, Florida Statutes.

Vacancies—Any vacancy occurring in the office of a member of the JEA Board shall be filled for the unexpired term in the manner provided in the Charter, as amended. The Vice President, Government Relations will work with the Office of the Mayor, City Council President, and Office of General Counsel as deemed necessary.

Rules and Procedures—The Board may adopt rules or procedures to govern the conduct of JEA Board business. In the absence of rules or procedures adopted by the Board, the conduct of the Board's business shall be governed by Robert's Rules of Order.

Amendments to By-Laws—These By-Laws may be amended, suspended, repealed or altered, in whole or in part, by the affirmative votes of a majority of members at any regular or special meeting, provided such subject has been included in an agenda item.

Effect of By-Laws—Noncompliance with these By-Laws shall not operate to invalidate any JEA Board action otherwise valid under applicable law.



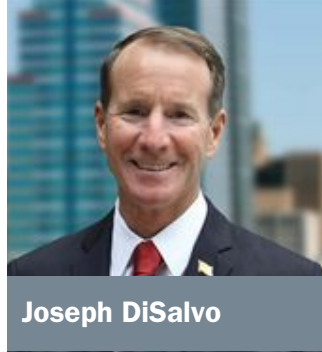
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Board Member Terms



Appointed on April 14, 2020
Term Ending on February 28, 2024



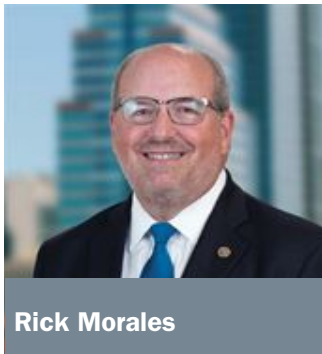
Appointed on April 14, 2020
Term Ending on February 28, 2026



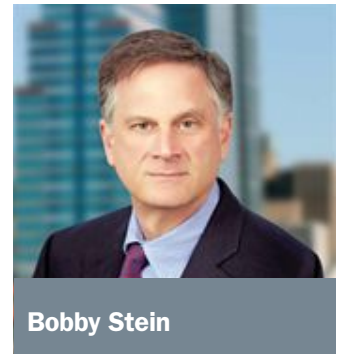
Appointed on April 14, 2020
Term Ending on February 28, 2026



Appointed on April 14, 2020
Term Ending on February 28, 2023



Appointed on September 28, 2021
Term Ending on February 28, 2024



Appointed on April 14, 2020
Term Ending on February 28, 2025



Appointed on April 14, 2020
Term Ending on February 28, 2023

Board and Committee Meeting Dates



FY22 Board Meeting Dates

August 10

September 20

FY22 Board Committee Dates

External Affairs Committee – July 25

Finance and Operations Committee – September 9

Governance, Audit, and Compliance Committee – July 14

Workforce and Customer Committee – September 16

FY23 Board Meeting Dates

October 25

January 24

February 28

March 28

April 25

June 27

August 29

September 26

FY23 Board Committee Dates

External Affairs Committee – December 16, April 18, September 8

Finance and Operations Committee – December 16, March 10, April 14, June 23, September 15

Governance, Audit, and Compliance Committee – October 13, January 13, August 4

Workforce and Customer Committee – October 21, January 20, April 14, August 25

Board Committee Structure 2022



GOVERNANCE, AUDIT, AND COMPLIANCE COMMITTEE

The Governance, Audit, and Compliance Committee's primary function is to assist the Board in fulfilling its oversight responsibilities in the areas of Board governance and compliance, including audit and risk management

Ms. Marty Lanahan (Chair)
General Joe DiSalvo (Vice Chair)
Dr. Zachary Faison

Jody Brooks, Chief Administrative Officer

FINANCE & OPERATIONS COMMITTEE

The Finance & Operations Committee's primary function is to assist the Board in fulfilling its oversight responsibilities with JEA's strategic objective of Delivering Business Excellence

General Joe DiSalvo (Chair)
Ms. Marty Lanahan (Vice Chair)
Mr. Rick Morales

Raynetta Marshall, Chief Operations Officer &
Ted Phillips, Chief Financial Officer

WORKFORCE AND CUSTOMER COMMITTEE

The Workforce and Customer Committee's primary function is to assist the Board in fulfilling its oversight responsibilities with JEA's strategic objectives of Building an Unbeatable Team and Earning Customer Loyalty

Mr. Tom VanOsdol (Chair)
Dr. Zachary Faison (Vice Chair)
Mr. John Baker

David Emanuel, Chief Human Resources Officer &
Sheila Pressley, Chief Customer Officer

EXTERNAL AFFAIRS COMMITTEE

The External Affairs Committee's primary function is to assist the Board in fulfilling its oversight responsibilities by reviewing and monitoring JEA's stakeholder strategies, environmental stewardship, economic development, and communications

Mr. Rick Morales (Chair)
Mr. Tom VanOsdol (Vice Chair)
Mr. John Baker

Laura Schepis, Chief External Affairs Officer

EXECUTIVE COMMITTEE

The Executive Committee's primary function is to address high-level or pressing matters as directed by the Committee or Board Chair

Mr. John Baker (Chair)
Mr. Bobby Stein (Vice Chair)
Ms. Marty Lanahan
General Joe DiSalvo

Jay Stowe, Chief Executive Officer



BOARD RESOLUTION: 2022-17

August 10, 2022

A RESOLUTION BY THE BOARD SCHEDULING A PUBLIC RATE HEARING AT THE SEPTEMBER 20, 2022 JEA BOARD OF DIRECTORS MEETING TO UPDATE THE RATES FOR CHILLED WATER AND THE ASSOCIATED DISTRICT ENERGY SYSTEM TARIFF DOCUMENT; DIRECTING THE MANAGING DIRECTOR, OR HIS DESIGNEE, TO GIVE NOTICE OF THE RATE HEARING IN THE MANNER PROVIDED IN THE JEA CHARTER; PROVIDING FOR CORRECTION OF ERRORS; AND PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, in accordance with Section 21.04 of the JEA Charter, when establishing or altering rates, assessments, fees or charges for retail service, JEA shall first give notice of and hold a public hearing in the City of Jacksonville; and

WHEREAS, presentations regarding the District Energy System rates were presented to JEA’s Finance & Audit Committee at its February 11, 2022 and May 23, 2022 meetings and to the JEA Board of Directors at its May 24, 2022 meeting; and

WHEREAS, the JEA Board of Directors has reviewed the documents attached hereto as Exhibit A and incorporated herein, and has determined that it is in the best interests of JEA to hold a rate hearing to adopt the District Energy System Tariff document in substantially the same form as attached,

NOW THEREFORE, BE IT RESOLVED by the JEA Board of Directors:

1. The recitals stated above are hereby incorporated into and made part of this Resolution, and such recitals shall serve as findings of fact.
2. A public rate hearing on the rates for chilled water and the associated District Energy System Tariff is hereby scheduled to be heard at the JEA Board of Directors meeting scheduled for September 20, 2022. The Board hereby directs the Managing Director, or his designee, to give notice of the hearing in the manner prescribed in Section 21.04(f) of the JEA Charter.
3. If there are any typographical, administrative, or scrivener’s errors contained herein that do not change the tone, tenor, or purpose of this Resolution, such errors may be corrected with no further action by the Board.
4. This Resolution shall be effective upon approval by the Board.

Dated this 10th day of August 2022.

JEA Board Chair

JEA Board Secretary

Form Approved by

Office of General Counsel

VOTE	
In Favor	
Opposed	
Abstained	

DISTRICT ENERGY SYSTEM
TARIFF DOCUMENT



21 West Church St.
Jacksonville, Florida 32202-3139
(904) 665-6000

DESCRIPTION OF TERRITORY SERVED

JEA furnishes retail chilled water service to some portions of Duval County.

Approved by the JEA Board
September ~~20, 2022~~

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Juli Crawford, Director
Financial Planning and Analysis

Effective October 1, ~~2022~~

INDEX OF DISTRICT ENERGY SYSTEM TARIFF DOCUMENT

Section	Description	Page
RATES AND CONDITIONS FOR CHILLED WATER SERVICE		
101	Conditions for chilled water service	3
201	Connection Fee Charge	3
202	Commodity Charge	3
203	Consumption Charge	4
204	Demand Charge	4
301	Chilled Water Service Definitions	5
302	Special Services, Terms, and Conditions	5
303	Billing	5

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Pg. 4¶
Financial Planning and Analysis
Effective February 1, 2022

Juli Crawford, Director Pg. 2
Financial Planning and Analysis Effective October 1, 2022

CHILLED WATER SERVICE

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101 – Conditions for Chilled Water Service

1) The customer is responsible for the following items:

- a) To provide JEA with a satisfactory indoor site for installing JEA’s Energy Station with free access to that station at all times.
- b) If customer does not meet JEA ΔT requirements, JEA will charge customer a ΔT penalty based on the differential temperature adjustment (DTA). The ΔT requirements and DTA are based on multiple factors, including but not limited to, chilled water district (loop) design, incremental pumping costs, and reduction of system capacity. The terms of the ΔT requirements will be stated in the service agreement. The ΔT penalty is based on the monthly demand billed multiplied by Target ΔT divided by Average ΔT .
- c) The customer is responsible for maintaining building piping in good condition. The customer is also responsible for the cost of replacing water due to leaks at the normal rates charged for water consumption.

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Deleted: may consider a reduced rate fee for customers who provide capital or other value to JEA’s chilled water service. JEA and the customer may also negotiate a higher rate fee if there are extraordinary customer requirements. ¶

201 – Connection Fee

The purpose of the connection fee is to recover the cost to construct and connect the customer to JEA’s chilled water system which may include but not limited to piping, valving, and energy station. JEA will be repaid for this connection service by the customer through a separate agreement over the agreed upon time period.

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JEA may consider a reduced fee for customers who provide capital or other value to JEA’s chilled water service, or negotiate a higher fee if there are extraordinary customer requirements. Any such fee modification shall require a written agreement between JEA and the customer as provided below in Section 302.

202 –Commodity Charge

The commodity charge is based on the ton-hour sales and will be set monthly for full recovery of the commodity expenses used for chilled water production based on the pricing set forth in the prevailing JEA Electric & Water and Wastewater Tariff Schedules.

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Juli Crawford, Director
Financial Planning and Analysis

Pg. 5
Effective October 1, 2022

203 - Consumption Charge

The consumption charge is based on the ton-hour of sales and will be set annually for full recovery of operating and maintenance expenses. Adjustments will take effect annually by multiplying the previous year's rate by the U.S. City Average All Items Not Seasonally Adjusted CPI.

At the effective date of this tariff, the Consumption Charge is:

Consumption Charge	Rate
All	\$0.04695/Ton Hr.

204 - Demand Charge

The demand charge is based on the tons of billable demand and will be set as needed for full recovery of costs for debt service, capital improvements and restoration [is this the correct word?] of equipment and systems associated with each plant. Adjustments will vary by plant depending on the timing of capital outlay.

Demand Charge	Rate
At Hogan's Creek	\$ 38.37/Ton
At Downtown	\$ 34.60/Ton
At Springfield	\$ 31.00/Ton

- 1) Demand is calculated based on the greater of the contract demand or the actual demand.
- 2) If the actual demand exceeds the contract demand by more than 10 % for two months in a twelve-month period, the highest actual demand in the previous twelve months will become the new contract demand.

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 Variable Consumption Charge: At the effective date of this tariff, the total Variable Consumption Charges will be: \$0.11818 per ton-hour for EFLH less than or equal to 2,400 \$0.10118 per ton-hour for EFLH greater than 2,400

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 If the actual demand is less than 80% of the contract demand in any month within a twelve month period, the contract demand may be reduced by up to 10% at the option of JEA.

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301 – Chilled Water Service Definitions

- a) **Actual Demand** – The maximum quantity of Service, in Tons, actually provided to Customer during any consecutive sixty (60) minute period during the billing cycle
- b) **Contract Demand** – The maximum quantity of service, in Tons, contracted to be delivered during any consecutive sixty (60) minute period for each building.
- c) **Excess Demand** – The quantity of service, in Tons, provided by JEA in excess of the Contract Demand.
- d) **Billable Demand** - The sum of the Contract Demand and Excess Demand
- e) **Consumption**– The ton-hours used by the facility during the billing period.
- f) **BTU** - British Thermal Unit. It is the quantity of heat required to raise the temperature of one pound of water by one degree Fahrenheit.
- g) **Ton** –12,000 BTU/hr.
- h) **Energy Station**- the equipment which is necessary to provide the delivery and metering of Service, including, but not limited to, temperature sensors, flow meter(s), control valve(s), check valve(s), thermometer(s), differential pressure sensor(s) and gauge(s), strainer and bypass, piping and control package.
- i) **ΔT** – The difference in temperature between the chilled water supplied by JEA at the Energy Station and the warmed water returned to the JEA Energy Station. (Also referred to as Temperature Rise)

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302 – Special Services, Terms, and Conditions

JEA and the customer may agree to special services, terms, and conditions applicable to the provision of chilled water service through the execution of a written agreement. Approval of such agreement shall be as established in applicable JEA Management Directives, Policies, or Procedures.

Nothing in this section shall authorize the modification of any charges established under this Tariff.

303 – Billing

Billing, payments, and collection procedures will be in accordance with JEA’s Credit and Collections Policy

Juli Crawford, Director
Financial Planning and Analysis

Pg. 5
Effective October 1, 2022

Deleted: <#>EFLH – Equivalent Full Load Hours – If all of a customer’s consumption occurred at the maximum load, this is how many hours per year they would use chilled water. The formula used to calculate EFLH is:
EFLH = (Annual Consumption in ton-hrs) / (Contract Demand in tons + Excess Demand in tons). ¶
¶
EFLH is calculated on a Fiscal Year (October – September) basis. Each October every customer’s EFLH calculation will reset to zero (0). ¶
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Deleted: JEA’s provision of special services, terms, and conditions requires execution of a contract between JEA and the customer, in which all special services, terms, and conditions shall be specified. Contract approval authorizations shall be as established in applicable JEA Management Directives, Policies or Procedures.

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BOARD RESOLUTION: 2022-19

August 10, 2022

A RESOLUTION OF THE JEA BOARD OF DIRECTORS APPROVING AMENDMENTS TO THE JEA DELEGATION OF AUTHORITY AND RESPONSIBILITY POLICY AND THE JEA ENERGY MARKET RISK MANAGEMENT POLICY IN SUBSTANTIALLY THE SAME FORM AS ATTACHED HERETO; DIRECTING THE BOARD SERVICES MANAGER TO POST THE AMENDED POLICIES ON JEA'S WEBSITE IN A CONSPICUOUS MANNER; PROVIDING FOR SEVERABILITY; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, in accordance with Article 21, Section 21.03, City of Jacksonville Charter, referred to within this resolution as "JEA Charter", "[t]he governing body of JEA shall adopt governing documents, including, but not limited to bylaws, a board policy manual, and such other rules and regulations not inconsistent with this Article, the charter or general law"; and

WHEREAS, in accordance with the JEA Charter, "the governing body of JEA shall annually review and update its governing documents"; and

WHEREAS, the JEA Delegation of Authority and Responsibility Policy was last reviewed and approved by the Board of Directors on June 22, 2021; and

WHEREAS, the JEA Energy Market Risk Management Policy was last reviewed by the Finance and Audit Committee on March 12, 2021 and approved by the Board of Directors on March 23, 2021; and

WHEREAS, in accordance with the JEA Charter, "JEA's bylaws, board policy manual, and other governing documents, including any amendments thereto, shall be posted on JEA's website in a conspicuous manner for the public to view"; and

WHEREAS, it is in the best interests of JEA to adopt the amended policies in substantially the same form as attached hereto.

NOW THEREFORE, BE IT RESOLVED by the JEA Board of Directors that:

1. The above recitals are incorporated into the body of this Resolution and are adopted as findings of fact.
2. The Board adopts the amended JEA Delegation of Authority and Responsibility Policy in substantially the same form as attached hereto.
3. The Board adopts the amended JEA Energy Market Risk Management Policy in substantially the same for as attached hereto.
4. The Board Services Manager is directed to post the amended Delegation of Authority and Responsibility Policy and Energy Market Risk Management Policy on JEA's website in a conspicuous manner.
5. To the extent that there are any typographical, administrative, and/or scrivener's errors contained here in that do not change the tone, tenor, or purpose of this Resolution, then such errors may be corrected with no further action required by the Board.
6. This Resolution shall be effective upon approval by the Board.

Dated this 10th day of August 2022.

JEA Board Chair

JEA Board Secretary

Form Approved by

Office of General Counsel

VOTE	
In Favor	
Opposed	
Abstained	



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

POLICY STATEMENT:

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

ASSIGNMENT OF RESPONSIBILITY:

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

MATTERS RESERVED FOR THE BOARD:

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

- A. JEA matters that require the Jacksonville City Council’s review and approval, including the JEA annual budget;
- B. Establishment or alteration of rates, assessments, fees or charges for retail service;
- C. Contracts, agreements or financial instruments that exceed one-hundred million dollars (\$100,000,000);
- D. Approval of and changes to an approved annual budget that exceed five million dollars (\$5,000,000);
- E. Settlement of litigation matters that exceed one million dollars (\$1,000,000);
- F. Annual financial disclosure documents for the Electric System, Water/Wastewater System, District Energy System, and any other systems as may be established in the City Charter;
- G. Managing Director and Chief Executive Officer (“MD/CEO”) engagement, performance review and succession planning;
- H. Implementation or changes to JEA voluntary giving programs;
- I. Any other matters required by the City Charter, including Article 21 (JEA), that cannot be so delegated; and
- J. All matters with the potential to have a material impact on the reputation of the organization.

CORPORATE POLICY: DELEGATION OF AUTHORITY AND RESPONSIBILITY**DELEGATION OF AUTHORITY GRANTED TO MD/CEO:**

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

DELEGATED AUTHORITY CATEGORIES:

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

A. Employee Time Records

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

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

Director - Employee Services.

C. Procurement Documents

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

D. Payment Authorization for Contracts

Appointed manager responsible for administering the applicable contract.

E. Purchasing Card Statements (cardholder’s)

Cardholder’s supervisory appointed employee.

F. Check Requests:

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

CORPORATE POLICY:	DELEGATION OF AUTHORITY AND RESPONSIBILITY
--------------------------	---

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

G. Funds Authorization for JEA Contracts

Controller.

H. Travel Authorization & Payment of Travel Expenses

Shall be in accordance with provisions specified in MD 120 and Chapter 106, Part 7, City of Jacksonville, Ordinance Code.

I. Initial Application for Educational Assistance

Managers and above.

J. Approval of Reimbursement amount (educational assistance)

Director – Training & Workforce Development.

K. Meal Allowance Summary and Voucher Requests

Any supervisory appointed employee.

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

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

M. Work Orders

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

N. Time Critical Items—Delegation to LT

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

CORPORATE POLICY:	DELEGATION OF AUTHORITY AND RESPONSIBILITY
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5. The LT member will send an e-mail notice of the action taken to the MD/CEO and the signature requestor.

SIGNED: _____
Managing Director/Chief Executive Officer

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

Origination Date: March 7, 1977



MANAGEMENT DIRECTIVE	DELEGATION OF AUTHORITY AND RESPONSIBILITY POLICY
EFFECTIVE DATE:	06/22/2021 <u>08/10/2022</u>

POLICY STATEMENT:

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

ASSIGNMENT OF RESPONSIBILITY:

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

MATTERS RESERVED FOR THE BOARD:

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

- A. JEA matters that require the Jacksonville City Council’s review and approval, including the JEA annual budget;
- B. Establishment or alteration of rates, assessments, fees or charges for retail service;
- C. Contracts, agreements or financial instruments that exceed ~~fifty-one-hundred~~ million dollars (~~\$5100,000,000~~);
- D. Approval of and changes to an approved annual budget that exceed five million dollars (\$5,000,000);
- E. Settlement of litigation matters that exceed one ~~hundred-fifty thousand~~million dollars (~~\$15000,000~~);
- F. Annual financial disclosure documents for the Electric System, Water/Wastewater System, District Energy System, and any other systems as may be established in the City Charter;
- G. Managing Director and Chief Executive Officer (“MD/CEO”) engagement, performance review and succession planning;
- H. Implementation or changes to JEA voluntary giving programs;
- I. Any other matters required by the City Charter, including Article 21 (JEA), that cannot be so delegated; and
- J. All matters with the potential to have a material impact on the reputation of the organization.

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

A. Employee Time Records

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

Director - Employee Services.

C. Procurement Documents

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D. Payment Authorization for Contracts

Appointed manager responsible for administering the applicable contract.

E. Purchasing Card Statements (cardholder’s)

Cardholder’s supervisory appointed employee.

F. Check Requests:

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

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

G. Funds Authorization for JEA Contracts

Controller.

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Shall be in accordance with provisions specified in MD 120 and Chapter 106, Part 7, City of Jacksonville, Ordinance Code.

I. Initial Application for Educational Assistance

Managers and above.

J. Approval of Reimbursement amount (educational assistance)

Director – Training & Workforce Development.

K. Meal Allowance Summary and Voucher Requests

Any supervisory appointed employee.

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

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

M. Work Orders

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

N. Time Critical Items—Delegation to LT

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

CORPORATE POLICY:	DELEGATION OF AUTHORITY AND RESPONSIBILITY
--------------------------	---

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

SIGNED: _____
Managing Director/Chief Executive Officer

Revisions: 8/10/22 – Approved by Resolution of the Board on August 10, 2022
~~6/22/21 – Approved by Resolution of the Board on June 22, 2021~~
5/3/13
3/12/08
12/13/04
11/3/04
6/6/03
10/1/01

Origination Date: March 7, 1977

JEA

Energy Market Risk Management Policy

Approved by the Board of Directors

3/18/2014

Revision Approved by the Board of Directors

3/23/2021

8/10/2022



Confidential

Table of Contents	
POLICY INTRODUCTION	1
OBJECTIVES OF THE POLICY	1
SCOPE OF THE POLICY	1
POLICY ESTABLISHMENT, AUTHORITY, APPROVAL AND REVISION	1
DISCUSSION OF RISKS	1
MARKET RISK	2
<i>Price Risk</i>	2
<i>Basis Risk</i>	2
<i>Liquidity Risk</i>	2
COUNTERPARTY RISK	2
VOLUMETRIC RISK	2
BUDGET RISK	3
COLLATERALIZATION RISK	3
OPERATIVE RISK	3
<i>Operations Risk</i>	3
<i>Implementation Risk</i>	3
REGULATORY RISK	3
OVERSIGHT RESPONSIBILITIES AND ORGANIZATION STRUCTURE	3
ORGANIZATIONAL STRUCTURE AND REPORTING RELATIONSHIPS	3
FPPC	4
BUSINESS PRACTICES	5
STANDARDS OF CONDUCT AND COMPLIANCE	5
TRAINING	5
TRADING PRACTICES	5
INDIVIDUAL AUTHORITIES	5
TRANSACTION METHODS	6
AUTHORIZED PRODUCTS	6
AUTHORIZED COUNTERPARTIES	6
CONFIRMATIONS OF EXECUTED TRANSACTIONS	6
TRADE RECORDKEEPING	6
QUALIFIED INDEPENDENT REPRESENTATIVE (QIR)	7
EXPOSURES AND LIMITS	7
VOLUME LIMITS	7
LOCATIONAL LIMITS	7
SWAP THRESHOLD LIMITS	7
EXCEEDANCE OF LIMITS	7
CREDIT POLICY	7
MEASURING CREDIT RISK	8
ANALYSIS AND EXTENSION OF CREDIT LIMITS	8
CREDIT EXCEPTIONS	9
REPORTING	9
POLICY ACKNOWLEDGEMENT AND DISTRIBUTION	9
POLICY ACKNOWLEDGEMENT	9

POLICY DISTRIBUTION	9
DESIGNATED COUNSEL	10
APPENDICES	11
A. DEFINITIONS	11
B. COMPOSITION OF THE FUEL AND PURCHASE POWER COMMITTEE	14
C. AUTHORIZED PERSONNEL	15
D. AUTHORIZED PRODUCT LIST	16
E. SPECIAL ENTITY REPRESENTATION SELECTION AND MONITORING POLICY	18
F. TERM, MATURITY AND NOTIONAL DOLLAR LIMITS	19

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 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 Officer (CAO) and Vice President, 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 EMRM 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 maintaining a fuel 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 EMRM 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 EMRM Program. The Board's responsibilities with respect to JEA's EMRM 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 JEA's SharePoint site. Any materials used in the analysis or decision to enter into a swap including confirmation documents will be retained 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 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.

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. 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. 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;
- Type of transaction: : swap, futures, options, etc.;
- The reporting counterparty when the trade is a swap and there is not a prearranged reporting relationship;
- Whether any swap qualifies for the trade option exemption or exception to clearing for end user.

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 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.

Mark-to-market is used to measure JEA's risk exposure to counterparty default on a Transaction by determining the current market value of the Transaction. 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 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 CAO.

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 CAO. The CFO and/or or the CAO 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 EMRM 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, 2022

Core Members

MD/CEO

Chief Financial Officer

Vice President, Electric Systems

Chief Operating Officer

Chief Administrative Officer

Sr. Director, Energy Operations

Manager, Fuel Management Services

Vice President, Financial Services

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 March 8, 2022.

	Managing Director/CEO	Chief Financial Officer	Chief Operating Officer	VP, Financial Services	Vice President, Electric Systems	Manager Fuel Management Services	Sr. Director Energy Operations	Director, Electric System Operations	Manager Bulk Power Operations	Mgr. Nat.Gas Commercial Services	Electric Systems Engineer, BPO	Energy Operations Specialist	Staff/Associate Engineer, BPO	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	x
Indexed Price Energy Commodity	x	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	x					
Transmission	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	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	x	x
Indexed Price Natural Gas Commodity	x	x	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	x	x
Transportation	x	x	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	x	x
Crude Oil and Refined Products																			
Fixed Price Distillate Fuel Oil Products	x	x	x		x	x	x								x	x	x	x	x
Indexed Price Distillate Fuel Oil Products	x	x	x		x	x	x								x	x	x	x	x
Fixed Price Residual Fuel Oil Products	x	x	x		x	x	x								x	x	x	x	x
Indexed Price Residual Fuel Oil Products	x	x	x		x	x	x								x	x	x	x	x
Fixed Price Petroleum Coke Products	x	x	x		x	x	x								x	x	x	x	x
Indexed Price Petroleum Coke Products	x	x	x		x	x	x								x	x	x	x	x
Coal Products																			
Fixed Price Coal Commodity	x	x	x		x	x	x								x	x	x	x	x
Indexed Price Coal Commodity	x	x	x		x	x	x								x	x	x	x	x
Environmental Products																			
Air Emissions Allowances	x	x	x		x	x	x								x	x	x	x	x
Fixed Price Limestone	x	x	x		x	x	x								x	x	x	x	x
Indexed Price Limestone	x	x	x		x	x	x								x	x	x	x	x
RECs/Greentag Allowances	x	x	x		x	x	x	x	x						x	x	x	x	x
Financial Products																			
Power Products																			
Fixed for Floating Swap	x	x	x	x	x	x	x	x	x										
Heat Rate Swap	x	x	x	x	x	x	x	x	x										
Financial OTC Option	x	x	x	x	x	x	x	x	x										
Natural Gas Products																			
Fixed for Floating Swap	x	x	x	x	x	x	x												
Swing-Swap	x	x	x	x	x	x	x												
Financial OTC Option	x	x	x	x	x	x	x												
Crude Oil and Refined Products																			
Fixed for Floating Swap	x	x	x	x	x	x	x												
Financial OTC Option	x	x	x	x	x	x	x												
Coal Products																			
OTC Swap	x	x	x	x	x	x	x												
Financial OTC Option	x	x	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
4. Renewable Energy Credits/Greentag Allowances

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 August 10, 2022.

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	\$35,000,000
Chief Operating Officer	3,725	3,675	\$35,000,000
Vice President, Electric Systems	3,725	3,675	\$20,000,000
Sr. Director, Energy Operations	1,925	1,875	\$10,000,000
Director, Electric Systems Operations ^{1,2,3}	410	366	\$7,500,000
Manager, Bulk Power Operations (BPO) ^{1,2,3}	410	366	\$5,000,000
Manager, Fuel Management Services ³	410	366	\$5,000,000
Manager, Natural Gas Commercial Services ³	61	31	\$1,000,000
Electric Systems Engineer, BPO ^{1,2}	6	5	\$1,000,000
Energy Operations Specialist ^{1,2}	6	5	\$1,000,000
Staff/Associate Engineer, BPO ^{1,2}	6	5	\$1,000,000
Fuels Specialist ³	61	31	\$1,000,000
Fuels Administrator, Senior ³	61	31	\$1,000,000
Fuels Administrator ³	61	31	\$1,000,000
Fuels Electric Systems Engineer ³	61	31	\$1,000,000
Fuels Staff/Associate Engineer ³	61	31	\$1,000,000
Certified System Operator On Duty ^{1,2}	6	5	\$750,000
Associate System Operator On Duty ^{1,2}	6	5	\$750,000

1. Limited to TEA authorized transactions.
2. Limited to current day through next business day natural gas transactions.
3. Prior approval is required based on appropriate procurement code exemptions.

JEA

Energy Market Risk Management Policy

Approved by the Board of Directors

3/18/2014

Revision Approved by the Board of Directors

3/23/2021

8/10/2022



Confidential

Table of Contents	
POLICY INTRODUCTION	1
OBJECTIVES OF THE POLICY	1
SCOPE OF THE POLICY	1
POLICY ESTABLISHMENT, AUTHORITY, APPROVAL AND REVISION	1
DISCUSSION OF RISKS	1
MARKET RISK	2
<i>Price Risk</i>	2
<i>Basis Risk</i>	2
<i>Liquidity Risk</i>	2
COUNTERPARTY RISK	2
VOLUMETRIC RISK	2
BUDGET RISK	3
COLLATERALIZATION RISK	3
OPERATIVE RISK	3
<i>Operations Risk</i>	3
<i>Implementation Risk</i>	3
REGULATORY RISK	3
OVERSIGHT RESPONSIBILITIES AND ORGANIZATION STRUCTURE	3
ORGANIZATIONAL STRUCTURE AND REPORTING RELATIONSHIPS	3
FPPC	4
BUSINESS PRACTICES	5
STANDARDS OF CONDUCT AND COMPLIANCE	5
TRAINING	5
TRADING PRACTICES	5
INDIVIDUAL AUTHORITIES	5
TRANSACTION METHODS	6
AUTHORIZED PRODUCTS	6
AUTHORIZED COUNTERPARTIES	6
CONFIRMATIONS OF EXECUTED TRANSACTIONS	6
TRADE RECORDKEEPING	6
QUALIFIED INDEPENDENT REPRESENTATIVE (QIR)	7
EXPOSURES AND LIMITS	7
VOLUME LIMITS	7
LOCATIONAL LIMITS	7
SWAP THRESHOLD LIMITS	7
EXCEEDANCE OF LIMITS	7
CREDIT POLICY	7
MEASURING CREDIT RISK	8
ANALYSIS AND EXTENSION OF CREDIT LIMITS	8
CREDIT EXCEPTIONS	9
REPORTING	9
POLICY ACKNOWLEDGEMENT AND DISTRIBUTION	9
POLICY ACKNOWLEDGEMENT	9

POLICY DISTRIBUTION	9
DESIGNATED COUNSEL	10
APPENDICES	11
A. DEFINITIONS	11
B. COMPOSITION OF THE FUEL AND PURCHASE POWER COMMITTEE	14
C. AUTHORIZED PERSONNEL	15
D. AUTHORIZED PRODUCT LIST	16
E. SPECIAL ENTITY REPRESENTATION SELECTION AND MONITORING POLICY	18
F. TERM, MATURITY AND NOTIONAL DOLLAR LIMITS	19

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 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 Officer (CAO) and Vice President, 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 EMRM 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 maintaining a fuel 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 EMRM 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 EMRM Program. The Board’s responsibilities with respect to JEA’s EMRM 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 JEA's SharePoint site. Any materials used in the analysis or decision to enter into a swap including confirmation documents will be retained 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 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.

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. 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. 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;
- Type of transaction: : swap, futures, options, etc.;
- The reporting counterparty when the trade is a swap and there is not a prearranged reporting relationship;
- Whether any swap qualifies for the trade option exemption or exception to clearing for end user.

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 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.

Mark-to-market is used to measure JEA's risk exposure to counterparty default on a Transaction by determining the current market value of the Transaction. JEA accounts for the value of each Transaction by using counterparty mark-to-market position reports. Additionally, TEA and JEA calculate mark-to-market positions 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 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 CAO.

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 CAO. The CFO and/or or the CAO 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 EMRM 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, 2022

Core Members

MD/CEO

Chief Financial Officer

Vice President, Electric Systems

Chief Operating Officer

Chief Administrative Officer

Sr. Director, Energy Operations

Manager, Fuel Management Services

Vice President, Financial Services

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 March 8, 2022.

	Managing Director/CEO	Chief Financial Officer	Chief Operating Officer	VP, Financial Services	Vice President, Electric Systems	Manager Fuel Management Services	Sr. Director Energy Operations	Director, Electric System Operations	Manager Bulk Power Operations	Mgr. Nat.Gas Commercial Services	Electric Systems Engineer, BPO	Energy Operations Specialist	Staff/Associate Engineer, BPO	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	x
Indexed Price Energy Commodity	x	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	x					
Transmission	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	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	x	x
Indexed Price Natural Gas Commodity	x	x	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	x	x
Transportation	x	x	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	x	x
Crude Oil and Refined Products																			
Fixed Price Distillate Fuel Oil Products	x	x	x		x	x	x								x	x	x	x	x
Indexed Price Distillate Fuel Oil Products	x	x	x		x	x	x								x	x	x	x	x
Fixed Price Residual Fuel Oil Products	x	x	x		x	x	x								x	x	x	x	x
Indexed Price Residual Fuel Oil Products	x	x	x		x	x	x								x	x	x	x	x
Fixed Price Petroleum Coke Products	x	x	x		x	x	x								x	x	x	x	x
Indexed Price Petroleum Coke Products	x	x	x		x	x	x								x	x	x	x	x
Coal Products																			
Fixed Price Coal Commodity	x	x	x		x	x	x								x	x	x	x	x
Indexed Price Coal Commodity	x	x	x		x	x	x								x	x	x	x	x
Environmental Products																			
Air Emissions Allowances	x	x	x		x	x	x								x	x	x	x	x
Fixed Price Limestone	x	x	x		x	x	x								x	x	x	x	x
Indexed Price Limestone	x	x	x		x	x	x								x	x	x	x	x
RECs/Greentag Allowances	x	x	x		x	x	x	x	x						x	x	x	x	x
Financial Products																			
Power Products																			
Fixed for Floating Swap	x	x	x	x	x	x	x	x	x										
Heat Rate Swap	x	x	x	x	x	x	x	x	x										
Financial OTC Option	x	x	x	x	x	x	x	x	x										
Natural Gas Products																			
Fixed for Floating Swap	x	x	x	x	x	x	x												
Swing-Swap	x	x	x	x	x	x	x												
Financial OTC Option	x	x	x	x	x	x	x												
Crude Oil and Refined Products																			
Fixed for Floating Swap	x	x	x	x	x	x	x												
Financial OTC Option	x	x	x	x	x	x	x												
Coal Products																			
OTC Swap	x	x	x	x	x	x	x												
Financial OTC Option	x	x	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
4. Renewable Energy Credits/Greentag Allowances

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 ~~March 8~~ August 10, 2022.

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	\$35,000,000
Chief Operating Officer	3,725	3,675	\$35,000,000
Vice President, Electric Systems	3,725	3,675	\$20,000,000
Sr. Director, Energy Operations	1,925	1,875	\$10,000,000
Director, Electric Systems Operations ^{1,2,3}	410	366	\$7,500,000
Manager, Bulk Power Operations (BPO) ^{1,2,3}	410	366	\$5,000,000
Manager, Fuel Management Services ³	410	366	\$5,000,000
Manager, Natural Gas Commercial Services ³	61	31	\$1,000,000
Electric Systems Engineer, BPO ^{1,2}	6	5	\$1,000,000
Energy Operations Specialist ^{1,2}	6	5	\$1,000,000
Staff/Associate Engineer, BPO ^{1,2}	6	5	\$1,000,000
Fuels Specialist ³	61	31	\$1,000,000
Fuels Administrator, Senior ³	61	31	\$1,000,000
Fuels Administrator ³	61	31	\$1,000,000
Fuels Electric Systems Engineer ³	61	31	\$1,000,000
Fuels Staff/Associate Engineer ³	61	31	\$1,000,000
Certified System Operator On Duty ^{1,2}	6	5	\$750,000
Associate System Operator On Duty ^{1,2}	6	5	\$750,000

1. Limited to TEA authorized transactions.
2. Limited to current day through next business day natural gas transactions.
3. Prior approval is required based on appropriate procurement code exemptions.

Board and Committee Meeting Dates



FY22 Board Meeting Dates

August 10

September 20

FY22 Board Committee Dates

External Affairs Committee – July 25

Finance and Operations Committee – September 9

Governance, Audit, and Compliance Committee – July 14

Workforce and Customer Committee – September 16

FY23 Board Meeting Dates

October 25

January 24

February 28

March 28

April 25

June 27

August 29

September 26

FY23 Board Committee Dates

External Affairs Committee – December 16, April 18, September 8

Finance and Operations Committee – December 16, March 10, April 14, June 23, September 15

Governance, Audit, and Compliance Committee – October 13, January 13, August 4

Workforce and Customer Committee – October 21, January 20, April 14, August 25



Monthly Financial Statements

May 2022

Monthly Financial Statements

May 2022

Index

	Page
Statements of Net Position - Assets and Deferred Outflows of Resources	2
Statements of Net Position - Liabilities, Deferred Inflows of Resources, and Net Position	3
Statements of Revenues, Expenses and Changes in Net Position	4
Statement of Cash Flow	5
Combining Statement of Net Position - Assets and Deferred Outflows of Resources Current Year	6
Combining Statement of Net Position - Liabilities, Deferred Inflows of Resources, and Net Position Current Year	7
Combining Statement of Net Position - Assets and Deferred Outflows of Resources Prior Year	8
Combining Statement of Net Position - Liabilities, Deferred Inflows of Resources, and Net Position Prior Year	9
Combining Statements of Revenues, Expenses, and Changes in Net Position - Current Month	10
Combining Statements of Revenues, Expenses, and Changes in Net Position - Prior Month	11
Combining Statements of Revenues, Expenses, and Changes in Net Position - Current Year-to-Date	12
Combining Statements of Revenues, Expenses, and Changes in Net Position - Prior Year-to-Date	13
Combining Statements of Cash Flow - Current Year	14
Combining Statements of Cash Flow - Prior Year	15
Debt Service Coverage	16
Operating Statistics - Electric System	17
Operating Statistics - Water and Sewer	18
<hr/>	
<u>Appendix</u>	
Schedules of Cash and Investments	20
Investment Portfolio - All Funds	21
Schedule of Outstanding Indebtedness	22
Interest Rate Swap Position Report	23
Production Statistics - Electric System	24
Electric Revenues and Expenses for the Month - Budget versus Actual	26
Electric Revenues and Expenses Year-to-Date - Budget versus Actual	27
Water and Sewer Revenues and Expenses - Budget versus Actual	28
District Energy System - Budget versus Actual	29

JEA
Statements of Net Position
(in thousands)

Page 2

	May 2022 (unaudited)	September 2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 297,910	\$ 350,495
Investments	193	4,140
Customer accounts receivable, net of allowance (\$1,202 and \$3,155, respectively)	237,308	221,348
Inventories:		
Materials and supplies	66,042	62,796
Fuel	51,199	32,911
Other current assets	37,200	24,434
Total current assets	<u>689,852</u>	<u>696,124</u>
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	253,400	362,618
Investments	409,866	269,820
Accounts and interest receivable	18	240
Total restricted assets	<u>663,284</u>	<u>632,678</u>
Costs to be recovered from future revenues	863,778	881,949
Hedging derivative instruments	339,472	150,453
Other assets	30,648	22,939
Total noncurrent assets	<u>1,897,182</u>	<u>1,688,019</u>
Capital assets:		
Land and easements	216,543	213,649
Plant in service	12,639,442	12,415,504
Less accumulated depreciation	<u>(7,876,122)</u>	<u>(7,522,027)</u>
Plant in service, net	4,979,863	5,107,126
Construction work in progress	373,975	369,367
Net capital assets	<u>5,353,838</u>	<u>5,476,493</u>
Total assets	<u>7,940,872</u>	<u>7,860,636</u>
Deferred outflows of resources		
Unrealized pension contributions and losses	157,296	157,296
Accumulated decrease in fair value of hedging derivatives	85,081	129,355
Unamortized deferred losses on refundings	83,927	89,729
Unrealized asset retirement obligations	43,052	37,669
Unrealized OPEB contributions and losses	7,302	7,302
Total deferred outflows of resources	<u>376,658</u>	<u>421,351</u>
Total assets and deferred outflows of resources	<u>\$ 8,317,530</u>	<u>\$ 8,281,987</u>

JEA
Statements of Net Position
(in thousands)

Page 3

	May 2022		September 2021
	(unaudited)		
Liabilities			
Current liabilities:			
Accounts and accrued expenses payable	\$ 136,212	\$	76,702
Customer deposits and prepayments	95,119		75,030
Billings on behalf of state and local governments	25,186		26,006
Compensation and benefits payable	11,321		13,361
City of Jacksonville payable	10,302		10,193
Asset retirement obligations	2,201		3,307
Total current liabilities	<u>280,341</u>		<u>204,599</u>
Current liabilities payable from restricted assets:			
Debt due within one year	74,070		91,535
Interest payable	18,192		51,454
Construction contracts and accounts payable	24,842		45,466
Renewal and replacement reserve	31,289		32,776
Total current liabilities payable from restricted assets	<u>148,393</u>		<u>221,231</u>
Noncurrent liabilities:			
Long-term debt:			
Debt payable, less current portion	2,762,220		2,908,175
Unamortized premium, net	179,149		194,070
Fair value of debt management strategy instruments	84,118		129,355
Total long-term debt	<u>3,025,487</u>		<u>3,231,600</u>
Net pension liability	729,569		729,569
Asset retirement obligations	40,851		34,362
Compensation and benefits payable	33,559		33,433
Net OPEB liability	5,422		5,136
Other liabilities	18,970		18,338
Total noncurrent liabilities	<u>3,853,858</u>		<u>4,052,438</u>
Total liabilities	<u>4,282,592</u>		<u>4,478,268</u>
Deferred inflows of resources			
Revenues to be used for future costs	82,566		156,814
Accumulated increase in fair value of hedging derivatives	339,582		150,453
Unrealized OPEB gains	14,725		14,725
Unrealized pension gains	14,273		14,273
Total deferred inflows of resources	<u>451,146</u>		<u>336,265</u>
Net position			
Net investment in capital assets	2,771,092		2,696,104
Restricted for:			
Capital projects	417,967		296,059
Debt service	48,427		90,423
Other purposes	29,761		44,774
Unrestricted	316,545		340,094
Total net position	<u>3,583,792</u>		<u>3,467,454</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 8,317,530</u>	\$	<u>8,281,987</u>

JEA

Page 5

Statement of Cash Flows
(in thousands - unaudited)

	Year-to-Date	
	2022	2021
	May	
Operating activities		
Receipts from customers	\$ 1,166,853	\$ 1,087,652
Payments to suppliers	(545,439)	(404,903)
Payments for salaries and benefits	(181,760)	(166,178)
Other operating activities	121,497	26,274
Net cash provided by operating activities	561,151	542,845
Noncapital and related financing activities		
Contribution to General Fund, City of Jacksonville, Florida	(80,708)	(79,909)
Net cash used in noncapital and related financing activities	(80,708)	(79,909)
Capital and related financing activities		
Acquisition and construction of capital assets	(262,663)	(231,355)
Defeasance of debt	(74,885)	(104,390)
Interest paid on debt	(116,101)	(121,630)
Repayment of debt principal	(91,535)	(102,700)
Capital contributions	26,329	24,979
Revolving credit agreement withdrawals (repayments)	3,000	(5,000)
Other capital financing activities	4,963	5,592
Net cash used in capital and related financing activities	(510,892)	(534,504)
Investing activities		
Proceeds from sale and maturity of investments	221,147	171,432
Purchase of investments	(364,729)	(197,567)
Distributions from The Energy Authority	9,689	801
Investment income	2,539	4,108
Net cash used in investing activities	(131,354)	(21,226)
Net change in cash and cash equivalents	(161,803)	(92,794)
Cash and cash equivalents at beginning of year	713,113	641,132
Cash and cash equivalents at end of period	\$ 551,310	\$ 548,338
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 221,065	\$ 255,870
Adjustments:		
Depreciation and amortization	370,469	261,502
Recognition of deferred costs and revenues, net	(9,754)	18,026
Other nonoperating income, net	(924)	59
Changes in noncash assets and noncash liabilities:		
Accounts receivable	(15,737)	17,998
Inventories	(21,534)	3,031
Other assets	(6,736)	1,738
Accounts and accrued expenses payable	76,734	(3,473)
Current liabilities payable from restricted assets	(6,476)	(3,344)
Other noncurrent liabilities and deferred inflows	(45,956)	(8,562)
Net cash provided by operating activities	\$ 561,151	\$ 542,845
Noncash activity		
Contribution of capital assets from developers	\$ 43,420	\$ 33,441
Unrealized investment fair market value changes, net	\$ (7,483)	\$ (2,355)

JEA
Combining Statement of Net Position
(in thousands - unaudited) May 2022

	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	\$ 164,810	\$ 55,040	\$ -	\$ 219,850	76,475	\$ 1,585	\$ 297,910
Investments	-	193	-	193	-	-	193
Customer accounts receivable, net of allowance (\$1,202)	176,978	-	-	176,978	60,110	220	237,308
Inventories:							
Materials and supplies	2,262	-	-	2,262	63,780	-	66,042
Fuel	51,199	-	-	51,199	-	-	51,199
Other current assets	33,163	79	(129)	33,113	4,078	9	37,200
Total current assets	428,412	55,312	(129)	483,595	204,443	1,814	689,852
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	71,695	78,494	-	150,189	100,342	2,869	253,400
Investments	292,700	1,093	-	293,793	116,073	-	409,866
Accounts and interest receivable	-	18	-	18	-	-	18
Total restricted assets	364,395	79,605	-	444,000	216,415	2,869	663,284
Costs to be recovered from future revenues	400,827	183,394	-	584,221	279,527	30	863,778
Hedging derivative instruments	339,472	-	-	339,472	-	-	339,472
Other assets	28,325	7,050	(4,765)	30,610	38	-	30,648
Total noncurrent assets	1,133,019	270,049	(4,765)	1,398,303	495,980	2,899	1,897,182
Capital assets:							
Land and easements	127,067	6,660	-	133,727	79,765	3,051	216,543
Plant in service	6,124,831	1,316,043	-	7,440,874	5,137,267	61,301	12,639,442
Less accumulated depreciation	(3,890,912)	(1,314,062)	-	(5,204,974)	(2,637,553)	(33,595)	(7,876,122)
Plant in service, net	2,360,986	8,641	-	2,369,627	2,579,479	30,757	4,979,863
Construction work in progress	94,349	-	-	94,349	275,619	4,007	373,975
Net capital assets	2,455,335	8,641	-	2,463,976	2,855,098	34,764	5,353,838
Total assets	4,016,766	334,002	(4,894)	4,345,874	3,555,521	39,477	7,940,872
Deferred outflows of resources							
Unrealized pension contributions and losses	90,081	4,616	-	94,697	62,599	-	157,296
Accumulated decrease in fair value of hedging derivatives	68,661	-	-	68,661	16,420	-	85,081
Unamortized deferred losses on refundings	47,236	2,538	-	49,774	34,004	149	83,927
Unrealized asset retirement obligations	42,846	206	-	43,052	-	-	43,052
Unrealized OPEB contributions and losses	4,308	-	-	4,308	2,994	-	7,302
Total deferred outflows of resources	253,132	7,360	-	260,492	116,017	149	376,658
Total assets and deferred outflows of resources	\$ 4,269,898	\$ 341,362	\$ (4,894)	\$ 4,606,366	\$ 3,671,538	\$ 39,626	\$ 8,317,530

JEA
Combining Statement of Net Position
(in thousands - unaudited) May 2022

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Liabilities							
Current liabilities:							
Accounts and accrued expenses payable	\$ 98,269	\$ 27,673	\$ (64)	\$ 125,878	\$ 10,285	\$ 49	\$ 136,212
Customer deposits and prepayments	58,184	-	-	58,184	36,935	-	95,119
Billings on behalf of state and local governments	21,112	-	-	21,112	4,074	-	25,186
Compensation and benefits payable	8,225	-	-	8,225	3,075	21	11,321
City of Jacksonville payable	8,069	-	-	8,069	2,233	-	10,302
Asset retirement obligations	1,995	206	-	2,201	-	-	2,201
Total current liabilities	195,854	27,879	(64)	223,669	56,602	70	280,341
Current liabilities payable from restricted assets:							
Debt due within one year	47,120	15,285	-	62,405	9,850	1,815	74,070
Interest payable	8,790	1,389	-	10,179	7,810	203	18,192
Construction contracts and accounts payable	2,815	742	(65)	3,492	20,900	450	24,842
Renewal and replacement reserve	-	31,289	-	31,289	-	-	31,289
Total current liabilities payable from restricted assets	58,725	48,705	(65)	107,365	38,560	2,468	148,393
Noncurrent liabilities:							
Long-term debt:							
Debt payable, less current portion	1,349,290	195,050	-	1,544,340	1,187,055	30,825	2,762,220
Unamortized premium (discount), net	93,020	182	-	93,202	85,963	(16)	179,149
Fair value of debt management strategy instruments	67,808	-	-	67,808	16,310	-	84,118
Total long-term debt	1,510,118	195,232	-	1,705,350	1,289,328	30,809	3,025,487
Net pension liability	430,446	-	-	430,446	299,123	-	729,569
Asset retirement obligations	40,851	-	-	40,851	-	-	40,851
Compensation and benefits payable	23,856	-	-	23,856	9,609	94	33,559
Net OPEB liability	3,196	-	-	3,196	2,226	-	5,422
Other liabilities	18,970	4,765	(4,765)	18,970	-	-	18,970
Total noncurrent liabilities	2,027,437	199,997	(4,765)	2,222,669	1,600,286	30,903	3,853,858
Total liabilities	2,282,016	276,581	(4,894)	2,553,703	1,695,448	33,441	4,282,592
Deferred inflows of resources							
Revenues to be used for future costs	47,233	5,094	-	52,327	30,239	-	82,566
Accumulated increase in fair value of hedging derivatives	339,472	-	-	339,472	110	-	339,582
Unrealized OPEB gains	8,688	-	-	8,688	6,037	-	14,725
Unrealized pension gains	7,355	1,807	-	9,162	5,111	-	14,273
Total deferred inflows of resources	402,748	6,901	-	409,649	41,497	-	451,146
Net position							
Net investment in (divestment of) capital assets	1,103,433	(8,580)	-	1,094,853	1,674,369	1,870	2,771,092
Restricted for:							
Capital projects	273,677	-	-	273,677	142,834	1,456	417,967
Debt service	30,333	10,192	-	40,525	6,692	1,210	48,427
Other purposes	(1,757)	28,629	65	26,937	2,824	-	29,761
Unrestricted	179,448	27,639	(65)	207,022	107,874	1,649	316,545
Total net position	1,585,134	57,880	-	1,643,014	1,934,593	6,185	3,583,792
Total liabilities, deferred inflows of resources, and net position	\$ 4,269,898	\$ 341,362	\$ (4,894)	\$ 4,606,366	\$ 3,671,538	\$ 39,626	\$ 8,317,530

JEA
Combining Statement of Net Position
(in thousands) September 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	Total JEA
Assets							
Current assets:							
Cash and cash equivalents	\$ 222,273	\$ 51,335	\$ -	\$ 273,608	\$ 75,668	\$ 1,219	\$ 350,495
Investments	-	4,140	-	4,140	-	-	4,140
Customer accounts receivable, net of allowance (\$3,155)	165,572	-	-	165,572	55,273	503	221,348
Inventories:							
Materials and supplies	2,248	-	-	2,248	60,548	-	62,796
Fuel	32,911	-	-	32,911	-	-	32,911
Other current assets	22,864	125	(4,279)	18,710	5,720	4	24,434
Total current assets	445,868	55,600	(4,279)	497,189	197,209	1,726	696,124
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	164,501	82,618	-	247,119	112,468	3,031	362,618
Investments	168,306	9,677	-	177,983	91,837	-	269,820
Accounts and interest receivable	-	233	-	233	7	-	240
Total restricted assets	332,807	92,528	-	425,335	204,312	3,031	632,678
Costs to be recovered from future revenues	376,214	220,155	-	596,369	285,550	30	881,949
Hedging derivative instruments	150,453	-	-	150,453	-	-	150,453
Other assets	20,335	7,051	(4,765)	22,621	318	-	22,939
Total noncurrent assets	879,809	319,734	(4,765)	1,194,778	490,180	3,061	1,688,019
Capital assets:							
Land and easements	124,836	6,660	-	131,496	79,102	3,051	213,649
Plant in service	6,007,751	1,316,043	-	7,323,794	5,030,852	60,858	12,415,504
Less accumulated depreciation	(3,643,809)	(1,313,789)	-	(4,957,598)	(2,532,588)	(31,841)	(7,522,027)
Plant in service, net	2,488,778	8,914	-	2,497,692	2,577,366	32,068	5,107,126
Construction work in progress	120,138	-	-	120,138	246,928	2,301	369,367
Net capital assets	2,608,916	8,914	-	2,617,830	2,824,294	34,369	5,476,493
Total assets	3,934,593	384,248	(9,044)	4,309,797	3,511,683	39,156	7,860,636
Deferred outflows of resources							
Unrealized pension contributions and losses	90,081	4,616	-	94,697	62,599	-	157,296
Accumulated decrease in fair value of hedging derivatives	102,752	-	-	102,752	26,603	-	129,355
Unamortized deferred losses on refundings	51,043	3,099	-	54,142	35,430	157	89,729
Unrealized asset retirement obligations	37,601	68	-	37,669	-	-	37,669
Unrealized OPEB contributions and losses	4,308	-	-	4,308	2,994	-	7,302
Total deferred outflows of resources	285,785	7,783	-	293,568	127,626	157	421,351
Total assets and deferred outflows of resources	\$ 4,220,378	\$ 392,031	\$ (9,044)	\$ 4,603,365	\$ 3,639,309	\$ 39,313	\$ 8,281,987

JEA

Page 9

**Combining Statement of Net Position
(in thousands) September 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	Total JEA
Liabilities							
Current liabilities:							
Accounts and accrued expenses payable	\$ 67,698	\$ 517	\$ (33)	\$ 68,182	\$ 8,418	\$ 102	\$ 76,702
Customer deposits and prepayments	57,354	-	-	57,354	17,676	-	75,030
Billings on behalf of state and local governments	22,218	-	-	22,218	3,788	-	26,006
Compensation and benefits payable	7,229	-	-	7,229	6,069	63	13,361
City of Jacksonville payable	7,978	-	-	7,978	2,215	-	10,193
Asset retirement obligations	3,239	68	-	3,307	-	-	3,307
Total current liabilities	165,716	585	(33)	166,268	38,166	165	204,599
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	24,886	4,947	-	29,833	20,994	627	51,454
Construction contracts and accounts payable	9,226	5,732	(4,246)	10,712	33,924	830	45,466
Renewal and replacement reserve	-	32,776	-	32,776	-	-	32,776
Total current liabilities payable from restricted assets	100,332	57,630	(4,246)	153,716	64,288	3,227	221,231
Noncurrent liabilities:							
Long-term debt:							
Debt payable, less current portion	1,444,040	237,590	-	1,681,630	1,196,905	29,640	2,908,175
Unamortized premium (discount), net	99,631	331	-	99,962	94,127	(19)	194,070
Fair value of debt management strategy instruments	102,752	-	-	102,752	26,603	-	129,355
Total long-term debt	1,646,423	237,921	-	1,884,344	1,317,635	29,621	3,231,600
Net pension liability	430,446	-	-	430,446	299,123	-	729,569
Asset retirement obligations	34,362	-	-	34,362	-	-	34,362
Compensation and benefits payable	23,915	-	-	23,915	9,441	77	33,433
Net OPEB liability	3,030	-	-	3,030	2,106	-	5,136
Other liabilities	18,338	4,765	(4,765)	18,338	-	-	18,338
Total noncurrent liabilities	2,156,514	242,686	(4,765)	2,394,435	1,628,305	29,698	4,052,438
Total liabilities	2,422,562	300,901	(9,044)	2,714,419	1,730,759	33,090	4,478,268
Deferred inflows of resources							
Revenues to be used for future costs	121,643	5,094	-	126,737	30,077	-	156,814
Accumulated increase in fair value of hedging derivatives	150,453	-	-	150,453	-	-	150,453
Unrealized OPEB gains	8,688	-	-	8,688	6,037	-	14,725
Unrealized pension gains	7,355	1,807	-	9,162	5,111	-	14,273
Total deferred inflows of resources	288,139	6,901	-	295,040	41,225	-	336,265
Net position							
Net investment in (divestment of) capital assets	1,089,669	(15,562)	-	1,074,107	1,619,661	2,336	2,696,104
Restricted for:							
Capital projects	184,086	-	-	184,086	111,339	634	296,059
Debt service	64,931	14,542	-	79,473	9,180	1,770	90,423
Other purposes	3,060	30,166	4,246	37,472	7,302	-	44,774
Unrestricted	167,931	55,083	(4,246)	218,768	119,843	1,483	340,094
Total net position	1,509,677	84,229	-	1,593,906	1,867,325	6,223	3,467,454
Total liabilities, deferred inflows of resources, and net position	\$ 4,220,378	\$ 392,031	\$ (9,044)	\$ 4,603,365	\$ 3,639,309	\$ 39,313	\$ 8,281,987

JEA

Page 10

Combining Statement of Revenues, Expenses, and Changes in Net Position
(in thousands - unaudited) for the month ended May 2022

	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	\$ 80,252	\$ -	\$ -	\$ 80,252	\$ -	\$ -	\$ (729)	\$ 79,523
Electric - fuel and purchased power	50,872	2,166	(2,166)	50,872	-	-	(830)	50,042
Water and sewer	-	-	-	-	44,256	-	(22)	44,234
District energy system	-	-	-	-	-	714	(45)	669
Other operating revenues	1,852	-	-	1,852	2,102	-	(266)	3,688
Total operating revenues	132,976	2,166	(2,166)	132,976	46,358	714	(1,892)	178,156
Operating expenses								
Operations and maintenance:								
Maintenance and other operating expenses	20,502	(1,783)	-	18,719	15,403	392	(1,892)	32,622
Fuel	36,940	-	-	36,940	-	-	-	36,940
Purchased power	28,025	-	(2,166)	25,859	-	-	-	25,859
Depreciation	17,851	34	-	17,885	14,434	215	-	32,534
State utility and franchise taxes	5,037	-	-	5,037	959	-	-	5,996
Recognition of deferred costs and revenues, net	(5,256)	1,239	-	(4,017)	758	-	-	(3,259)
Total operating expenses	103,099	(510)	(2,166)	100,423	31,554	607	(1,892)	130,692
Operating income	29,877	2,676	-	32,553	14,804	107	-	47,464
Nonoperating revenues (expenses)								
Interest on debt	(4,661)	(695)	-	(5,356)	(3,246)	(105)	-	(8,707)
Earnings from The Energy Authority	841	-	-	841	-	-	-	841
Allowance for funds used during construction	311	-	-	311	873	12	-	1,196
Other nonoperating income, net	322	22	-	344	203	-	-	547
Investment income	238	33	-	271	212	-	-	483
Other interest, net	(23)	-	-	(23)	4	-	-	(19)
Total nonoperating expenses, net	(2,972)	(640)	-	(3,612)	(1,954)	(93)	-	(5,659)
Income before contributions	26,905	2,036	-	28,941	12,850	14	-	41,805
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(7,878)	-	-	(7,878)	(2,222)	-	-	(10,100)
Developers and other	760	-	-	760	11,380	-	-	12,140
Reduction of plant cost through contributions	(760)	-	-	(760)	(7,558)	-	-	(8,318)
Total contributions, net	(7,878)	-	-	(7,878)	1,600	-	-	(6,278)
Change in net position	19,027	2,036	-	21,063	14,450	14	-	35,527
Net position, beginning of period	1,566,107	55,844	-	1,621,951	1,920,143	6,171	-	3,548,265
Net position, end of period	\$ 1,585,134	\$ 57,880	\$ -	\$ 1,643,014	\$ 1,934,593	\$ 6,185	\$ -	\$ 3,583,792

JEA

Page 11

Combining Statement of Revenues, Expenses, and Changes in Net Position
(in thousands - unaudited) for the month ended May 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	\$ 73,990	\$ -	\$ -	\$ 73,990	\$ -	\$ -	\$ (718)	\$ 73,272
Electric - fuel and purchased power	36,787	1,976	(1,976)	36,787	-	-	(657)	36,130
Water and sewer	-	-	-	-	43,968	-	(18)	43,950
District energy system	-	-	-	-	-	641	(27)	614
Other operating revenues	2,085	-	-	2,085	1,136	1	(184)	3,038
Total operating revenues	112,862	1,976	(1,976)	112,862	45,104	642	(1,604)	157,004
Operating expenses								
Operations and maintenance:								
Maintenance and other operating expenses	18,262	(441)	-	17,821	12,466	392	(1,604)	29,075
Fuel	29,064	-	-	29,064	-	-	-	29,064
Purchased power	12,785	-	(1,976)	10,809	-	-	-	10,809
Depreciation	18,178	34	-	18,212	13,832	215	-	32,259
State utility and franchise taxes	4,443	-	-	4,443	945	-	-	5,388
Recognition of deferred costs and revenues, net	918	1,157	-	2,075	839	-	-	2,914
Total operating expenses	83,650	750	(1,976)	82,424	28,082	607	(1,604)	109,509
Operating income	29,212	1,226	-	30,438	17,022	35	-	47,495
Nonoperating revenues (expenses)								
Interest on debt	(5,053)	(815)	-	(5,868)	(3,582)	(106)	-	(9,556)
Earnings from The Energy Authority	287	-	-	287	-	-	-	287
Allowance for funds used during construction	276	-	-	276	521	2	-	799
Other nonoperating income, net	337	24	-	361	204	-	-	565
Investment income	252	8	-	260	202	-	-	462
Other interest, net	(8)	-	-	(8)	-	-	-	(8)
Total nonoperating expenses, net	(3,909)	(783)	-	(4,692)	(2,655)	(104)	-	(7,451)
Income before contributions	25,303	443	-	25,746	14,367	(69)	-	40,044
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(7,800)	-	-	(7,800)	(2,201)	-	-	(10,001)
Developers and other	632	-	-	632	8,944	-	-	9,576
Reduction of plant cost through contributions	(632)	-	-	(632)	(6,142)	-	-	(6,774)
Total contributions, net	(7,800)	-	-	(7,800)	601	-	-	(7,199)
Change in net position	17,503	443	-	17,946	14,968	(69)	-	32,845
Net position, beginning of period	1,417,070	85,455	-	1,502,525	1,822,653	6,198	-	3,331,376
Net position, end of period	\$ 1,434,573	\$ 85,898	\$ -	\$ 1,520,471	\$ 1,837,621	\$ 6,129	\$ -	\$ 3,364,221

JEA

Page 12

Combining Statement of Revenues, Expenses, and Changes in Net Position
(in thousands - unaudited) for the eight months ended May 2022

	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	\$ 542,341	\$ -	\$ -	\$ 542,341	\$ -	\$ -	\$ (5,713)	\$ 536,628
Electric - fuel and purchased power	350,304	45,136	(45,136)	350,304	-	-	(6,116)	344,188
Water and sewer	-	-	-	-	318,759	-	(152)	318,607
District energy system	-	-	-	-	-	5,241	(228)	5,013
Other operating revenues	114,606	228	-	114,834	13,846	1	(1,680)	127,001
Total operating revenues	1,007,251	45,364	(45,136)	1,007,479	332,605	5,242	(13,889)	1,331,437
Operating expenses								
Operations and maintenance:								
Maintenance and other operating expenses	152,896	28,547	-	181,443	123,654	2,787	(13,889)	293,995
Fuel	255,047	-	-	255,047	-	-	-	255,047
Purchased power	198,338	-	(45,136)	153,202	-	-	-	153,202
Depreciation	252,423	273	-	252,696	115,745	1,753	-	370,194
State utility and franchise taxes	40,374	-	-	40,374	7,314	-	-	47,688
Recognition of deferred costs and revenues, net	(52,949)	36,480	-	(16,469)	6,715	-	-	(9,754)
Total operating expenses	846,129	65,300	(45,136)	866,293	253,428	4,540	(13,889)	1,110,372
Operating income	161,122	(19,936)	-	141,186	79,177	702	-	221,065
Nonoperating revenues (expenses)								
Interest on debt	(40,995)	(6,646)	-	(47,641)	(26,424)	(823)	-	(74,888)
Earnings from The Energy Authority	17,892	-	-	17,892	-	-	-	17,892
Allowance for funds used during construction	1,901	-	-	1,901	5,751	82	-	7,734
Other nonoperating income, net	2,594	173	-	2,767	1,628	-	-	4,395
Investment income	(3,299)	60	-	(3,239)	(1,173)	1	-	(4,411)
Other interest, net	(728)	-	-	(728)	(242)	-	-	(970)
Total nonoperating expenses, net	(22,635)	(6,413)	-	(29,048)	(20,460)	(740)	-	(50,248)
Income before contributions	138,487	(26,349)	-	112,138	58,717	(38)	-	170,817
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(63,030)	-	-	(63,030)	(17,778)	-	-	(80,808)
Developers and other	3,444	-	-	3,444	66,305	-	-	69,749
Reduction of plant cost through contributions	(3,444)	-	-	(3,444)	(39,976)	-	-	(43,420)
Total contributions, net	(63,030)	-	-	(63,030)	8,551	-	-	(54,479)
Change in net position	75,457	(26,349)	-	49,108	67,268	(38)	-	116,338
Net position, beginning of year	1,509,677	84,229	-	1,593,906	1,867,325	6,223	-	3,467,454
Net position, end of period	\$ 1,585,134	\$ 57,880	\$ -	\$ 1,643,014	\$ 1,934,593	\$ 6,185	\$ -	\$ 3,583,792

JEA

Page 13

Combining Statement of Revenues, Expenses, and Changes in Net Position
(in thousands - unaudited) for the eight months ended May 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	\$ 537,072	\$ -	\$ -	\$ 537,072	\$ -	\$ -	\$ (5,503)	\$ 531,569
Electric - fuel and purchased power	246,880	17,755	(17,755)	246,880	-	-	(5,002)	241,878
Water and sewer	-	-	-	-	297,416	-	(192)	297,224
District energy system	-	-	-	-	-	4,887	(204)	4,683
Other operating revenues	17,465	105	-	17,570	8,967	1	(1,476)	25,062
Total operating revenues	801,417	17,860	(17,755)	801,522	306,383	4,888	(12,377)	1,100,416
Operating expenses								
Operations and maintenance:								
Maintenance and other operating expenses	144,904	2,586	-	147,490	104,162	2,692	(12,377)	241,967
Fuel	216,570	-	-	216,570	-	-	-	216,570
Purchased power	80,375	-	(17,755)	62,620	-	-	-	62,620
Depreciation	144,292	273	-	144,565	114,484	1,707	-	260,756
State utility and franchise taxes	37,523	-	-	37,523	7,084	-	-	44,607
Recognition of deferred costs and revenues, net	5,250	9,252	-	14,502	3,524	-	-	18,026
Total operating expenses	628,914	12,111	(17,755)	623,270	229,254	4,399	(12,377)	844,546
Operating income	172,503	5,749	-	178,252	77,129	489	-	255,870
Nonoperating revenues (expenses)								
Interest on debt	(44,883)	(6,521)	-	(51,404)	(29,322)	(847)	-	(81,573)
Earnings from The Energy Authority	9,054	-	-	9,054	-	-	-	9,054
Allowance for funds used during construction	1,857	-	-	1,857	3,499	7	-	5,363
Other nonoperating income, net	2,697	194	-	2,891	1,674	-	-	4,565
Investment income	1,064	97	-	1,161	810	2	-	1,973
Other interest, net	(13)	-	-	(13)	21	-	-	8
Total nonoperating expenses, net	(30,224)	(6,230)	-	(36,454)	(23,318)	(838)	-	(60,610)
Income before contributions	142,279	(481)	-	141,798	53,811	(349)	-	195,260
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(62,406)	-	-	(62,406)	(17,602)	-	-	(80,008)
Developers and other	1,570	-	-	1,570	56,850	-	-	58,420
Reduction of plant cost through contributions	(1,570)	-	-	(1,570)	(31,871)	-	-	(33,441)
Total contributions, net	(62,406)	-	-	(62,406)	7,377	-	-	(55,029)
Change in net position	79,873	(481)	-	79,392	61,188	(349)	-	140,231
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	\$ 1,434,573	\$ 85,898	\$ -	\$ 1,520,471	\$ 1,837,621	\$ 6,129	\$ -	\$ 3,364,221

JEA

Page 14

Combining Statement of Cash Flows
(in thousands - unaudited) for the eight months ended May 2022

	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	\$ 836,076	\$ 45,359	\$ (40,998)	\$ 840,437	\$ 333,101	\$ 5,524	\$ (12,209)	\$ 1,166,853
Payments to suppliers	(506,972)	(7,820)	40,998	(473,794)	(83,170)	(2,364)	13,889	(545,439)
Payments for salaries and benefits	(129,608)	-	-	(129,608)	(51,645)	(507)	-	(181,760)
Other operating activities	106,323	271	-	106,594	16,582	1	(1,680)	121,497
Net cash provided by operating activities	305,819	37,810	-	343,629	214,868	2,654	-	561,151
Noncapital and related financing activities								
Contribution to General Fund, City of Jacksonville, Florida	(62,952)	-	-	(62,952)	(17,756)	-	-	(80,708)
Net cash used in noncapital and related financing activities	(62,952)	-	-	(62,952)	(17,756)	-	-	(80,708)
Capital and related financing activities								
Acquisition and construction of capital assets	(105,304)	-	-	(105,304)	(154,914)	(2,445)	-	(262,663)
Defeasance of debt	(47,630)	(27,255)	-	(74,885)	-	-	-	(74,885)
Interest paid on debt	(59,167)	(9,439)	-	(68,606)	(46,259)	(1,236)	-	(116,101)
Repayment of debt principal	(66,220)	(14,175)	-	(80,395)	(9,370)	(1,770)	-	(91,535)
Capital contributions	-	-	-	-	26,329	-	-	26,329
Revolving credit agreement withdrawals	-	-	-	-	-	3,000	-	3,000
Other capital financing activities	3,402	56	-	3,458	1,505	-	-	4,963
Net cash used in capital and related financing activities	(274,919)	(50,813)	-	(325,732)	(182,709)	(2,451)	-	(510,892)
Investing activities								
Proceeds from sale and maturity of investments	137,084	26,094	-	163,178	57,969	-	-	221,147
Purchase of investments	(266,231)	(13,604)	-	(279,835)	(84,894)	-	-	(364,729)
Distributions from The Energy Authority	9,689	-	-	9,689	-	-	-	9,689
Investment income	1,241	94	-	1,335	1,203	1	-	2,539
Net cash provided by (used in) investing activities	(118,217)	12,584	-	(105,633)	(25,722)	1	-	(131,354)
Net change in cash and cash equivalents	(150,269)	(419)	-	(150,688)	(11,319)	204	-	(161,803)
Cash and cash equivalents at beginning of year	386,774	133,953	-	520,727	188,136	4,250	-	713,113
Cash and cash equivalents at end of period	\$ 236,505	\$ 133,534	\$ -	\$ 370,039	\$ 176,817	\$ 4,454	\$ -	\$ 551,310
Reconciliation of operating income to net cash provided by operating activities								
Operating income	\$ 161,122	\$ (19,936)	\$ -	\$ 141,186	\$ 79,177	\$ 702	\$ -	\$ 221,065
Adjustments:								
Depreciation and amortization	252,423	273	-	252,696	116,020	1,753	-	370,469
Recognition of deferred costs and revenues, net	(52,949)	36,480	-	(16,469)	6,715	-	-	(9,754)
Other nonoperating income, net	(682)	-	-	(682)	(242)	-	-	(924)
Changes in noncash assets and noncash liabilities:								
Accounts receivable	(11,406)	223	-	(11,183)	(4,837)	283	-	(15,737)
Inventories	(18,302)	-	-	(18,302)	(3,232)	-	-	(21,534)
Other assets	(9,225)	90	-	(9,135)	2,404	(5)	-	(6,736)
Accounts and accrued expenses payable	31,260	27,156	-	58,416	18,413	(95)	-	76,734
Current liabilities payable from restricted assets	-	(6,476)	-	(6,476)	-	-	-	(6,476)
Other noncurrent liabilities and deferred inflows	(46,422)	-	-	(46,422)	450	16	-	(45,956)
Net cash provided by operating activities	\$ 305,819	\$ 37,810	\$ -	\$ 343,629	\$ 214,868	\$ 2,654	\$ -	\$ 561,151
Noncash activity								
Contribution of capital assets from developers	\$ 3,444	\$ -	\$ -	\$ 3,444	\$ 39,976	\$ -	\$ -	\$ 43,420
Unrealized investment fair market value changes, net	\$ (4,753)	\$ (42)	\$ -	\$ (4,795)	\$ (2,688)	\$ -	\$ -	\$ (7,483)

JEA

Page 15

Combining Statement of Cash Flows
(in thousands - unaudited) for the eight months ended May 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	\$ 793,430	\$ 17,755	\$ (17,719)	\$ 793,466	\$ 300,356	\$ 4,731	\$ (10,901)	\$ 1,087,652
Payments to suppliers	(363,488)	(6,087)	17,719	(351,856)	(63,069)	(2,355)	12,377	(404,903)
Payments for salaries and benefits	(117,697)	-	-	(117,697)	(48,005)	(476)	-	(166,178)
Other operating activities	18,424	(6)	-	18,418	9,331	1	(1,476)	26,274
Net cash provided by operating activities	330,669	11,662	-	342,331	198,613	1,901	-	542,845
Noncapital and related financing activities								
Contribution to General Fund, City of Jacksonville, Florida	(62,428)	-	-	(62,428)	(17,481)	-	-	(79,909)
Net cash used in noncapital and related financing activities	(62,428)	-	-	(62,428)	(17,481)	-	-	(79,909)
Capital and related financing activities								
Acquisition and construction of capital assets	(112,521)	-	-	(112,521)	(118,278)	(556)	-	(231,355)
Defeasance of debt	(104,390)	-	-	(104,390)	-	-	-	(104,390)
Interest paid on debt	(61,833)	(10,169)	-	(72,002)	(48,353)	(1,275)	-	(121,630)
Repayment of debt principal	(67,765)	(13,340)	-	(81,105)	(19,870)	(1,725)	-	(102,700)
Capital contributions	-	-	-	-	24,979	-	-	24,979
Revolving credit agreement repayments	-	-	-	-	(5,000)	-	-	(5,000)
Other capital financing activities	2,666	304	-	2,970	2,622	-	-	5,592
Net cash used in capital and related financing activities	(343,843)	(23,205)	-	(367,048)	(163,900)	(3,556)	-	(534,504)
Investing activities								
Proceeds from sale and maturity of investments	142,182	14,473	-	156,655	14,777	-	-	171,432
Purchase of investments	(168,643)	(14,995)	-	(183,638)	(13,929)	-	-	(197,567)
Distributions from The Energy Authority	801	-	-	801	-	-	-	801
Investment income	2,596	100	-	2,696	1,410	2	-	4,108
Net cash provided by (used in) investing activities	(23,064)	(422)	-	(23,486)	2,258	2	-	(21,226)
Net change in cash and cash equivalents	(98,666)	(11,965)	-	(110,631)	19,490	(1,653)	-	(92,794)
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	\$ 257,210	\$ 129,167	\$ -	\$ 386,377	\$ 157,758	\$ 4,203	\$ -	\$ 548,338
Reconciliation of operating income to net cash provided by operating activities								
Operating income	\$ 172,503	\$ 5,749	\$ -	\$ 178,252	\$ 77,129	\$ 489	\$ -	\$ 255,870
Adjustments:								
Depreciation and amortization	144,292	273	-	144,565	115,230	1,707	-	261,502
Recognition of deferred costs and revenues, net	5,250	9,252	-	14,502	3,524	-	-	18,026
Other nonoperating income (loss), net	10	-	-	10	49	-	-	59
Changes in noncash assets and noncash liabilities:								
Accounts receivable	22,527	-	-	22,527	(4,373)	(156)	-	17,998
Inventories	91	-	-	91	2,940	-	-	3,031
Other assets	309	1,322	-	1,631	118	(11)	-	1,738
Accounts and accrued expenses payable	2,335	(1,855)	-	480	(3,823)	(130)	-	(3,473)
Current liabilities payable from restricted assets	-	(3,344)	-	(3,344)	-	-	-	(3,344)
Other noncurrent liabilities and deferred inflows	(16,648)	265	-	(16,383)	7,819	2	-	(8,562)
Net cash provided by operating activities	\$ 330,669	\$ 11,662	\$ -	\$ 342,331	\$ 198,613	\$ 1,901	\$ -	\$ 542,845
Noncash activity								
Contribution of capital assets from developers	\$ 1,570	\$ -	\$ -	\$ 1,570	\$ 31,871	\$ -	\$ -	\$ 33,441
Unrealized investment fair market value changes, net	\$ (1,462)	\$ (12)	\$ -	\$ (1,474)	\$ (881)	\$ -	\$ -	\$ (2,355)

JEA
Debt Service Coverage
May 2022
(unaudited)

Page 16

	Month		Year-to-Date	
	2022	May 2021	2022	May 2021
Electric System				
Senior debt service coverage, (annual minimum 1.20x)	10.70 x	12.98 x	10.71 x	11.00 x
Senior and subordinated debt service coverage, (annual minimum 1.15x)	5.95 x	5.71 x	5.85 x	4.81 x
Bulk Power Supply System				
Debt service coverage, (annual minimum 1.15x)	1.30 x	1.20 x	11.31 x	1.28 x
St. Johns River Power Park, Second Resolution				
Debt service coverage, (annual minimum 1.15x)	1.13 x	1.00 x	2.86 x	1.14 x
Water and Sewer System				
Senior debt service coverage, (annual minimum 1.25x)	8.86 x	8.90 x	7.58 x	7.10 x
Senior and subordinated debt service coverage excluding capacity fees ⁽¹⁾	6.77 x	7.15 x	5.81 x	5.52 x
Senior and subordinated debt service coverage including capacity fees ⁽¹⁾	7.62 x	7.78 x	6.57 x	6.21 x
District Energy System				
Debt service coverage	1.28 x	0.99 x	1.22 x	1.09 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).

JEA

Page 17

**Electric System
Operating Statistics
May 2022 and 2021 (unaudited)**

	Month			Year-to-Date		
	2022	2021	Variance	2022	2021	Variance
Electric revenues sales (000s omitted):						
Residential	\$ 64,485	\$ 53,026	21.61%	\$ 425,668	\$ 393,145	8.27%
Commercial	41,845	34,050	22.89%	267,948	237,377	12.88%
Industrial	21,504	17,464	23.13%	142,443	123,166	15.65%
Public street lighting	1,211	1,151	5.21%	9,676	9,156	5.68%
Electric revenues - territorial	129,045	105,691	22.10%	845,735	762,844	10.87%
Sales for resale - off system	82	210	-60.95%	572	2,042	-71.99%
Electric revenues	129,127	105,901	21.93%	846,307	764,886	10.64%
Regulatory	1,997	4,877	-59.05%	46,338	20,644	124.46%
Allowance for doubtful accounts	-	(1)	-100.00%	-	(1,578)	-100.00%
Net electric revenues	131,124	110,777	18.37%	892,645	783,952	13.86%
MWh sales						
Residential	500,457	463,956	7.87%	3,377,197	3,422,721	-1.33%
Commercial	373,577	349,116	7.01%	2,472,693	2,415,763	2.36%
Industrial	254,335	239,303	6.28%	1,732,589	1,693,562	2.30%
Public street lighting	4,393	4,289	2.42%	36,504	36,756	-0.69%
Total MWh sales - territorial	1,132,762	1,056,664	7.20%	7,618,983	7,568,802	0.66%
Sales for resale - off system	971	5,797	-83.25%	8,642	21,673	-60.13%
Total MWh sales	1,133,733	1,062,461	6.71%	7,627,625	7,590,475	0.49%
Average number of accounts						
Residential	445,900	437,714	1.87%	443,156	434,782	1.93%
Commercial	55,024	54,306	1.32%	54,782	54,039	1.37%
Industrial	199	196	1.53%	198	196	1.02%
Public street lighting	4,002	3,984	0.45%	3,987	3,971	0.40%
Total average accounts	505,125	496,200	1.80%	502,123	492,988	1.85%
Residential averages						
Revenue per account - \$	144.62	121.14	19.38%	960.54	904.23	6.23%
kWh per account	1,122	1,060	5.89%	7,621	7,872	-3.19%
Revenue per kWh - ¢	12.89	11.43	12.74%	12.60	11.49	9.73%
Degree days						
Heating degree days	3	9	(6)	1,069	1,208	(139)
Cooling degree days	338	243	95	916	938	(22)
Total degree days	341	252	89	1,985	2,146	(161)
Degree days - 30 year average	315			2,082		

JEA
Water and Sewer System
Operating Statistics
May 2022 and 2021 (unaudited)

	Month								
	Water			Sewer			Reuse		
	2022	2021	Variance	2022	2021	Variance	2022	2021	Variance
Revenues (000s omitted):									
Residential	\$ 10,009	\$ 9,700	3.19%	\$ 15,140	\$ 15,012	0.85%	\$ 1,909	\$ 1,649	15.77%
Commercial and industrial	4,189	4,221	-0.76%	9,328	10,073	-7.40%	702	654	7.34%
Irrigation	3,823	3,575	6.94%	N/A	N/A	N/A	19	18	5.56%
Gross revenues	18,021	17,496	3.00%	24,468	25,085	-2.46%	2,630	2,321	13.31%
Rate stabilization	(345)	(364)	-5.22%	(468)	(522)	-10.34%	(50)	(48)	4.17%
Allowance for doubtful accounts	-	-		-	-		-	-	
Net revenues	\$ 17,676	\$ 17,132	3.18%	\$ 24,000	\$ 24,563	-2.29%	\$ 2,580	\$ 2,273	13.51%

Kgal sales (000s omitted)									
Residential	1,950,793	1,969,682	-0.96%	1,697,179	1,719,575	-1.30%	339,095	293,646	15.48%
Commercial and industrial	1,162,323	1,245,302	-6.66%	974,724	1,091,600	-10.71%	149,976	140,517	6.73%
Irrigation	695,472	642,015	8.33%	N/A	N/A	N/A	39,927	38,384	4.02%
Total kgal sales	3,808,588	3,856,999	-1.26%	2,671,903	2,811,175	-4.95%	528,998	472,547	11.95%

Average number of accounts:									
Residential	319,527	309,909	3.10%	285,608	276,258	3.38%	22,157	19,283	14.90%
Commercial and industrial	27,011	26,604	1.53%	19,188	18,902	1.51%	822	739	11.23%
Irrigation	38,274	37,994	0.74%	N/A	N/A	N/A	43	41	4.88%
Total average accounts	384,812	374,507	2.75%	304,796	295,160	3.26%	23,022	20,063	14.75%

Residential averages:									
Revenue per account - \$	31.32	31.30	0.06%	53.01	54.34	-2.45%	86.16	85.52	0.75%
Kgals per account	6.11	6.36	-3.93%	5.94	6.22	-4.50%	15.30	15.23	0.46%
Revenue per kgals - \$	5.13	4.92	4.27%	8.92	8.73	2.18%	5.63	5.62	0.18%

	Year-to-Date								
	Water			Sewer			Reuse		
	2022	2021	Variance	2022	2021	Variance	2022	2021	Variance
Revenues (000s omitted):									
Residential	\$ 68,789	\$ 66,046	4.15%	\$ 104,304	\$ 101,265	3.00%	\$ 11,036	\$ 9,407	17.32%
Commercial and industrial	32,548	31,396	3.67%	75,915	73,699	3.01%	4,331	3,437	26.01%
Irrigation	21,827	20,022	9.02%	N/A	N/A	N/A	170	196	-13.27%
Gross revenues	123,164	117,464	4.85%	180,219	174,964	3.00%	15,537	13,040	19.15%
Rate stabilization	(81)	(2,864)	-97.17%	(84)	(4,232)	-98.02%	4	(317)	-101.26%
Allowance for doubtful accounts	-	(243)	-100.00%	-	(370)	-100.00%	-	(26)	-100.00%
Net revenues	\$ 123,083	\$ 114,357	7.63%	\$ 180,135	\$ 170,362	5.74%	\$ 15,541	\$ 12,697	22.40%

Kgal sales (000s omitted)									
Residential	12,465,452	12,132,923	2.74%	10,960,723	10,615,744	3.25%	1,756,733	1,457,307	20.55%
Commercial and industrial	9,281,235	8,942,249	3.79%	8,193,408	7,901,320	3.70%	910,307	713,261	27.63%
Irrigation	3,542,898	3,125,835	13.34%	N/A	N/A	N/A	515,603	659,232	-21.79%
Total kgal sales	25,289,585	24,201,007	4.50%	19,154,131	18,517,064	3.44%	3,182,643	2,829,800	12.47%

Average number of accounts:									
Residential	316,585	306,969	3.13%	282,721	273,414	3.40%	21,243	18,475	14.98%
Commercial and industrial	26,859	26,437	1.60%	19,095	18,791	1.62%	800	719	11.27%
Irrigation	38,187	37,825	0.96%	N/A	N/A	N/A	43	40	7.50%
Total average accounts	381,631	371,231	2.80%	301,816	292,205	3.29%	22,086	19,234	14.83%

Residential averages:									
Revenue per account - \$	217.28	215.16	0.99%	368.93	370.37	-0.39%	519.51	509.17	2.03%
Kgals per account	39.37	39.52	-0.38%	38.77	38.83	-0.15%	82.70	78.88	4.84%
Revenue per kgals - \$	5.52	5.44	1.47%	9.52	9.54	-0.21%	6.28	6.46	-2.79%

	Month				Year-to-Date			
	2022	2021	Variance	30 Year Avg	2022	2021	Variance	30 Year Avg
Rain statistics								
Rainfall	4.88	0.48	4.40	3.42	32.27	25.23	7.04	24.59
Rain Days	9	6	3	7	58	74	(16)	59

Appendix

JEA
Schedule of Cash and Investments
(in thousands - unaudited) May 2022

Page 20

	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	\$ 45,931	\$ 34,674	\$ 80,605	\$ 29,535	\$ 1,585	\$ 111,725
Rate stabilization:						
Environmental	19,779	-	19,779	30,239	-	50,018
Purchased Power	4,863	-	4,863	-	-	4,863
DSM/Conservation	8,289	-	8,289	-	-	8,289
Total rate stabilization funds	32,931	-	32,931	30,239	-	63,170
Customer deposits	45,155	-	45,155	16,701	-	61,856
General reserve	-	20,559	20,559	-	-	20,559
Self insurance reserve funds:						
Self funded health plan	14,302	-	14,302	-	-	14,302
Property insurance reserve	10,000	-	10,000	-	-	10,000
Total self insurance reserve funds	24,302	-	24,302	-	-	24,302
Environmental liability reserve	16,491	-	16,491	-	-	16,491
Total unrestricted cash and investments	\$ 164,810	\$ 55,233	\$ 220,043	\$ 76,475	\$ 1,585	\$ 298,103
Restricted assets						
Renewal and replacement funds	\$ 273,391	\$ 31,289	\$ 304,680	\$ 140,906	\$ 1,456	\$ 447,042
Debt service reserve account	53,352	8,087	61,439	56,606	-	118,045
Debt service funds	39,123	11,581	50,704	14,151	1,413	66,268
Construction funds	286	-	286	1,928	-	2,214
Environmental funds	19	-	19	1,329	-	1,348
Subtotal	366,171	50,957	417,128	214,920	2,869	634,917
Unrealized holding gain (loss) on investments	(1,776)	36	(1,740)	1,495	-	(245)
Other funds	-	28,594	28,594	-	-	28,594
Total restricted cash and investments	\$ 364,395	\$ 79,587	\$ 443,982	\$ 216,415	\$ 2,869	\$ 663,266
Total cash and investments	\$ 529,205	\$ 134,820	\$ 664,025	\$ 292,890	\$ 4,454	\$ 961,369

JEA
Schedule of Cash and Investments
(in thousands) September 2021

	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	\$ 56,985	\$ 34,229	\$ 91,214	\$ 28,547	\$ 1,219	\$ 120,980
Rate stabilization:						
Fuel	41,767	-	41,767	-	-	41,767
Environmental	19,756	-	19,756	30,077	-	49,833
Purchased Power	10,513	-	10,513	-	-	10,513
DSM/Conservation	7,233	-	7,233	-	-	7,233
Total rate stabilization funds	79,269	-	79,269	30,077	-	109,346
Customer deposits	45,179	-	45,179	17,044	-	62,223
General reserve	-	21,246	21,246	-	-	21,246
Self insurance reserve funds:						
Self funded health plan	14,272	-	14,272	-	-	14,272
Property insurance reserve	10,000	-	10,000	-	-	10,000
Total self insurance reserve funds	24,272	-	24,272	-	-	24,272
Environmental liability reserve	16,568	-	16,568	-	-	16,568
Total unrestricted cash and investments	\$ 222,273	\$ 55,475	\$ 277,748	\$ 75,668	\$ 1,219	\$ 354,635
Restricted assets						
Renewal and replacement funds	\$ 183,800	\$ 32,776	\$ 216,576	\$ 97,066	\$ 634	\$ 314,276
Debt service reserve account	55,844	10,087	65,931	55,665	-	121,596
Debt service funds	89,817	19,489	109,306	30,006	2,397	141,709
Construction funds	286	-	286	14,266	-	14,552
Environmental funds	83	-	83	3,118	-	3,201
Subtotal	329,830	62,352	392,182	200,121	3,031	595,334
Unrealized holding gain (loss) on investments	2,977	72	3,049	4,184	-	7,233
Other funds	-	29,871	29,871	-	-	29,871
Total restricted cash and investments	\$ 332,807	\$ 92,295	\$ 425,102	\$ 204,305	\$ 3,031	\$ 632,438
Total cash and investments	\$ 555,080	\$ 147,770	\$ 702,850	\$ 279,973	\$ 4,250	\$ 987,073

JEA
INVESTMENT PORTFOLIO REPORT
MAY 2022
(unaudited)

Page 21

INVESTMENT	BOOK VALUE	YIELD	% OF TOTAL
Treasuries	\$ 29,782,031	0.73%	3.11%
Agencies			
Federal Farm Credit Bank	24,938,536	1.08%	2.60%
Federal Home Loan Bank	129,617,209	1.17%	13.54%
Total	154,555,746	1.15%	16.14%
Municipal Bonds	116,570,184	3.01%	12.18%
Commercial Paper	134,806,188	0.97%	14.08%
U.S. Treasury Money Market Funds (1)	155,547,078	0.58%	16.25%
Agency Money Market Funds (2)	133,575,000	0.68%	13.95%
PALM Money Market Fund	30,500,000	0.80%	3.19%
Florida Prime Fund	124,284,000	0.85%	12.98%
Wells Fargo Bank Accounts (3)			
Electric, Scherer	26,868,836	0.85%	2.81%
SJRPP	16,359,392	0.85%	1.71%
Water & Sewer, DES	34,554,465	0.85%	3.61%
Total Portfolio	\$ 957,402,920	1.06%	100.00%

Weighted Avg. Annual Yield Excluding Bank & Money Market Funds: 1.56%

Weighted Avg. Annual Yield Including Bank & Money Market Funds: 1.06%

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: Fidelity, Goldman Sachs, State Street

(2) Government Funds: State Street, Wells Fargo Allspring

(3) Month-end bank balances

JEA
Schedule of Outstanding Indebtedness
May 2022
(unaudited)

Page 22

	<u>Interest Rates</u>	<u>Principal Payment Dates</u>	<u>Par Amount Principal Outstanding</u>	<u>Current Portion of Long-Term Debt</u>
Electric Enterprise				
<i>Electric System</i>				
Fixed Rate Senior	3.000 - 6.056%	2022-2044	440,625,000	17,195,000
Fixed Rate Subordinated	3.375 - 6.406%	2022-2039	434,550,000	15,850,000
Variable Rate Senior	0.711 - 1.152%	2022-2040	439,835,000	8,925,000
Variable Rate Subordinated	0.634 - 0.737%	2022-2038	54,225,000	2,740,000
Total Electric System	<u>2.918% (wtd avg)</u>	<u>2022-2044</u>	<u>1,369,235,000</u>	<u>44,710,000</u>
<i>Bulk Power Supply System</i>				
Fixed Rate Senior	2.750 - 5.920%	2022-2038	27,175,000	2,410,000
<i>St. Johns River Power Park</i>				
Fixed Rate Senior	2.500 - 5.450%	2022-2039	210,335,000	15,285,000
Total Electric Enterprise	<u>3.072% (wtd avg)</u>	<u>2022-2044</u>	<u>1,606,745,000</u>	<u>62,405,000</u>
Water and Sewer System				
Fixed Rate Senior	3.000 - 6.310%	2022-2044	867,510,000	2,220,000
Fixed Rate Subordinated	2.750 - 5.000%	2023-2040	88,845,000	-
Variable Rate Senior ⁽¹⁾	0.703 - 8.480%	2022-2042	142,165,000	5,055,000
Variable Rate Subordinated	0.621 - 0.769%	2022-2038	98,385,000	2,575,000
Total Water and Sewer System	<u>3.223% (wtd avg)</u>	<u>2022-2044</u>	<u>1,196,905,000</u>	<u>9,850,000</u>
District Energy System				
Fixed Rate Senior	3.000 - 4.538%	2022-2034	29,640,000	1,815,000
Other Obligations	1.978%	2024	3,000,000	-
Total District Energy System	<u>4.095% (wtd avg)</u>	<u>2022-2034</u>	<u>32,640,000</u>	<u>1,815,000</u>
Total JEA	<u>3.147% (wtd avg)</u>	<u>2022-2044</u>	<u>2,836,290,000</u>	<u>74,070,000</u>

JEA
Debt Ratio
(unaudited)

	<u>Current YTD</u>
Electric Enterprise	56.3%
Water and Sewer System	38.6%

⁽¹⁾ Includes a variable rate CPI bond with a current variable rate of 8.480%, which is synthetically fixed at 4.090% with a CPI interest rate swap.

JEA
Interest Rate Swap Position Report
May 2022
(unaudited)

Page 23

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	0.544	3.173	n/a	68% 1 mth Libor
3	Morgan Stanley	1/27/2005	10/1/2039	82,575,000	4.351	0.702	3.649	n/a	SIFMA
4	JPMorgan	1/27/2005	10/1/2035	78,300,000	3.661	0.544	3.117	n/a	68% 1 mth Libor
6	JPMorgan	1/27/2005	10/1/2037	39,175,000	3.716	0.544	3.172	n/a	68% 1 mth Libor
8	Morgan Stanley	1/31/2007	10/1/2031	62,980,000	3.907	0.702	3.205	n/a	SIFMA
10	Goldman Sachs	1/31/2008	10/1/2036	51,680,000	3.836	0.702	3.134	n/a	SIFMA
			Total	<u>399,510,000</u>					
<i>Water/Sewer System</i>									
7	Morgan Stanley	10/31/2006	10/1/2022	5,055,000	4.090	8.480	(4.390)	n/a	CPI
9	Merrill Lynch	3/8/2007	10/1/2041	85,290,000	3.895	0.702	3.193	n/a	SIFMA
			Total	<u>90,345,000</u>					
			Grand Total	<u>\$ 489,855,000</u>		Wtd Avg Spread	<u>3.170</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
May 2022 and 2021 (unaudited)

	Month			Year-to-Date		
	2022	2021	Variance	2022	2021	Variance
Generated power:						
Steam:						
<i>Fuel oil</i>						
Fuel expense	\$ (85,390)	\$ 156,187	-154.67%	\$ 1,508,169	\$ 2,214,001	-31.88%
Barrels #6 oil consumed	(804)	1,439	-155.87%	14,223	20,411	-30.32%
\$/ per barrel consumed	\$ 106.21	\$ 108.54	-2.15%	\$ 106.04	\$ 108.47	-2.24%
kWh oil generated (1)	476,048	802,978	-40.71%	7,765,057	10,379,176	-25.19%
Cost per MWh - oil	\$ (179.37)	\$ 194.51	-192.22%	\$ 194.23	\$ 213.31	-8.95%
<i>Natural gas units #1-3</i>						
Gas expense - variable	\$ 15,346,797	\$ 4,230,514	262.76%	\$ 66,312,983	\$ 37,370,944	77.45%
MMBTU's consumed	2,197,514	1,429,679	53.71%	11,327,353	13,606,583	-16.75%
\$/ per MMBTU consumed	\$ 6.98	\$ 2.96	136.01%	\$ 5.85	\$ 2.75	113.15%
kWh - gas generated (1)	198,357,007	124,503,693	59.32%	989,295,438	1,229,635,021	-19.55%
Cost per MWh - gas	\$ 77.37	\$ 33.98	127.70%	\$ 67.03	\$ 30.39	120.55%
<i>Biomass units #1-2</i>						
Biomass Expense - variable	\$ 123,753.00	\$ -		\$ 790,367.00	\$ -	
kWh - Biomass generated	6,095,721	-		13,724,463	-	
Cost per MWh - Biomass	\$ 20.30	\$ -		\$ 57.59	\$ -	
<i>Coal</i>						
Coal expense	\$ 2,645,331	\$ 1,862,800	42.01%	\$ 23,286,236	\$ 11,956,716	94.75%
kWh generated	35,579,007	56,975,921	-37.55%	313,266,448	447,923,927	-30.06%
Cost per MWh - coal	\$ 74.35	\$ 32.69	127.41%	\$ 74.33	\$ 26.69	178.47%
<i>Pet coke and limestone</i>						
Expense	\$ 5,118,683	\$ 3,020,531	69.46%	\$ 33,968,283	\$ 24,976,607	36.00%
kWh generated	58,015,371	64,485,628	-10.03%	449,326,429	647,579,640	-30.61%
Cost per MWh - pet coke and limestone	\$ 88.23	\$ 46.84	88.36%	\$ 75.60	\$ 38.57	96.01%
Combustion turbine:						
<i>Fuel oil</i>						
Fuel expense	\$ 139,051	\$ 197,841	-29.72%	\$ 771,371	\$ 1,502,344	-48.66%
Barrels #2 oil consumed	948	1,659	-42.86%	5,031	12,356	-59.28%
\$/ per barrel consumed	\$ 146.68	\$ 119.25	23.00%	\$ 153.32	\$ 121.59	26.10%
kWh - oil generated	307,554	508,688	-39.54%	1,192,910	4,934,411	-75.82%
Cost per MWh - oil	\$ 452.12	\$ 388.92	16.25%	\$ 646.63	\$ 304.46	112.38%
<i>Natural gas (includes landfill)</i>						
Gas expense Kennedy & landfill - variable	\$ 1,689,922	\$ 712,518	137.18%	\$ 9,580,029	\$ 4,628,796	106.97%
MMBTU's consumed	237,436	232,169	2.27%	1,654,311	1,652,761	0.09%
\$/ per MMBTU consumed	\$ 7.12	\$ 3.07	131.91%	\$ 5.79	\$ 2.80	106.77%
kWh - gas generated (1)	21,411,952	20,433,782	4.79%	144,537,360	146,260,439	-1.18%
Cost per MWh - gas	\$ 78.92	\$ 34.87	126.34%	\$ 66.28	\$ 31.65	109.43%
Gas expense BB simple - variable	\$ 958,722	\$ 581,568	64.85%	\$ 4,492,697	\$ 3,729,113	20.48%
MMBTU's consumed	\$ 82,409	\$ 195,774	-57.91%	\$ 795,272	\$ 1,394,812	-42.98%
\$/ per MMBTU consumed	\$ 11.63	\$ 2.97	291.63%	\$ 5.65	\$ 2.67	111.30%
kWh - gas generated (1)	7,307,500	18,111,301	-59.65%	74,421,793	131,125,849	-43.24%
Cost per MWh - gas simple	\$ 131.20	\$ 32.11	308.58%	\$ 60.37	\$ 28.44	112.27%
Gas expense BB combined - variable	\$ 19,958,627	\$ 9,217,684	116.53%	\$ 116,768,136	\$ 60,191,815	93.99%
MMBTU's consumed	2,959,801	2,944,979	0.50%	20,994,224	21,035,732	-0.20%
\$/ per MMBTU consumed	\$ 6.74	\$ 3.13	115.44%	\$ 5.56	\$ 2.86	94.38%
kWh - gas generated (1)	424,672,153	431,153,788	-1.50%	3,068,103,679	3,119,103,100	-1.64%
Cost per MWh - gas combined	\$ 47.00	\$ 21.38	119.83%	\$ 38.06	\$ 19.30	97.22%
Gas expense GEC simple - variable	\$ 4,771,790	\$ 1,644,260	190.21%	\$ 19,379,604	\$ 12,506,116	54.96%
MMBTU's consumed	698,607	499,564	39.84%	3,069,453	3,686,583	-16.74%
\$/ per MMBTU consumed	\$ 6.83	\$ 3.29	107.52%	\$ 6.31	\$ 3.39	86.12%
kWh - gas generated	64,534,551	45,449,155	41.99%	276,612,450	337,182,623	-17.96%
Cost per MWh - gas simple	\$ 73.94	\$ 36.18	104.38%	\$ 70.06	\$ 37.09	88.89%
Natural gas expense - fixed	\$ 3,136,334	\$ 3,259,813	-3.79%	\$ 25,361,065	\$ 25,787,686	-1.65%
Total generated power:						
Fuels expense	\$ 53,803,620	\$ 24,883,716	116.22%	\$ 302,218,940	\$ 184,864,138	63.48%
kWh generated	816,756,864	762,424,934	7.13%	5,338,246,027	6,074,124,186	-12.11%
Cost per MWh	\$ 65.87	\$ 32.64	101.84%	\$ 56.61	\$ 30.43	86.02%

(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)
May 2022 and 2021 (unaudited)**

	Month			Year-to-Date		
	2022	2021	Variance	2022	2021	Variance
Cost of fuels						
Natural gas	\$ 45,862,192	\$ 19,646,357	133.44%	\$ 241,894,514	\$ 144,214,470	67.73%
Petcoke	5,118,683	3,020,531	69.46%	33,968,283	24,976,607	36.00%
Coal	2,645,331	1,862,800	42.01%	23,286,236	11,956,716	94.75%
Fuel oil #2	139,051	197,841	-29.72%	771,371	1,502,344	-48.66%
Fuel oil #6	(85,390)	156,187	-154.67%	1,508,169	2,214,001	-31.88%
Biomass	123,753	-		790,367	-	
Total	\$ 53,803,620	\$ 24,883,716	116.22%	\$ 302,218,940	\$ 184,864,138	63.48%
Purchased power:						
<i>TEA & other</i>						
Purchases	\$ 15,304,070	\$ 10,809,596	41.58%	\$ 113,639,602	\$ 62,620,120	81.47%
kWh purchased	207,706,454	213,913,468	-2.90%	1,507,231,037	1,026,763,396	46.79%
Cost per MWh	\$ 73.68	\$ 50.53	45.81%	\$ 75.40	\$ 60.99	23.63%
<i>FPL</i>						
Purchases	\$ 10,553,836	\$ -		\$ 39,561,831	\$ -	
kWh purchased	143,450,000	-		698,280,000	-	
Cost per MWh	\$ 73.57			\$ 56.66		
<i>Plant Scherer</i>						
Purchases	\$ 957,101	\$ 4,669,130	-79.50%	\$ 19,007,093	\$ 34,562,475	-45.01%
kWh purchased	-	98,174,000	-100.00%	284,609,000	725,509,000	-60.77%
Cost per MWh		\$ 47.56		\$ 66.78	\$ 47.64	40.19%
<i>SJRPP</i>						
Purchases	\$ 2,166,399	\$ 1,975,619	9.66%	\$ 45,136,004	\$ 17,754,904	154.22%
Total purchased power:						
Purchases	\$ 28,981,406	\$ 17,454,345	66.04%	\$ 217,344,530	\$ 114,937,499	89.10%
kWh purchased	351,156,454	312,087,468	12.52%	2,490,120,037	1,752,272,396	42.11%
Cost per MWh	\$ 82.53	\$ 55.93	47.57%	\$ 87.28	\$ 65.59	33.07%
Subtotal - generated and purchased power:						
	\$ 82,785,026	\$ 42,338,061	95.53%	\$ 519,563,470	\$ 299,801,637	73.30%
Fuel interchange sales	(82,381)	(209,786)	-60.73%	(490,831)	(894,007)	-45.10%
Earnings of The Energy Authority	(824,754)	(287,027)	187.34%	(17,776,403)	(9,054,407)	96.33%
Realized and Unrealized (Gains) Losses	(17,848,650)	(883,350)	1920.56%	(66,033,370)	(3,206,700)	1959.23%
Fuel procurement and handling	723,644	924,422	-21.72%	7,178,071	8,817,138	-18.59%
Byproduct reuse	261,591	508,687	-48.58%	2,650,216	5,179,946	-48.84%
Total generated and net purchased power:						
Cost, net	65,014,476	42,391,007	53.37%	445,091,153	300,643,607	48.05%
kWh generated and purchased	1,167,913,318	1,074,512,402	8.69%	7,828,366,064	7,826,396,582	0.03%
Cost per MWh	\$ 55.67	\$ 39.45	41.10%	\$ 56.86	\$ 38.41	48.01%
Reconciliation:						
Generated and purchased power per above	\$ 65,014,476	\$ 55.67		\$ 445,091,153	\$ 56.86	
SJRPP operating expenses:						
SJRPP debt service	\$ (1,923,094)	(1.65)		(15,820,331)	(2.02)	
SJRPP R & R	\$ (243,306)	(0.21)		(29,315,673)	(3.74)	
Scherer operating expenses:						
Scherer power production	\$ (768,000)	(0.66)		(4,808,522)	(0.61)	
Scherer R & R	\$ (78,121)	(0.07)		(2,636,417)	(0.34)	
Scherer transmission	\$ -	-		(1,640,810)	(0.21)	
Scherer taxes	\$ (110,980)	(0.10)		(887,860)	(0.11)	
MEAG	\$ (2,417,178)	(2.07)		(18,525,928)	(2.37)	
FPL capacity	\$ (1,400,000)	(1.20)		(7,000,000)	(0.89)	
Florida and other capacity	\$ (1,341,309)	(1.15)		(8,699,257)	(1.11)	
Rounding	\$ 1	0.00		-	-	
Energy expense per budget page	\$ 56,732,489	\$ 48.58		\$ 355,756,355	\$ 45.44	

JEA

Page 26

Electric System Budget vs. Actual May 2022 and 2021 (unaudited)	Month				Prior Year Month	
	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
	2021-22	2021-22	2021-22	%	2020-21	%
Fuel Related Revenues & Expenses						
Fuel Rate Revenues	\$ 368,899,940	\$ 32,310,023	\$ 50,850,729	57.38%	\$ 34,107,786	49.09%
Fuel Expense and Purchased Power:						
Fuel Expense - Electric System	281,848,943	22,818,172	36,940,206		25,433,476	
Other Purchased Power	93,782,639	8,970,754	19,792,283		11,144,066	
Subtotal Energy Expense	375,631,582	31,788,926	56,732,489	-78.47%	36,577,542	-55.10%
Transfer to (from) Rate Stabilization, Net	(7,284,992)	472,633	(8)		(2,470,653)	
Transfer to (from) Other Regulatory Funds, Net	-	-	(5,881,752)		-	
Fuel Related Uncollectibles	553,350	48,464	-		897	
Total	368,899,940	32,310,023	50,850,729	-57.38%	34,107,786	-49.09%
Fuel Balance	-	-	-		-	
Nonfuel Related Revenues						
Base Rate Revenues	785,192,000	68,770,875	72,448,123		66,475,471	
Conservation Charge Revenue	732,000	64,112	37,466		32,215	
Environmental Charge Revenue	7,442,000	651,806	690,514		649,144	
Investment Income	3,194,911	266,415	238,351		252,559	
Natural Gas Revenue Pass Through	823,420	68,618	113,541		64,708	
Other Revenues	123,615,440	1,967,953	2,225,014		2,367,699	
Total	920,999,771	71,789,779	75,753,009	5.52%	69,841,796	8.46%
Nonfuel Related Expenses						
Non-Fuel O&M	255,776,299	17,800,049	18,276,349		15,828,071	
DSM / Conservation O&M	7,227,800	587,449	352,875		405,924	
Environmental O&M	2,263,500	188,624	161,093		104,073	
Rate Stabilization - DSM	(395,800)	(32,983)	250,972		87,405	
Rate Stabilization - Environmental	(3,821,756)	(318,480)	108,725		(414,959)	
Natural Gas Expense Pass Through	918,473	75,201	132,947		79,166	
Debt Principal - Electric System	44,710,000	3,725,833	3,725,833		4,928,333	
Debt Interest - Electric System	65,106,948	5,425,579	5,007,772		5,215,479	
R&R - Electric System	66,329,200	5,527,433	5,527,433		5,211,688	
Operating Capital Outlay	115,291,939	16,000,000	16,000,000		25,000,000	
Operating Capital Outlay - Environmental	3,294,788	274,566	497,148		981,820	
City Contribution Expense	94,545,651	7,878,804	7,878,804		7,800,796	
Taxes & Uncollectibles	1,391,596	121,026	18,700		19,349	
Emergency Reserve	5,000,000	-	-		-	
<i>Nonfuel Purchased Power:</i>						
* SJRPP D/S Principal	15,285,000	1,273,750	1,273,750		1,181,250	
* SJRPP D/S Interest	5,036,315	419,693	672,694		800,443	
** Other Non-Fuel Purchased Power	243,039,818	13,891,396	4,206,338		2,588,286	
Total Nonfuel Expenses	920,999,771	72,837,940	64,091,433	12.01%	69,817,124	8.20%
Non-Fuel Balance	-	(1,048,161)	11,661,576		24,672	
Total Balance	-	(1,048,161)	11,661,576		24,672	
Total Revenues	1,289,899,711	104,099,802	126,603,738	21.62%	103,949,582	21.79%
Total Expenses	1,289,899,711	105,147,963	114,942,162	-9.31%	103,924,910	-10.60%
KWH Sold - Territorial	12,200,000,000	1,068,534,000	1,132,761,402	6.01%	1,056,663,797	7.20%
KWH Sold - Off System	-	-	971,000		5,797,000	
	12,200,000,000	1,068,534,000	1,133,732,402	6.10%	1,062,460,797	6.71%

* Gross debt service

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

JEA		Page 27					
Electric System		Year-to-Date			Prior Year-to-Date		
Budget vs. Actual		ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
May 2022 and 2021 (unaudited)		2021-22	2021-22	2021-22	%	2020-21	%
Fuel Related Revenues & Expenses							
Fuel Rate Revenues	\$	368,899,940	\$ 226,057,528	\$ 308,046,333	36.27%	\$ 244,004,790	26.25%
Fuel Expense and Purchased Power:							
Fuel Expense - Electric System		281,848,943	174,188,499	246,013,857		195,654,521	
Other Purchased Power		93,782,639	59,548,577	109,742,498		50,331,873	
Subtotal Energy Expense		375,631,582	233,737,076	355,756,355	-52.20%	245,986,394	-44.62%
Transfer to (from) Rate Stabilization, Net		(7,284,992)	(8,018,631)	(41,766,996)		(2,514,520)	
Transfer to (from) Other Regulatory Funds, Net		-	-	(5,943,026)		-	
Fuel Related Uncollectibles		553,350	339,083	-		532,916	
Total		368,899,940	226,057,528	308,046,333	-36.27%	244,004,790	-26.25%
Fuel Balance		-	-	-		-	
Nonfuel Related Revenues							
Base Rate Revenues		785,192,000	481,156,387	492,533,277		477,610,034	
Conservation Charge Revenue		732,000	448,561	339,865		354,673	
Environmental Charge Revenue		7,442,000	4,560,370	4,670,160		4,645,720	
Investment Income		3,194,911	2,118,699	1,454,451		2,527,278	
Natural Gas Revenue Pass Through		823,420	548,944	801,769		529,872	
Other Revenues		123,615,440	115,743,624	117,020,078		124,327,181	
Total		920,999,771	604,576,585	616,819,600	2.03%	609,994,758	1.12%
Nonfuel Related Expenses							
Non-Fuel O&M		255,776,299	162,294,547	139,503,980		125,760,149	
DSM / Conservation O&M		7,227,800	4,818,540	3,093,197		3,053,019	
Environmental O&M		2,263,500	1,660,230	485,626		882,533	
Rate Stabilization - DSM		(395,800)	(263,864)	1,056,160		1,062,881	
Rate Stabilization - Environmental		(3,821,756)	(2,547,840)	22,771		(1,657,826)	
Natural Gas Expense Pass Through		918,473	612,318	944,479		661,501	
Debt Principal - Electric System		44,710,000	29,806,666	29,806,667		39,426,667	
Debt Interest - Electric System		65,106,948	43,404,632	41,463,794		44,126,474	
Early Debt Retirement		-	-	-		106,848,624	
R&R - Electric System		66,329,200	44,219,467	44,219,467		41,693,500	
Operating Capital Outlay		115,291,939	145,000,000	145,000,000		134,000,000	
Operating Capital Outlay - Environmental		3,294,788	2,196,528	4,238,215		5,762,371	
City Contribution Expense		94,545,651	63,030,434	63,030,434		62,406,370	
Taxes & Uncollectibles		1,391,596	863,616	276,707		1,193,530	
Emergency Reserve		5,000,000	-	-		-	
<i>Nonfuel Purchased Power:</i>							
* SJRPP D/S Principal		15,285,000	10,190,000	10,190,000		9,450,000	
* SJRPP D/S Interest		5,036,315	3,357,544	5,707,893		6,401,730	
** Other Non-Fuel Purchased Power		243,039,818	162,474,222	115,928,345		27,952,797	
Total Nonfuel Expenses		920,999,771	671,117,040	604,967,735	9.86%	609,024,320	0.67%
Non-Fuel Balance		-	(66,540,455)	11,851,865		970,438	
Total Balance		-	(66,540,455)	11,851,865		970,438	
Total Revenues		1,289,899,711	830,634,113	924,865,933	11.34%	853,999,548	8.30%
Total Expenses		1,289,899,711	897,174,568	913,014,068	-1.77%	853,029,110	-7.03%
KWH Sold - Territorial		12,200,000,000	7,476,015,000	7,618,982,772	1.91%	7,568,801,613	0.66%
KWH Sold - Off System		-	-	8,642,000		21,673,000	
		12,200,000,000	7,476,015,000	7,627,624,772	2.03%	7,590,474,613	0.49%

* Gross debt service

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

Water and Sewer System	Month				Prior Year Month	
Budget vs. Actual	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
May 2022 and 2021 (unaudited)	2021-22	2021-22	2021-22	%	2020-21	%

REVENUES

Water & Sewer Revenues	\$ 466,939,234	\$ 43,121,313	\$ 44,159,825		\$ 43,957,099	
Capacity & Extension Fees	47,000,000	3,820,392	3,822,140		2,801,239	
Capital Contributions	-	-	-		-	
Investment Income	2,075,631	172,969	219,245		202,352	
Other Income	25,494,531	2,124,544	3,108,723		1,335,078	
Total	541,509,396	49,239,218	51,309,933	4.21%	48,295,768	6.24%

EXPENSES

O & M Expenses	192,815,330	16,136,917	14,613,930		12,179,941	
Debt Principal - Water & Sewer	9,850,000	820,833	820,833		780,834	
Debt Interest - Water & Sewer	57,285,355	4,773,779	4,073,216		4,199,138	
Rate Stabilization - Environmental	-	-	760,416		933,133	
R&R - Water & Sewer	28,358,000	2,363,167	2,363,167		2,217,175	
Operating Capital Outlay	145,320,814	21,386,918	21,386,918		22,212,602	
Operating Capital Outlay - Capacity/Extension	47,000,000	3,916,667	3,822,140		2,801,239	
Operating Capital Outlay - Contributions	-	-	-		-	
Operating Capital Outlay - Environmental	6,790,147	900,150	861,606		840,021	
City Contribution Expense	26,666,722	2,222,227	2,222,227		2,200,225	
Uncollectibles & Fees	700,409	58,367	-		-	
Interlocal Agreements	25,722,619	-	-		-	
Emergency Reserve	1,000,000	-	-		-	
Total Expenses	541,509,396	52,579,025	50,924,453	3.15%	48,364,308	-5.29%

Total Balance	\$ -	\$ (3,339,807)	\$ 385,480		\$ (68,540)	
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Sales kgals

Water	39,000,000	3,887,906	3,808,588	-2.04%	3,856,999	-1.26%
Sewer	34,000,000	3,320,922	3,200,901	-3.61%	3,283,722	-2.52%
Total	73,000,000	7,208,827	7,009,489	-2.77%	7,140,721	-1.84%

Budget vs. Actual	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
May 2022 and 2021 (unaudited)	2021-22	2021-22	2021-22	%	2020-21	%

REVENUES

Water & Sewer Revenues	\$ 466,939,234	\$ 306,685,134	\$ 311,605,991		\$ 298,384,178	
Capacity & Extension Fees	47,000,000	29,212,088	26,328,702		24,817,584	
Capital Contributions	-	-	-		161,057	
Investment Income	2,075,631	1,383,752	1,520,482		1,689,295	
Other Income	25,494,531	16,996,352	18,904,095		10,337,570	
Total	541,509,396	354,277,326	358,359,270	1.15%	335,389,684	6.85%

EXPENSES

O & M Expenses	192,815,330	126,679,878	113,862,652		101,336,171	
Debt Principal - Water & Sewer	9,850,000	6,566,664	6,566,664		6,246,669	
Debt Interest - Water & Sewer	57,285,355	38,190,232	33,037,510		34,259,969	
Rate Stabilization - Environmental	-	-	(77,451)		7,412,529	
R&R - Water & Sewer	28,358,000	18,905,333	18,905,333		17,737,400	
Operating Capital Outlay	145,320,814	128,898,078	128,898,078		119,100,813	
Operating Capital Outlay - Capacity/Extension	47,000,000	31,333,336	26,328,702		24,817,584	
Operating Capital Outlay - Contributions	-	-	-		161,057	
Operating Capital Outlay - Environmental	6,790,147	3,189,547	6,953,870		3,524,320	
City Contribution Expense	26,666,722	17,777,815	17,777,815		17,601,797	
Uncollectibles & Fees	700,409	466,936	87,842		639,444	
Interlocal Agreements	25,722,619	4,722,619	4,722,619		942,201	
Emergency Reserve	1,000,000	-	-		-	
Total Expenses	541,509,396	376,730,438	357,063,634	5.22%	333,779,954	-6.98%

Total Balance	\$ -	\$ (22,453,112)	\$ 1,295,636		\$ 1,609,730	
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Sales kgals

Water	39,000,000	25,377,476	25,289,585	-0.35%	24,201,007	4.50%
Sewer	34,000,000	22,087,496	22,336,774	1.13%	21,346,864	4.64%
Total	73,000,000	47,464,972	47,626,359	0.34%	45,547,871	4.56%

JEA

Page 29

District Energy System

Budget vs. Actual May 2022 and 2021 (unaudited)	Month				Prior Year Month	
	ANNUAL BUDGET 2021-22	BUDGET 2021-22	ACTUAL 2021-22	Variance %	ACTUAL 2020-21	Variance %
REVENUES						
Revenues	\$ 8,839,543	\$ 701,727	\$ 714,423		\$ 641,704	
Investment Income	-	-	371		129	
Total	8,839,543	701,727	714,794	1.86%	641,833	11.37%
EXPENSES						
O & M Expenses	5,127,990	388,312	391,674		386,625	
Debt Principal - District Energy System	1,815,000	151,250	151,250		147,500	
Debt Interest - District Energy System	1,356,208	113,017	103,107		104,491	
R&R - District Energy System	402,200	33,517	33,517		36,079	
Operating Capital Outlay	138,145	-	-		-	
Total Expenses	8,839,543	686,096	679,548	0.95%	674,695	-0.72%
Total Balance	\$ -	\$ 15,631	\$ 35,246		\$ (32,862)	

Budget vs. Actual May 2022 and 2021 (unaudited)	Year-To-Date				Prior-Year-to-Date	
	ANNUAL BUDGET 2021-22	BUDGET 2021-22	ACTUAL 2021-22	Variance %	ACTUAL 2020-21	Variance %
REVENUES						
Revenues	\$ 8,839,543	\$ 5,407,575	\$ 5,242,362		\$ 4,887,913	
Investment Income	-	-	1,295		1,737	
Total	8,839,543	5,407,575	5,243,657	-3.03%	4,889,650	7.24%
EXPENSES						
O & M Expenses	5,127,990	3,418,362	2,778,628		2,694,331	
Debt Principal - District Energy System	1,815,000	1,210,000	1,210,000		1,180,000	
Debt Interest - District Energy System	1,356,208	904,136	811,816		835,928	
R&R - District Energy System	402,200	268,133	268,133		288,633	
Operating Capital Outlay	138,145	-	-		-	
Total Expenses	8,839,543	5,800,631	5,068,577	12.62%	4,998,892	-1.39%
Total Balance	\$ -	\$ (393,056)	\$ 175,080		\$ (109,242)	



Monthly Financial Statements

June 2022

Monthly Financial Statements

June 2022

Index

	Page
Statements of Net Position - Assets and Deferred Outflows of Resources	2
Statements of Net Position - Liabilities, Deferred Inflows of Resources, and Net Position	3
Statements of Revenues, Expenses and Changes in Net Position	4
Statement of Cash Flow	5
Combining Statement of Net Position - Assets and Deferred Outflows of Resources Current Year	6
Combining Statement of Net Position - Liabilities, Deferred Inflows of Resources, and Net Position Current Year	7
Combining Statement of Net Position - Assets and Deferred Outflows of Resources Prior Year	8
Combining Statement of Net Position - Liabilities, Deferred Inflows of Resources, and Net Position Prior Year	9
Combining Statements of Revenues, Expenses, and Changes in Net Position - Current Month	10
Combining Statements of Revenues, Expenses, and Changes in Net Position - Prior Month	11
Combining Statements of Revenues, Expenses, and Changes in Net Position - Current Year-to-Date	12
Combining Statements of Revenues, Expenses, and Changes in Net Position - Prior Year-to-Date	13
Combining Statements of Cash Flow - Current Year	14
Combining Statements of Cash Flow - Prior Year	15
Debt Service Coverage	16
Operating Statistics - Electric System	17
Operating Statistics - Water and Sewer	18
<hr/>	
<u>Appendix</u>	
Schedules of Cash and Investments	20
Investment Portfolio - All Funds	21
Schedule of Outstanding Indebtedness	22
Interest Rate Swap Position Report	23
Production Statistics - Electric System	24
Electric Revenues and Expenses for the Month - Budget versus Actual	26
Electric Revenues and Expenses Year-to-Date - Budget versus Actual	27
Water and Sewer Revenues and Expenses - Budget versus Actual	28
District Energy System - Budget versus Actual	29

JEA
Statements of Net Position
(in thousands)

Page 2

	June 2022	September 2021
	(unaudited)	
Assets		
Current assets:		
Cash and cash equivalents	\$ 262,334	\$ 350,495
Investments	190	4,140
Customer accounts receivable, net of allowance (\$1,083 and \$3,155, respectively)	272,844	221,348
Inventories:		
Materials and supplies	66,615	62,796
Fuel	37,762	32,911
Other current assets	59,433	24,434
Total current assets	<u>699,178</u>	<u>696,124</u>
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	240,953	362,618
Investments	434,738	269,820
Accounts and interest receivable	21	240
Total restricted assets	<u>675,712</u>	<u>632,678</u>
Costs to be recovered from future revenues	878,910	881,949
Hedging derivative instruments	242,239	150,453
Other assets	33,318	22,939
Total noncurrent assets	<u>1,830,179</u>	<u>1,688,019</u>
Capital assets:		
Land and easements	216,543	213,649
Plant in service	12,659,297	12,415,504
Less accumulated depreciation	<u>(7,907,869)</u>	<u>(7,522,027)</u>
Plant in service, net	4,967,971	5,107,126
Construction work in progress	404,805	369,367
Net capital assets	<u>5,372,776</u>	<u>5,476,493</u>
Total assets	<u>7,902,133</u>	<u>7,860,636</u>
Deferred outflows of resources		
Unrealized pension contributions and losses	157,296	157,296
Accumulated decrease in fair value of hedging derivatives	65,669	129,355
Unamortized deferred losses on refundings	83,353	89,729
Unrealized asset retirement obligations	42,969	37,669
Unrealized OPEB contributions and losses	7,302	7,302
Total deferred outflows of resources	<u>356,589</u>	<u>421,351</u>
Total assets and deferred outflows of resources	<u>\$ 8,258,722</u>	<u>\$ 8,281,987</u>

JEA
Statements of Net Position
(in thousands)

Page 3

	June 2022 (unaudited)	September 2021
Liabilities		
Current liabilities:		
Accounts and accrued expenses payable	\$ 138,776	\$ 76,702
Customer deposits and prepayments	93,029	75,030
Billings on behalf of state and local governments	30,367	26,006
Compensation and benefits payable	12,984	13,361
City of Jacksonville payable	10,263	10,193
Asset retirement obligations	2,114	3,307
Total current liabilities	<u>287,533</u>	<u>204,599</u>
Current liabilities payable from restricted assets:		
Debt due within one year	74,070	91,535
Interest payable	26,382	51,454
Construction contracts and accounts payable	35,582	45,466
Renewal and replacement reserve	31,035	32,776
Total current liabilities payable from restricted assets	<u>167,069</u>	<u>221,231</u>
Noncurrent liabilities:		
Long-term debt:		
Debt payable, less current portion	2,762,220	2,908,175
Unamortized premium, net	177,230	194,070
Fair value of debt management strategy instruments	61,177	129,355
Total long-term debt	<u>3,000,627</u>	<u>3,231,600</u>
Net pension liability	729,569	729,569
Asset retirement obligations	40,855	34,362
Compensation and benefits payable	33,599	33,433
Net OPEB liability	5,136	5,136
Other liabilities	22,122	18,338
Total noncurrent liabilities	<u>3,831,908</u>	<u>4,052,438</u>
Total liabilities	<u>4,286,510</u>	<u>4,478,268</u>
Deferred inflows of resources		
Revenues to be used for future costs	80,953	156,814
Accumulated increase in fair value of hedging derivatives	242,294	150,453
Unrealized OPEB gains	14,725	14,725
Unrealized pension gains	14,273	14,273
Total deferred inflows of resources	<u>352,245</u>	<u>336,265</u>
Net position		
Net investment in capital assets	2,777,938	2,696,104
Restricted for:		
Capital projects	419,610	296,059
Debt service	54,667	90,423
Other purposes	26,412	44,774
Unrestricted	341,340	340,094
Total net position	<u>3,619,967</u>	<u>3,467,454</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 8,258,722</u>	<u>\$ 8,281,987</u>

JEA

Page 4

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

	Month June		Year-to-Date June	
	2022	2021	2022	2021
Operating revenues				
Electric - base	\$ 86,038	\$ 75,011	\$ 622,666	\$ 606,580
Electric - fuel and purchased power	62,982	36,201	407,170	278,079
Water and sewer	44,804	37,968	363,411	335,192
District energy system	722	679	5,735	5,362
Other operating revenues	4,577	2,703	131,578	27,765
Total operating revenues	199,123	152,562	1,530,560	1,252,978
Operating expenses				
Operations and maintenance:				
Maintenance and other operating expenses	36,381	30,178	330,376	272,145
Fuel	63,036	30,565	318,083	247,135
Purchased power	27,332	10,202	180,534	72,822
Depreciation	33,089	32,744	403,283	293,500
State utility and franchise taxes	8,026	6,323	55,714	50,930
Recognition of deferred costs and revenues, net	(14,265)	2,227	(24,019)	20,253
Total operating expenses	153,599	112,239	1,263,971	956,785
Operating income	45,524	40,323	266,589	296,193
Nonoperating revenues (expenses)				
Interest on debt	(9,880)	(10,655)	(84,768)	(92,228)
Earnings from The Energy Authority	3,796	1,400	21,688	10,454
Allowance for funds used during construction	1,311	865	9,045	6,228
Other nonoperating income, net	535	(1,453)	4,930	3,112
Investment income	(3,066)	36	(7,477)	2,009
Other interest, net	(124)	(4)	(1,094)	4
Total nonoperating expenses, net	(7,428)	(9,811)	(57,676)	(70,421)
Income before contributions	38,096	30,512	208,913	225,772
Contributions (to) from				
General Fund, City of Jacksonville, Florida	(10,101)	(10,001)	(90,909)	(90,009)
Developers and other	13,206	9,812	82,955	68,232
Reduction of plant cost through contributions	(5,026)	(6,663)	(48,446)	(40,104)
Total contributions, net	(1,921)	(6,852)	(56,400)	(61,881)
Change in net position	36,175	23,660	152,513	163,891
Net position, beginning of period	3,583,792	3,364,221	3,467,454	3,223,990
Net position, end of period	\$ 3,619,967	\$ 3,387,881	\$ 3,619,967	\$ 3,387,881

JEA

Page 5

Statement of Cash Flows
(in thousands - unaudited)

	Year-to-Date	
	June	
	2022	2021
Operating activities		
Receipts from customers	\$ 1,322,409	\$ 1,230,545
Payments to suppliers	(659,808)	(472,799)
Payments for salaries and benefits	(203,434)	(183,699)
Other operating activities	126,896	28,966
Net cash provided by operating activities	<u>586,063</u>	<u>603,013</u>
Noncapital and related financing activities		
Contribution to General Fund, City of Jacksonville, Florida	(90,809)	(89,910)
Net cash used in noncapital and related financing activities	<u>(90,809)</u>	<u>(89,910)</u>
Capital and related financing activities		
Acquisition and construction of capital assets	(303,604)	(253,346)
Defeasance of debt	(74,885)	(104,390)
Interest paid on debt	(119,109)	(124,524)
Repayment of debt principal	(91,535)	(102,700)
Capital contributions	34,509	28,128
Revolving credit agreement withdrawals (repayments)	3,000	(5,000)
Other capital financing activities	5,140	3,657
Net cash used in capital and related financing activities	<u>(546,484)</u>	<u>(558,175)</u>
Investing activities		
Proceeds from sale and maturity of investments	247,114	183,927
Purchase of investments	(419,255)	(215,057)
Distributions from The Energy Authority	10,511	1,350
Investment income	3,034	4,389
Net cash used in investing activities	<u>(158,596)</u>	<u>(25,391)</u>
Net change in cash and cash equivalents	(209,826)	(70,463)
Cash and cash equivalents at beginning of year	713,113	641,132
Cash and cash equivalents at end of period	<u>\$ 503,287</u>	<u>\$ 570,669</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 266,589	\$ 296,193
Adjustments:		
Depreciation and amortization	403,558	294,338
Recognition of deferred costs and revenues, net	(24,019)	20,253
Other nonoperating income, net	(1,041)	73
Changes in noncash assets and noncash liabilities:		
Accounts receivable	(51,274)	12,236
Inventories	(8,671)	9,868
Other assets	(28,010)	4,329
Accounts and accrued expenses payable	84,002	(18,061)
Current liabilities payable from restricted assets	(6,826)	(5,364)
Other noncurrent liabilities and deferred inflows	(48,245)	(10,852)
Net cash provided by operating activities	<u>\$ 586,063</u>	<u>\$ 603,013</u>
Noncash activity		
Contribution of capital assets from developers	\$ 48,446	\$ 40,104
Unrealized investment fair market value changes, net	\$ (11,174)	\$ (2,809)

JEA
Combining Statement of Net Position
(in thousands - unaudited) June 2022

	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	\$ 138,875	\$ 52,062	\$ -	\$ 190,937	70,097	\$ 1,300	\$ 262,334
Investments	-	190	-	190	-	-	190
Customer accounts receivable, net of allowance (\$1,083)	207,872	-	-	207,872	64,471	501	272,844
Inventories:							
Materials and supplies	2,268	-	-	2,268	64,347	-	66,615
Fuel	37,762	-	-	37,762	-	-	37,762
Other current assets	54,031	89	(168)	53,952	5,475	6	59,433
Total current assets	440,808	52,341	(168)	492,981	204,390	1,807	699,178
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	66,918	79,890	-	146,808	91,322	2,823	240,953
Investments	296,836	1,077	-	297,913	136,825	-	434,738
Accounts and interest receivable	-	21	-	21	-	-	21
Total restricted assets	363,754	80,988	-	444,742	228,147	2,823	675,712
Costs to be recovered from future revenues	417,936	182,145	-	600,081	278,799	30	878,910
Hedging derivative instruments	242,239	-	-	242,239	-	-	242,239
Other assets	30,995	7,050	(4,765)	33,280	38	-	33,318
Total noncurrent assets	1,054,924	270,183	(4,765)	1,320,342	506,984	2,853	1,830,179
Capital assets:							
Land and easements	127,067	6,660	-	133,727	79,765	3,051	216,543
Plant in service	6,127,231	1,316,043	-	7,443,274	5,154,722	61,301	12,659,297
Less accumulated depreciation	(3,908,128)	(1,314,096)	-	(5,222,224)	(2,651,834)	(33,811)	(7,907,869)
Plant in service, net	2,346,170	8,607	-	2,354,777	2,582,653	30,541	4,967,971
Construction work in progress	116,816	-	-	116,816	283,793	4,196	404,805
Net capital assets	2,462,986	8,607	-	2,471,593	2,866,446	34,737	5,372,776
Total assets	3,958,718	331,131	(4,933)	4,284,916	3,577,820	39,397	7,902,133
Deferred outflows of resources							
Unrealized pension contributions and losses	90,081	4,616	-	94,697	62,599	-	157,296
Accumulated decrease in fair value of hedging derivatives	54,587	-	-	54,587	11,082	-	65,669
Unamortized deferred losses on refundings	46,855	2,524	-	49,379	33,826	148	83,353
Unrealized asset retirement obligations	42,849	120	-	42,969	-	-	42,969
Unrealized OPEB contributions and losses	4,308	-	-	4,308	2,994	-	7,302
Total deferred outflows of resources	238,680	7,260	-	245,940	110,501	148	356,589
Total assets and deferred outflows of resources	\$ 4,197,398	\$ 338,391	\$ (4,933)	\$ 4,530,856	\$ 3,688,321	\$ 39,545	\$ 8,258,722

JEA
Combining Statement of Net Position
(in thousands - unaudited) June 2022

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Liabilities							
Current liabilities:							
Accounts and accrued expenses payable	\$ 100,023	\$ 27,687	\$ (77)	\$ 127,633	\$ 11,101	\$ 42	\$ 138,776
Customer deposits and prepayments	56,803	-	-	56,803	36,226	-	93,029
Billings on behalf of state and local governments	26,012	-	-	26,012	4,355	-	30,367
Compensation and benefits payable	9,368	-	-	9,368	3,589	27	12,984
City of Jacksonville payable	8,025	-	-	8,025	2,238	-	10,263
Asset retirement obligations	1,994	120	-	2,114	-	-	2,114
Total current liabilities	202,225	27,807	(77)	229,955	57,509	69	287,533
Current liabilities payable from restricted assets:							
Debt due within one year	47,120	15,285	-	62,405	9,850	1,815	74,070
Interest payable	12,458	2,083	-	14,541	11,537	304	26,382
Construction contracts and accounts payable	10,334	646	(91)	10,889	24,400	293	35,582
Renewal and replacement reserve	-	31,035	-	31,035	-	-	31,035
Total current liabilities payable from restricted assets	69,912	49,049	(91)	118,870	45,787	2,412	167,069
Noncurrent liabilities:							
Long-term debt:							
Debt payable, less current portion	1,349,290	195,050	-	1,544,340	1,187,055	30,825	2,762,220
Unamortized premium (discount), net	92,145	157	-	92,302	84,944	(16)	177,230
Fair value of debt management strategy instruments	50,150	-	-	50,150	11,027	-	61,177
Total long-term debt	1,491,585	195,207	-	1,686,792	1,283,026	30,809	3,000,627
Net pension liability	430,446	-	-	430,446	299,123	-	729,569
Asset retirement obligations	40,855	-	-	40,855	-	-	40,855
Compensation and benefits payable	23,919	-	-	23,919	9,587	93	33,599
Net OPEB liability	3,030	-	-	3,030	2,106	-	5,136
Other liabilities	22,122	4,765	(4,765)	22,122	-	-	22,122
Total noncurrent liabilities	2,011,957	199,972	(4,765)	2,207,164	1,593,842	30,902	3,831,908
Total liabilities	2,284,094	276,828	(4,933)	2,555,989	1,697,138	33,383	4,286,510
Deferred inflows of resources							
Revenues to be used for future costs	45,675	5,094	-	50,769	30,184	-	80,953
Accumulated increase in fair value of hedging derivatives	242,239	-	-	242,239	55	-	242,294
Unrealized OPEB gains	8,688	-	-	8,688	6,037	-	14,725
Unrealized pension gains	7,355	1,807	-	9,162	5,111	-	14,273
Total deferred inflows of resources	303,957	6,901	-	310,858	41,387	-	352,245
Net position							
Net investment in (divestment of) capital assets	1,103,366	(9,755)	-	1,093,611	1,682,329	1,998	2,777,938
Restricted for:							
Capital projects	267,585	-	-	267,585	150,867	1,158	419,610
Debt service	34,301	11,468	-	45,769	7,537	1,361	54,667
Other purposes	(3,942)	28,294	91	24,443	1,969	-	26,412
Unrestricted	208,037	24,655	(91)	232,601	107,094	1,645	341,340
Total net position	1,609,347	54,662	-	1,664,009	1,949,796	6,162	3,619,967
Total liabilities, deferred inflows of resources, and net position	\$ 4,197,398	\$ 338,391	\$ (4,933)	\$ 4,530,856	\$ 3,688,321	\$ 39,545	\$ 8,258,722

JEA
Combining Statement of Net Position
(in thousands) September 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	Total JEA
Assets							
Current assets:							
Cash and cash equivalents	\$ 222,273	\$ 51,335	\$ -	\$ 273,608	\$ 75,668	\$ 1,219	\$ 350,495
Investments	-	4,140	-	4,140	-	-	4,140
Customer accounts receivable, net of allowance (\$3,155)	165,572	-	-	165,572	55,273	503	221,348
Inventories:							
Materials and supplies	2,248	-	-	2,248	60,548	-	62,796
Fuel	32,911	-	-	32,911	-	-	32,911
Other current assets	22,864	125	(4,279)	18,710	5,720	4	24,434
Total current assets	445,868	55,600	(4,279)	497,189	197,209	1,726	696,124
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	164,501	82,618	-	247,119	112,468	3,031	362,618
Investments	168,306	9,677	-	177,983	91,837	-	269,820
Accounts and interest receivable	-	233	-	233	7	-	240
Total restricted assets	332,807	92,528	-	425,335	204,312	3,031	632,678
Costs to be recovered from future revenues	376,214	220,155	-	596,369	285,550	30	881,949
Hedging derivative instruments	150,453	-	-	150,453	-	-	150,453
Other assets	20,335	7,051	(4,765)	22,621	318	-	22,939
Total noncurrent assets	879,809	319,734	(4,765)	1,194,778	490,180	3,061	1,688,019
Capital assets:							
Land and easements	124,836	6,660	-	131,496	79,102	3,051	213,649
Plant in service	6,007,751	1,316,043	-	7,323,794	5,030,852	60,858	12,415,504
Less accumulated depreciation	(3,643,809)	(1,313,789)	-	(4,957,598)	(2,532,588)	(31,841)	(7,522,027)
Plant in service, net	2,488,778	8,914	-	2,497,692	2,577,366	32,068	5,107,126
Construction work in progress	120,138	-	-	120,138	246,928	2,301	369,367
Net capital assets	2,608,916	8,914	-	2,617,830	2,824,294	34,369	5,476,493
Total assets	3,934,593	384,248	(9,044)	4,309,797	3,511,683	39,156	7,860,636
Deferred outflows of resources							
Unrealized pension contributions and losses	90,081	4,616	-	94,697	62,599	-	157,296
Accumulated decrease in fair value of hedging derivatives	102,752	-	-	102,752	26,603	-	129,355
Unamortized deferred losses on refundings	51,043	3,099	-	54,142	35,430	157	89,729
Unrealized asset retirement obligations	37,601	68	-	37,669	-	-	37,669
Unrealized OPEB contributions and losses	4,308	-	-	4,308	2,994	-	7,302
Total deferred outflows of resources	285,785	7,783	-	293,568	127,626	157	421,351
Total assets and deferred outflows of resources	\$ 4,220,378	\$ 392,031	\$ (9,044)	\$ 4,603,365	\$ 3,639,309	\$ 39,313	\$ 8,281,987

JEA

Page 9

**Combining Statement of Net Position
(in thousands) September 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	Total JEA
Liabilities							
Current liabilities:							
Accounts and accrued expenses payable	\$ 67,698	\$ 517	\$ (33)	\$ 68,182	\$ 8,418	\$ 102	\$ 76,702
Customer deposits and prepayments	57,354	-	-	57,354	17,676	-	75,030
Billings on behalf of state and local governments	22,218	-	-	22,218	3,788	-	26,006
Compensation and benefits payable	7,229	-	-	7,229	6,069	63	13,361
City of Jacksonville payable	7,978	-	-	7,978	2,215	-	10,193
Asset retirement obligations	3,239	68	-	3,307	-	-	3,307
Total current liabilities	165,716	585	(33)	166,268	38,166	165	204,599
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	24,886	4,947	-	29,833	20,994	627	51,454
Construction contracts and accounts payable	9,226	5,732	(4,246)	10,712	33,924	830	45,466
Renewal and replacement reserve	-	32,776	-	32,776	-	-	32,776
Total current liabilities payable from restricted assets	100,332	57,630	(4,246)	153,716	64,288	3,227	221,231
Noncurrent liabilities:							
Long-term debt:							
Debt payable, less current portion	1,444,040	237,590	-	1,681,630	1,196,905	29,640	2,908,175
Unamortized premium (discount), net	99,631	331	-	99,962	94,127	(19)	194,070
Fair value of debt management strategy instruments	102,752	-	-	102,752	26,603	-	129,355
Total long-term debt	1,646,423	237,921	-	1,884,344	1,317,635	29,621	3,231,600
Net pension liability	430,446	-	-	430,446	299,123	-	729,569
Asset retirement obligations	34,362	-	-	34,362	-	-	34,362
Compensation and benefits payable	23,915	-	-	23,915	9,441	77	33,433
Net OPEB liability	3,030	-	-	3,030	2,106	-	5,136
Other liabilities	18,338	4,765	(4,765)	18,338	-	-	18,338
Total noncurrent liabilities	2,156,514	242,686	(4,765)	2,394,435	1,628,305	29,698	4,052,438
Total liabilities	2,422,562	300,901	(9,044)	2,714,419	1,730,759	33,090	4,478,268
Deferred inflows of resources							
Revenues to be used for future costs	121,643	5,094	-	126,737	30,077	-	156,814
Accumulated increase in fair value of hedging derivatives	150,453	-	-	150,453	-	-	150,453
Unrealized OPEB gains	8,688	-	-	8,688	6,037	-	14,725
Unrealized pension gains	7,355	1,807	-	9,162	5,111	-	14,273
Total deferred inflows of resources	288,139	6,901	-	295,040	41,225	-	336,265
Net position							
Net investment in (divestment of) capital assets	1,089,669	(15,562)	-	1,074,107	1,619,661	2,336	2,696,104
Restricted for:							
Capital projects	184,086	-	-	184,086	111,339	634	296,059
Debt service	64,931	14,542	-	79,473	9,180	1,770	90,423
Other purposes	3,060	30,166	4,246	37,472	7,302	-	44,774
Unrestricted	167,931	55,083	(4,246)	218,768	119,843	1,483	340,094
Total net position	1,509,677	84,229	-	1,593,906	1,867,325	6,223	3,467,454
Total liabilities, deferred inflows of resources, and net position	\$ 4,220,378	\$ 392,031	\$ (9,044)	\$ 4,603,365	\$ 3,639,309	\$ 39,313	\$ 8,281,987

JEA

Page 10

Combining Statement of Revenues, Expenses, and Changes in Net Position
(in thousands - unaudited) for the month ended June 2022

	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	\$ 86,815	\$ -	\$ -	\$ 86,815	\$ -	\$ -	\$ (777)	\$ 86,038
Electric - fuel and purchased power	63,966	2,147	(2,147)	63,966	-	-	(984)	62,982
Water and sewer	-	-	-	-	44,827	-	(23)	44,804
District energy system	-	-	-	-	-	774	(52)	722
Other operating revenues	2,745	-	-	2,745	2,093	6	(267)	4,577
Total operating revenues	153,526	2,147	(2,147)	153,526	46,920	780	(2,103)	199,123
Operating expenses								
Operations and maintenance:								
Maintenance and other operating expenses	18,284	3,462	-	21,746	16,245	493	(2,103)	36,381
Fuel	63,036	-	-	63,036	-	-	-	63,036
Purchased power	29,479	-	(2,147)	27,332	-	-	-	27,332
Depreciation	17,813	34	-	17,847	15,026	216	-	33,089
State utility and franchise taxes	6,964	-	-	6,964	1,062	-	-	8,026
Recognition of deferred costs and revenues, net	(17,116)	1,240	-	(15,876)	1,611	-	-	(14,265)
Total operating expenses	118,460	4,736	(2,147)	121,049	33,944	709	(2,103)	153,599
Operating income	35,066	(2,589)	-	32,477	12,976	71	-	45,524
Nonoperating revenues (expenses)								
Interest on debt	(5,436)	(694)	-	(6,130)	(3,642)	(108)	-	(9,880)
Earnings from The Energy Authority	3,796	-	-	3,796	-	-	-	3,796
Allowance for funds used during construction	370	-	-	370	927	14	-	1,311
Other nonoperating income, net	310	21	-	331	204	-	-	535
Investment income	(1,886)	44	-	(1,842)	(1,224)	-	-	(3,066)
Other interest, net	(128)	-	-	(128)	4	-	-	(124)
Total nonoperating expenses, net	(2,974)	(629)	-	(3,603)	(3,731)	(94)	-	(7,428)
Income before contributions	32,092	(3,218)	-	28,874	9,245	(23)	-	38,096
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(7,879)	-	-	(7,879)	(2,222)	-	-	(10,101)
Developers and other	203	-	-	203	13,003	-	-	13,206
Reduction of plant cost through contributions	(203)	-	-	(203)	(4,823)	-	-	(5,026)
Total contributions, net	(7,879)	-	-	(7,879)	5,958	-	-	(1,921)
Change in net position	24,213	(3,218)	-	20,995	15,203	(23)	-	36,175
Net position, beginning of period	1,585,134	57,880	-	1,643,014	1,934,593	6,185	-	3,583,792
Net position, end of period	\$ 1,609,347	\$ 54,662	\$ -	\$ 1,664,009	\$ 1,949,796	\$ 6,162	\$ -	\$ 3,619,967

JEA

Page 11

Combining Statement of Revenues, Expenses, and Changes in Net Position
(in thousands - unaudited) for the month ended June 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	\$ 75,756	\$ -	\$ -	\$ 75,756	\$ -	\$ -	\$ (745)	\$ 75,011
Electric - fuel and purchased power	36,886	2,219	(2,219)	36,886	-	-	(685)	36,201
Water and sewer	-	-	-	-	37,977	-	(9)	37,968
District energy system	-	-	-	-	-	711	(32)	679
Other operating revenues	1,670	6	-	1,676	1,208	4	(185)	2,703
Total operating revenues	114,312	2,225	(2,219)	114,318	39,185	715	(1,656)	152,562
Operating expenses								
Operations and maintenance:								
Maintenance and other operating expenses	18,487	(655)	-	17,832	13,612	390	(1,656)	30,178
Fuel	30,565	-	-	30,565	-	-	-	30,565
Purchased power	12,421	-	(2,219)	10,202	-	-	-	10,202
Depreciation	18,324	34	-	18,358	14,172	214	-	32,744
State utility and franchise taxes	5,302	-	-	5,302	1,021	-	-	6,323
Recognition of deferred costs and revenues, net	561	1,156	-	1,717	510	-	-	2,227
Total operating expenses	85,660	535	(2,219)	83,976	29,315	604	(1,656)	112,239
Operating income	28,652	1,690	-	30,342	9,870	111	-	40,323
Nonoperating revenues (expenses)								
Interest on debt	(5,807)	(815)	-	(6,622)	(3,926)	(107)	-	(10,655)
Earnings from The Energy Authority	1,400	-	-	1,400	-	-	-	1,400
Allowance for funds used during construction	302	-	-	302	562	1	-	865
Other nonoperating income, net	343	24	-	367	(1,820)	-	-	(1,453)
Investment income	(59)	4	-	(55)	91	-	-	36
Other interest, net	(3)	-	-	(3)	(1)	-	-	(4)
Total nonoperating expenses, net	(3,824)	(787)	-	(4,611)	(5,094)	(106)	-	(9,811)
Income before contributions	24,828	903	-	25,731	4,776	5	-	30,512
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(7,801)	-	-	(7,801)	(2,200)	-	-	(10,001)
Developers and other	353	-	-	353	9,459	-	-	9,812
Reduction of plant cost through contributions	(353)	-	-	(353)	(6,310)	-	-	(6,663)
Total contributions, net	(7,801)	-	-	(7,801)	949	-	-	(6,852)
Change in net position	17,027	903	-	17,930	5,725	5	-	23,660
Net position, beginning of period	1,434,573	85,898	-	1,520,471	1,837,621	6,129	-	3,364,221
Net position, end of period	\$ 1,451,600	\$ 86,801	\$ -	\$ 1,538,401	\$ 1,843,346	\$ 6,134	\$ -	\$ 3,387,881

JEA

Page 12

Combining Statement of Revenues, Expenses, and Changes in Net Position
(in thousands - unaudited) for the nine months ended June 2022

	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	\$ 629,156	\$ -	\$ -	\$ 629,156	\$ -	\$ -	\$ (6,490)	\$ 622,666
Electric - fuel and purchased power	414,270	47,283	(47,283)	414,270	-	-	(7,100)	407,170
Water and sewer	-	-	-	-	363,586	-	(175)	363,411
District energy system	-	-	-	-	-	6,015	(280)	5,735
Other operating revenues	117,351	228	-	117,579	15,939	7	(1,947)	131,578
Total operating revenues	1,160,777	47,511	(47,283)	1,161,005	379,525	6,022	(15,992)	1,530,560
Operating expenses								
Operations and maintenance:								
Maintenance and other operating expenses	171,180	32,009	-	203,189	139,899	3,280	(15,992)	330,376
Fuel	318,083	-	-	318,083	-	-	-	318,083
Purchased power	227,817	-	(47,283)	180,534	-	-	-	180,534
Depreciation	270,236	307	-	270,543	130,771	1,969	-	403,283
State utility and franchise taxes	47,338	-	-	47,338	8,376	-	-	55,714
Recognition of deferred costs and revenues, net	(70,065)	37,720	-	(32,345)	8,326	-	-	(24,019)
Total operating expenses	964,589	70,036	(47,283)	987,342	287,372	5,249	(15,992)	1,263,971
Operating income	196,188	(22,525)	-	173,663	92,153	773	-	266,589
Nonoperating revenues (expenses)								
Interest on debt	(46,431)	(7,340)	-	(53,771)	(30,066)	(931)	-	(84,768)
Earnings from The Energy Authority	21,688	-	-	21,688	-	-	-	21,688
Allowance for funds used during construction	2,271	-	-	2,271	6,678	96	-	9,045
Other nonoperating income, net	2,904	194	-	3,098	1,832	-	-	4,930
Investment income	(5,185)	104	-	(5,081)	(2,397)	1	-	(7,477)
Other interest, net	(856)	-	-	(856)	(238)	-	-	(1,094)
Total nonoperating expenses, net	(25,609)	(7,042)	-	(32,651)	(24,191)	(834)	-	(57,676)
Income before contributions	170,579	(29,567)	-	141,012	67,962	(61)	-	208,913
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(70,909)	-	-	(70,909)	(20,000)	-	-	(90,909)
Developers and other	3,647	-	-	3,647	79,308	-	-	82,955
Reduction of plant cost through contributions	(3,647)	-	-	(3,647)	(44,799)	-	-	(48,446)
Total contributions, net	(70,909)	-	-	(70,909)	14,509	-	-	(56,400)
Change in net position	99,670	(29,567)	-	70,103	82,471	(61)	-	152,513
Net position, beginning of year	1,509,677	84,229	-	1,593,906	1,867,325	6,223	-	3,467,454
Net position, end of period	\$ 1,609,347	\$ 54,662	\$ -	\$ 1,664,009	\$ 1,949,796	\$ 6,162	\$ -	\$ 3,619,967

JEA

Page 13

Combining Statement of Revenues, Expenses, and Changes in Net Position
(in thousands - unaudited) for the nine months ended June 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	\$ 612,828	\$ -	\$ -	\$ 612,828	\$ -	\$ -	\$ (6,248)	\$ 606,580
Electric - fuel and purchased power	283,766	19,974	(19,974)	283,766	-	-	(5,687)	278,079
Water and sewer	-	-	-	-	335,393	-	(201)	335,192
District energy system	-	-	-	-	-	5,598	(236)	5,362
Other operating revenues	19,135	111	-	19,246	10,175	5	(1,661)	27,765
Total operating revenues	915,729	20,085	(19,974)	915,840	345,568	5,603	(14,033)	1,252,978
Operating expenses								
Operations and maintenance:								
Maintenance and other operating expenses	163,391	1,931	-	165,322	117,774	3,082	(14,033)	272,145
Fuel	247,135	-	-	247,135	-	-	-	247,135
Purchased power	92,796	-	(19,974)	72,822	-	-	-	72,822
Depreciation	162,616	307	-	162,923	128,656	1,921	-	293,500
State utility and franchise taxes	42,825	-	-	42,825	8,105	-	-	50,930
Recognition of deferred costs and revenues, net	5,811	10,408	-	16,219	4,034	-	-	20,253
Total operating expenses	714,574	12,646	(19,974)	707,246	258,569	5,003	(14,033)	956,785
Operating income	201,155	7,439	-	208,594	86,999	600	-	296,193
Nonoperating revenues (expenses)								
Interest on debt	(50,690)	(7,336)	-	(58,026)	(33,248)	(954)	-	(92,228)
Earnings from The Energy Authority	10,454	-	-	10,454	-	-	-	10,454
Allowance for funds used during construction	2,159	-	-	2,159	4,061	8	-	6,228
Other nonoperating income, net	3,040	218	-	3,258	(146)	-	-	3,112
Investment income	1,005	101	-	1,106	901	2	-	2,009
Other interest, net	(16)	-	-	(16)	20	-	-	4
Total nonoperating expenses, net	(34,048)	(7,017)	-	(41,065)	(28,412)	(944)	-	(70,421)
Income before contributions	167,107	422	-	167,529	58,587	(344)	-	225,772
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(70,207)	-	-	(70,207)	(19,802)	-	-	(90,009)
Developers and other	1,923	-	-	1,923	66,309	-	-	68,232
Reduction of plant cost through contributions	(1,923)	-	-	(1,923)	(38,181)	-	-	(40,104)
Total contributions, net	(70,207)	-	-	(70,207)	8,326	-	-	(61,881)
Change in net position	96,900	422	-	97,322	66,913	(344)	-	163,891
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	\$ 1,451,600	\$ 86,801	\$ -	\$ 1,538,401	\$ 1,843,346	\$ 6,134	\$ -	\$ 3,387,881

JEA

Page 14

Combining Statement of Cash Flows
(in thousands - unaudited) for the nine months ended June 2022

	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	\$ 953,317	\$ 47,505	\$ (43,193)	\$ 957,629	\$ 372,808	\$ 6,017	\$ (14,045)	\$ 1,322,409
Payments to suppliers	(613,518)	(8,628)	43,193	(578,953)	(94,046)	(2,801)	15,992	(659,808)
Payments for salaries and benefits	(142,854)	(3,000)	-	(145,854)	(57,017)	(563)	-	(203,434)
Other operating activities	111,121	293	-	111,414	17,422	7	(1,947)	126,896
Net cash provided by operating activities	308,066	36,170	-	344,236	239,167	2,660	-	586,063
Noncapital and related financing activities								
Contribution to General Fund, City of Jacksonville, Florida	(70,831)	-	-	(70,831)	(19,978)	-	-	(90,809)
Net cash used in noncapital and related financing activities	(70,831)	-	-	(70,831)	(19,978)	-	-	(90,809)
Capital and related financing activities								
Acquisition and construction of capital assets	(123,022)	-	-	(123,022)	(177,805)	(2,777)	-	(303,604)
Defeasance of debt	(47,630)	(27,255)	-	(74,885)	-	-	-	(74,885)
Interest paid on debt	(61,411)	(9,439)	-	(70,850)	(47,018)	(1,241)	-	(119,109)
Repayment of debt principal	(66,220)	(14,175)	-	(80,395)	(9,370)	(1,770)	-	(91,535)
Capital contributions	-	-	-	-	34,509	-	-	34,509
Revolving credit agreement withdrawals	-	-	-	-	-	3,000	-	3,000
Other capital financing activities	3,534	56	-	3,590	1,550	-	-	5,140
Net cash used in capital and related financing activities	(294,749)	(50,813)	-	(345,562)	(198,134)	(2,788)	-	(546,484)
Investing activities								
Proceeds from sale and maturity of investments	162,850	26,094	-	188,944	58,170	-	-	247,114
Purchase of investments	(298,307)	(13,604)	-	(311,911)	(107,344)	-	-	(419,255)
Distributions from The Energy Authority	10,511	-	-	10,511	-	-	-	10,511
Investment income	1,479	152	-	1,631	1,402	1	-	3,034
Net cash provided by (used in) investing activities	(123,467)	12,642	-	(110,825)	(47,772)	1	-	(158,596)
Net change in cash and cash equivalents	(180,981)	(2,001)	-	(182,982)	(26,717)	(127)	-	(209,826)
Cash and cash equivalents at beginning of year	386,774	133,953	-	520,727	188,136	4,250	-	713,113
Cash and cash equivalents at end of period	\$ 205,793	\$ 131,952	\$ -	\$ 337,745	\$ 161,419	\$ 4,123	\$ -	\$ 503,287
Reconciliation of operating income to net cash provided by operating activities								
Operating income	\$ 196,188	\$ (22,525)	\$ -	\$ 173,663	\$ 92,153	\$ 773	\$ -	\$ 266,589
Adjustments:								
Depreciation and amortization	270,236	307	-	270,543	131,046	1,969	-	403,558
Recognition of deferred costs and revenues, net	(70,065)	37,720	-	(32,345)	8,326	-	-	(24,019)
Other nonoperating income, net	(803)	-	-	(803)	(238)	-	-	(1,041)
Changes in noncash assets and noncash liabilities:								
Accounts receivable	(42,300)	222	-	(42,078)	(9,198)	2	-	(51,274)
Inventories	(4,872)	-	-	(4,872)	(3,799)	-	-	(8,671)
Other assets	(29,415)	103	-	(29,312)	1,304	(2)	-	(28,010)
Accounts and accrued expenses payable	37,611	27,169	-	64,780	19,320	(98)	-	84,002
Current liabilities payable from restricted assets	-	(6,826)	-	(6,826)	-	-	-	(6,826)
Other noncurrent liabilities and deferred inflows	(48,514)	-	-	(48,514)	253	16	-	(48,245)
Net cash provided by operating activities	\$ 308,066	\$ 36,170	\$ -	\$ 344,236	\$ 239,167	\$ 2,660	\$ -	\$ 586,063
Noncash activity								
Contribution of capital assets from developers	\$ 3,647	\$ -	\$ -	\$ 3,647	\$ 44,799	\$ -	\$ -	\$ 48,446
Unrealized investment fair market value changes, net	\$ (6,927)	\$ (61)	\$ -	\$ (6,988)	\$ (4,186)	\$ -	\$ -	\$ (11,174)

JEA

Page 15

Combining Statement of Cash Flows
(in thousands - unaudited) for the nine months ended June 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	\$ 894,640	\$ 19,974	\$ (19,972)	\$ 894,642	\$ 343,126	\$ 5,149	\$ (12,372)	\$ 1,230,545
Payments to suppliers	(423,094)	(7,451)	19,972	(410,573)	(73,571)	(2,688)	14,033	(472,799)
Payments for salaries and benefits	(130,205)	-	-	(130,205)	(52,964)	(530)	-	(183,699)
Other operating activities	19,129	19	-	19,148	11,474	5	(1,661)	28,966
Net cash provided by operating activities	360,470	12,542	-	373,012	228,065	1,936	-	603,013
Noncapital and related financing activities								
Contribution to General Fund, City of Jacksonville, Florida	(70,229)	-	-	(70,229)	(19,681)	-	-	(89,910)
Net cash used in noncapital and related financing activities	(70,229)	-	-	(70,229)	(19,681)	-	-	(89,910)
Capital and related financing activities								
Acquisition and construction of capital assets	(123,029)	-	-	(123,029)	(129,656)	(661)	-	(253,346)
Defeasance of debt	(104,390)	-	-	(104,390)	-	-	-	(104,390)
Interest paid on debt	(64,047)	(10,169)	-	(74,216)	(49,033)	(1,275)	-	(124,524)
Repayment of debt principal	(67,765)	(13,340)	-	(81,105)	(19,870)	(1,725)	-	(102,700)
Capital contributions	-	-	-	-	28,128	-	-	28,128
Revolving credit agreement repayments	-	-	-	-	(5,000)	-	-	(5,000)
Other capital financing activities	2,755	304	-	3,059	598	-	-	3,657
Net cash used in capital and related financing activities	(356,476)	(23,205)	-	(379,681)	(174,833)	(3,661)	-	(558,175)
Investing activities								
Proceeds from sale and maturity of investments	142,182	26,968	-	169,150	14,777	-	-	183,927
Purchase of investments	(173,643)	(27,485)	-	(201,128)	(13,929)	-	-	(215,057)
Distributions from The Energy Authority	1,350	-	-	1,350	-	-	-	1,350
Investment income	2,720	109	-	2,829	1,558	2	-	4,389
Net cash provided by (used in) investing activities	(27,391)	(408)	-	(27,799)	2,406	2	-	(25,391)
Net change in cash and cash equivalents	(93,626)	(11,071)	-	(104,697)	35,957	(1,723)	-	(70,463)
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	\$ 262,250	\$ 130,061	\$ -	\$ 392,311	\$ 174,225	\$ 4,133	\$ -	\$ 570,669
Reconciliation of operating income to net cash provided by operating activities								
Operating income	\$ 201,155	\$ 7,439	\$ -	\$ 208,594	\$ 86,999	\$ 600	\$ -	\$ 296,193
Adjustments:								
Depreciation and amortization	162,616	307	-	162,923	129,494	1,921	-	294,338
Recognition of deferred costs and revenues, net	5,811	10,408	-	16,219	4,034	-	-	20,253
Other nonoperating income (loss), net	25	-	-	25	48	-	-	73
Changes in noncash assets and noncash liabilities:								
Accounts receivable	13,192	-	-	13,192	(507)	(449)	-	12,236
Inventories	7,730	-	-	7,730	2,138	-	-	9,868
Other assets	761	2,425	-	3,186	1,150	(7)	-	4,329
Accounts and accrued expenses payable	(11,161)	(2,939)	-	(14,100)	(3,830)	(131)	-	(18,061)
Current liabilities payable from restricted assets	-	(5,364)	-	(5,364)	-	-	-	(5,364)
Other noncurrent liabilities and deferred inflows	(19,659)	266	-	(19,393)	8,539	2	-	(10,852)
Net cash provided by operating activities	\$ 360,470	\$ 12,542	\$ -	\$ 373,012	\$ 228,065	\$ 1,936	\$ -	\$ 603,013
Noncash activity								
Contribution of capital assets from developers	\$ 1,923	\$ -	\$ -	\$ 1,923	\$ 38,181	\$ -	\$ -	\$ 40,104
Unrealized investment fair market value changes, net	\$ (1,796)	\$ (20)	\$ -	\$ (1,816)	\$ (993)	\$ -	\$ -	\$ (2,809)

JEA
Debt Service Coverage
June 2022
(unaudited)

Page 16

	Month		Year-to-Date	
	2022	June 2021	2022	June 2021
Electric System				
Senior debt service coverage, (annual minimum 1.20x)	9.69 x	13.11 x	10.59 x	11.23 x
Senior and subordinated debt service coverage, (annual minimum 1.15x)	5.40 x	5.76 x	5.80 x	4.92 x
Bulk Power Supply System				
Debt service coverage, (annual minimum 1.15x)	2.18 x	1.22 x	10.76 x	1.27 x
St. Johns River Power Park, Second Resolution				
Debt service coverage, (annual minimum 1.15x)	1.14 x	1.25 x	2.67 x	1.15 x
Water and Sewer System				
Senior debt service coverage, (annual minimum 1.25x)	9.89 x	7.16 x	7.84 x	7.11 x
Senior and subordinated debt service coverage excluding capacity fees ⁽¹⁾	6.68 x	5.56 x	5.91 x	5.52 x
Senior and subordinated debt service coverage including capacity fees ⁽¹⁾	8.51 x	6.27 x	6.79 x	6.22 x
District Energy System				
Debt service coverage	1.12 x	1.27 x	1.21 x	1.11 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).

JEA

Page 17

Electric System

Operating Statistics

June 2022 and 2021 (unaudited)

	Month			Year-to-Date		
	2022	2021	Variance	2022	2021	Variance
Electric revenues sales (000s omitted):						
Residential	\$ 80,854	\$ 58,848	37.39%	\$ 506,522	\$ 451,993	12.06%
Commercial	44,402	33,332	33.21%	312,350	270,709	15.38%
Industrial	22,608	16,215	39.43%	165,051	139,381	18.42%
Public street lighting	1,267	1,171	8.20%	10,943	10,327	5.96%
Electric revenues - territorial	149,131	109,566	36.11%	994,866	872,410	14.04%
Sales for resale - off system	64	26	146.15%	636	2,068	-69.25%
Electric revenues	149,195	109,592	36.14%	995,502	874,478	13.84%
Regulatory	1,586	3,050	-48.00%	47,924	23,694	102.26%
Allowance for doubtful accounts	-	-		-	(1,578)	-100.00%
Net electric revenues	150,781	112,642	33.86%	1,043,426	896,594	16.38%
MWh sales						
Residential	594,434	520,194	14.27%	3,971,631	3,942,915	0.73%
Commercial	375,117	347,828	7.85%	2,847,810	2,763,591	3.05%
Industrial	246,248	230,143	7.00%	1,978,837	1,923,705	2.87%
Public street lighting	4,596	4,881	-5.84%	41,100	41,637	-1.29%
Total MWh sales - territorial	1,220,395	1,103,046	10.64%	8,839,378	8,671,848	1.93%
Sales for resale - off system	677	600	12.83%	9,319	22,273	-58.16%
Total MWh sales	1,221,072	1,103,646	10.64%	8,848,697	8,694,121	1.78%
Average number of accounts						
Residential	446,767	438,367	1.92%	443,557	435,181	1.92%
Commercial	55,096	54,383	1.31%	54,816	54,077	1.37%
Industrial	198	195	1.54%	198	196	1.02%
Public street lighting	4,010	3,989	0.53%	3,989	3,973	0.40%
Total average accounts	506,071	496,934	1.84%	502,560	493,427	1.85%
Residential averages						
Revenue per account - \$	180.98	134.24	34.81%	1,141.95	1,038.63	9.95%
kWh per account	1,331	1,187	12.12%	8,954	9,060	-1.17%
Revenue per kWh - ¢	13.60	11.31	20.24%	12.75	11.46	11.25%
Degree days						
Heating degree days	-	-	-	1,069	1,208	(139)
Cooling degree days	478	433	45	1,394	1,371	23
Total degree days	478	433	45	2,463	2,579	(116)
Degree days - 30 year average	459			2,541		

JEA
Water and Sewer System
Operating Statistics
June 2022 and 2021 (unaudited)

	Month								
	Water			Sewer			Reuse		
	2022	2021	Variance	2022	2021	Variance	2022	2021	Variance
Revenues (000s omitted):									
Residential	\$ 10,075	\$ 8,817	14.27%	\$ 14,871	\$ 12,753	16.61%	\$ 1,862	\$ 1,417	31.40%
Commercial and industrial	4,096	3,609	13.49%	9,266	8,107	14.30%	806	587	37.31%
Irrigation	3,790	3,540	7.06%	N/A	N/A	N/A	16	19	-15.79%
Gross revenues	17,961	15,966	12.50%	24,137	20,860	15.71%	2,684	2,023	32.67%
Rate stabilization	21	(357)	-105.88%	29	(466)	-106.22%	3	(46)	-106.52%
Allowance for doubtful accounts	(3)	(1)	200.00%	(5)	(2)	150.00%	-	-	
Net revenues	\$ 17,979	\$ 15,608	15.19%	\$ 24,161	\$ 20,392	18.48%	\$ 2,687	\$ 1,977	35.91%
Kgal sales (000s omitted)									
Residential	1,954,240	1,630,311	19.87%	1,722,442	1,422,388	21.10%	330,493	232,520	42.14%
Commercial and industrial	1,187,017	994,529	19.35%	994,799	825,652	20.49%	175,327	125,790	39.38%
Irrigation	683,941	633,955	7.88%	N/A	N/A	N/A	42,674	77,611	-45.02%
Total kgal sales	3,825,198	3,258,795	17.38%	2,717,241	2,248,040	20.87%	548,494	435,921	25.82%
Average number of accounts:									
Residential	320,705	310,625	3.25%	286,735	276,954	3.53%	22,474	19,518	15.14%
Commercial and industrial	27,052	26,654	1.49%	19,217	18,942	1.45%	837	753	11.16%
Irrigation	38,347	38,098	0.65%	N/A	N/A	N/A	43	42	2.38%
Total average accounts	386,104	375,377	2.86%	305,952	295,896	3.40%	23,354	20,313	14.97%
Residential averages:									
Revenue per account - \$	31.42	28.38	10.71%	51.86	46.05	12.62%	82.85	72.60	14.12%
Kgals per account	6.09	5.25	16.00%	6.01	5.14	16.93%	14.71	11.91	23.51%
Revenue per kgals - \$	5.16	5.41	-4.62%	8.63	8.97	-3.79%	5.63	6.09	-7.55%
	Year-to-Date								
	Water			Sewer			Reuse		
	2022	2021	Variance	2022	2021	Variance	2022	2021	Variance
Revenues (000s omitted):									
Residential	\$ 78,864	\$ 74,863	5.34%	\$ 119,175	\$ 114,018	4.52%	\$ 12,898	\$ 10,824	19.16%
Commercial and industrial	36,644	35,005	4.68%	85,181	81,806	4.13%	5,137	4,024	27.66%
Irrigation	25,617	23,562	8.72%	N/A	N/A	N/A	186	215	-13.49%
Gross revenues	141,125	133,430	5.77%	204,356	195,824	4.36%	18,221	15,063	20.97%
Rate stabilization	(60)	(3,221)	-98.14%	(55)	(4,698)	-98.83%	7	(363)	-101.93%
Allowance for doubtful accounts	(3)	(244)	-98.77%	(5)	(372)	-98.66%	-	(26)	-100.00%
Net revenues	\$ 141,062	\$ 129,965	8.54%	\$ 204,296	\$ 190,754	7.10%	\$ 18,228	\$ 14,674	24.22%
Kgal sales (000s omitted)									
Residential	14,419,692	13,763,234	4.77%	12,683,165	12,038,132	5.36%	2,087,226	1,689,827	23.52%
Commercial and industrial	10,468,252	9,936,778	5.35%	9,188,207	8,726,972	5.29%	1,085,634	839,051	29.39%
Irrigation	4,226,839	3,759,790	12.42%	N/A	N/A	N/A	558,277	736,843	-24.23%
Total kgal sales	29,114,783	27,459,802	6.03%	21,871,372	20,765,104	5.33%	3,731,137	3,265,721	14.25%
Average number of accounts:									
Residential	317,043	307,375	3.15%	283,167	273,807	3.42%	21,380	18,591	15.00%
Commercial and industrial	26,880	26,461	1.58%	19,109	18,808	1.60%	804	722	11.36%
Irrigation	38,205	37,855	0.92%	N/A	N/A	N/A	43	40	7.50%
Total average accounts	382,128	371,691	2.81%	302,276	292,615	3.30%	22,227	19,353	14.85%
Residential averages:									
Revenue per account - \$	248.75	243.56	2.13%	420.86	416.42	1.07%	603.27	582.22	3.62%
Kgals per account	45.48	44.78	1.56%	44.79	43.97	1.86%	97.63	90.89	7.42%
Revenue per kgals - \$	5.47	5.44	0.55%	9.40	9.47	-0.74%	6.18	6.41	-3.59%

Rain statistics	Month				Year-to-Date			
	2022	2021	Variance	30 Year Avg	2022	2021	Variance	30 Year Avg
	Rainfall	1.17	9.71	(8.54)	7.60	33.44	34.94	(1.50)
Rain Days	6	18	(12)	14	64	92	(28)	73

Appendix

JEA
Schedule of Cash and Investments
(in thousands - unaudited) June 2022

Page 20

	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	\$ 21,710	\$ 31,694	\$ 53,404	\$ 23,471	\$ 1,300	\$ 78,175
Rate stabilization:						
Environmental	20,243	-	20,243	30,184	-	50,427
Purchased Power	2,431	-	2,431	-	-	2,431
DSM/Conservation	8,671	-	8,671	-	-	8,671
Total rate stabilization funds	31,345	-	31,345	30,184	-	61,529
Customer deposits	45,414	-	45,414	16,442	-	61,856
General reserve	-	20,558	20,558	-	-	20,558
Self insurance reserve funds:						
Self funded health plan	14,330	-	14,330	-	-	14,330
Property insurance reserve	10,000	-	10,000	-	-	10,000
Total self insurance reserve funds	24,330	-	24,330	-	-	24,330
Environmental liability reserve	16,076	-	16,076	-	-	16,076
Total unrestricted cash and investments	\$ 138,875	\$ 52,252	\$ 191,127	\$ 70,097	\$ 1,300	\$ 262,524
Restricted assets						
Renewal and replacement funds	\$ 267,299	\$ 31,035	\$ 298,334	\$ 146,731	\$ 1,158	\$ 446,223
Debt service reserve account	53,352	8,087	61,439	56,606	-	118,045
Debt service funds	46,759	13,551	60,310	18,705	1,665	80,680
Construction funds	286	-	286	4,136	-	4,422
Environmental funds	8	-	8	1,971	-	1,979
Subtotal	367,704	52,673	420,377	228,149	2,823	651,349
Unrealized holding gain (loss) on investments	(3,950)	20	(3,930)	(2)	-	(3,932)
Other funds	-	28,274	28,274	-	-	28,274
Total restricted cash and investments	\$ 363,754	\$ 80,967	\$ 444,721	\$ 228,147	\$ 2,823	\$ 675,691
Total cash and investments	\$ 502,629	\$ 133,219	\$ 635,848	\$ 298,244	\$ 4,123	\$ 938,215

JEA
Schedule of Cash and Investments
(in thousands) September 2021

	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	\$ 56,985	\$ 34,229	\$ 91,214	\$ 28,547	\$ 1,219	\$ 120,980
Rate stabilization:						
Fuel	41,767	-	41,767	-	-	41,767
Environmental	19,756	-	19,756	30,077	-	49,833
Purchased Power	10,513	-	10,513	-	-	10,513
DSM/Conservation	7,233	-	7,233	-	-	7,233
Total rate stabilization funds	79,269	-	79,269	30,077	-	109,346
Customer deposits	45,179	-	45,179	17,044	-	62,223
General reserve	-	21,246	21,246	-	-	21,246
Self insurance reserve funds:						
Self funded health plan	14,272	-	14,272	-	-	14,272
Property insurance reserve	10,000	-	10,000	-	-	10,000
Total self insurance reserve funds	24,272	-	24,272	-	-	24,272
Environmental liability reserve	16,568	-	16,568	-	-	16,568
Total unrestricted cash and investments	\$ 222,273	\$ 55,475	\$ 277,748	\$ 75,668	\$ 1,219	\$ 354,635
Restricted assets						
Renewal and replacement funds	\$ 183,800	\$ 32,776	\$ 216,576	\$ 97,066	\$ 634	\$ 314,276
Debt service reserve account	55,844	10,087	65,931	55,665	-	121,596
Debt service funds	89,817	19,489	109,306	30,006	2,397	141,709
Construction funds	286	-	286	14,266	-	14,552
Environmental funds	83	-	83	3,118	-	3,201
Subtotal	329,830	62,352	392,182	200,121	3,031	595,334
Unrealized holding gain (loss) on investments	2,977	72	3,049	4,184	-	7,233
Other funds	-	29,871	29,871	-	-	29,871
Total restricted cash and investments	\$ 332,807	\$ 92,295	\$ 425,102	\$ 204,305	\$ 3,031	\$ 632,438
Total cash and investments	\$ 555,080	\$ 147,770	\$ 702,850	\$ 279,973	\$ 4,250	\$ 987,073

JEA
INVESTMENT PORTFOLIO REPORT
JUNE 2022
(unaudited)

Page 21

INVESTMENT	BOOK VALUE	YIELD	% OF TOTAL
Treasuries	\$ 29,782,031	0.73%	3.16%
<u>Agencies</u>			
Federal Farm Credit Bank	24,938,536	1.08%	2.64%
Federal Home Loan Bank	159,367,689	1.34%	16.89%
Total	184,306,225	1.30%	19.54%
Municipal Bonds	115,575,184	3.04%	12.25%
Commercial Paper	147,072,800	1.34%	15.59%
U.S. Treasury Money Market Funds (1)	130,677,078	1.10%	13.85%
Agency Money Market Funds (2)	123,475,000	1.30%	13.09%
PALM Money Market Fund	30,500,000	1.17%	3.23%
Florida Prime Fund	134,784,000	1.25%	14.29%
Wells Fargo Bank Accounts (3)			
Electric, Scherer	24,027,850	1.66%	2.55%
SJRPP	9,603,597	1.66%	1.02%
Water & Sewer, DES	13,530,323	1.66%	1.43%
Total Portfolio	\$ 943,334,088	1.48%	100.00%

Weighted Avg. Annual Yield Excluding Bank & Money Market Funds: 1.70%

Weighted Avg. Annual Yield Including Bank & Money Market Funds: 1.48%

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: Fidelity, Goldman Sachs, State Street

(2) Government Funds: State Street, Wells Fargo Allspring

(3) Month-end bank balances

JEA

Page 22

Schedule of Outstanding Indebtedness

June 2022

(unaudited)

	<u>Interest Rates</u>	<u>Principal Payment Dates</u>	<u>Par Amount Principal Outstanding</u>	<u>Current Portion of Long-Term Debt</u>
Electric Enterprise				
<i>Electric System</i>				
Fixed Rate Senior	3.000 - 6.056%	2022-2044	440,625,000	17,195,000
Fixed Rate Subordinated	3.375 - 6.406%	2022-2039	434,550,000	15,850,000
Variable Rate Senior	0.830 - 1.265%	2022-2040	439,835,000	8,925,000
Variable Rate Subordinated	0.609 - 0.877%	2022-2038	54,225,000	2,740,000
Total Electric System	<u>2.953% (wtd avg)</u>	<u>2022-2044</u>	<u>1,369,235,000</u>	<u>44,710,000</u>
<i>Bulk Power Supply System</i>				
Fixed Rate Senior	2.750 - 5.920%	2022-2038	27,175,000	2,410,000
<i>St. Johns River Power Park</i>				
Fixed Rate Senior	2.500 - 5.450%	2022-2039	210,335,000	15,285,000
Total Electric Enterprise	<u>3.102% (wtd avg)</u>	<u>2022-2044</u>	<u>1,606,745,000</u>	<u>62,405,000</u>
Water and Sewer System				
Fixed Rate Senior	3.000 - 6.310%	2022-2044	867,510,000	2,220,000
Fixed Rate Subordinated	2.750 - 5.000%	2023-2040	88,845,000	-
Variable Rate Senior ⁽¹⁾	0.803 - 8.480%	2022-2042	142,165,000	5,055,000
Variable Rate Subordinated	0.592 - 0.829%	2022-2038	98,385,000	2,575,000
Total Water and Sewer System	<u>3.239% (wtd avg)</u>	<u>2022-2044</u>	<u>1,196,905,000</u>	<u>9,850,000</u>
District Energy System				
Fixed Rate Senior	3.000 - 4.538%	2022-2034	29,640,000	1,815,000
Other Obligations	2.090%	2024	3,000,000	-
Total District Energy System	<u>4.105% (wtd avg)</u>	<u>2022-2034</u>	<u>32,640,000</u>	<u>1,815,000</u>
Total JEA	<u>3.171% (wtd avg)</u>	<u>2022-2044</u>	<u>2,836,290,000</u>	<u>74,070,000</u>

JEA**Debt Ratio**

(unaudited)

	<u>Current YTD</u>
Electric Enterprise	55.6%
Water and Sewer System	38.4%

⁽¹⁾ Includes a variable rate CPI bond with a current variable rate of 8.480%, which is synthetically fixed at 4.090% with a CPI interest rate swap.

JEA
Interest Rate Swap Position Report
June 2022
(unaudited)

Page 23

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	0.722	2.995	n/a	68% 1 mth Libor
3	Morgan Stanley	1/27/2005	10/1/2039	82,575,000	4.351	0.815	3.536	n/a	SIFMA
4	JPMorgan	1/27/2005	10/1/2035	78,300,000	3.661	0.722	2.939	n/a	68% 1 mth Libor
6	JPMorgan	1/27/2005	10/1/2037	39,175,000	3.716	0.722	2.994	n/a	68% 1 mth Libor
8	Morgan Stanley	1/31/2007	10/1/2031	62,980,000	3.907	0.815	3.092	n/a	SIFMA
10	Goldman Sachs	1/31/2008	10/1/2036	51,680,000	3.836	0.815	3.021	n/a	SIFMA
			Total	<u>399,510,000</u>					
<i>Water/Sewer System</i>									
7	Morgan Stanley	10/31/2006	10/1/2022	5,055,000	4.090	8.480	(4.390)	n/a	CPI
9	Merrill Lynch	3/8/2007	10/1/2041	85,290,000	3.895	0.815	3.080	n/a	SIFMA
			Total	<u>90,345,000</u>					
			Grand Total	<u>\$ 489,855,000</u>		Wtd Avg Spread	<u>3.031</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
June 2022 and 2021 (unaudited)

	Month			Year-to-Date		
	2022	2021	Variance	2022	2021	Variance
Generated power:						
Steam:						
<i>Fuel oil #6</i>						
Fuel expense	\$ 992,812	\$ (16,137)	-6252.40%	\$ 2,500,981	\$ 2,197,864	13.79%
Barrels consumed	9,353	(149)	-6377.18%	23,577	20,262	16.36%
\$/ per barrel consumed	\$ 106.15	\$ 108.30	-1.99%	\$ 106.08	\$ 108.47	-2.21%
kWh generated (1)	5,081,985	(3,056)	-166395.32%	12,847,043	10,376,120	23.81%
Cost per MWh	\$ 195.36	\$ 5,280.43	-96.30%	\$ 194.67	\$ 211.82	-8.09%
<i>Natural gas units #1-3</i>						
Fuel expense - variable	\$ 19,054,337	\$ 5,792,694	228.94%	\$ 85,367,320	\$ 43,163,638	97.78%
MMBTUs consumed	2,504,779	1,808,219	38.52%	13,832,133	15,414,802	-10.27%
\$/ per MMBTU consumed	\$ 7.61	\$ 3.20	137.46%	\$ 6.17	\$ 2.80	120.41%
kWh generated (1)	218,192,709	159,478,751	36.82%	1,207,488,147	1,389,113,773	-13.07%
Cost per MWh	\$ 87.33	\$ 36.32	140.42%	\$ 70.70	\$ 31.07	127.52%
<i>Biomass units #1-2</i>						
Fuel expense	\$ 122,794.00	\$ -		\$ 913,160.00	\$ -	
kWh generated	5,030,195	-		18,754,659	-	
Cost per MWh	\$ 24.41	\$ -		\$ 48.69	\$ -	
<i>Coal</i>						
Fuel expense	\$ 4,201,734	\$ 2,210,632	90.07%	\$ 27,487,970	\$ 14,167,347	94.02%
kWh generated	55,112,838	65,853,351	-16.31%	368,379,286	513,777,278	-28.30%
Cost per MWh	\$ 76.24	\$ 33.57	127.11%	\$ 74.62	\$ 27.57	170.60%
<i>Pet coke and limestone</i>						
Fuel expense	\$ 8,369,492	\$ 4,041,304	107.10%	\$ 42,337,775	\$ 29,017,911	45.90%
kWh generated	92,660,731	82,241,077	12.67%	541,987,160	729,820,717	-25.74%
Cost per MWh	\$ 90.32	\$ 49.14	83.81%	\$ 78.12	\$ 39.76	96.47%
Combustion turbine:						
<i>Fuel oil #2</i>						
Fuel expense	\$ 124,353	\$ 48,304	157.44%	\$ 895,724	\$ 1,550,649	-42.24%
Barrels consumed	930	139	569.06%	5,961	12,495	-52.29%
\$/ per barrel consumed	\$ 133.71	\$ 347.51	-61.52%	\$ 150.26	\$ 124.10	21.08%
kWh generated	373,564	92,021	305.96%	1,566,474	5,026,432	-68.84%
Cost per MWh	\$ 332.88	\$ 524.92	-36.58%	\$ 571.81	\$ 308.50	85.35%
<i>Natural gas (includes landfill)</i>						
Fuel expense Kennedy & landfill - variable	\$ 3,329,785	\$ 583,779	470.38%	\$ 12,909,814	\$ 5,212,575	147.67%
MMBTUs consumed	430,978	182,381	136.31%	2,085,289	1,835,142	13.63%
\$/ per MMBTU consumed	\$ 7.73	\$ 3.20	141.37%	\$ 6.19	\$ 2.84	117.96%
kWh generated (1)	39,384,532	16,161,260	143.70%	183,921,892	162,421,699	13.24%
Cost per MWh	\$ 84.55	\$ 36.12	134.05%	\$ 70.19	\$ 32.09	118.71%
Fuel expense BB simple - variable	\$ 599,403	\$ 370,737	61.68%	\$ 5,092,100	\$ 4,099,849	24.20%
MMBTUs consumed	\$ 76,033	\$ 122,302	-37.83%	\$ 871,305	\$ 1,517,114	-42.57%
\$/ per MMBTU consumed	\$ 7.88	\$ 3.03	160.07%	\$ 5.84	\$ 2.70	116.26%
kWh generated (1)	6,879,000	11,247,000	-38.84%	81,300,793	142,372,849	-42.90%
Cost per MWh	\$ 87.14	\$ 32.96	164.34%	\$ 62.63	\$ 28.80	117.50%
Fuel expense BB combined - variable	\$ 24,007,927	\$ 9,298,371	158.19%	\$ 140,776,063	\$ 69,490,187	102.58%
MMBTUs consumed	2,959,105	2,901,526	1.98%	23,953,329	23,937,259	0.07%
\$/ per MMBTU consumed	\$ 8.11	\$ 3.20	153.17%	\$ 5.88	\$ 2.90	102.45%
kWh generated (1)	419,346,939	420,902,611	-0.37%	3,487,450,618	3,540,005,710	-1.48%
Cost per MWh	\$ 57.25	\$ 22.09	159.15%	\$ 40.37	\$ 19.63	105.64%
Fuel expense GEC simple - variable	\$ 7,829,891	\$ 2,268,688	245.13%	\$ 27,209,495	\$ 14,774,803	84.16%
MMBTUs consumed	1,003,592	646,158	55.32%	4,073,045	4,332,742	-5.99%
\$/ per MMBTU consumed	\$ 7.80	\$ 3.51	122.21%	\$ 6.68	\$ 3.41	95.90%
kWh generated	92,878,302	58,449,578	58.90%	369,490,751	395,632,201	-6.61%
Cost per MWh	\$ 84.30	\$ 38.81	117.19%	\$ 73.64	\$ 37.34	97.19%
Natural gas expense - fixed	\$ 3,853,880	\$ 3,283,746	17.36%	\$ 29,214,946	\$ 29,071,432	0.49%
Total generated power:						
Fuel expense	\$ 72,486,408	\$ 27,882,118	159.97%	\$ 374,705,348	\$ 212,746,255	76.13%
kWh generated	934,940,795	814,422,593	14.80%	6,273,186,823	6,888,546,779	-8.93%
Cost per MWh	\$ 77.53	\$ 34.24	126.46%	\$ 59.73	\$ 30.88	93.40%

(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)
June 2022 and 2021 (unaudited)**

	Month			Year-to-Date		
	2022	2021	Variance	2022	2021	Variance
Cost of fuels						
Natural gas	\$ 58,675,223	\$ 21,598,015	171.67%	\$ 300,569,738	\$ 165,812,484	81.27%
Petcoke	8,369,492	4,041,304	107.10%	42,337,775	29,017,911	45.90%
Coal	4,201,734	2,210,632	90.07%	27,487,970	14,167,347	94.02%
Fuel oil #2	124,353	48,304	157.44%	895,724	1,550,649	-42.24%
Fuel oil #6	992,812	(16,137)	-6252.40%	2,500,981	2,197,864	13.79%
Biomass	122,794	-		913,160	-	
Total	\$ 72,486,408	\$ 27,882,118	159.97%	\$ 374,705,348	\$ 212,746,255	76.13%
Purchased power:						
<i>TEA & other</i>						
Purchases	\$ 16,483,405	\$ 10,202,563	61.56%	\$ 130,123,007	\$ 72,822,683	78.68%
kWh purchased	205,790,124	210,239,575	-2.12%	1,713,021,161	1,237,002,971	38.48%
Cost per MWh	\$ 80.10	\$ 48.53	65.05%	\$ 75.96	\$ 58.87	29.03%
<i>FPL</i>						
Purchases	\$ 10,849,470	\$ -		\$ 50,411,301	\$ -	
kWh purchased	144,119,000	-		842,399,000	-	
Cost per MWh	\$ 75.28	-		\$ 59.84	-	
<i>Plant Scherer</i>						
Purchases	\$ 512,065	\$ 5,008,660	-89.78%	\$ 19,519,158	\$ 39,571,135	-50.67%
kWh purchased	-	124,866,000	-100.00%	284,609,000	850,375,000	-66.53%
Cost per MWh	\$ -	\$ 40.11		\$ 68.58	\$ 46.53	47.38%
<i>SJRPP</i>						
Purchases	\$ 2,146,816	\$ 2,218,938	-3.25%	\$ 47,282,820	\$ 19,973,842	136.72%
Total purchased power:						
Purchases	\$ 29,991,756	\$ 17,430,161	72.07%	\$ 247,336,286	\$ 132,367,660	86.86%
kWh purchased	349,909,124	335,105,575	4.42%	2,840,029,161	2,087,377,971	36.06%
Cost per MWh	\$ 85.71	\$ 52.01	64.79%	\$ 87.09	\$ 63.41	37.34%
Subtotal - generated and purchased power:						
	\$ 102,478,164	\$ 45,312,279	126.16%	\$ 622,041,634	\$ 345,113,915	80.24%
Fuel interchange sales	(64,248)	(26,109)	146.08%	(555,079)	(920,116)	-39.67%
Earnings of The Energy Authority	(3,795,009)	(1,399,834)	171.10%	(21,571,412)	(10,454,241)	106.34%
Realized and Unrealized (Gains) Losses	(10,604,799)	(2,286,405)	363.82%	(76,638,169)	(5,493,105)	1295.17%
Fuel procurement and handling	833,201	815,870	2.12%	8,011,272	9,633,008	-16.84%
Byproduct reuse	321,129	479,721	-33.06%	2,971,344	5,659,667	-47.50%
Total generated and net purchased power:						
Cost, net	89,168,438	42,895,522	107.87%	534,259,590	343,539,128	55.52%
kWh generated and purchased	1,284,849,919	1,149,528,168	11.77%	9,113,215,984	8,975,924,750	1.53%
Cost per MWh	\$ 69.40	\$ 37.32	85.98%	\$ 58.62	\$ 38.27	53.17%
Reconciliation:						
Generated and purchased power per above	\$ 89,168,438	\$ 69.40		\$ 534,259,590	\$ 58.62	
SJRPP operating expenses:						
SJRPP debt service	\$ (1,903,510)	(1.48)		(17,723,842)	(1.94)	
SJRPP R & R	\$ (243,306)	(0.19)		(29,558,979)	(3.24)	
Scherer operating expenses:						
Scherer power production	\$ (66,979)	(0.05)		(4,875,501)	(0.53)	
Scherer R & R	\$ (334,106)	(0.26)		(2,970,523)	(0.33)	
Scherer transmission	\$ -	-		(1,640,810)	(0.18)	
Scherer taxes	\$ (110,980)	(0.09)		(998,840)	(0.11)	
MEAG	\$ (2,433,191)	(1.89)		(20,959,118)	(2.30)	
FPL capacity	\$ (1,400,000)	(1.09)		(8,400,000)	(0.92)	
Florida and other capacity	\$ (973,667)	(0.76)		(9,672,924)	(1.06)	
Rounding	\$ 1	0.00		1	0.00	
Energy expense per budget page	\$ 81,702,700	\$ 63.59		\$ 437,459,054	\$ 48.00	

JEA

Page 26

Electric System Budget vs. Actual June 2022 and 2021 (unaudited)	Month				Prior Year Month	
	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
	2021-22	2021-22	2021-22	%	2020-21	%
Fuel Related Revenues & Expenses						
Fuel Rate Revenues	\$ 368,899,940	\$ 34,196,194	\$ 63,901,760	86.87%	\$ 35,582,374	79.59%
Fuel Expense and Purchased Power:						
Fuel Expense - Electric System	281,848,943	25,701,657	63,035,939		26,891,304	
Other Purchased Power	93,782,639	8,484,437	18,666,761		9,968,785	
Subtotal Energy Expense	375,631,582	34,186,094	81,702,700	-138.99%	36,860,089	-121.66%
Transfer to (from) Rate Stabilization, Net	(7,284,992)	(41,196)	-		(1,277,715)	
Transfer to (from) Other Regulatory Funds, Net	-	-	(17,800,940)		-	
Fuel Related Uncollectibles	553,350	51,296	-		-	
Total	368,899,940	34,196,194	63,901,760	-86.87%	35,582,374	-79.59%
Fuel Balance	-	-	-		-	
Nonfuel Related Revenues						
Base Rate Revenues	785,192,000	72,785,532	77,417,206		67,934,511	
Conservation Charge Revenue	732,000	67,855	125,375		89,459	
Environmental Charge Revenue	7,442,000	689,857	741,723		675,860	
Investment Income	3,194,911	267,470	288,012		274,751	
Natural Gas Revenue Pass Through	823,420	68,619	126,635		74,293	
Other Revenues	123,615,440	1,967,954	3,423,864		1,956,668	
Total	920,999,771	75,847,287	82,122,815	8.27%	71,005,542	15.66%
Nonfuel Related Expenses						
Non-Fuel O&M	255,776,299	18,550,985	16,910,432		15,861,761	
DSM / Conservation O&M	7,227,800	587,449	353,312		299,935	
Environmental O&M	2,263,500	188,624	197,257		117,378	
Rate Stabilization - DSM	(395,800)	(32,983)	382,261		336,013	
Rate Stabilization - Environmental	(3,821,756)	(318,480)	463,956		(44,906)	
Natural Gas Expense Pass Through	918,473	75,201	158,612		81,963	
Debt Principal - Electric System	44,710,000	3,725,833	3,725,833		4,928,333	
Debt Interest - Electric System	65,106,948	5,425,579	5,782,669		5,969,331	
R&R - Electric System	66,329,200	5,527,433	5,527,433		5,211,688	
Operating Capital Outlay	115,291,939	5,000,000	5,000,000		25,000,000	
Operating Capital Outlay - Environmental	3,294,788	274,566	495,162		624,776	
City Contribution Expense	94,545,651	7,878,804	7,878,804		7,800,796	
Taxes & Uncollectibles	1,391,596	127,111	21,180		17,600	
Emergency Reserve	5,000,000	-	-		-	
<i>Nonfuel Purchased Power:</i>						
* SJRPP D/S Principal	15,285,000	1,273,750	1,273,750		1,181,250	
* SJRPP D/S Interest	5,036,315	419,693	672,694		800,443	
** Other Non-Fuel Purchased Power	243,039,818	13,891,399	3,374,075		2,826,264	
Total Nonfuel Expenses	920,999,771	62,594,964	52,217,430	16.58%	71,012,625	26.47%
Non-Fuel Balance	-	13,252,323	29,905,385		(7,083)	
Total Balance	-	13,252,323	29,905,385		(7,083)	
Total Revenues	1,289,899,711	110,043,481	146,024,575	32.70%	106,587,916	37.00%
Total Expenses	1,289,899,711	96,791,158	116,119,190	-19.97%	106,594,999	-8.93%
KWH Sold - Territorial	12,200,000,000	1,130,913,000	1,220,395,030	7.91%	1,103,046,062	10.64%
KWH Sold - Off System	-	-	677,000		600,000	
	12,200,000,000	1,130,913,000	1,221,072,030	7.97%	1,103,646,062	10.64%

* Gross debt service

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

JEA							Page 27	
Electric System		Year-to-Date				Prior Year-to-Date		
Budget vs. Actual		ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance	
June 2022 and 2021 (unaudited)		2021-22	2021-22	2021-22	%	2020-21	%	
Fuel Related Revenues & Expenses								
Fuel Rate Revenues		\$ 368,899,940	\$ 260,253,722	\$ 371,948,093	42.92%	\$ 279,587,164	33.03%	
Fuel Expense and Purchased Power:								
Fuel Expense - Electric System		281,848,943	199,890,156	309,049,795		222,545,825		
Other Purchased Power		93,782,639	68,033,014	128,409,259		60,300,658		
Subtotal Energy Expense		375,631,582	267,923,170	437,459,054	-63.28%	282,846,483	-54.66%	
Transfer to (from) Rate Stabilization, Net		(7,284,992)	(8,059,827)	(41,766,996)		(3,792,235)		
Transfer to (from) Other Regulatory Funds, Net		-	-	(23,743,965)		-		
Fuel Related Uncollectibles		553,350	390,379	-		532,916		
Total		368,899,940	260,253,722	371,948,093	-42.92%	279,587,164	-33.03%	
Fuel Balance		-	-	-		-		
Nonfuel Related Revenues								
Base Rate Revenues		785,192,000	553,941,919	569,950,483		545,544,546		
Conservation Charge Revenue		732,000	516,416	465,240		444,131		
Environmental Charge Revenue		7,442,000	5,250,227	5,411,883		5,321,580		
Investment Income		3,194,911	2,386,169	1,742,463		2,802,029		
Natural Gas Revenue Pass Through		823,420	617,563	928,403		604,164		
Other Revenues		123,615,440	117,711,578	120,443,942		126,283,849		
Total		920,999,771	680,423,872	698,942,414	2.72%	681,000,299	2.63%	
Nonfuel Related Expenses								
Non-Fuel O&M		255,776,299	180,827,977	156,414,413		141,621,910		
DSM / Conservation O&M		7,227,800	5,405,989	3,446,508		3,352,954		
Environmental O&M		2,263,500	1,866,409	682,883		999,911		
Rate Stabilization - DSM		(395,800)	(296,847)	1,438,421		1,398,894		
Rate Stabilization - Environmental		(3,821,756)	(2,866,320)	486,727		(1,702,732)		
Natural Gas Expense Pass Through		918,473	687,519	1,103,091		743,464		
Debt Principal - Electric System		44,710,000	33,532,499	33,532,500		44,355,000		
Debt Interest - Electric System		65,106,948	48,830,211	47,246,463		50,095,806		
Early Debt Retirement		-	-	-		106,848,624		
R&R - Electric System		66,329,200	49,746,901	49,746,900		46,905,188		
Operating Capital Outlay		115,291,939	150,000,000	150,000,000		159,000,000		
Operating Capital Outlay - Environmental		3,294,788	2,471,094	4,733,377		6,387,147		
City Contribution Expense		94,545,651	70,909,238	70,909,238		70,207,166		
Taxes & Uncollectibles		1,391,596	990,727	297,886		1,211,130		
Emergency Reserve		5,000,000	-	-		-		
<i>Nonfuel Purchased Power:</i>								
* SJRPP D/S Principal		15,285,000	11,463,750	11,463,750		10,631,250		
* SJRPP D/S Interest		5,036,315	3,777,237	6,380,587		7,202,173		
** Other Non-Fuel Purchased Power		243,039,818	176,365,621	119,302,420		30,779,061		
Total Nonfuel Expenses		920,999,771	733,712,005	657,185,164	10.43%	680,036,946	3.36%	
Non-Fuel Balance		-	(53,288,133)	41,757,250		963,353		
Total Balance		-	(53,288,133)	41,757,250		963,353		
Total Revenues		1,289,899,711	940,677,594	1,070,890,507	13.84%	960,587,463	11.48%	
Total Expenses		1,289,899,711	993,965,727	1,029,133,257	-3.54%	959,624,110	-7.24%	
KWH Sold - Territorial		12,200,000,000	8,606,928,000	8,839,377,802	2.70%	8,671,847,675	1.93%	
KWH Sold - Off System		-	-	9,319,000		22,273,000		
		12,200,000,000	8,606,928,000	8,848,696,802	2.81%	8,694,120,675	1.78%	

* Gross debt service

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

Water and Sewer System	Month				Prior Year Month	
Budget vs. Actual	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
June 2022 and 2021 (unaudited)	2021-22	2021-22	2021-22	%	2020-21	%

REVENUES						
Water & Sewer Revenues	\$ 466,939,234	\$ 39,184,819	\$ 43,720,540		\$ 37,827,933	
Capacity & Extension Fees	47,000,000	4,187,283	8,180,371		3,149,403	
Investment Income	2,075,631	172,969	273,237		201,836	
Other Income	25,494,531	2,124,544	3,470,534		(617,701)	
Total	541,509,396	45,669,615	55,644,682	21.84%	40,561,471	37.19%

EXPENSES						
O & M Expenses	192,815,330	14,821,317	15,772,131		13,279,372	
Debt Principal - Water & Sewer	9,850,000	820,833	820,833		780,834	
Debt Interest - Water & Sewer	57,285,355	4,773,779	4,468,111		4,544,683	
Rate Stabilization - Environmental	-	-	(128,258)		869,633	
R&R - Water & Sewer	28,358,000	2,363,167	2,363,167		2,217,175	
Operating Capital Outlay	149,284,996	20,386,918	20,386,918		13,212,602	
Operating Capital Outlay - Capacity/Extension	47,000,000	3,916,667	8,180,371		3,149,403	
Operating Capital Outlay - Environmental	6,790,147	900,150	1,685,769		509,483	
City Contribution Expense	26,666,722	2,222,227	2,222,227		2,200,225	
Uncollectibles & Fees	700,409	58,367	10,601		2,247	
Interlocal Agreements	21,758,437	-	-		-	
Emergency Reserve	1,000,000	-	-		-	
Total Expenses	541,509,396	50,263,425	55,781,870	-10.98%	40,765,657	-36.84%

Total Balance	\$ -	\$ (4,593,810)	\$ (137,188)		\$ (204,186)	
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Sales kgals						
Water	39,000,000	3,377,745	3,825,198	13.25%	3,258,795	17.38%
Sewer	34,000,000	2,902,892	3,265,735	12.50%	2,683,981	21.68%
Total	73,000,000	6,280,637	7,090,933	12.90%	5,942,776	19.32%

Budget vs. Actual	Year-To-Date				Prior Year to Date	
June 2022 and 2021 (unaudited)	ANNUAL BUDGET	BUDGET	ACTUAL	Variance	ACTUAL	Variance
	2021-22	2021-22	2021-22	%	2020-21	%

REVENUES						
Water & Sewer Revenues	\$ 466,939,234	\$ 345,869,953	\$ 355,326,531		\$ 336,212,111	
Capacity & Extension Fees	47,000,000	33,399,371	34,509,073		27,966,988	
Capital Contributions	-	-	-		161,057	
Investment Income	2,075,631	1,556,721	1,793,719		1,891,132	
Other Income	25,494,531	19,120,896	22,374,629		9,719,869	
Total	541,509,396	399,946,941	414,003,952	3.51%	375,951,157	10.12%

EXPENSES						
O & M Expenses	192,815,330	141,501,195	129,634,783		114,615,543	
Debt Principal - Water & Sewer	9,850,000	7,387,497	7,387,497		7,027,503	
Debt Interest - Water & Sewer	57,285,355	42,964,011	37,505,620		38,804,652	
Rate Stabilization - Environmental	-	-	(205,709)		8,282,162	
R&R - Water & Sewer	28,358,000	21,268,500	21,268,500		19,954,575	
Operating Capital Outlay	149,284,996	149,284,996	149,284,996		132,313,414	
Operating Capital Outlay - Capacity/Extension	47,000,000	35,250,003	34,509,073		27,966,988	
Operating Capital Outlay - Contributions	-	-	-		161,057	
Operating Capital Outlay - Environmental	6,790,147	4,089,697	8,639,640		4,033,803	
City Contribution Expense	26,666,722	20,000,042	20,000,042		19,802,021	
Uncollectibles & Fees	700,409	525,303	98,443		641,692	
Interlocal Agreements	21,758,437	4,722,619	4,722,619		942,201	
Emergency Reserve	1,000,000	-	-		-	
Total Expenses	541,509,396	426,993,863	412,845,504	3.31%	374,545,611	-10.23%

Total Balance	\$ -	\$ (27,046,922)	\$ 1,158,448		\$ 1,405,546	
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Sales kgals						
Water	39,000,000	28,755,221	29,114,783	1.25%	27,459,802	6.03%
Sewer	34,000,000	24,990,388	25,602,509	2.45%	24,030,845	6.54%
Total	73,000,000	53,745,610	54,717,292	1.81%	51,490,647	6.27%

JEA

Page 29

District Energy System

Budget vs. Actual June 2022 and 2021 (unaudited)	Month				Prior Year Month	
	ANNUAL BUDGET 2021-22	BUDGET 2021-22	ACTUAL 2021-22	Variance %	ACTUAL 2020-21	Variance %
REVENUES						
Revenues	\$ 8,839,543	\$ 739,574	\$ 780,368		\$ 714,848	
Investment Income	-	-	185		120	
Total	8,839,543	739,574	780,553	5.54%	714,968	9.17%
EXPENSES						
O & M Expenses	5,127,990	387,712	491,225		386,206	
Debt Principal - District Energy System	1,815,000	151,250	151,250		147,500	
Debt Interest - District Energy System	1,356,208	113,017	106,180		104,491	
R&R - District Energy System	402,200	33,517	33,517		36,079	
Operating Capital Outlay	138,145	-	-		-	
Total Expenses	8,839,543	685,496	782,172	-14.10%	674,276	-16.00%
Total Balance	\$ -	\$ 54,078	\$ (1,619)		\$ 40,692	

Budget vs. Actual June 2022 and 2021 (unaudited)	Year-To-Date				Prior-Year-to-Date	
	ANNUAL BUDGET 2021-22	BUDGET 2021-22	ACTUAL 2021-22	Variance %	ACTUAL 2020-21	Variance %
REVENUES						
Revenues	\$ 8,839,543	\$ 6,147,149	\$ 6,022,730		\$ 5,602,761	
Investment Income	-	-	1,480		1,857	
Total	8,839,543	6,147,149	6,024,210	-2.00%	5,604,618	7.49%
EXPENSES						
O & M Expenses	5,127,990	3,806,074	3,269,853		3,080,537	
Debt Principal - District Energy System	1,815,000	1,361,250	1,361,250		1,327,500	
Debt Interest - District Energy System	1,356,208	1,017,153	917,996		940,419	
R&R - District Energy System	402,200	301,650	301,650		324,712	
Operating Capital Outlay	138,145	-	-		-	
Total Expenses	8,839,543	6,486,127	5,850,749	9.80%	5,673,168	-3.13%
Total Balance	\$ -	\$ (338,978)	\$ 173,461		\$ (68,550)	



INTER-OFFICE MEMORANDUM

August 2, 2022

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. A lease amendment reflecting the scope changes was executed on June 23, 2020. JEA executed a third lease amendment 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. A fourth amendment to the lease was executed on July 19, 2021 establishing a process for change orders and associated scope changes within the tenant improvement allowance funds to maintain the lease budget and GMP. A fifth amendment to the lease executed December 30, 2021 provides that JEA pay certain carry costs due to delayed tenant improvement design and construction after building core and shell completion and documents how JEA security and specialty subcontractors will work with the building management group during tenant improvement construction and post occupancy. Spring 2020 changes to the building size and scope support the decision to migrate to a flexible work model.

DISCUSSION:

Ryan achieved the core and shell completion milestone in March and is completing punch list items with review by JEA and JEA's Owner's Representatives and consultants. Tenant improvement (interiors) construction commenced in January 2022 and is currently estimated to be complete in mid-October. Limited supply chain issues for mechanical components and interior finishes have extended the estimated completion date. Further possible impacts to the schedule are being monitored closely. At present, JEA anticipates a phased move from anticipated completion (mid-October) through November. The interiors will offer a variety of workspaces to support the flexible work model with a focus on collaborative work. There continues to be significant coordination between the design, construction, and project management groups.

Future open collaboration
work area



Group collaboration area
In progress



RECOMMENDATION:

This is provided as information only.

Jay Stowe, Managing Director/CEO

JCS/LMD/NKV