



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

FINANCE, GOVERNANCE, & AUDIT COMMITTEE

Virtual – Due to inclement weather, a physical location will not be available.

Please refer to the public notice for login instructions.

January 22, 2025 | 1:00 pm – 3:00 pm

Members: Bobby Stein, Chair, Kawanza Humphrey, MG Orender – All Board Members are Welcome

WELCOME

Meeting Called to Order

Adoption of Agenda (Action)

Bobby Stein, Chair

[Approval of Minutes - October 24, 2024 \(Action\)](#)

Safety Briefing & Meeting Overview

Ted Phillips, Chief Financial Officer

COMMENTS / PRESENTATIONS

Comments from the Public

Public

FOR COMMITTEE CONSIDERATION

DELIVERING BUSINESS EXCELLENCE

[FY2024 EY Audit Results](#)

John DiSanto, Managing Director, EY

[Quarterly Financial Review](#)

Joe Orfano, Deputy Chief Financial Officer & Treasurer

[St. Johns River Power Park Surplus Declaration \(Action\)](#)

Economic Development Program Riders

Jordan Pope, Director, Administrative Services

[Electric, Water, and Sewer Call For Rate Hearing \(Action\)](#)

Ted Phillips, Chief Financial Officer
Victor Blackshear, Director, Financial Planning & Rates

[Supplemental District Energy System \(DES\) Delegation of Authority Resolution - Debt Authorization \(Action\)](#)

A.J. Souto, Manager, Debt Capital Markets
Joe Orfano, Deputy Chief Financial Officer & Treasurer

[Storm Stock Analysis Review](#)

Jenny McCollum, Director, Procurement Services
Rodney Lovgren, Senior Manager, Procurement Support

OTHER BUSINESS & CLOSING CONSIDERATIONS

Old & Other New Business / Open Discussion

Announcements – Next Meeting February 12, 2025

Bobby Stein, Chair

Adjournment

SUPPLEMENTAL INFORMATION

- Appendix A: [Finance, Governance, and Audit Committee Minutes – October 24, 2024](#)
- Appendix B: [EY Audit FY2024 Results](#)
- Appendix C: [St. Johns River Power Park Surplus Declaration](#)
- Appendix D: [Economic Development Program Riders](#)
- Appendix E: [Electric, Water, and Sewer Call For Rate Hearing](#)
- Appendix F: [Supplemental District Energy System \(DES\) Delegation of Authority Resolution - Debt Authorization](#)
- Appendix G: [Storm Stock Analysis Review](#)
- Appendix H: [FY2024 Audited Financial Statements](#)
- Appendix I: [Energy Market Risk Management Report](#)



Building Community®

FINANCE, GOVERNANCE, & AUDIT COMMITTEE

JANUARY 22, 2025

Featuring Northside Generating Station

Safety Briefing & Meeting Overview

Ted Phillips, Chief Financial Officer

Northside Generating Station



Safety Briefing Headquarters

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

Emergency Evacuation Route: Exit building via
Pearl Street main entrance/exit or Monroe Street exit to the left
of the American flag

Assembly Point: Front of Duval County Clerk of Courts
(NW corner of Adams St. & Clay St.)

Evacuation or Medical Assist: Notify JEA Security Officer

Hazard & Situational Awareness

Cell Phone & Computer Etiquette



Pearl Street Exit



Monroe Street Exit
Left of the American Flag



County Courthouse Lawn

MEETING OVERVIEW

- FY2024 EY Audit Results
- Quarterly Financial Review
- St. Johns River Power Park Surplus Declaration (Action)
- Economic Development Program Riders
- Electric, Water, and Sewer Call For Rate Hearing (Action)
- Supplemental District Energy System (DES) Delegation of Authority Resolution - Debt Authorization (Action)
- Storm Stock Analysis Review

Northside Generating Station



Comments from the Public

Bobby Stein, Chair



JEA Financial Statement Audit Results Book

2024 audit results

December 13, 2024



Executive summary



Key business priorities

New:

- GASB Statement No. 100, *Accounting Changes for Error Corrections, and amendment of GASB Statement No. 62* (GASB 100), effective in the fiscal year 2024
- GASB Statement No. 101, *Compensated Absences* (GASB 101), effective in the fiscal year 2024

Next: Upcoming GASB Pronouncements

- GASB Statement No. 102, *Certain Risk Disclosures* (GASB 102), effective in the fiscal year 2025
- GASB Statement No. 103, *Financial Reporting Model Improvements* (GASB 103), effective in the fiscal year 2025

Areas of emphasis

- Revenue recognition
- Regulatory accounts
- Investments
- Capital assets
- Derivative instruments and hedging activities
- Pension plan accounting and reporting – SJRPP plan
- Pension plan accounting and reporting – COJ plan
- Commitments and contingencies

Looking forward

- JEA bond issuance – W&S and DES
- Uniform guidance audit for 2024

Required communications

Area	Comments
Auditor's responsibility under generally accepted auditing standards, including a discussion of the type of auditor's report we are issuing and the circumstances that affect the form and content of our auditor's report, if applicable.	<p>Our responsibilities are included in our audit engagement agreement. A copy has been previously provided or can be made available upon request.</p> <p>We have issued an unqualified opinion on JEA's financial statements on December 13, 2024, for the year ended September 30, 2024.</p>
Key audit matters	No matters to be communicated.
Changes to the audit strategy, timing of the audit and significant risks identified	Our audit strategy is consistent with the plan communicated during the August 2024 meeting.
Matters relevant to our evaluation of the entity's ability to continue as a going concern	We did not identify any events or conditions that led us to believe there was substantial doubt about JEA's ability to continue as a going concern.
Related party relationships and transactions	We noted no significant matters regarding the JEA's relationships and transactions with related parties.



Required communications

Area	Comments
<p>Our views about the qualitative aspects of the entity's significant accounting practices, including:</p> <ul style="list-style-type: none"> • Accounting policies • Accounting estimates 	<p>Management has not selected or changed any significant policies or changed the application of those policies since the August 2024 planning meeting.</p>
<p>Changes to the terms of the audit with no reasonable justification for the change</p>	<p>None.</p>
<p>Significant unusual transactions</p>	<p>We are not aware of any significant unusual transactions executed by JEA.</p>
<p>Difficult or contentious matters subject to consultation outside of the audit team</p>	<p>None.</p>



Required communications

Area	Comments
Material corrected misstatements related to accounts and disclosures	
Uncorrected misstatements related to accounts and disclosures, considered by management to be immaterial	No misstatements Identified.
Significant deficiencies and material weaknesses in internal control over financial reporting	No material weaknesses have been identified.
Our responsibility, procedures performed, the results of those procedures and any reporting to be included in our auditor's report relating to other information included in the annual report	We have reviewed JEA's Supplementary Information and Required Supplementary Information and found the information presented to be consistent with information in the audited financial statements.
Fraud and noncompliance with laws and regulations (illegal acts)	We are not aware of any matters that require communication.
Obtain information relevant to the audit	None noted.
Independence matters	We are not aware of any matters that in our professional judgment would impair our independence.



Required communications

Area	Comments
New accounting pronouncements	No issues have been identified with regard to management's application of new accounting pronouncements.
Significant issues discussed with management in connection with the auditor's initial appointment or recurring retention	
Disagreements with management and significant difficulties encountered in dealing with management when performing the audit	None.
Management's consultations with other accountants	
Other material written communications with management	A copy has been previously provided or can be made available upon request.
Other matters	There are no other matters arising from the audit that are significant and relevant to those charged with governance regarding the oversight of the financial reporting process.



Required communications

Area	Comments
AICPA ethics ruling regarding third-party service providers	From time to time, and depending on the circumstances, (1) we may subcontract portions of the Audit Services to other EY firms, who may deal with the Company or its affiliates directly, although EY alone will remain responsible to you for the Audit Services and (2) personnel (including non-certified public accountants) from an affiliate of EY or another EY firm or any of their respective affiliates, or from independent third-party service providers (including independent contractors), may participate in providing the Audit Services. In addition, third-party service providers may perform services for EY in connection with the Audit Services.
Representations we are requesting from management	We obtain from management a letter of representations related to the 2024 financial statement audit prior to our report issuances.



Appendices



A Areas of emphasis

B Use of internal audit

FY2025 Quarter 1 Financial Update

Joe Orfano, Deputy Chief Financial Officer &
Treasurer

Northside Generating Station



ELECTRIC SYSTEM REVENUE & EXPENDITURES

	Budget	Actual	Delta	%	
Base Revenue	\$ 204,182,779	\$ 206,005,838	\$ 1,823,059	0.9%	↑
Other Revenue	106,325,835	113,911,924	7,586,089	7.1%	↑
Total Revenue	\$ 310,508,614	\$ 319,917,762	\$ 9,409,148	3.0%	↑
O&M	\$ 69,240,930	\$ 72,306,523	\$ 3,065,593	4.4%	↑
Fuel & Purchased Power	95,223,663	101,928,377	6,704,714	7.0%	↑
Other Expenditures	141,232,444	140,213,056	(1,019,388)	-0.7%	↓
Total Expenditures	\$ 305,697,037	\$ 314,447,956	\$ 8,750,919	2.9%	↑
Surplus / (Deficit)	<u>\$ 4,811,577</u>	<u>\$ 5,469,806</u>	<u>\$ 658,229</u>		↑

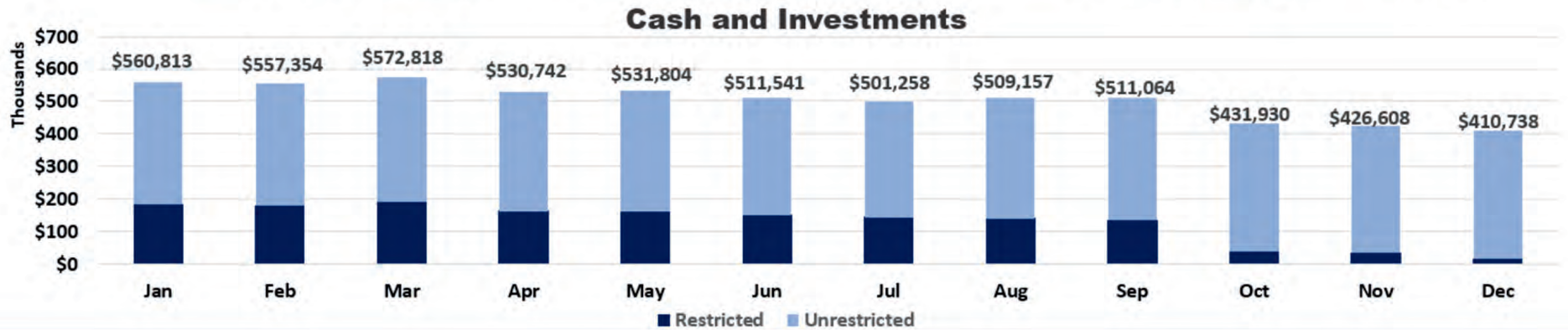
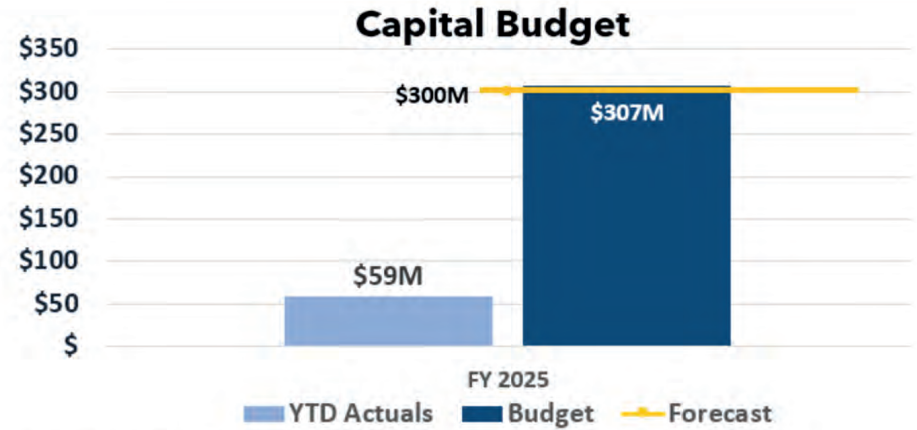
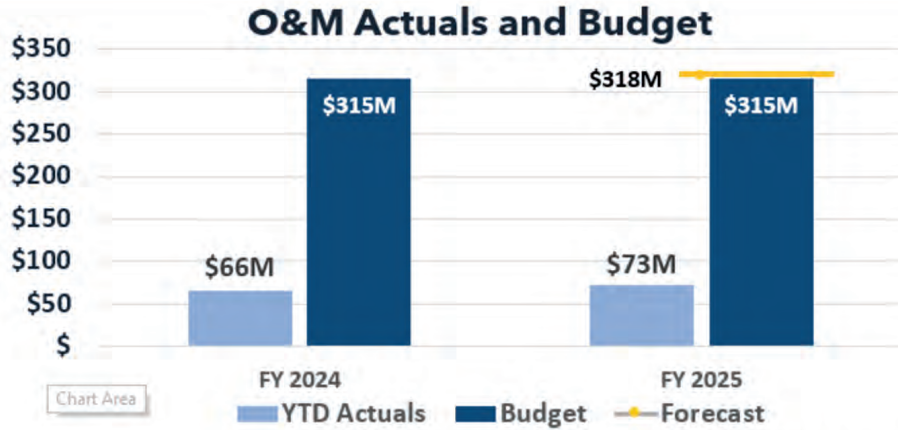


COST PER MWH

	YTD 2024	YTD 2025
Generated Power per MWh	\$ 34.75	\$ 32.09
Purchased Power per MWh	78.50	99.93
Total	\$ 53.78	\$ 59.64



ELECTRIC SYSTEM



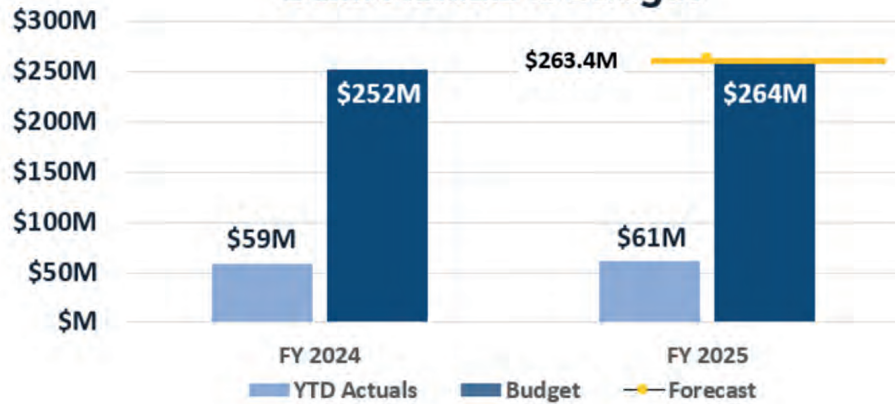
WATER SYSTEM REVENUE & EXPENDITURES

	Budget	Actual	Delta	%	
Water & Sewer	\$ 126,461,029	\$ 124,066,226	\$ (2,394,803)	-1.9%	↓
Capacity & Extension	15,131,934	20,083,846	4,951,912	32.7%	↑
Investment Income	1,123,823	1,469,982	346,159	30.8%	↑
Other Income	6,323,902	5,770,858	(553,044)	-8.7%	↓
Total Revenue	<u>\$ 149,040,688</u>	<u>\$ 151,390,912</u>	<u>\$ 2,350,224</u>	<u>1.6%</u>	<u>↑</u>
O&M	\$ 60,396,899	\$ 61,375,893	\$ 978,994	1.6%	↑
Capital	22,912,472	27,901,155	4,988,683	21.8%	↑
Other Expenditures	44,257,791	40,356,657	(3,901,134)	-8.8%	↓
Total Expenditures	<u>\$ 127,567,162</u>	<u>\$ 129,633,705</u>	<u>\$ 2,066,543</u>	<u>1.6%</u>	<u>↑</u>
Surplus / (Deficit)	<u>\$ 21,473,526</u>	<u>\$ 21,757,207</u>	<u>\$ 283,681</u>		<u>↑</u>

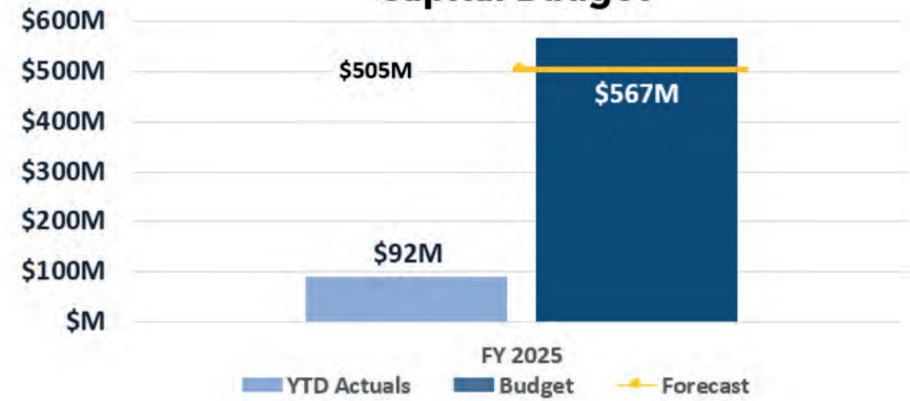


WATER SYSTEM

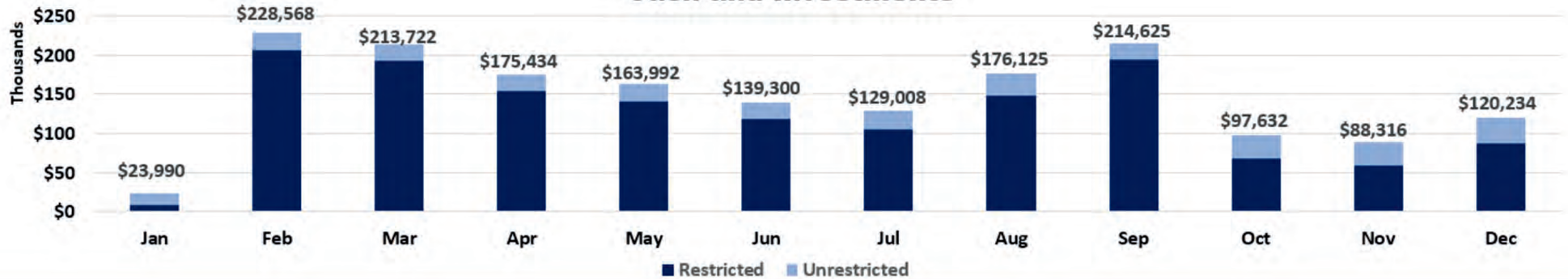
O&M Actuals & Budget



Capital Budget



Cash and Investments



Financial Metrics

E
L
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C

Days of Liquidity

178 

Target: 150

Debt Service Coverage

2.29x 

Target: 2.2x

Debt to Asset Ratio

41.6% 

Target: 50%

Fixed Charge Coverage

1.05x 

Target: 1.6x

Weighted Average Yield
of Investments

4.65% 

Target: 4.38%

W
A
T
E
R

Days of Liquidity

110 

Target: 100

Debt Service Coverage

3.18x 

Target: 1.8x

Debt to Asset Ratio

41.5% 

Target: 50%

Fixed Charge Coverage

2.83x 

Target: 2.0x

Weighted Average Yield
of Investments

4.65% 

Target: 4.38%

Financial Metrics | FY 2025 Q1



St. Johns River Power Park (SJRPP) Surplus Declaration

Jordan Pope, Director, Administrative Services

(ACTION)

Former SJRPP Property





In November 2023, the JEA Board declared 1,200 acres of the former St. Johns River Power Park (SJRPP) as surplus to the needs of JEA under Resolution 2023-55, as amended.

Former SJRPP Land

Parcels labeled 16, 17, 18, & 19 were designated as long-term strategic sites under the rules and procedures of a prior Real Estate Services Procurement Directive

Potential Utility Use

JEA has determined that parcels 18 & 19 should be reserved for future operational needs

Inventory Management

Parcels 3, 5, & 6 are surplus to the needs of JEA, and combined with parcels 16 & 17, can be offered to the market for sale

Staff requests the Committee recommend the Board rescind Resolution 2023-55, as amended, and approve Resolution 2025-03



Economic Development Program Riders

Jordan Pope, Director, Administrative Services

*Economic Development Program Customer -
Mayo Clinic Mangurian Building*



JEA Economic Development Program Riders Update



Purpose

Provides qualifying new and existing JEA electric customers with an incentive to expand or relocate their business and create job opportunities within the service area

Goal

To support the City of Jacksonville, JAXUSA Partnership, and the Florida Department of Commerce in promoting economic growth in NEFL

Proposed updates allow for these programs to continue through September 2028, extending the current expiration date of September 2025

Proposed Administrative Updates

- Modifications and updates to the definitions of targeted industries and targeted areas
- Clarification on operational procedures as to the application process and meeting program requirements

*Economic Development Program Customer -
Johnson and Johnson Vision Care, Inc.*



Electric, Water, and Sewer Call for Rate Hearing

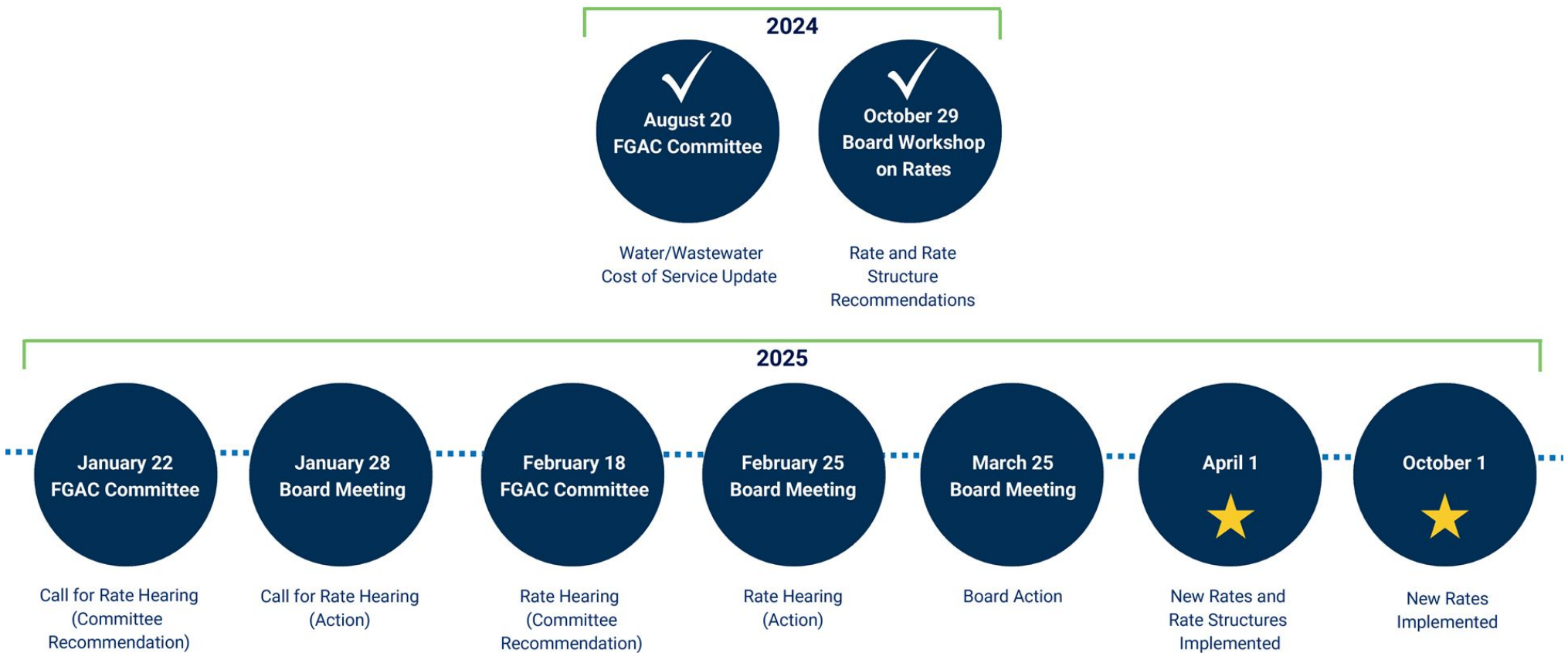
Ted Phillips, Chief Financial Officer
Victor Blackshear, Director, Financial Planning & Rates

(ACTION)

Northside Generating System



Rate Recommendations Timeline



Staff requests the Committee recommend the Board call for a public rate hearing during the January 28, 2025 meeting to be held at the February 25, 2025 Board meeting

Supplemental District Energy System (DES) Delegation of Authority Resolution - Debt Authorization

A.J. Souto, Manager, Debt Capital Markets
Joe Orfano, Deputy Chief Financial Officer & Treasurer

(ACTION)

DES Springfield Chiller Plant



Supplemental District Energy System Delegation of Authority Debt Authorization



Purpose

JEA Board delegates authority to issue debt to the Managing Director/CEO to take advantage of market timing of any bond issuance

Annual Delegation of Authority process is paired with approval of the JEA budget and it provides the Managing Director/CEO with authority to:

- Refund existing debt, subject to established refunding parameters contained in the Debt Management Policy;
- Issue new debt as approved by the JEA Board in the Budget

Proposal

FY25 DES Delegation of Authority (Resolution 2024-25), approved by the Board on June 25, 2024, did not include two components that are necessary for the taxable debt issuance of this system:

- Clear establishment of the backstop from the Water and Sewer System to DES;
- Make-Whole-Call provision that is typically included when issuing taxable debt
- This supplemental resolution will repeal and supersede the previous FY25 DES Delegation of Authority Resolution 2024-25

Action

Staff requests the Committee recommend the Board approve the proposed supplemental Delegation of Authority Resolution 2025-02

The Delegation of Authority Summary exhibit remains unchanged from the same exhibit presented in Resolution 2024-25

Staff is not recommending changes to any of the authorized amounts shown in the exhibit

Storm Stock Analysis Review

Jenny McCollum, Director, Procurement Services
Rodney Lovgren, Senior Manager, Procurement Support

*Doug Baye, Linemaintainer
Justin Slay, Linemaintainer*



Storm Stock Analysis & Service Coordination

Working to improve storm readiness and better serve our community

Annual Reviews

- Gap Analysis
- Savings Opportunities
- Mitigation Plan

Decision-Making Approach

- Moving to a data analytics-based approach with more real time data to make decisions

Key Decision

- How much to carry in stock?



*James A Singley,
Linemaintainer
Michael Johnson,
Apprentice Linemaintainer*



Key Assumptions and Baseline Data For New Analysis

In transitioning from our legacy manual processes to this revised approach, we used usage data and analysis to arrive at our results

Input & Assumptions for Analysis

Historic Usage:

Top usage from three storms since 2010

Failure Rates: 2016 study failure rates

Pole Network Overview: JEA's maintains a network of 151,048 poles

Cost: System average price data

Analysis

Top Three Tropical Storms Usage

Apply failure rates for various storm levels

Calculate Estimated Values

Storm Type	Utility Study Failure Rate
Tropical Storm	N/A
Category 1	.30%
Category 2	.90%
Category 2-3	1.5%
Category 3-4	3.10%
Category 5	10%



Baseline to Develop an Approach - 2024 Storm Materials Analysis

JEA's current storm stock is used as a key replenishment stock during emergencies and is based on Business Unit input and historical usage

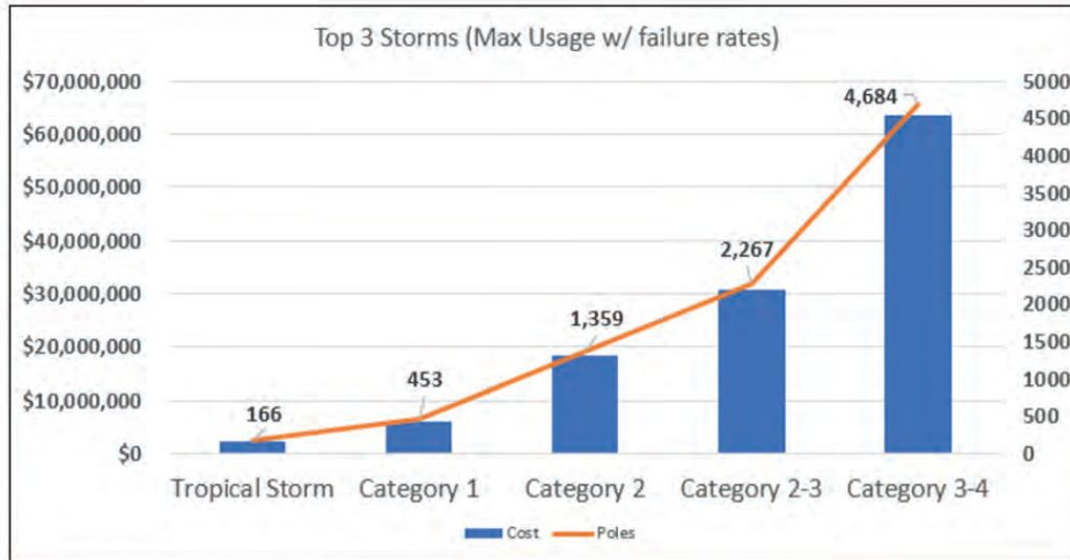
Storm Type	Anticipated Pole Failure (2016 Utility Study)	2016 Analysis Impact Approx. 145,000 poles Cat. 1 ~ \$1.8M (Limited List of Items ~100)	2024 Analysis Impact Using JEA GIS on 150K Poles Top Three – (Matthew, Ian, Idalia) (Actual Usage Data)
Tropical Storm - Top 3		N/A	166
Category 1	0.30%	432	453
Category 2	0.90%	1,305	1,359
Category 2-3	1.50%	2,175	2,267
Category 3-4	3.10%	4,495	4,683
Category 5	10.00%	14,500	Undetermined

Anticipated pole failure percentages were based on a 2016 multi-utility study



Results - Three Storm Analysis - Ian, Idalia, Matthew

The analysis shows projected costs and pole failures as storm intensity increases



Storm Type	Cost	Poles	Failure Rate
Tropical Storm	\$2,252,084	166	0.11%
Category 1	\$6,147,781	453	0.30%
Category 2	\$18,443,344	1,359	0.90%
Category 2-3	\$30,752,477	2,267	1.50%
Category 3-4	\$63,540,643	4,684	3.10%

Items with higher usage are in storm stock.

For the three analyzed storms, the 246 highest use items, 70% is stocked in the storm stock.

Tropical Storm Helene used 70 poles - approximately \$830K usage was lower than the top usage of three storms



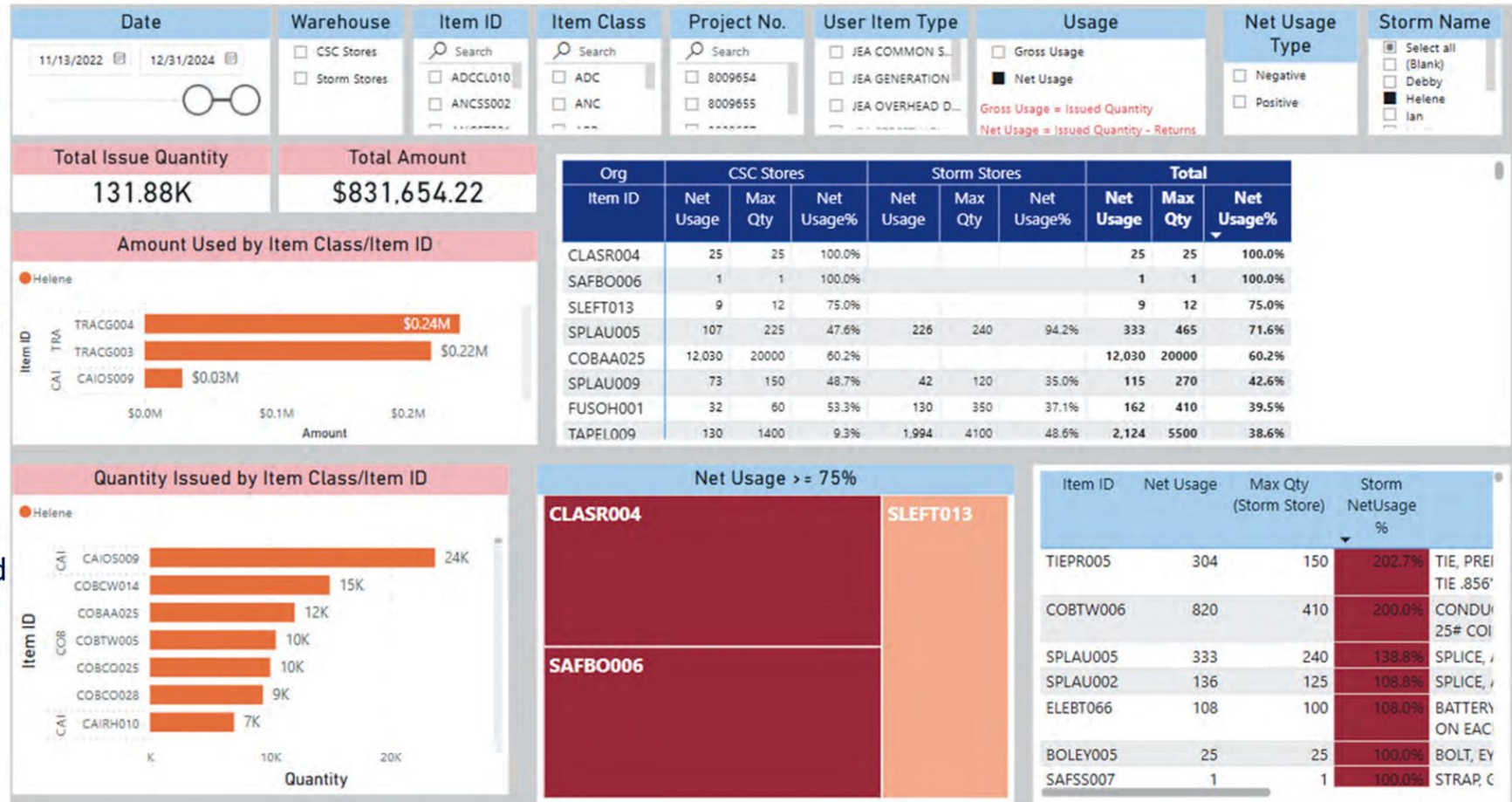
Usage	All Item Usage	Percent in Storm 099
1+ Usage	545	~54%
5+ Usage	313	~67%
10+ Usage	246	~70%

Material Usage Dashboard - Usage Based Data & Views

- Pulls usage from storm projects

- Provides analysis vs. storm stock

- We have readily available insight into usage, impacts, and gaps



Takeaways Based on the Revised Approach

Adjusting materials held based on analysis calculations will provide the following adjustments

💡 Current Storm Stock Value is \$7.3M

💡 Using Category 1 forecast will result in an estimated \$500K or 6.8% net reduction in storm stock materials

💡 Provides more real time feedback to adjust inventory levels and provides the warehouse operations (a key silent storm support group) ability to provide better service to business unit partners to support restoration



Regina Owens, Storekeeper, Northside Generating Station





Announcements

**Next Finance, Governance, &
Audit Committee Meeting - February 18, 2025**

Next Board Meeting - January 28, 2025



FINANCE, GOVERNANCE, & AUDIT COMMITTEE

SUPPLEMENTAL
INFORMATION

IMPROVING LIVES...BUILDING COMMUNITY

FINANCE, GOVERNANCE, & AUDIT COMMITTEE MINUTES
October 24, 2024

The Finance, Governance, and Audit Committee of the JEA Board met at 12:00 pm on Thursday, October 24, 2024 on the 7th Floor, 225 North Pearl 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.

WELCOME

Meeting Called to Order – Committee Chair Bobby Stein called the meeting to order at 12:00 pm. Attending the meeting in person was committee member Kwanza Humphrey. Committee member MG Orender attended virtually. Board member General Joseph DiSalvo also attended in person.

Others in attendance were Vickie Cavey, Interim Managing Director/CEO; Sheila Pressley, Chief Customer Experience Officer; Ted Phillips, Chief Financial Officer; Jody Brooks, Chief Administrative Officer; Kurt Wilson, Chief of Staff; Brad Krol, Chief Information Officer; Regina Ross, Chief Legal Officer, Office of General Counsel; Joe Orfano, Deputy Chief Financial Officer; Sheree Brown, Executive Assistant to the CEO; and Melissa Dalton, Manager, Board Services.

Adoption of the Agenda – On *motion* by Ms. Humphrey and seconded by Mr. Orender, the agenda was approved.

Adoption of the Minutes – On *motion* by Mr. Orender and seconded by Ms. Humphrey, the August 20, 2024 Finance, Governance, and Audit Committee meeting minutes were approved.

Safety Briefing – Jody Brooks, Chief Administrative Officer, provided a safety briefing.

Comments from the Public – There were no public comments.

FOR COMMITTEE CONSIDERATION

DELIVERING BUSINESS EXCELLENCE

Quarterly Financial Review – Ted Phillips, Chief Financial Officer, provided an overview on the electric and water system revenue and expenditures; cost per MWh; base revenues; operating expenses; electric and water system O&M, capital budget, and cash and investments; and financial metrics. This presentation was received for information.

Intergovernmental Support Agreement (IGSA) – Ted Phillips, Chief Financial Officer, provided background information on IGSA's; review of the Naval Station Mayport and Naval Air Station Jacksonville request to explore a 10-year partnership with respect to utility O&M; proposed terms to include compensation on time and materials, the ability to modify the agreement, and rights to terminate the agreement with a 60-day written notice.

On *motion* by Mr. Orender and seconded by Ms. Humphrey, the committee unanimously approved to recommend the Intergovernmental Support Agreement to the Board for approval.

Real Estate Procurement Directive Revisions – Jordan Pope, Director, Administrative Services, provided background information on the Directive noting it is required by Article 21 of the Charter and was last reviewed by the Board in August 2023; provided a review of the requested edits to include updates made to ensure consistency with the JEA Charter, procedural updates to ensure

JEA Finance, Governance, &
Audit Committee Minutes

October 24, 2024

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operational clarity and revised the declaration of surplus property approval levels for consistency with acquisitions.

On *motion* by Ms. Humphrey and seconded by Mr. Orender the committee unanimously approved to recommend the Real Estate Procurement Directive revisions to the Board for approval.

Riverfront Plaza Cost Participant Agreement – Jordan Pope, Director, Administrative Services, provided background information on the agreement between the City of Jacksonville, Downtown Investment Authority (DIA), and JEA to secure easements for existing JEA infrastructure at Riverfront Plaza; reviewed the estimated cost, as well as the request from the DIA for JEA to cost participate in a 50/50 split agreement.

On *motion* by Ms. Humphrey and seconded by Mr. Orender the committee unanimously approved to recommend the Riverfront Plaza Cost Participant Agreement to the Board for approval.

Committee Chair Stein recessed the meeting 1:06 pm and called the meeting back to order at 1:12 pm.

FY24 Internal Audit Results – Lee Montanez, Director, Audit Services, provided highlights of the FY24 internal audit plan year-end status to include the completed audits and engagements; in-process audits and engagements; cancelled or carryforward audits; and the open and closed audit report observations. This presentation was received for information.

Quality Assurance Review Results – Julie Moore, Program Manager, Internal Audit, provided highlights on the external quality assurance results to include positive practices; opportunities to improve conformity with the Institute of Internal Auditors standards; suggestions for Internal Audit consideration; and the 2024 Global Internal Audit standard to include updating the Internal Audit Charter. Additionally, Mr. Montanez provided an update on the Internal Audit strategy; and an overview of the Enterprise Risk Management roadmap. This presentation was received for information.

FY25 Internal Audit Plan – Rashid Brittain, Program Manager, Internal Audit, reviewed the FY25 Audit Plan process, timeline, and the proposed FY25 audit plan summary.

On *motion* by Ms. Humphrey and seconded by Mr. Orender, the committee unanimously approved to recommend the FY25 Internal Audit Plan to the Board for approval.

Board By-Laws and Policy Manual – Regina Ross, Chief Legal Officer, Office of General Counsel, provided the Board with a review of the revisions made to the 2021 Board-By-Laws and Policy Manual and noted that staff would bring this item back to the Committee and Board on an annual basis for review. Committee Chair Stein expressed his gratitude to all involved for their hard work.

On *motion* by Mr. Orender and seconded by Ms. Humphrey, the committee unanimously approved to recommend the Board By-Laws and Policy Manual to the Board for approval.

Annual Board of Directors Evaluation – Jody Brooks, Chief Administrative Officer, noted this year's evaluation will be based on the criteria as outlined in the Board Policy Manual; the Board will receive the electronic evaluation after the Board meeting on October 29, 2024, and the results will be provided to the Board at the January 28, 2025 meeting. This presentation was received for information.

JEA Finance, Governance, &
Audit Committee Minutes

October 24, 2024

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CLOSING CONSIDERATIONS

Old and Other New Business/Open Discussion – Committee Chair Stein thanked Mr. Phillips and his team for their hard work.

Announcements – None

Adjournment – With no further business coming before the Committee, Chair Stein declared the meeting adjourned at 1:53 pm.

APPROVED BY:

Bobby Stein, Committee Chair

Date: _____

Submitted by:

Allison S Hickok
Allison S Hickok
Executive Staff Assistant

JEA Board Agenda

MEMORANDUM**EY Audit FY2024 Results**

Board Meeting Date: January 28, 2025

Outcome:



INFORMATION ONLY



ACTION



FUTURE BOARD CONSIDERATION

If Action, Provide a Recommended Motion:

N/A

Consent Agenda Item:



Yes



No

Presenter:

John DiSanto, Managing Director, EY

Chief:

Ted Phillips, Chief Financial Officer

Strategic Focus Area:

DEVELOPING AN
UNBEATABLE TEAMDELIVERING BUSINESS
EXCELLENCEEARNING CUSTOMER
LOYALTYBackground
Information &
Analysis:

Auditing standards require that auditors communicate certain matters to the Governing Board that may assist the Board in overseeing management's financial reporting process. Ernst & Young, LLP (E&Y) presented their audit plan for fiscal year 2024 at the Finance, Governance, and Audit Committee meeting on August 20, 2024. At that meeting, they outlined the scope of their services, identified the E&Y team that will perform the audit and presented the key considerations that will affect the 2024 audit.

Representatives from E&Y have been invited to attend the January 22, 2025 Finance, Governance, and Audit Committee meeting to discuss FY2024 audited results.

Financial
Impact:

N/A

Committee/Board Meeting/Workshop & Date Presented:

January 30, 2024 Board Meeting

Appendix:

A: Areas of emphasis
B: Use of internal audit

Appendix A

Areas of emphasis

Areas of emphasis

Topic	Audit results
<p>Revenue recognition</p> <ul style="list-style-type: none"> Operating revenues are defined as revenues generated from the sale of primary products or services through normal business operations. Nonoperating revenues include investment income, earnings from investments recorded on the equity method, contributions from developers. Operating revenues reported in the accompanying statements of revenues, expenses, and changes in net position are shown net of discounts, estimated allowances for bad debts, and amounts transferred to stabilization funds. Electric Enterprise and Water and Sewer Fund revenues are recorded as earned. Operating revenues include amounts estimated for unbilled services provided during the reporting period. 	<ul style="list-style-type: none"> We believe that JEA's revenue recognition and sales commitments accounting policy and the application thereof are appropriate. Additionally, we have reviewed the financial statements, including the disclosures relating to revenue recognition and sales commitments, and found them to be appropriate and in conformity with US GAAP. We utilized data analytics in combination with detailed test of transactions to obtain a full understanding of the flow of revenue transactions.

Areas of emphasis

Topic	Audit results
Regulatory Accounts	<ul style="list-style-type: none"> • We tested the fair values of Regulatory accounts within fuel costs to be recovered and depreciation. For depreciation accounts, we performed an analytic regarding the calculation of JEA's recorded depreciation expense. For Costs To Be Recovered, we tested the Fuel CTBR roll-forward activity for fuel regulatory accounts. Through our procedures, there were no material issues identified.
Investments	<ul style="list-style-type: none"> • We tested the fair values as of the statement of net position date and confirmed investment accounts. We also performed compliance procedures as required by the provisions of Chapter 10.550, Rules of the Auditor General. Through our procedures, there were no material issues identified.
Capital Assets	<ul style="list-style-type: none"> • We tested the capital asset rollforward, which included specific procedures over CWIP additions, CWIP transfers, additions to capital assets and depreciation expense. Through our procedures, there were no issues identified.
Derivative Instruments and Hedging Activities	<ul style="list-style-type: none"> • For the interest rate swaps and fuel hedges, we independently corroborated the fair value of swaps with the assistance of our EY valuation professionals. We independently tested the hedge effectiveness of all the swaps in accordance with GASB 53.

Areas of emphasis

Topic	Audit results
Pension Plan Accounting and reporting – SJRPP Plan	<ul style="list-style-type: none"> • We obtained and tested the actuarial valuations, including assessing the reasonableness of the significant assumptions (i.e., discount rate, rate of return, etc.) of the Pension plan. We ensured all applicable disclosures were made in the notes to the financial statements and that such disclosures agreed to the actuary report in compliance with GASB 84 (SJRPP). We also tested the existence and valuation of pension plan investments.
Pension Plan Accounting and reporting – COJ Plan	<ul style="list-style-type: none"> • We obtained and tested the actuarial valuations, including assessing the reasonableness of the significant assumptions (i.e., discount rate, rate of return, etc.) of the COJ Pension Plan. We obtained several reports from EY's internal People Advisory Service group and from third-party Segal report. We ensured all applicable disclosures were made in the notes to the financial statements and that such disclosures agreed to the actuary report in compliance with GASB 68 (Pension). We also tested the existence and valuation of COJ Contributions and Census Data.
Commitments and contingencies	<ul style="list-style-type: none"> • We inquired with legal council and obtained legal letters for significant balances for both JEA and SJRPP. We ensured all applicable disclosures were made in the notes to the financial statements and that such disclosures were complete and accurate regarding topic areas such as pollution mediation and Plant Vogtle.

Appendix B

The Use of Internal Audit

JEA 2024 audit results



Involvement of internal audit

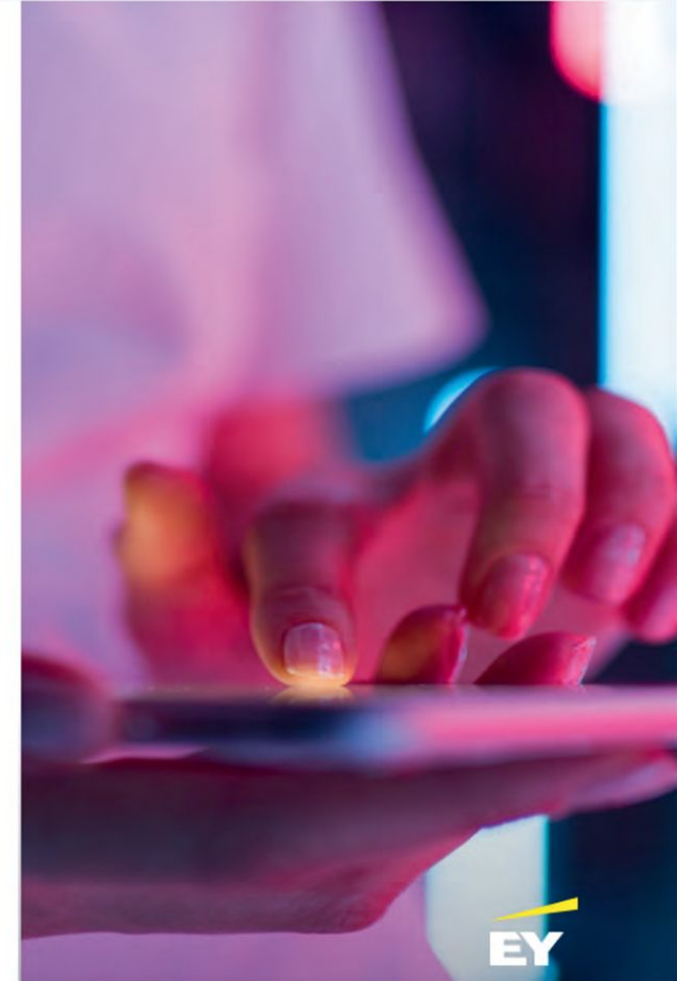
Areas/significant classes of transactions where EY used the work of internal audit ^{1, 2}	Estimated hours	Actual hours incurred
Walkthroughs	180	187
YE Substantive Procedures ⁴	220	274
Bond Offering Procedures	80	0 ³
Uniform Guidance Audit	20	0 ³
Total	500	461

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.

3 Bond Offering and Uniform Guidance procedures for W&S and DES are currently in progress

4 Significant areas include; Fuel inventory, Officer expense, COJ/SJRPP/OPEB Pension Census, AR Aging bucket, Investment Compliance, SJRPP Pension/OPEB payments, Self-Insurance Accrual



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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.

For every client, we assemble the right multidisciplinary team with the sector knowledge and subject matter knowledge to address your specific issues. All teams use our Global Audit Methodology and latest audit tools to deliver consistent audits worldwide.

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JEA Board Agenda

MEMORANDUM**St. Johns River Power Park Surplus (SJRPP) Declaration**

Board Meeting Date: January 28, 2025

Outcome:

☐

INFORMATION ONLY

☒

ACTION

☐

FUTURE BOARD CONSIDERATION

If Action, Provide a Recommended Motion:

Staff requests the Finance, Governance, and Audit Committee recommend the Board rescind Resolution 2023-55, as amended, and approve Resolution 2025-03.

Consent Agenda Item:

☐

Yes

☒

No

Presenter:

Jordan Pope, Director, Administrative Services

Chief:

Jody Brooks, Chief Administrative Officer

Strategic Focus Area:

☐

DEVELOPING AN UNBEATABLE TEAM

☒

DELIVERING BUSINESS EXCELLENCE

☐

EARNING CUSTOMER LOYALTY

Background Information & Analysis:

In November 2023, the JEA Board declared 1,200 acres at the former St. Johns River Power Park as surplus to the needs of JEA under Resolution 2023-55, as amended.

These included parcels labeled 16, 17, 18, & 19 designated as long-term strategic sites under the rules and procedures of a prior real estate services procurement directive.

JEA continues to evaluate the former SJRPP lands for potential utility use and has determined that parcels 18 & 19 should be reserved for future operational needs. However, JEA has determined that parcels 3, 5, & 6 are surplus to the needs of JEA and, combined with parcels 16 & 17, can be offered to the market for sale.

Financial Impact:

JEA will offer the surplus parcels to the market and conduct a third-party appraisal of the lands.

Committee/Board Meeting/Workshop & Date Presented:

N/A

Appendix:

- Resolution 2025-03
- Resolution 2023-55, as amended
- Location Map



BOARD RESOLUTION: 2025-03

January 28, 2025

**A RESOLUTION BY THE BOARD DECLARING CERTAIN
JEA REAL PROPERTY SURPLUS; RESCINDING
RESOLUTION 2023-55 AS AMENDED**

WHEREAS, JEA owns certain real property in proximity to the former St. Johns River Power Park (Property), more specifically identified and depicted in Exhibit A; and

WHEREAS, Article 4 of the Real Estate Services Procurement Directive provides for JEA to dispose of real property that is no longer needed or useful; and

WHEREAS, the Board previously approved resolution 2023-55, as amended, declaring certain lands as surplus property and long-term strategic sites as provided for in the real estate rules and procedures in effect at that time; and

WHEREAS, the Board has adopted real estate rules and procedures that no longer provide for long-term strategic sites;

BE IT RESOLVED by the JEA Board of Directors that:

1. The Board declares the Property as surplus to the needs of JEA and any sale will be approved consistent with article 7 of the Real Estate Services Procurement Directive.
2. Resolution 2023-55, as amended, is rescinded.
3. To the extent that there are any typographical, administrative, and/or scrivener's errors contained herein 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.
4. This Resolution shall be effective upon approval by the Board.

Dated this 28th day of January, 2025.

JEA Board Chair

JEA Board Secretary

Form Approved by

Office of General Counsel

VOTE	
In Favor	
Opposed	
Abstained	

EXHIBIT A



December 12, 2024

Work Order No. 24-657.00

File No. 130G-27.00C

Parcel 3

A portion of Section 12, Township 1 South, Range 27 East, Duval County, Florida, being a portion of those lands described and recorded in Official Records Book 5592, page 696, of the current Public Records of said county, being more particularly described as follows:

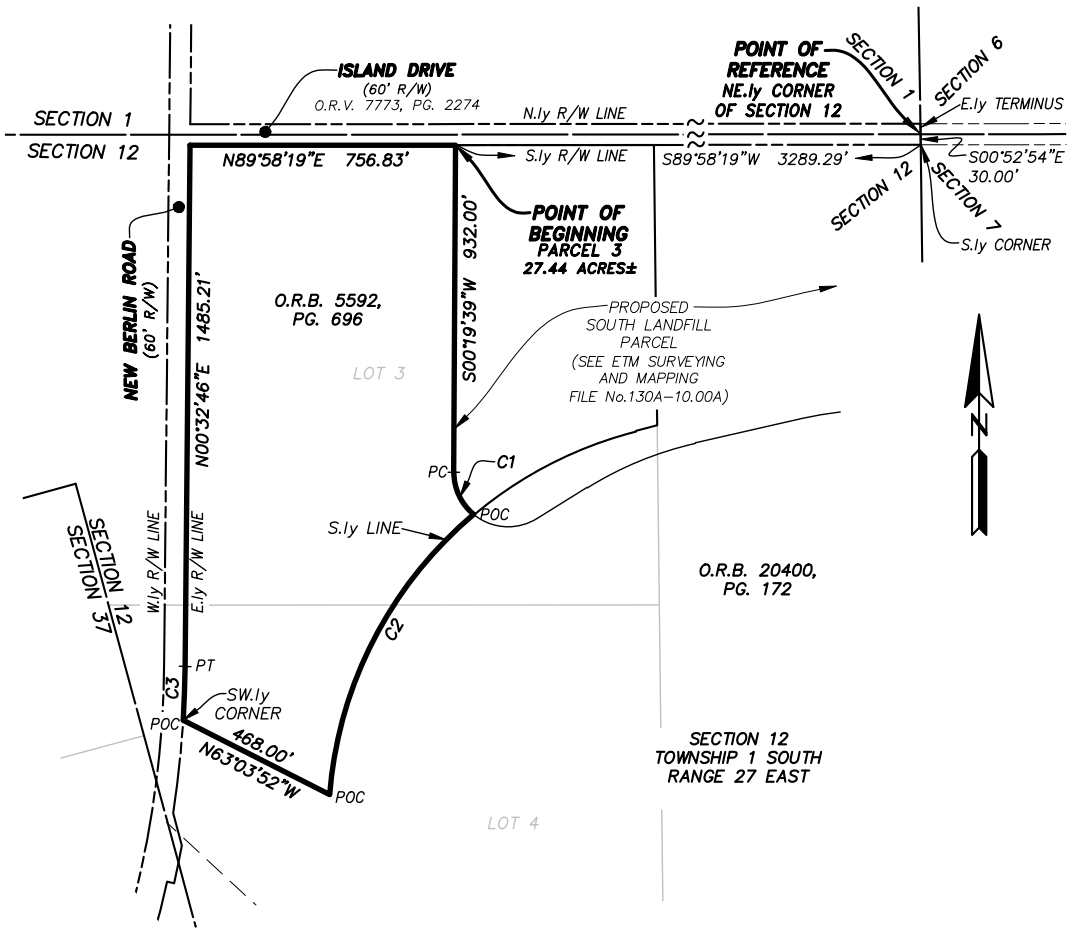
For a Point of Reference, commence at the Northeasterly corner of said Section 12, said corner lying on the Easterly terminus of Island Drive, a 60 foot right of way as presently established; thence South $00^{\circ}52'54''$ East, along the Easterly line of said Section 12 and along said Easterly terminus, a distance of 30.00 feet to the Southerly corner of said Easterly terminus; thence South $89^{\circ}58'19''$ West, along the Southerly right of way line of said Island Drive, 3289.29 feet to the Point of Beginning.

From said Point of Beginning, thence South $00^{\circ}19'39''$ West, departing said Southerly right of way line, 932.00 feet to the point of curvature of a curve concave Northeasterly having a radius of 155.00 feet; thence Southeasterly along the arc of said curve, through a central angle of $50^{\circ}46'45''$, an arc length of 137.37 feet to a point lying on the Southerly line of said Official Records Book 5592, page 696, said arc being subtended by a chord bearing and distance of South $25^{\circ}03'43''$ East, 132.92 feet; thence Southwesterly along said Southerly line and along the arc of a non-tangent curve concave Southeasterly having a radius of 1165.37 feet, through a central angle of $45^{\circ}18'43''$, an arc length of 921.62 feet to a point on said curve, said arc being subtended by a chord bearing and distance of South $27^{\circ}11'31''$ West, 897.79 feet; thence North $63^{\circ}03'52''$ West, continuing along said Southerly line, 468.00 feet to the Southwesterly corner thereof, said corner lying on the Easterly right of way line of New Berlin Road, a 60 foot right of way as presently established; thence Northerly along said Easterly right of way line and along a non-tangent curve concave Westerly having a radius of 2894.86 feet, through a central angle of $03^{\circ}02'22''$, an arc length of 153.57 feet to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of North $02^{\circ}03'57''$ East, 153.55 feet; thence North $00^{\circ}32'46''$ East, continuing along said Easterly right of way line, 1485.21 feet to a point lying on said Southerly right of way line of Island Drive; thence North $89^{\circ}58'19''$ East, departing said Easterly right of way line and along said Southerly right of way line, 756.83 feet to the Point of Beginning.

Containing 27.44 acres, more or less.

SKETCH TO ACCOMPANY DESCRIPTION OF

A PORTION OF SECTION 12, TOWNSHIP 1 SOUTH, RANGE 27 EAST,
DUVAL COUNTY, FLORIDA, BEING A PORTION OF OFFICIAL RECORDS
BOOK 5592, PAGE 696, OF THE CURRENT PUBLIC RECORDS OF SAID COUNTY,
BEING MORE PARTICULARLY DESCRIBED IN SEPARATE ATTACHMENT.



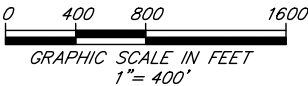
LEGEND:

O.R.B. OFFICIAL RECORDS BOOK
O.R.V. OFFICIAL RECORDS VOLUME
PG. PAGE
R/W RIGHT OF WAY
PC POINT OF CURVATURE
PT POINT OF TANGENCY
POC POINT ON CURVE
C1 TABULATED CURVE DATA

CURVE TABLE					
CURVE	RADIUS	CENTRAL ANGLE	ARC LENGTH	CHORD BEARING	CHORD DISTANCE
C1	155.00'	50°46'45"	137.37'	S25°03'43"E	132.92'
C2	1165.37'	45°18'43"	921.62'	S27°11'31"W	897.79'
C3	2894.86'	3°02'22"	153.57'	N02°03'57"E	153.55'

GENERAL NOTES:

- 1) THIS IS NOT A SURVEY.
- 2) BEARINGS BASED ON THE SOUTHERLY RIGHT OF WAY LINE OF ISLAND DRIVE AS BEING NORTH 89°58'19" EAST.
- 3) SECTION AND/OR LOT LINES DEPICTED HEREON ARE GRAPHIC REPRESENTATIONS ONLY UNLESS OTHERWISE DENOTED.



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THIS ITEM HAS BEEN ELECTRONICALLY SIGNED AND SEALED
USING A DIGITAL SIGNATURE. PRINTED COPIES OF THIS
DOCUMENT ARE NOT CONSIDERED SIGNED AND SEALED AND THE
SIGNATURE MUST BE VERIFIED ON ANY ELECTRONIC COPIES.

SCALE: 1"=400'

DATE: DECEMBER 12, 2024

G. C. COLYER III
PROFESSIONAL SURVEYOR AND MAPPER
STATE OF FLORIDA LS No. 6963



Revised January 3, 2025
December 12, 2024

Work Order No. 24-657.00
File No. 130G-27.00B

Parcel 5

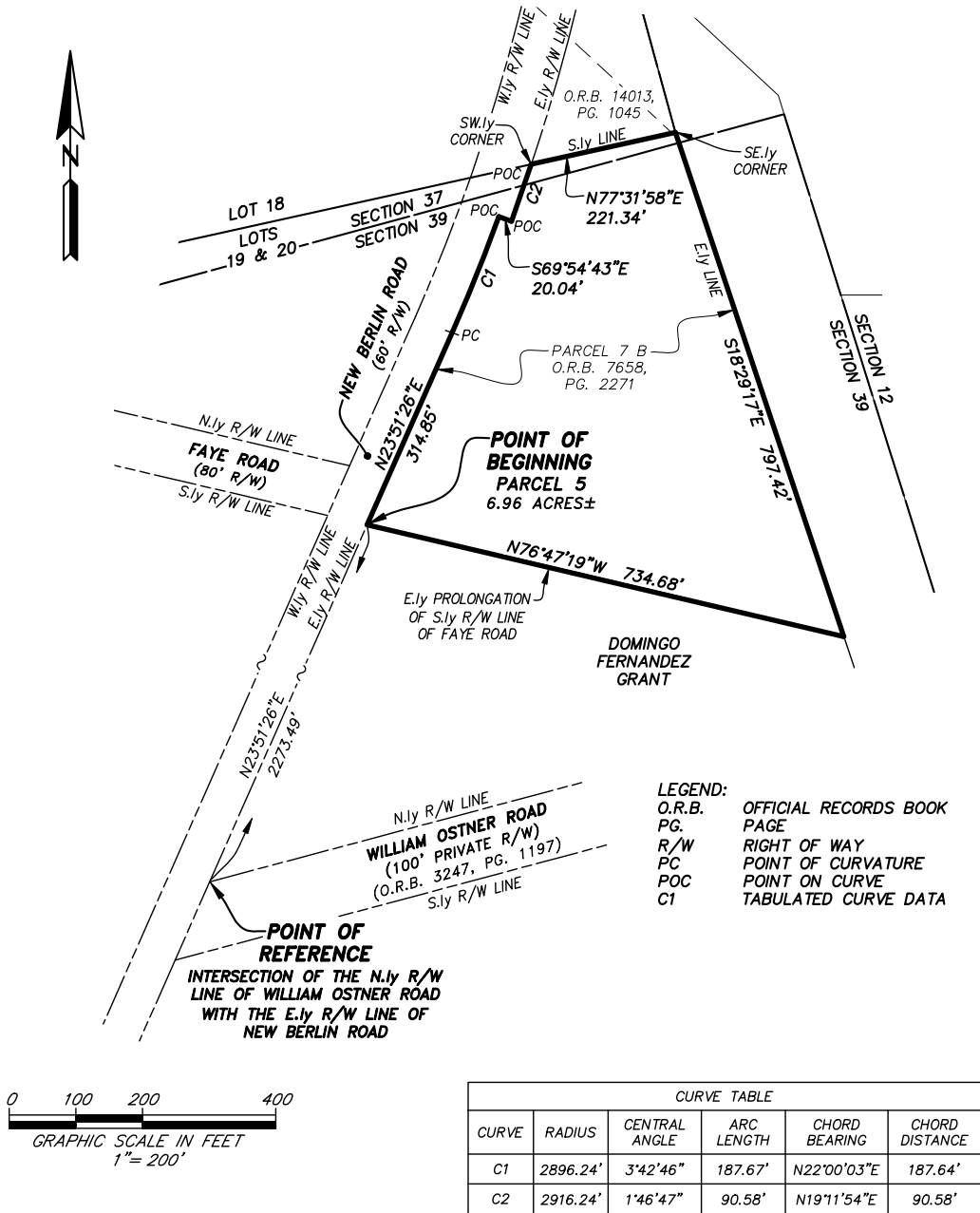
A portion of Section 39 of the Domingo Fernandez Grant, Township 1 South, Range 27 East, Duval County, Florida, being a portion of Parcel 7 B, as described and recorded in Official Records Book 7658, page 2271, of the current Public Records of said county, being more particularly described as follows:

For a Point of Reference, commence at the intersection of the Northerly right of way line of William Ostner Road, a 100 foot private right of way as presently established, with the Easterly right of way line of New Berlin Road, a 60 foot right of way as presently established; thence North 23°51'26" East, along said Easterly right of way line, 2273.49 feet to the Point of Beginning.

From said Point of Beginning, thence continue along said Easterly right of way line of New Berlin Road the following 4 courses: Course 1, thence North 23°51'26" East, 314.85 feet to the point of curvature of a curve concave Westerly having a radius of 2896.24 feet; Course 2, thence Northerly along the arc of said curve, through a central angle of 03°42'46", an arc length of 187.67 feet to a point on said curve, said arc being subtended by a chord bearing and distance of North 22°00'03" East, 187.64 feet; Course 3, thence South 69°54'43" East, along a non-tangent line, 20.04 feet to a point on a non-tangent curve concave Westerly having a radius of 2916.24 feet; Course 4, thence Northerly along the arc of said curve, through a central angle of 01°46'47", an arc length of 90.58 feet to the Southwesterly corner of those lands described and recorded in Official Records Book 14013, page 1045, of said current Public Records, said arc being subtended by a chord bearing and distance of North 19°11'54" East, 90.58 feet; thence North 77°31'58" East, departing said Easterly right of way line and along the Southerly line of said Official Records Book 14013, page 1045, a distance of 221.34 feet to the Southeasterly corner thereof, said corner lying on the Easterly line of said Parcel 7 B; thence South 18°29'17" East, along said Easterly line, 797.42 feet to a point lying on the Easterly prolongation of the Southerly right of way line of Faye Road, an 80 foot right of way as presently established; thence North 76°47'19" West, departing said Easterly line and along said Easterly prolongation, 734.68 feet to the Point of Beginning.

Containing 6.96 acres, more or less.

SKETCH TO ACCOMPANY DESCRIPTION OF
A PORTION OF SECTION 39 OF THE DOMINGO FERNANDEZ GRANT,
TOWNSHIP 1 SOUTH, RANGE 27 EAST, DUVAL COUNTY, FLORIDA, BEING A
PORTION OF PARCEL 7 B, AS DESCRIBED AND RECORDED IN OFFICIAL RECORDS
BOOK 7658, PAGE 2271, OF THE CURRENT PUBLIC RECORDS OF SAID COUNTY,
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STATE OF FLORIDA LS No. 6963



Revised January 3, 2025
December 12, 2024

Work Order No. 24-657.00
File No. 130G-27.00A

Parcel 6

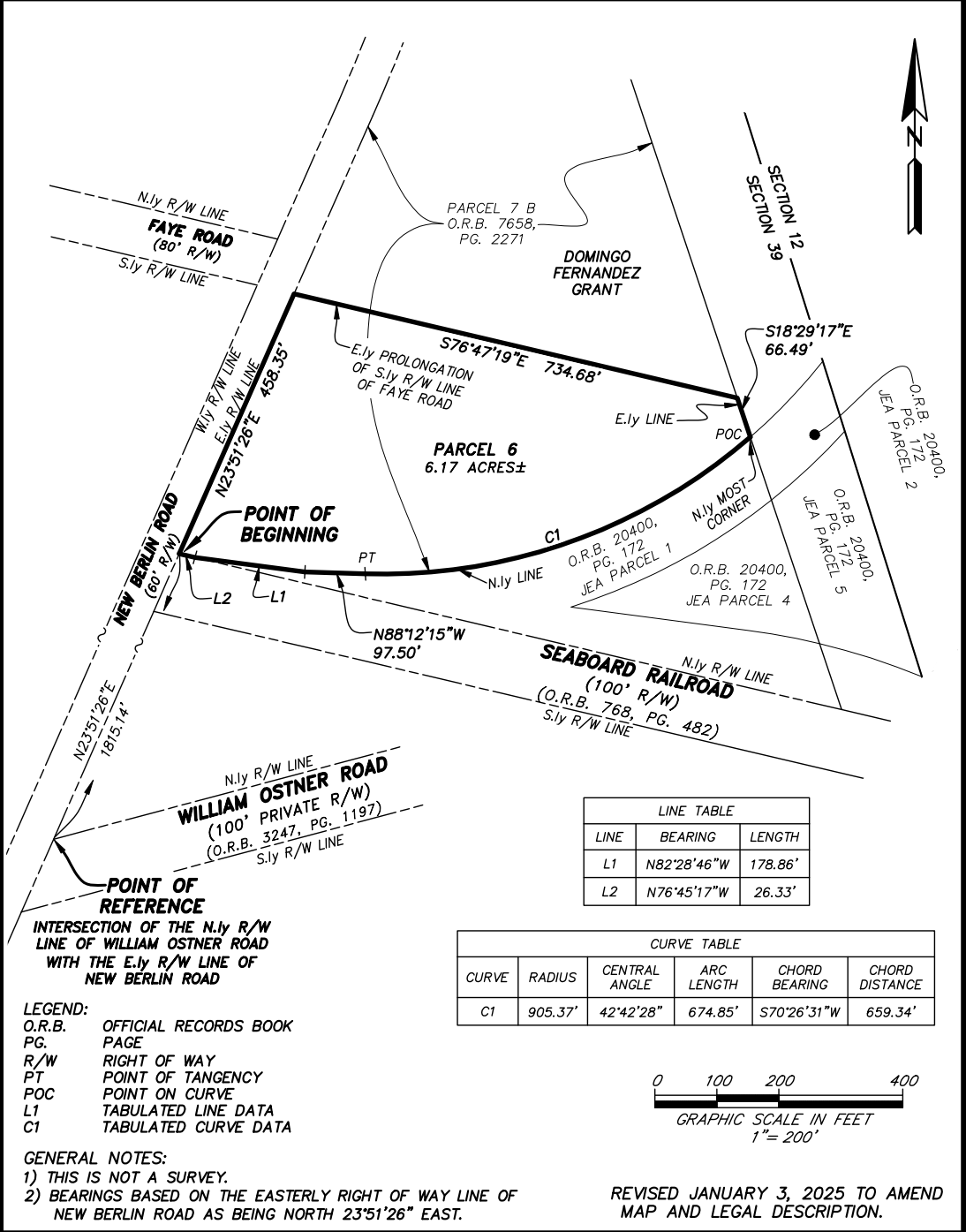
A portion of Section 39 of the Domingo Fernandez Grant, Township 1 South, Range 27 East, Duval County, Florida, being a portion of Parcel 7 B, as described and recorded in Official Records Book 7658, page 2271, of the current Public Records of said county, being more particularly described as follows:

For a Point of Reference, commence at the intersection of the Northerly right of way line of William Ostner Road, a 100 foot private right of way as presently established, with the Easterly right of way line of New Berlin Road, a 60 foot right of way as presently established; thence North $23^{\circ}51'26''$ East, along said Easterly right of way line, 1815.14 feet to the Point of Beginning.

From said Point of Beginning, thence continue North $23^{\circ}51'26''$ East, along said Easterly right of way line of New Berlin Road, 458.35 feet to a point lying on the Easterly prolongation of the Southerly right of way line of Faye Road, an 80 foot right of way as presently established; thence South $76^{\circ}47'19''$ East, departing said Easterly right of way line and along said Easterly prolongation, 734.68 feet to a point lying on the Easterly line of said Parcel 7 B; thence South $18^{\circ}29'17''$ East, along said Easterly line, 66.49 feet to the Northerly most corner of JEA Parcel 1, as described and recorded in Official Records Book 20400, page 172, of said current Public Records; thence along the Northerly line of said JEA Parcel 1 the following 4 courses: Course 1, thence Westerly along the arc of a non-tangent curve concave Northerly having a radius of 905.37 feet, through a central angle of $42^{\circ}42'28''$, an arc length of 674.85 feet to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of South $70^{\circ}26'31''$ West, 659.34 feet; Course 2, thence North $88^{\circ}12'15''$ West, 97.50 feet; Course 3, thence North $82^{\circ}28'46''$ West, 178.86 feet; Course 4, thence North $76^{\circ}45'17''$ West, 26.33 feet to the Point of Beginning.

Containing 6.17 acres, more or less.

SKETCH TO ACCOMPANY DESCRIPTION OF
A PORTION OF SECTION 39 OF THE DOMINGO FERNANDEZ GRANT,
TOWNSHIP 1 SOUTH, RANGE 27 EAST, DUVAL COUNTY, FLORIDA, BEING A
PORTION OF PARCEL 7 B, AS DESCRIBED AND RECORDED IN OFFICIAL RECORDS
BOOK 7658, PAGE 2271, OF THE CURRENT PUBLIC RECORDS OF SAID COUNTY,
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January 3, 2025

Work Order No. 23-395.00

File No. 130A-19.00P

Parcel 16

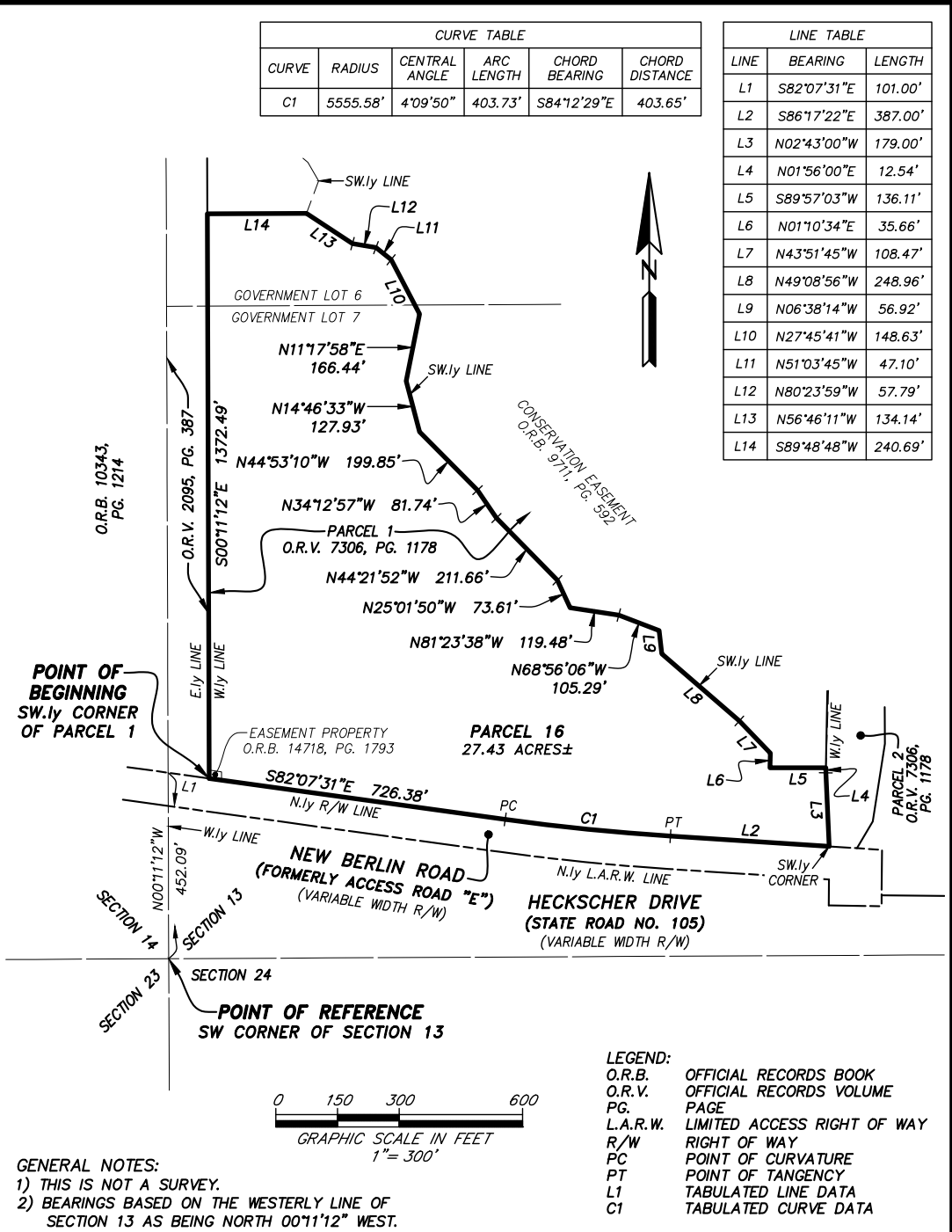
A portion of Government Lots 6 and 7, Section 13, Township 1 South, Range 27 East, Duval County, Florida, being a portion of Parcel 1, as described and recorded in Official Records Volume 7306, page 1178, of the current Public Records of said county, being more particularly described as follows:

For a Point of Reference, commence at the Southwest corner of said Section 13; thence North 00°11'12" West, along the Westerly line of said Section 13, a distance of 452.09 feet to its intersection with the Northerly right of way line of New Berlin Road, a variable width right of way as presently established; thence South 82°07'31" East, departing said Westerly line and along said Northerly right of way line, 101.00 feet to the Southwesterly corner of said Parcel 1 and the Point of Beginning.

From said Point of Beginning, thence continue along said Northerly right of way line the following 3 courses: Course 1, thence South 82°07'31" East, 726.38 feet to the point of curvature of a curve concave Northerly having a radius of 5555.58 feet; Course 2, thence Easterly along the arc of said curve, through a central angle of 04°09'50", an arc length of 403.73 feet to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of South 84°12'29" East, 403.65 feet; Course 3, thence South 86°17'22" East, 387.00 feet to the Southwesterly corner of Parcel 2, as described and recorded in said Official Records Volume 7306, page 1178; thence North 02°43'00" West, departing said Northerly right of way line and along the Westerly line of last said lands, 179.00 feet; thence North 01°56'00" East, continuing along said Westerly line, 12.54 feet to a point lying on the Southwesterly line of Conservation Easement, as described and recorded in Official Records Book 9711, page 592, of said current Public Records; thence Northwesterly along said Southwesterly line the following 17 courses: Course 1, thence South 89°57'03" West, departing said Westerly line, 136.11 feet; Course 2, thence North 01°10'34" East, 35.66 feet; Course 3, thence North 43°51'45" West, 108.47 feet; Course 4, thence North 49°08'56" West, 248.96 feet; Course 5, thence North 06°38'14" West, 56.92 feet; Course 6, thence North 68°56'06" West, 105.29 feet; Course 7, thence North 81°23'38" West, 119.48 feet; Course 8, thence North 25°01'50" West, 73.61 feet; Course 9, thence North 44°21'52" West, 211.66 feet; Course 10, thence North 34°12'57" West, 81.74 feet; Course 11, thence North 44°53'10" West, 199.85 feet; Course 12, thence North 14°46'33" West, 127.93 feet; Course 13, thence North 11°17'58" East, 166.44 feet; Course 14, thence North 27°45'41" West, 148.63 feet; Course 15, thence North 51°03'45" West, 47.10 feet; Course 16, thence North 80°23'59" West, 57.79 feet; Course 17, thence North 56°46'11" West, 134.14 feet; thence South 89°48'48" West, departing said Southwesterly line, 240.69 feet to a point lying on the Westerly line of said Parcel 1, also being the Easterly line of those lands described and recorded in Official Records Volume 2095, page 387, of said current Public Records; thence South 00°11'12" East, along said Westerly and Easterly lines, 1372.49 feet to the Point of Beginning.

Containing 27.43 acres, more or less.

SKETCH TO ACCOMPANY DESCRIPTION OF
A PORTION OF GOVERNMENT LOTS 6 AND 7, SECTION 13, TOWNSHIP 1 SOUTH,
RANGE 27 EAST, DUVAL COUNTY, FLORIDA, BEING A PORTION OF PARCEL 1,
AS DESCRIBED AND RECORDED IN OFFICIAL RECORDS VOLUME 7306,
PAGE 1178, OF THE CURRENT PUBLIC RECORDS OF SAID COUNTY,
BEING MORE PARTICULARLY DESCRIBED IN SEPARATE ATTACHMENT.



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SCALE: 1"=300'

DATE: JANUARY 3, 2025

G. C. COLYER III
PROFESSIONAL SURVEYOR AND MAPPER
STATE OF FLORIDA LS No. 6963

February 16, 2024

Work Order No. 23-395.00

File No. 130A-19.00M

Parcel 17

A portion of Government Lot 6 of Section 13, a portion of Government Lot 1 of Section 14, Duval County, Florida, together with a portion of Lots 7 and 8, Subdivision of Section 38 of the Domingo Fernandez Grant, as depicted on Plat Book 1, page 18, of the former Public Records of said county, all lying in Township 1 South, Range 27 East, also being a portion of those lands described and recorded in Official Records Volume 2095, page 387, and Official Records Volume 7241, page 1289, both of the current Public Records of said county, being more particularly described as follows:

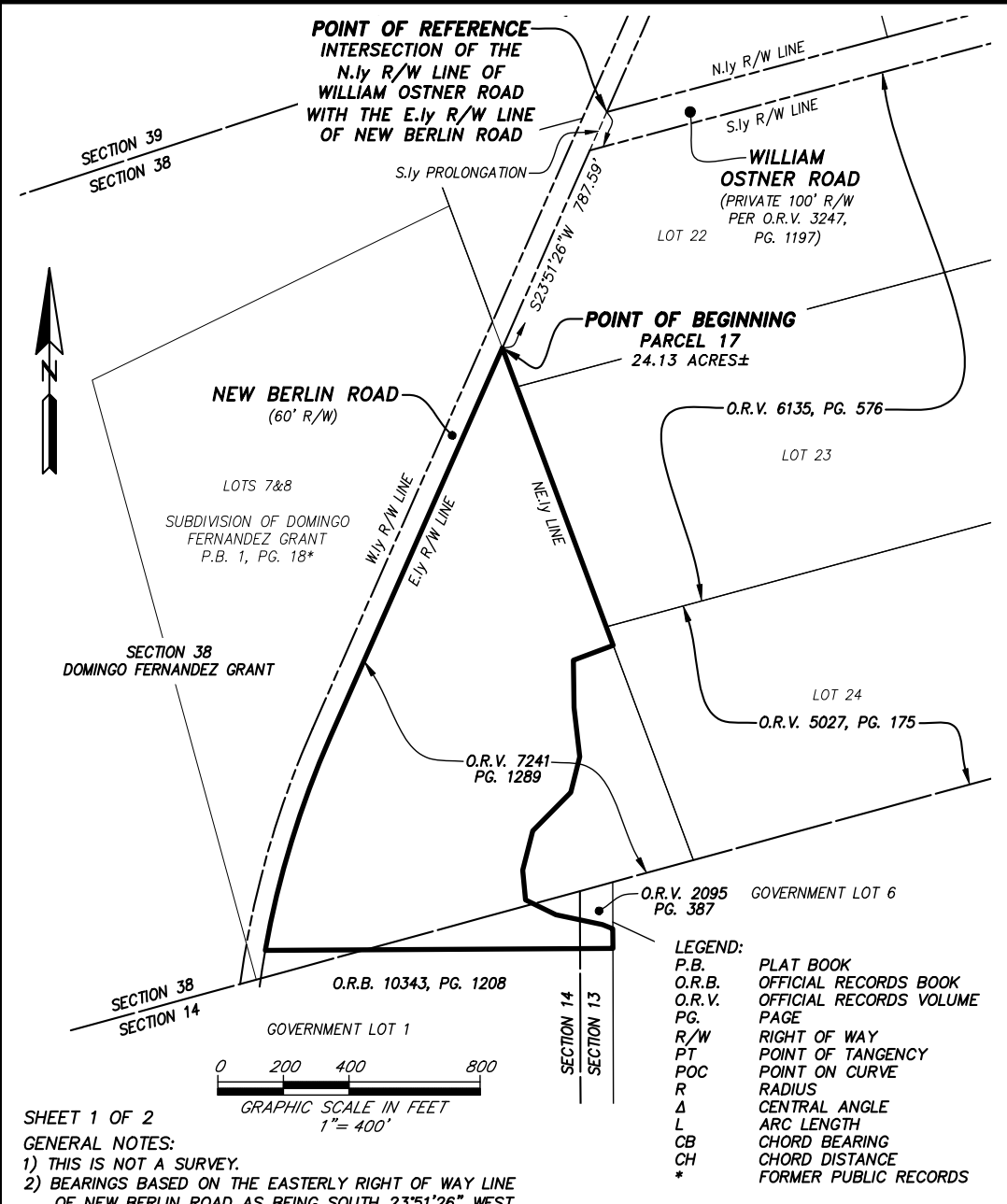
For a Point of Reference, commence at the intersection of the Northerly right of way line of William Ostner Road, a private 100 foot right of way as described and recorded in Official Records Volume 3247, page 1197, of said current Public Records, with the Easterly right of way line of New Berlin Road, a 60 foot right of way as presently established; thence South 23°51'26" West, along the Southerly prolongation of said Easterly right of way line and along said Easterly right of way line, 787.59 feet to its intersection with the Northeasterly line of said Official Records Volume 7241, page 1289, and the Point of Beginning.

From said Point of Beginning, thence South 20°27'17" East, departing said Easterly right of way line of New Berlin Road and along said Northeasterly line of Official Records Volume 7241, page 1289, a distance of 968.10 feet; thence South 69°32'43" West, departing said Northeasterly line, 130.00 feet; thence South 00°53'10" East, 145.00 feet; thence South 06°39'11" East, 151.00 feet; thence South 14°10'46" West, 112.00 feet; thence South 44°35'47" West, 165.00 feet; thence South 14°33'02" West, 124.00 feet; thence South 05°42'22" East, 91.00 feet; thence South 64°05'44" East, 103.00 feet; thence South 78°03'33" East, 145.00 feet; thence South 68°07'32" East, 34.00 feet to a point lying on the Easterly line of those lands described and recorded in Official Records Volume 2095, page 387, of said current Public Records; thence South 00°11'12" East, along said Easterly line, 60.00 feet to a point lying on the Southerly line of said Official Records Volume 7241, page 1289; thence South 89°40'38" West, departing said Easterly line and along said Southerly line, 1060.36 feet to a point lying on said Easterly right of way line of New Berlin Road; thence Northerly, departing said Southerly line, along said Easterly right of way line and along the arc of a non-tangent curve concave Easterly having a radius of 2834.79 feet, through a central angle of 13°48'11", an arc length of 682.93 feet to the point of tangency of said curve, said arc being subtended by a chord bearing and distance of North 16°57'20" East, 681.28 feet; thence North 23°51'26" East, continuing along said Easterly right of way line, 1296.89 feet to the Point of Beginning.

Containing 24.13 acres, more or less.

SKETCH TO ACCOMPANY DESCRIPTION OF

A PORTION OF GOVERNMENT LOT 6 OF SECTION 13, A PORTION OF GOVERNMENT LOT 1 OF SECTION 14, DUVAL COUNTY, FLORIDA, TOGETHER WITH A PORTION OF LOTS 7 AND 8, SUBDIVISION OF SECTION 38 OF THE DOMINGO FERNANDEZ GRANT, AS DEPICTED ON PLAT BOOK 1, PAGE 18, OF THE FORMER PUBLIC RECORDS OF SAID COUNTY, ALL LYING IN TOWNSHIP 1 SOUTH, RANGE 27 EAST, ALSO BEING A PORTION OF THOSE LANDS DESCRIBED AND RECORDED IN OFFICIAL RECORDS VOLUME 2095, PAGE 387, AND OFFICIAL RECORDS VOLUME 7241, PAGE 1289, BOTH OF THE CURRENT PUBLIC RECORDS OF SAID COUNTY, BEING MORE PARTICULARLY DESCRIBED IN SEPARATE ATTACHMENT.



THIS ITEM HAS BEEN ELECTRONICALLY SIGNED AND SEALED
USING A DIGITAL SIGNATURE. PRINTED COPIES OF THIS
DOCUMENT ARE NOT CONSIDERED SIGNED AND SEALED AND THE
SIGNATURE MUST BE VERIFIED ON ANY ELECTRONIC COPIES.

ETM
SURVEYING & MAPPING

Trusted
Advisors,
Creating
Community.

14775 Old St. Augustine Rd.
Jacksonville, Florida 32258

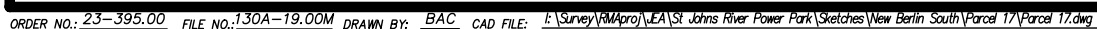
(904) 642-8550
www.etmnc.com

Certificate of Authorization No: LB 3624

SCALE: 1"=400'

DATE: FEBRUARY 16, 2024

G. C. COLYER III
PROFESSIONAL SURVEYOR AND MAPPER
STATE OF FLORIDA LS No. 6963





BOARD RESOLUTION: 2023-55

November 7, 2023

A RESOLUTION BY THE BOARD DECLARING THE FORMER ST. JOHNS RIVER POWER PARK SITE AS SURPLUS PROPERTY; DESIGNATING THE PROPERTY AS A LONG-TERM STRATEGIC SITE; AND AUTHORIZING THE SALE OF PARCELS 16, 17, 18, AND 19

RECITALS:

WHEREAS, JEA owns the site of the former St. Johns River Power Park (Property), more specifically identified and depicted in Exhibit A (attached hereto and incorporated herein); and

WHEREAS, the Property is approximately 1,200 acres, situated in northeast Jacksonville (City) and located near the St. Johns River, a rail corridor, major roadways, and port facilities; and

WHEREAS, the Property's unique characteristics suggest that JEA's interest may best be served by disposing of the property to facilitate industrial expansion and improve logistical resources within the JEA service area; and

WHEREAS, the Property's size, coupled with its proximity to the St. Johns River, the nearby rail and highway network, and port facilities make it suitable for disposition in phases exceeding one year's time; and

WHEREAS, in accordance with Section 21.04 of the Jacksonville City Charter (Charter) and Articles 4 and 6 of the Real Estate Services Procurement Directive (Directive), the JEA Board of Directors (Board) is authorized to declare JEA-owned real property as surplus property, identify such property as a Long-Term Strategic Site, and authorize the disposition thereof when doing so best serves the interest of JEA; and


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

1. The Recitals above are incorporated by reference into this Resolution and adopted as findings of fact.
2. The Board hereby declares the Property as surplus property and designates the Property as a Long-Term Strategic Site. In light of (i) the complex nature of the Property, (ii) its comprehensive size and varied configuration, (iii) the geographical significance of its location, and (iv) its strategic proximity to important logistical features of the City, the Board authorizes disposition of the Property in several discrete transactions over a period of time exceeding one year.
3. The Chief Executive Officer/Managing Director (CEO) is authorized to sell Parcels 16, 17, 18, and 19 depicted in Exhibit A (Outparcels). In doing so, Board approval is not required for individual transactions, and the transaction limits contained in Article 8 of the Directive and the 2021 Delegation of Authority are hereby waived by the Board. Accordingly, the CEO shall be authorized to complete all administrative actions, including the execution of

documents, instruments and transactions necessary for sale of the Outparcels. The CEO may delegate such authority to JEA's Real Estate Services.

- 4. Except as provided in this Resolution, disposition of the remainder of the Property shall be subject to further review and consideration by the Board.
- 5. JEA staff may correct any typographical, administrative, and/or scrivener's errors contained herein that do not change the tone, tenor, substance or purpose of this Resolution, with no further Board action.
- 6. This Resolution shall be effective upon execution by the Board Chair and Vice Chair.

Dated this 7th day of November 2023.



JEA Board Chair



JEA Board Vice Chair on behalf of
the JEA Board Secretary

Form Approved by:


Office of General Counsel

VOTE	
In Favor	
Opposed	
Abstained	



JEA Board Agenda

MEMORANDUM**Economic Development Program Rider Updates**

Board Meeting Date: January 28, 2025

Outcome:



INFORMATION ONLY



ACTION



FUTURE BOARD CONSIDERATION

If Action, Provide a Recommended Motion:

N/A

Consent Agenda Item:



Yes



No

Presenter:

Jordan Pope, Director, Administrative Services

Chief:

Jody Brooks, Chief Administrative Officer

Strategic Focus Area:



DEVELOPING AN UNBEATABLE TEAM



DELIVERING BUSINESS EXCELLENCE



EARNING CUSTOMER LOYALTY

Background Information & Analysis:

JEA's Economic Development programs are designed to provide qualifying new and existing JEA electric customers with an incentive to expand or relocate their business and create job opportunities within its service area.

The goal of the programs is to support the City of Jacksonville, JAXUSA Partnership, and the Florida Department of Commerce in promoting economic growth in Northeast Florida.

The proposed updates allow for these programs to continue through September 2028, extending the current expiration date of September 2025.

Administrative updates are proposed including updates to the definitions of targeted industries and areas, together with clarification on operational procedures and meeting program requirements.

Financial Impact:

N/A

Committee/Board Meeting/Workshop & Date Presented:

N/A

Appendix:

- Clean - Economic Development Program Rider Updates
- Redline - Economic Development Program Rider Updates

JEA Board Agenda

MEMORANDUM**Economic Development Program Rider Updates**

Board Meeting Date: January 28, 2025

Executed Economic Development Program / (EEDP) Agreements (Current)

Company	Rider Executed	Estimated New Load	No. of New Jobs
AMAZON COM DEDC LLC	5/31/2018	5,180 kW	2750
FLORIDA PLASTIC RECYCLING COMPANY LLC	1/9/2019	623 kW	30
GENESIS HEALTH INC. (6210 BEACH BLVD)	3/19/2018	1,100 kW	135
SOUTHERN BAPTIST HOSPITAL OF FLORIDA INC	5/24/2019	2,200 kW	682
SKY ENTERTAINMENT JACKSONVILLE LLC	4/22/2019	1,000 kW	25
JinkoSolar 200A	9/11/2019	3,200 kW	122
JinkoSolar 200B	9/11/2019	1,146 kW	121
Mayo Clinic Mangurian Building	1/22/2020	1,000 kW	20
LAROSE INDUSTRIES LLC	11/26/2019	755 kW	75
LINEAGE LOGISTICS PFS LLC	7/10/2020	600 kW	50
JOHNSON AND JOHNSON VISION CARE INC	10/8/2022	2,000 kW	15
UNITED PARCEL SERVICE INC	5/7/2021	722 kW	15
FLEXCOLD LLC	10/28/2022	1,512 kW	20
ST JOHNS CO SCHOOL BOARD	1/6/2023	900 kW	100
GENESIS HEALTH INC. (6400 BROOKS BARTRAM DR)	4/5/2023	300 kW	15

Executed EDP / EEDP Applications

Company	Program	Estimated New Load	No. of New Jobs
USA BIG MOUNTAIN PAPER	EDP	2,500 kW	15
FlexCold LLC - Phase Two	EDP	500 kW	15
Danone Expansion	EEDP	3,000 kW	15
BAE Systems Expansion	EEDP	10,000 kW	500
Johnson and Johnson Vision Care (Nitrogen Plant)	EDP	600 kW	15
Mayo Clinic (Central Utility Plant and Expansion)	EDP	4,521 kW	200
UF Health (North Campus New Tower)	EDP	1,000 kW	30
Arcadia Cold of Jacksonville LLC	EEDP	830 kW	80



First Revised Sheet No. 15.0
Canceling Original Sheet No. 15.0

EDP
RIDER EDP

Economic Development Program Rider

Available

To new and existing customers receiving service in all territory served by JEA. Application for service under this Rider will not be accepted after September 30, 2028.

Applicable

To new or existing Customers who have executed an Economic Development Program Electric Service Agreement contract with JEA on or after October 1, 2013, and whose new or modified account qualifies for electric service under Rate Schedule GSD, GSDT, GSLD, GSLDT, or GSLDHLF. New or incremental existing metered demand under this rider must be a minimum of 300 kW at a single site of delivery and the Customer must employ an additional work force of at least 15 full-time employees in JEA's service territory. This rider applies to new or incremental metered demand and additional employees on or after October 1, 2013. JEA reserves the right to accept or not accept any application for the Economic Development Program Rider (EDP).

Character of Service

JEA's standard voltage levels.

Rate per Month

Customers executing an Economic Development Program Electric Service Agreement contract on or after October 1, 2013 shall receive a discount for new or incremental metered demand based on the percentages listed below. The discounts below will be applied to the electric charges including demand and energy. The adjustment will not apply to other charges, including basic monthly charges, fuel charge, excess KVAR charge, penalties, service charges, Gross Receipts Tax or other applicable taxes including franchise fees. For existing Customers, the adjustment will only be applied to the charges above the base metered demand and energy as defined in "Definition of Baseline."

Year	Less than 5 MW Discount	For 5MW or greater Discount*	Less than 5MW Discount in Targeted Areas	For 5MW or greater Discount in Targeted Areas*
Year 1*	30%	30%	35%	35%
Year 2	25%	30%	30%	35%
Year 3	20%	30%	25%	35%
Year 4	15%	25%	20%	30%
Year 5	10%	20%	15%	25%
Year 6	5%	15%	10%	20%
Year 7	0%	10%	0%	15%
Year 8	0%	5%	0%	10%
Year 9	0%	0%	0%	0%

*Year 1 can be extended as outlined in General Provisions (g) below

(Continued on Sheet No. 15.01)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2025



(Continued from Sheet No. 15.0)

Definition of Incremental Metered Demand

The portion of the customer's metered demand which has increased by a minimum of 300 kW as a result of expansion or new construction at a single site of delivery.

Definition of Baseline

JEA will establish a baseline usage for each qualifying existing customer. Such base usage will reflect the billed peak kW and highest kWh consumption for the 12-month period immediately preceding the Customer's application for service.

Definition of Targeted Area

Identified as the City of Jacksonville's Economically Distressed Areas and industrial-zoned properties as defined by the city and/or county property appraisers' websites in all territory served by JEA. As the areas may change from time to time, JEA will recognize the areas deemed to be a Targeted Area at the time of application.

General Provisions

- (a) Customers must submit to JEA an application for service under this Rider. JEA must approve such application before the Customer may execute a Service Agreement contract and start service hereunder.
- (b) At the time of application for this Rider, the application must include the estimated amount of increased metered demand, nature of the increase and estimated timing of when the new metered demand will start and also specify the total number of full-time employees that will be employed in JEA's service territory by the Customer.
- (c) The Customer must notify JEA in writing when either the planned increase in metered demand has been met or, at the option of the Customer, when the minimum 300 kW increase has been met. JEA may monitor the Customer's metered demand for up to the next three months following the receipt of the Customer notification to confirm the baseline usage is exceeded by at least 300 kW.
- (d) Additionally, the Customer must provide evidence annually that the number of full-time employees in JEA's service territory reported at the time of application has increased by the minimum required as stated under the EDP Application and continues at such level.
- (e) When both the new metered demand and the additional employee requirements have been met, the Customer must execute an Economic Development Program Rider Service Agreement contract within 12 months from the commencement of the incremental metered demand.
- (f) Year 1 discount will apply to the next twelve full billing cycles following execution of the Economic Development Program Rider Service Agreement contract.
- (g) With acceptable documentation, customers adding more than 5,000 kW of new metered demand may elect to extend Year 1 discount up to an additional 24 months to accommodate site construction to achieve the metered demand stated on their EEDP application.

(Continued on Sheet No. 15.02)



(Continued from Sheet No. 15.01)

- (h) Customer adding service in Targeted Areas (as may be changed from time to time) will receive the discounts according to the schedule shown above.

Term of Service

- (a) Service under this rider shall be for at least six (6) years but not more than eight (8) years for projects greater than 5,000 kW, from the commencement of service and will terminate at the end of the final year.
- (b) JEA may terminate service under this Rider if the Customer fails to maintain the full-time employees and/or the Customer fails to take the required amount of metered demand specified in the Economic Development Program Rider Service Agreement contract. If JEA elects to terminate the Economic Development Program Rider Service Agreement contract for noncompliance with Rider EDP, the Customer is no longer entitled to discounts provided by Rider EDP.
- (c) Customers desiring to terminate service under this rider will be required to give JEA thirty (30) days written notice. If the Customer elects to terminate the Economic Development Program Rider Service Agreement, the Customer is no longer entitled to discounts provided by Rider EDP.

Terms and Conditions

- (a) Service hereunder shall be subject to the Rules and Regulations of JEA.
- (b) Service under this Rider shall not be available where the service is provided solely or predominately for:
1. Multi-tenant residential or commercial properties
 2. Any service deemed "Temporary"
- (c) A name change or other superficial change at an existing location, where the ownership and/or control over the premise is not changed, will not be considered as a new Customer.
- (d) If a change of ownership of the same business occurs after the Customer has initiated an Economic Development Program Rider Service Agreement contract, the successor Customer may be allowed to continue the balance of the agreement provided there are no reductions in employment or metered demand.
- (e) This Rider is not available for load shifted between service delivery points within JEA's service territory.
- (f) This Rider is not available for renewal or extension beyond the date listed in the Economic Development Program Rider Service Agreement contract.
- (g) Election of this Rider will preclude the election of any other JEA Rider, with the exception of JEA SolarSmart or SolarMax Riders.
- (h) Customer must maintain their JEA account in a current status. JEA retains the right to terminate this Rider at any time if Customer is classified as a "Collection Accounts Subject to Disconnection" as defined in JEA Standard Operating Procedure Commercial Credit and Collections.



First Revised Sheet No. 15.10
Canceling Original Sheet No. 15.10

EEDP
RIDER EEDP

Enhanced Economic Development Program Rider

Available

To new and existing customers receiving service in all territory served by JEA. Application for service under this Rider will not be accepted after September 30, 2028.

Applicable

To new or existing Customers whose industry is on the Florida Target Industry list and who have executed an Enhanced Economic Development Program Electric Service Agreement contract with JEA on or after June 27, 2023, and whose new or modified account qualifies for electric service under Rate Schedule GSD, GSDT, GSLD, GSLDT, or GSLDHLF. New or incremental existing metered demand under this rider must be a minimum of 500 kW and an additional work force of at least 50 full-time employees, or greater than 3,000 kW and an additional work force of at least 15 full-time employees, at a single site of delivery in JEA's service territory. This rider applies to new or incremental metered demand and additional employees on or after June 27, 2023. JEA reserves the right to accept or not accept any application for the Enhanced Economic Development Program Rider (EEDP).

Character of Service

JEA's standard voltage levels.

Rate per Month

Customers executing an Enhanced Economic Development Program Electric Service Agreement contract on or after June 27, 2023 shall receive a discount for new or incremental metered demand based on the percentages listed below. The discounts below will be applied to the electric charges including demand and energy. The adjustment will not apply to other charges, including basic monthly charges, fuel charge, excess KVAR charge, penalties, service charges, Gross Receipts Tax or other applicable taxes including franchise fees. For existing Customers, the adjustment will only be applied to the charges above the base metered demand and energy as defined in "Definition of Baseline."

Year	Less than 5MW Discount	For 5MW or greater Discount*	Less than 5MW Discount in Targeted Areas	For 5MW or greater Discount in Targeted Areas*
Year 1	45%	45%	50%	50%
Year 2	40%	45%	45%	50%
Year 3	35%	45%	40%	50%
Year 4	30%	40%	35%	45%
Year 5	25%	35%	30%	40%
Year 6	20%	30%	25%	35%
Year 7	15%	25%	20%	30%
Year 8	10%	20%	15%	25%
Year 9	5%	15%	10%	20%
Year 10	0%	10%	0%	15%
Year 11	0%	5%	0%	10%
Year 12	0%	0%	0%	0%

*Year 1 can be extended as outlined in General Provisions (g) below.

(Continued on Sheet No. 15.11)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2025



(Continued from Sheet No. 15.10)

Definition of Incremental Metered Demand

The portion of the customer's metered demand which has increased by a minimum of 500 kW as a result of expansion or new construction at a single site of delivery.

Definition of Baseline

JEA will establish a baseline usage for each qualifying existing customer. Such base usage will reflect the billed peak kW and highest kWh consumption for the 12-month period immediately preceding the Customer's application for service.

Definition of Florida's Target Industry

Those industries identified as Target Industries by Florida Department of Commerce, JAXUSA Partnership and the City of Jacksonville's Office of Economic Development. As of the effective date of this Tariff, the industries designated as Target Industries are Manufacturing, Defense/Aerospace, Life Sciences, Logistics/Distribution, Information Technology, Financial/Business Services and Headquarters. Retail activities, utilities, mining and other extraction or processing businesses, and activities regulated by the Division of Hotels and Restaurants of the Department of Business and Professional Regulation, are statutorily excluded from consideration. Because the industries designated as Target Industries may change from time to time, JEA will recognize the designation in effect at the time of application.

Definition of Targeted Area

Identified as the City of Jacksonville's Economically Distressed Areas and industrial-zoned properties as defined by the city and/or county property appraisers' websites in all territory served by JEA. As the areas may change from time to time, JEA will recognize the areas deemed to be a Targeted Area at the time of application.

General Provisions

- (a) Customers must submit to JEA an application for service under this Rider. JEA must approve such application before the Customer may execute a Service Agreement contract and start service hereunder.
- (b) At the time of application for this Rider, the application must include the estimated amount of increased metered demand, nature of the increase and estimated timing of when the new metered demand will start, and also specify the total number of full-time employees that will be employed in JEA's service territory by the Customer.
- (c) The Customer must notify JEA in writing when either the planned increase in metered demand has been met or, at the option of the Customer, when the minimum 500 kW increase has been met. JEA may monitor the Customer's metered demand for up to the next three months following the receipt of the Customer notification to confirm the baseline usage is exceeded by at least 500 kW.
- (d) Additionally, the Customer must provide evidence annually that the number of full-time employees in JEA's service territory reported at the time of application has increased by the minimum required as stated under the Applicable Agreement and continues at such level.

(Continued on Sheet No. 15.12)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2025



(Continued from Sheet No. 15.11)

- (e) When both the new metered demand and the additional employee requirements have been met, the Customer must execute an Enhanced Economic Development Program Rider Service Agreement contract within 12 months from the commencement of the incremental metered demand.
- (f) Year 1 discount will apply to the next twelve full billing cycles following execution of the Enhanced Economic Development Program Rider Service Agreement contract.
- (g) With acceptable documentation, Customers adding more than 5,000 kW of new metered demand may elect to extend Year 1 discount up to an additional 24 months to accommodate site construction to achieve the metered demand stated on their EEDP application.
- (h) Customer adding service in Targeted Areas (as may be changed from time to time) will receive the discounts according to the schedule shown above.

Term of Service

- (a) Service under this rider shall be for at least nine (9) years but not more than eleven (11) years for projects greater than 5,000 kW, from the commencement of service and will terminate at the end of the final year.
- (b) JEA may terminate service under this Rider if the Customer fails to maintain the full-time employees and/or the Customer fails to take the required amount of metered demand specified in the Enhanced Economic Development Program Rider Service Agreement contract. If JEA elects to terminate the Enhanced Economic Development Program Rider Service Agreement contract for noncompliance with Rider EDP, the Customer is no longer entitled to discounts provided by Rider EDP. If the Customer fails to maintain either requirement for the Enhanced Economic Development Program but meets the requirements for the Economic Development Program (EDP) Rider, JEA may, at its discretion, downgrade the customer to the EDP Program Rider.
- (c) Customers desiring to terminate service under this rider will be required to give JEA thirty (30) days written notice. If the Customer elects to terminate the Enhanced Economic Development Program Rider Service Agreement, the Customer is no longer entitled to discounts provided by Rider EDP.

Terms and Conditions

- (a) Service hereunder shall be subject to the Rules and Regulations of JEA.
- (b) Service under this Rider shall not be available where the service is provided solely or predominately for:
 - Multi-tenant residential or commercial properties
 - Any service deemed "Temporary"
- (c) A name change or other superficial change at an existing location, where the ownership and/or control over the premise is not changed, will not be considered as a new Customer.
- (d) If a change of ownership of the same business occurs after the Customer has initiated an Enhanced Economic Development Program Rider Service Agreement contract, the successor Customer may be allowed to continue the balance of the agreement provided there are no reductions in employment or metered demand.

(Continued on Sheet No. 15.13)



First Revised Sheet No. 15.13
Canceling Original Sheet 15.13

(Continued from Sheet No. 15.12)

- (e) This Rider is not available for load shifted between service delivery points within JEA's service territory.
- (f) This Rider is not available for renewal or extension beyond the date listed in the Enhanced Economic Development Program Rider Service Agreement contract.
- (g) Election of this Rider will preclude the election of any other JEA Rider, with the exception of JEA SolarSmart or SolarMax Riders.
- (h) Customer must maintain their JEA account in a current status. JEA retains the right to terminate this Rider at any time if Customer is classified as a "Collection Accounts Subject to Disconnection" as defined in JEA Standard Operating Procedure Commercial Credit and Collections.



First Revised Sheet No. 15.0
Canceling Original Sheet No. 15.0

EDP
RIDER EDP

Economic Development Program Rider

Available

To new and existing customers receiving service in all territory served by JEA. Application for service under this Rider will not be accepted after September 30, 2025.

Applicable

To new or existing Customers who have executed an Economic Development Program Electric Service Agreement contract with JEA on or after October 1, 2013, and whose new or modified account qualifies for electric service under Rate Schedule GSD, GSDD, GSLE, GSLEDT, or GSLEDLF. New or incremental existing metered demand under this rider must be a minimum of 300 kW at a single site of delivery and the Customer must employ an additional work force of at least 15 full-time employees in JEA's service territory. This rider applies to new or incremental metered demand and additional employees on or after October 1, 2013. JEA reserves the right to accept or not accept any application for the Economic Development Program Rider (EDP).

Character of Service

JEA's standard voltage levels.

Rate per Month

Customers executing an Economic Development Program Electric Service Agreement contract on or after October 1, 2013 shall receive a discount for new or incremental metered demand based on the percentages listed below. The discounts below will be applied to the electric charges including demand and energy. The adjustment will not apply to other charges, including basic monthly charges, fuel charge, excess KVAR charge, penalties, service charges, Gross Receipts Tax or other applicable taxes including franchise fees. For existing Customers, the adjustment will only be applied to the charges above the base metered demand and energy as defined in "Definition of Baseline."

Year	Less than 5 MW Discount	For 5MW or greater Discount*	Less than 5MW Discount in Targeted Areas	For 5MW or greater Discount in Targeted Areas*
Year 1*	30%	30%	35%	35%
Year 2	25%	30%	30%	35%
Year 3	20%	30%	25%	35%
Year 4	15%	25%	20%	30%
Year 5	10%	20%	15%	25%
Year 6	5%	15%	10%	20%
Year 7	0%	10%	0%	15%
Year 8	0%	5%	0%	10%
Year 9	0%	0%	0%	0%

*Year 1 can be extended as outlined in General Provisions (g) below

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2025
Effective August 29, 2023

(Continued on Sheet No. 15.01)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2025
Effective August 29, 2023



First Revised Sheet No. 15.01
Canceling Original Sheet No. 15.01

(Continued from Sheet No. 15.0)

Definition of Incremental Metered Demand

The portion of the customer's metered demand which has increased by a minimum of 300 kW as a result of expansion or new construction at a single site of delivery.

Definition of Baseline

JEA will establish a baseline usage for each qualifying existing customer. Such base usage will reflect the billed peak kW and highest kWh consumption for the 12-month period immediately preceding the Customer's application for service.

Definition of Targeted Area

~~Areas identified as the~~ City of Jacksonville's Economically Distressed Areas ~~map~~ and industrial ~~zoned~~ properties as defined by the ~~city and/or county~~ property appraiser's websites in all territory served by JEA. As the areas may change from time to time, JEA will recognize the areas deemed to be a Targeted Area at the time of application.

General Provisions

- (a) Customers must submit to JEA an application for service under this Rider. JEA must approve such application before the Customer may execute a Service Agreement contract and start service hereunder.
- (b) At the time of application for this Rider, the application must include the estimated amount of increased metered demand, nature of the increase and estimated timing of when the new metered demand will start and also specify the total number of full-time employees that will be employed in JEA's service territory by the Customer.
- (c) The Customer must notify JEA in writing when either the planned increase in metered demand has been met or, at the option of the Customer, when the minimum 300 kW increase has been met. JEA may monitor the Customer's metered demand for up to the next three months following the receipt of the Customer notification to confirm the baseline usage is exceeded by at least 300 kW.
- (d) Additionally, the Customer must provide evidence annually that the number of full-time employees in JEA's service territory reported at the time of application has increased by the minimum required as stated under the EDP Application and continues at such level.
- (e) When both the new metered demand and the additional employee requirements have been met, the Customer must execute an Economic Development Program Rider Service Agreement contract within 12 months from the commencement of the incremental metered demand.
- (f) Year 1 discount will apply to the next twelve full billing cycles following execution of the Economic Development Program Rider Service Agreement contract.
- (g) With acceptable documentation, customers adding more than 5,000 kW of new metered demand may elect to extend Year 1 discount up to an additional 24 months to accommodate site construction to achieve the metered demand stated on their EEDP application.

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2025
Effective August 29, 2023

(Continued on Sheet No. 15.02)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2025
Effective August 29, 2023



First Revised Sheet No. 15.02
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(Continued from Sheet No. 15.01)

- (h) Customer adding service in Targeted Areas (as may be changed from time to time) will receive the discounts according to the schedule shown above.

Term of Service

- (a) Service under this rider shall be for at least six (6) years but not more than eight (8) years for projects greater than 5,000 kW, from the commencement of service and will terminate at the end of the final year.
- (b) JEA may terminate service under this Rider if the Customer fails to maintain the full-time employees and/or the Customer fails to take the required amount of metered demand specified in the Economic Development Program Rider Service Agreement contract. If JEA elects to terminate the Economic Development Program Rider Service Agreement contract for noncompliance with Rider EDP, the Customer is no longer entitled to discounts provided by Rider EDP.
- (c) Customers desiring to terminate service under this rider will be required to give JEA thirty (30) days written notice. If the Customer elects to terminate the Economic Development Program Rider Service Agreement, the Customer is no longer entitled to discounts provided by Rider EDP.

Terms and Conditions

- (a) Service hereunder shall be subject to the Rules and Regulations of JEA.
- (b) Service under this Rider shall not be available where the service is provided solely or predominately for:
1. Multi-tenant residential or commercial properties
 2. Any service deemed "Temporary"
- (c) A name change or other superficial change at an existing location, where the ownership and/or control over the premise is not changed, will not be considered as a new Customer.
- (d) If a change of ownership of the same business occurs after the Customer has initiated an Economic Development Program Rider Service Agreement contract, the successor Customer may be allowed to continue the balance of the agreement provided there are no reductions in employment or metered demand.
- (e) This Rider is not available for load shifted between service delivery points within JEA's service territory.
- (f) This Rider is not available for renewal or extension beyond the date listed in the Economic Development Program Rider Service Agreement contract.
- (g) Election of this Rider will preclude the election of any other JEA Rider, with the exception of JEA SolarSmart or SolarMax Riders.
- (h) Customer must maintain their JEA account in a current status. JEA retains the right to terminate this Rider at any time if Customer is classified as a "Collection Accounts Subject to Disconnection" as defined in JEA Standard Operating Procedure Commercial Credit and Collections.

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2025
Effective August 29, 2023



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EEDP
 RIDER EEDP

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Enhanced Economic Development Program Rider

Available

To new and existing customers receiving service in all territory served by JEA. Application for service under this Rider will not be accepted after September 30, 202~~8~~⁵.

Applicable

To new or existing Customers whose industry is on the Florida Target Industry list and who have executed an Enhanced Economic Development Program Electric Service Agreement contract with JEA on or after June 27, 2023, and whose new or modified account qualifies for electric service under Rate Schedule GSD, GSDT, GSLD, GSLDT, or GSLDLHF. New or incremental existing metered demand under this rider must be a minimum of 500 kW and an additional work force of at least 50 full-time employees, or greater than 3,000 kW and an additional work force of at least 15 full-time employees, at a single site of delivery in JEA's service territory. This rider applies to new or incremental metered demand and additional employees on or after June 27, 2023. JEA reserves the right to accept or not accept any application for the Enhanced Economic Development Program Rider (EEDP).

Character of Service

JEA's standard voltage levels.

Rate per Month

Customers executing an Enhanced Economic Development Program Electric Service Agreement contract on or after June 27, 2023 shall receive a discount for new or incremental metered demand based on the percentages listed below. The discounts below will be applied to the electric charges including demand and energy. The adjustment will not apply to other charges, including basic monthly charges, fuel charge, excess KVAR charge, penalties, service charges, Gross Receipts Tax or other applicable taxes including franchise fees. For existing Customers, the adjustment will only be applied to the charges above the base metered demand and energy as defined in "Definition of Baseline."

Year	Less than 5MW Discount	For 5MW or greater Discount*	Less than 5MW Discount in Targeted Areas	For 5MW or greater Discount in Targeted Areas*
Year 1	45%	45%	50%	50%
Year 2	40%	45%	45%	50%
Year 3	35%	45%	40%	50%
Year 4	30%	40%	35%	45%
Year 5	25%	35%	30%	40%
Year 6	20%	30%	25%	35%
Year 7	15%	25%	20%	30%
Year 8	10%	20%	15%	25%
Year 9	5%	15%	10%	20%
Year 10	0%	10%	0%	15%
Year 11	0%	5%	0%	10%
Year 12	0%	0%	0%	0%

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VICTOR BLACKSHEAR, DIRECTOR
 FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2025
 Effective August 29, 2023

*Year 1 can be extended as outlined in General Provisions (g) below.

(Continued on Sheet No. 15.11)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2025
Effective August 29, 2023



First Revised Sheet No. 15.11
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 15.11 Original Sheet No. 15.11

(Continued from Sheet No. 15.10)

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Definition of Incremental Metered Demand

The portion of the customer's metered demand which has increased by a minimum of 500 kW as a result of expansion or new construction at a single site of delivery.

Definition of Baseline

JEA will establish a baseline usage for each qualifying existing customer. Such base usage will reflect the billed peak kW and highest kWh consumption for the 12-month period immediately preceding the Customer's application for service.

Definition of Florida's Target Industry

~~Identified Those industries identified as Target Industries by Enterprise Florida, Inc. Florida Department of Commerce, JaxUSA-JAXUSA Partnership and the City of Jacksonville's Office of Economic Development. As of the effective date of this Tariff, the industries designated as Target Industries are~~ Manufacturing, Defense/Aerospace, Life Sciences, Logistics/Distribution, ~~IT~~ Information Technology, Financial/Business Services and ~~Headquarters~~. Retail activities, utilities, mining and other extraction or processing businesses, and activities regulated by the Division of Hotels and Restaurants of the Department of Business and Professional Regulation, are statutorily excluded from consideration. ~~As the definition~~ Because the industries designated as Target Industries may change from time to time, JEA will recognize the prevailing definition designation in effect at the time of application.

Definition of Targeted Area

~~Identified as the City of Jacksonville's Economically Distressed Areas and industrial-zoned properties as defined by the city and/or county property appraisers' websites in all territory served by JEA. As the areas may change from time to time, JEA will recognize the areas deemed to be a Targeted Area at the time of application. Areas in City's Economically Distressed Areas map and industrial zone properties as defined by the property appraiser's websites in all territory served by JEA.~~

General Provisions

- (a) Customers must submit to JEA an application for service under this Rider. JEA must approve such application before the Customer may execute a Service Agreement contract and start service hereunder.
- (b) At the time of application for this Rider, the application must include the estimated amount of increased metered demand, nature of the increase and estimated timing of when the new metered demand will start, and also specify the total number of full-time employees that will be employed in JEA's service territory by the Customer.
- (c) The Customer must notify JEA in writing when either the planned increase in metered demand has been met or, at the option of the Customer, when the minimum 500 kW increase has been met. JEA may monitor the Customers metered demand for up to the next three months following the receipt of the Customer notification to confirm the baseline usage is exceeded by at least 500 kW.
- (d) Additionally, the Customer must provide evidence annually that the number of full-time employees in JEA's service territory reported at the time of application has increased by the minimum required as stated under the Applicable Agreement and continues at such level.

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 VICTOR BLACKSHEAR, DIRECTOR
 FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2025
 Effective August 29, 2023

(Continued on Sheet No. 15.12)

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VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2025
Effective August 29, 2023



(Continued from Sheet No. 15.11)

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- (e) When both the new metered demand and the additional employee requirements have been met, the Customer must execute an Enhanced Economic Development Program Rider Service Agreement contract within 12 months from the commencement of the incremental metered demand.
- (f) Year 1 discount will apply to the next twelve full billing cycles following execution of the Enhanced Economic Development Program Rider Service Agreement contract.
- (g) With acceptable documentation, Customers adding more than 5,000 kW of new metered demand may elect to extend Year 1 discount up to an additional 24 months to accommodate site construction to achieve the metered demand stated on their EEDP application.
- (h) Customer adding service in Targeted Areas (as may be changed from time to time) will receive the discounts according to the schedule shown above.

Term of Service

- (a) Service under this rider shall be for at least nine (9) years but not more than eleven (11) years for projects greater than 5,000 kW, from the commencement of service and will terminate at the end of the final year.
- (b) JEA may terminate service under this Rider if the Customer fails to maintain the full-time employees and/or the Customer fails to take the required amount of metered demand specified in the Enhanced Economic Development Program Rider Service Agreement contract. If JEA elects to terminate the Enhanced Economic Development Program Rider Service Agreement contract for noncompliance with Rider EDP, the Customer is no longer entitled to discounts provided by Rider EDP. If the Customer fails to maintain either requirement for the Enhanced Economic Development Program but meets the requirements for the Economic Development Program (EDP) Rider, JEA may, at its discretion, downgrade the customer to the EDP Program Rider.
- (c) Customers desiring to terminate service under this rider will be required to give JEA thirty (30) days written notice. If the Customer elects to terminate the Enhanced Economic Development Program Rider Service Agreement, the Customer is no longer entitled to discounts provided by Rider EDP.

Terms and Conditions

- (a) Service hereunder shall be subject to the Rules and Regulations of JEA.
- (b) Service under this Rider shall not be available where the service is provided solely or predominately for:
 - Multi-tenant residential or commercial properties
 - Any service deemed "Temporary"
- (c) A name change or other superficial change at an existing location, where the ownership and/or control over the premise is not changed, will not be considered as a new Customer.
- (d) If a change of ownership of the same business occurs after the Customer has initiated an Enhanced Economic Development Program Rider Service Agreement contract, the successor Customer may be allowed to continue the balance of the agreement provided there are no reductions in employment or metered demand.

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VICTOR BLACKSHEAR, DIRECTOR
 FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2025
 Effective August 29, 2023



First Revised Sheet No. 15.13
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(Continued from Sheet No. 15.12)

- (e) This Rider is not available for load shifted between service delivery points within JEA's service territory.
- (f) This Rider is not available for renewal or extension beyond the date listed in the Enhanced Economic Development Program Rider Service Agreement contract.
- (g) Election of this Rider will preclude the election of any other JEA Rider, with the exception of JEA SolarSmart or SolarMax Riders.
- (h) Customer must maintain their JEA account in a current status. JEA retains the right to terminate this Rider at any time if Customer is classified as a "Collection Accounts Subject to Disconnection"² as defined in JEA Standard Operating Procedure Commercial Credit and Collections.

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective April 1, 2025
Effective August 29, 2023



ES
Revenue Codes ES

RIDER ES

Economic Stimulus Rider (Experimental)

Available

Service is available throughout the service territory served by JEA until such time as JEA may terminate this Economic Stimulus program. This Rider is available to qualifying commercial or industrial customers for service under the applicable JEA Rate Schedule GSLD. Customers desiring to take electric service under this Rider must make a written application for service. Customers requesting service under this Rider must execute a Service Agreement before September 30, 2028.

Applicable

Electric service provided under this optional Rider shall be applicable to projected electric service requirements which JEA has determined that:

1. Customer would not be served by JEA but for this Rider; and
2. Customer qualifies for such service under the terms and conditions set forth within this Rider.
3. Customer would seek service in jurisdiction outside of the State of Florida

Applicable Load shall be recognized:

New Load not previously served by JEA. Applicable Load must be served at a single site and must exceed a minimum level of demand as determined from the following provisions:

New Load: 1,000 kW or more of new Metered Demand.

Any customer receiving service under this Rider must provide the following documentation, the sufficiency of which shall be determined by JEA:

- 1) Legal attestation by the customer (through an affidavit signed by an authorized representative of the customer) attesting to the requirement of this Rider that without the use of this Economic Stimulus Rider the New Load would not be served by JEA; and
- 2) Documentation demonstrating to JEA's satisfaction that there is a viable lower cost alternative to serve the customer electric service needs.

Each customer shall enter into a Service Agreement contract with JEA to purchase the customer's entire requirements for electric service at the service location set forth in the Service Agreement contract.

Character of Service

This experimental Rider is offered in conjunction with the rates, terms and conditions of the JEA Rate Schedule GSLD.

Limitation of Service

Standby and sale for resale are not permitted under this Rider.

(Continued on Sheet No. 16.01)



(Continued from Sheet No. 16.0)

Rate per Month

Unless specifically noted in this Rider or within the Service Agreement contract, the charges assessed for electric service shall be those found within the otherwise applicable JEA Rate Schedule GSLD.

Additional Basic Monthly Charge

\$250.00 per month

Demand and Energy Charges

The charges under this Rider may include the Demand and/or Energy Charges as set forth in the otherwise applicable Rate Schedule GSLD. The specific charges or procedure for calculating the charges under this Rider shall be set forth in a negotiated Service Agreement contract and shall at a minimum recover all incremental costs JEA incurs in serving the customer and contribute to JEA's fixed costs.

Terms and Conditions

- 1) Negotiated charges are to be determined by the consistent application of the following factors: (1) customers' load characteristics; (2) alternative power supply; (3) customer credit quality; (4) economic impact; (5) length of term of the Service Agreement; and (6) JEA's excess electric system capacity.
- 2) Negotiated terms and conditions associated with the Monthly Charges shall be set forth in the Service Agreement contract and may be applied during all or a portion of the term of the Service Agreement contract.
- 3) Service hereunder shall be subject to the Rules and Regulations of JEA.



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ES
Revenue Codes ES

RIDER ES

Economic Stimulus Rider (Experimental)

Available

Service is available throughout the service territory served by JEA until such time as JEA may terminate this Economic Stimulus program. This Rider is available to qualifying commercial or industrial customers for service under the applicable JEA Rate Schedule GSLD. Customers desiring to take electric service under this Rider must make a written application for service. Customers requesting service under this Rider must execute a Service Agreement before September 30, ~~2025~~2028.

Applicable

Electric service provided under this optional Rider shall be applicable to projected electric service requirements which JEA has determined that:

1. Customer would not be served by JEA but for this Rider; and
2. Customer qualifies for such service under the terms and conditions set forth within this Rider.
3. Customer would seek service in jurisdiction outside of the State of Florida

Applicable Load shall be recognized:

New Load not previously served by JEA. Applicable Load must be served at a single site and must exceed a minimum level of demand as determined from the following provisions:

New Load: 1,000 kW or more of new Metered Demand.

Any customer receiving service under this Rider must provide the following documentation, the sufficiency of which shall be determined by JEA:

- 1) Legal attestation by the customer (through an affidavit signed by an authorized representative of the customer) attesting to the requirement of this Rider that without the use of this Economic Stimulus Rider the New Load would not be served by JEA; and
- 2) Documentation demonstrating to JEA's satisfaction that there is a viable lower cost alternative to serve the customer electric service needs.

Each customer shall enter into a Service Agreement contract with JEA to purchase the customer's entire requirements for electric service at the service location set forth in the Service Agreement contract.

Character of Service

This experimental Rider is offered in conjunction with the rates, terms and conditions of the JEA Rate Schedule GSLD.

Limitation of Service

Standby and sale for resale are not permitted under this Rider.

(Continued on Sheet No. 16.01)

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective ~~August 29, April~~
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(Continued from Sheet No. 16.0)

Rate per Month

Unless specifically noted in this Rider or within the Service Agreement contract, the charges assessed for electric service shall be those found within the otherwise applicable JEA Rate Schedule GSLD.

Additional Basic Monthly Charge

\$250.00 per month

Demand and Energy Charges

The charges under this Rider may include the Demand and/or Energy Charges as set forth in the otherwise applicable Rate Schedule GSLD. The specific charges or procedure for calculating the charges under this Rider shall be set forth in a negotiated Service Agreement contract and shall at a minimum recover all incremental costs JEA incurs in serving the customer and contribute to JEA's fixed costs.

Terms and Conditions

1) Negotiated charges are to be determined by the consistent application of the following factors: (1) customers' load characteristics; (2) alternative power supply; (3) customer credit quality; (4) economic impact; (5) length of term of the Service Agreement; and (6) JEA's excess electric system capacity.

— Negotiated terms and conditions associated with the Monthly Charges shall be set forth in the Service Agreement contract and may be applied during all or a portion of the term of the Service Agreement contract.

2)

3) Service hereunder shall be subject to the Rules and Regulations of JEA.

VICTOR BLACKSHEAR, DIRECTOR
FINANCIAL PLANNING AND ANALYSIS

Effective ~~August 29, April-~~
~~2023 1, 2025~~

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JEA Board Agenda

MEMORANDUM**Electric, Water, and Sewer Call For Rate Hearing**

Board Meeting Date: January 28, 2025

Outcome:

☐

INFORMATION ONLY

☒

ACTION

☐

FUTURE BOARD CONSIDERATION

If Action, Provide a Recommended Motion:

Staff requests the Committee recommend the Board call for a public rate hearing during the January 28, 2025 meeting to be held at the February 25, 2025 Board meeting.

Consent Agenda Item:

☐

Yes

☒

No

Presenter:

Victor Blackshear, Director, Financial Planning & Rates

Chief:

Ted Phillips, Chief Financial Officer

Strategic Focus Area:

☐

DEVELOPING AN UNBEATABLE TEAM

☒

DELIVERING BUSINESS EXCELLENCE

☐

EARNING CUSTOMER LOYALTY

Background Information & Analysis:

JEA's Pricing Policy's overall philosophy is to provide the advantages of a community-owned utility by delivering high quality, reliable, and exceptional service at fair and competitive rates. In turn, JEA develops a pricing structure that recovers costs from the appropriate customer classes based on the cost to serve each class utilizing the FY2025 Budget and Three-Year FY2025-2027 Business Plan presented to the Board on June 25, 2024.

JEA recommends rate and structure changes for FY2025 and FY2026 to better align revenue to specific customer class cost recoveries. For FY2025, the mid-year recommendation is to be effective April 1st, 2025, to close the revenue gap for the FY25 Board approved budget. For FY2026, the full year of rate recommendations to be effective October 1st, 2025, is to recover additional costs and reposition the rate hearings to occur after the FY2027 budget is presented in the Spring of 2026.

Financial Impact:

The Electric System is seeking to recover sufficient revenues to meet the budgeted costs for FY2025 and FY2026 through base rate adjustments. The additional revenues requested from the proposed April 1st, 2025, base rate adjustments are approximately \$25.2 million and the additional revenues of \$39.7 million for FY2026 are from the proposed October 1st, 2025, base rate adjustments.

The Water and Sewer System is seeking to recover sufficient revenues to meet the budgeted costs for FY2025 and FY2026 through base rate adjustments. The additional revenues requested from the proposed April 1st, 2025, -base rate adjustments are approximately \$15.1 million for FY2025 and the additional revenues of \$22.8 million for FY2026 are from proposed October 1st, 2025, -base rate adjustments.

JEA Board Agenda

MEMORANDUM



Electric, Water, and Sewer Call For Rate Hearing

Committee/Board Meeting/Workshop & Date Presented:

August 20, 2024 Finance, Governance, and Audit Meeting
October 29, 2024 Board Workshop

Appendix:

Resolution 2025-01
Redline Tariffs



BOARD RESOLUTION: 2025-01

January 28, 2025

A RESOLUTION BY THE BOARD SCHEDULING A PUBLIC RATE HEARING AT THE FEBRUARY 25, 2025 JEA BOARD OF DIRECTORS MEETING TO UPDATE THE RATES FOR ELECTRIC SYSTEM TARIFF DOCUMENTATION AND WATER AND SEWER SYSTEM TARIFF DOCUMENTATION; DIRECTING THE MANAGING DIRECTOR/CEO, OR HER 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, a presentation regarding the Electric, Water, and Sewer rates was made to JEA's Board of Directors at its October 29, 2024 workshop; 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 Electric System and Water and Sewer System Tariff documents 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 electric, water, sewer and the associated tariffs is hereby scheduled to be heard at the JEA Board of Directors meeting scheduled for February 25, 2025. The Board hereby directs the Managing Director, or her 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 28th day of January 2025.

JEA Board Chair

JEA Board Secretary

Form Approved by

Office of General Counsel

VOTE	
In Favor	
Opposed	
Abstained	

JEA Rate Strategic Goals



Achieve Target Revenue

Reduce inter-class subsidies
based on Cost-of-Service Study

Improve Rate Structure

Increase fixed cost recovery in fixed
charges and reduce reliance on
variable rates for recovery of non-
variable costs

Revise Tariff

Address content issues in tariff
that align with JEA operations and
expectations by modifying tariff
language where needed

Our rate design objectives are the continuation of rate restructuring plans that supports JEA's revenue requirements

Electric System Recommendations



Electric System: FY25 Target Revenue



FY25 Revenue Requirements to Projected Revenues with rate class adjustments in April of 2025

FY25 (\$ Millions)	Total System	Residential	General Service	General Service Demand	GSLD (Including INT & CURT) *	Lighting	ISXLD*
Base Revenue Requirements	\$879.4	\$557.8	\$94.0	\$124.6	\$80.8	\$12.9	\$9.4
Projected Revenue Under <u>Current</u> Rates	\$843.7	\$471.5	\$96.1	\$159.0	\$95.5	\$12.8	\$8.9
Projected Under/(Over) Collection (\$)	\$35.7	\$86.3	(\$2.1)	(\$34.4)	(\$14.8)	\$0.2	\$0.5
Projected Collection to Cost (%)	95.9%	84.5%	102.2%	127.6%	118.3%	98.7%	94.3%
Proposed % Base Rate Adjustment Mid-Year*	6.0%	7.5%	7.4%	0.0%	7.4%	2.6%	7.0%
Proposed \$ Base Rate Adjustment Mid-Year	\$25.2	\$17.6	\$3.6	\$0.0	\$3.5	\$0.2	\$0.3
Target Rate Revenue at <u>New</u> Rates	\$868.9	\$489.1	\$99.6	\$159.0	\$99.1	\$12.9	\$9.2
Adjusted Under/(Over) Collection (\$)	\$10.5	\$68.7	(\$5.7)	(\$34.4)	(\$18.3)	\$0.0	\$0.2
Adjusted Collection to Cost (%)	98.8%	87.7%	106.0%	127.6%	122.7%	100.0%	97.6%

*(Abbreviations) : General Service Large Demand (GLSD) ■ Interruptible (INT) ■ Curtailable (CURT) ■ Interruptible Extra Large Demand (ISXLD)

Mid-Year 6% Rate Revenue Adjustment (Annualized 3%) Proposal

Electric System: FY26 Target Revenue



FY26 Revenue Requirements to Projected Revenues with rate class adjustments in October of 2025

FY26 (\$ Millions)	Total System	Residential	General Service	General Service Demand	GSLD (Including INT & CURT) *	Lighting	ISXLD*
Base Revenue Requirements	\$932.2	\$592.8	\$99.5	\$131.0	\$84.7	\$14.6	\$9.7
Projected Revenue Under <u>FY25</u> Rates	\$893.5	\$505.7	\$102.6	\$159.1	\$102.5	\$13.1	\$9.5
Projected Under/(Over) Collection (\$)	\$39.7	\$87.1	(\$3.1)	(\$28.2)	(\$17.8)	\$1.5	\$0.2
Projected Collection to Cost (%)	95.7%	85.3%	103.1%	121.5%	121.0%	89.8%	97.7%
Proposed % Base Rate Adjustment	4.5%	7.0%	3.0%	0.0%	0.0%	8.0%	2.3%
Proposed \$ Base Rate Adjustment	\$39.7	\$35.4	\$3.1	\$0.0	\$0.0	\$1.1	\$0.2
Target Rate Revenue at <u>New</u> Rates	\$932.2	\$541.1	\$105.7	\$159.1	\$102.5	\$14.2	\$9.7
Adjusted Under/(Over) Collection (\$)	\$0.0	\$51.7	(\$6.2)	(\$28.2)	(\$17.8)	\$0.4	\$0.0
Adjusted Collection to Cost (%)	100.0%	91.3%	106.2%	121.5%	121.0%	97.1%	100.0%

*(Abbreviations) : General Service Large Demand (GLSD) ■ Interruptible (INT) ■ Curtailable (CURT) ■ Interruptible Extra Large Demand (ISXLD)

4.5% Rate Revenue Adjustment Proposal

Water Sewer System Recommendations



Water & Sewer System: FY25 Target Revenue



FY25 Revenue Requirements to Projected Revenues with rate class adjustments in April of 2025

	Total System			Residential		Multi-family		Commercial				Irrigation	
FY25 (\$ Millions)	Total System	Water	Sewer	Water	Sewer	Water	Sewer	Water	Sewer	High Strength	Hauled Waste	Res	Com
Projected Net Revenue Requirements – Cost	\$521.4	\$248.8	\$272.6	\$119.2	\$155.9	\$18.5	\$35.9	\$42.2	\$71.3	\$5.7	\$3.9	\$50.2	\$18.6
Projected Revenue at <u>Current</u> Rates	\$506.3	\$225.9	\$280.3	\$111.5	\$166.0	\$13.2	\$37.3	\$36.3	\$73.3	\$1.7	\$2.0	\$43.2	\$21.8
Projected Under/(Over) Collection (\$)	\$15.2	\$22.8	(\$7.7)	\$7.7	(\$10.1)	\$5.3	(\$1.5)	\$6.0	(\$2.1)	\$4.1	\$1.9	\$7.0	(\$3.2)
Projected Collection to Cost (%)	97%	91%	103%	94%	106%	71%	104%	86%	103%	29%	51%	86%	117%
Proposed % Adjustment Mid-Year	6.0%	14.4%	-0.8%	11.3%	-2.3%	45.1%	-10.2%	27.0%	4.8%	65.0%	29.4%	9.9%	0.0%
Proposed \$ Adjustment Mid-Year	\$15.1	\$16.3	(\$1.2)	\$6.3	(\$1.9)	\$3.0	(\$1.9)	\$4.9	\$1.8	\$0.5	\$0.3	\$2.1	\$0.0
Projected Revenue at <u>New</u> Rates	\$521.4	\$242.2	\$279.1	\$117.8	\$164.1	\$16.2	\$35.4	\$41.2	\$75.1	\$2.2	\$2.3	\$45.3	\$21.8
Adjusted Under/(Over) Collection (\$)	\$0.0	\$6.5	(\$6.5)	\$1.5	(\$8.2)	\$2.4	\$0.4	\$1.1	(\$3.8)	\$3.5	\$1.6	\$4.9	(\$3.2)
Adjusted Collection to Cost (%)	100%	97%	102%	99%	105%	87%	99%	97%	105%	39%	58%	90%	117%

Mid-Year 6% Rate Revenue Adjustment (Annualized 3%) Proposal

Water & Sewer System: FY26 Target Revenue



FY26 Revenue Requirements to Projected Revenues with rate class adjustments in October of 2025

	Total System			Residential		Multi-family		Commercial				Irrigation	
FY26 (\$ Millions)	Total System	Water	Sewer	Water	Sewer	Water	Sewer	Water	Sewer	High Strength	Hauled Waste	Res	Com
Projected Net Revenue Requirements – Cost	\$570.1	\$268.3	\$301.8	\$127.7	\$176.6	\$18.4	\$38.5	\$43.7	\$77.4	\$5.5	\$3.9	\$56.2	\$22.4
Projected Revenue at <u>FY25</u> Rates	\$547.3	\$263.5	\$283.8	\$126.0	\$167.4	\$19.2	\$33.8	\$46.1	\$77.6	\$2.7	\$2.3	\$49.8	\$22.4
Projected Under/(Over) Collection (\$)	\$22.8	\$4.8	\$18.0	\$1.7	\$9.2	(\$0.8)	\$4.8	(\$2.4)	(\$0.2)	\$2.7	\$1.6	\$6.3	(\$0.0)
Projected Collection to Cost (%)	96%	98%	94%	99%	95%	104%	88%	106%	100%	50%	59%	89%	100%
Proposed % Adjustment Annualized	4.2%	1.8%	6.4%	1.7%	6.9%	0.0%	3.7%	1.2%	3.0%	65.0%	50.0%	1.0%	7.0%
Proposed \$ Adjustment Annualized	\$22.8	\$4.8	\$18.0	\$2.2	\$11.5	\$0.0	\$1.3	\$0.5	\$2.3	\$1.8	\$1.1	\$0.5	\$1.6
Projected Revenue at <u>New</u> Rates	\$570.1	\$268.3	\$301.8	\$128.2	\$178.9	\$19.2	\$35.1	\$46.7	\$79.9	\$4.5	\$3.4	\$50.3	\$23.9
Adjusted Under/(Over) Collection (\$)	(\$0.0)	\$0.0	(\$0.0)	(\$0.5)	(\$2.3)	(\$0.8)	\$3.5	(\$3.0)	(\$2.6)	\$0.9	\$0.5	\$5.8	(\$1.6)
Adjusted Collection to Cost (%)	100%	100%	100%	100%	101%	104%	91%	107%	103%	83%	88%	90%	107%

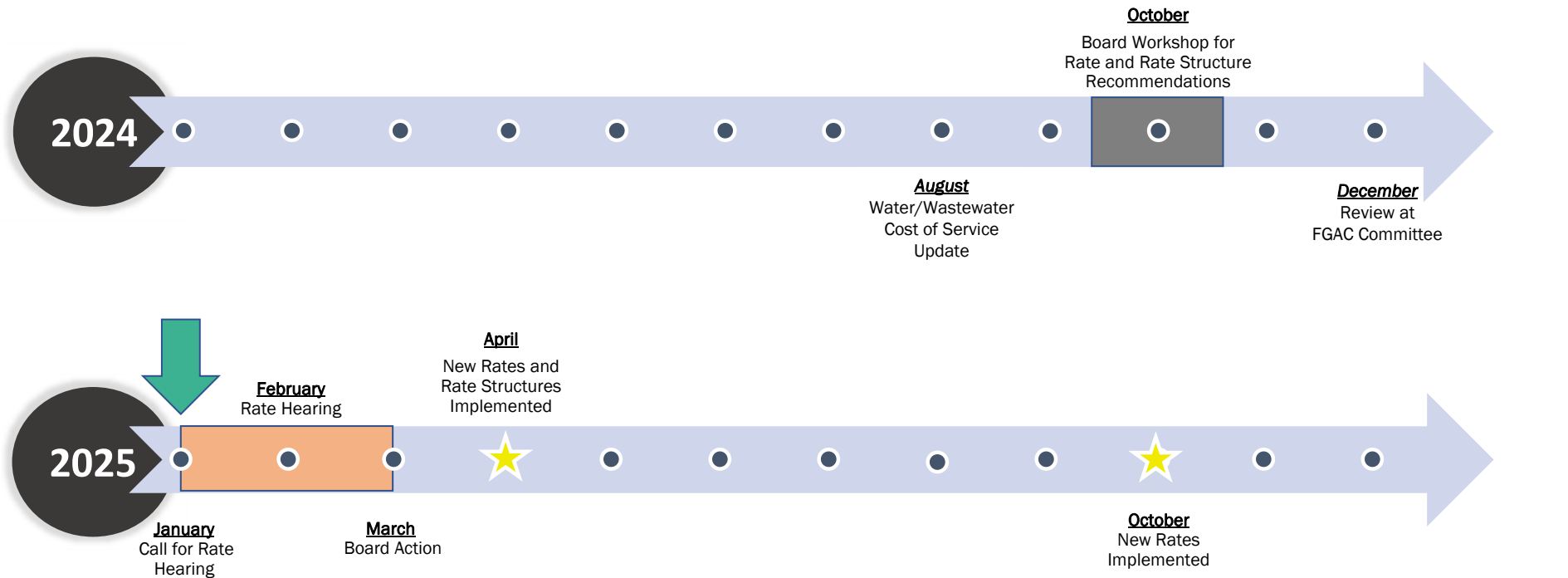
4.2% Rate Revenue Adjustment Proposal

FY25 & FY26 Rate Restructuring Recommendations



Water Rates	Sewer Rates	Electric Rates
<ul style="list-style-type: none"> • Restructure Basic Monthly Charges • Restructure Volume Charges • Restructure Irrigation Volume Charges • Restructure Multi-family Class • Restructure Bulk Reclaim Charges • Restructure Fire Protection Charge 	<ul style="list-style-type: none"> • Restructure Basic Monthly Charges • Restructure Volume Charges • Increase Sewer Surcharge • Restructure Hauled Scavenger Waste 	<ul style="list-style-type: none"> • Increase Basic Monthly Charge • Restructure Residential Rates • Increase Commercial & Industrial Rates

Rate Recommendations Timeline



Staff request the Board call for a public Rate Hearing at the February 25, 2025 Board meeting

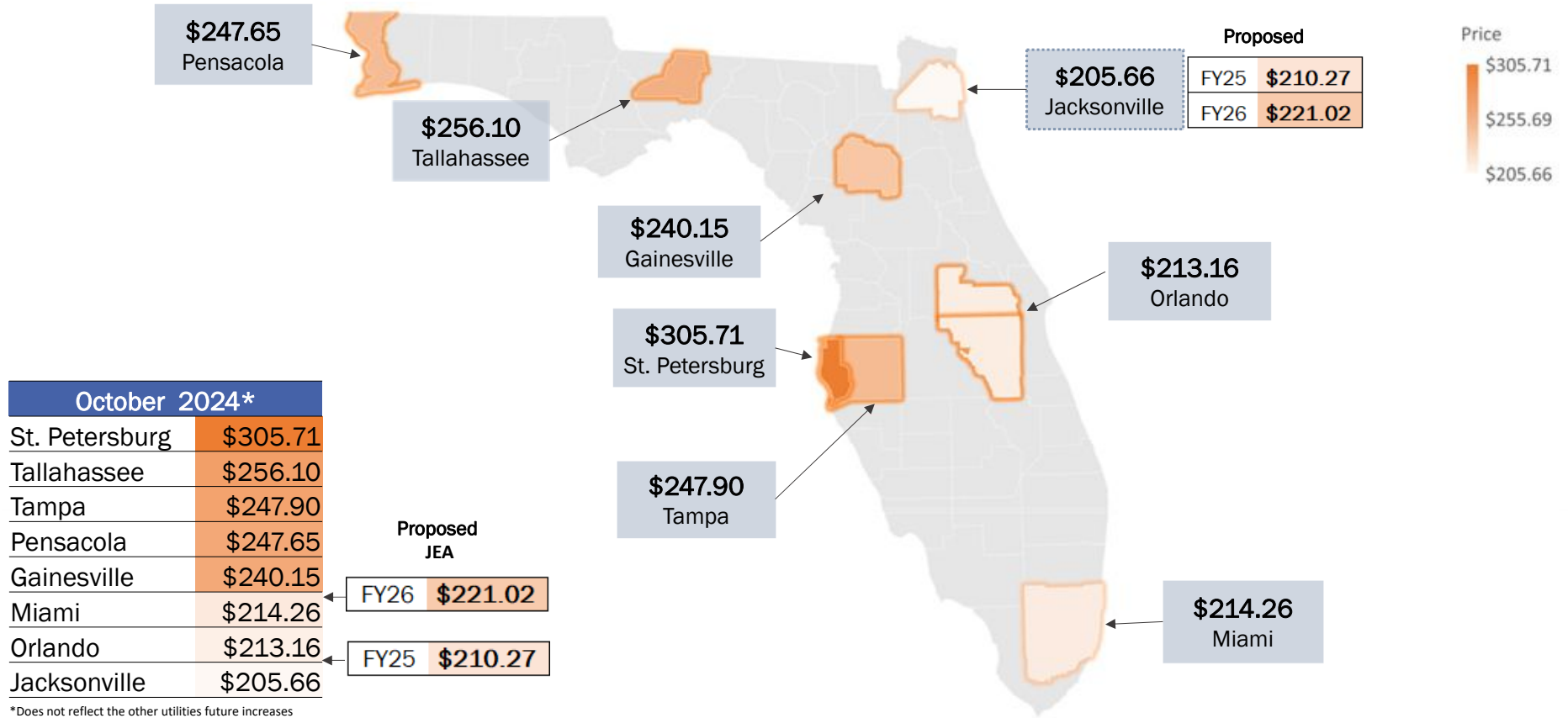
Appendix



FY25 and FY26 Residential Rates – Electric, Water, & Sewer Combined Bill



How will our proposed combined residential services compare with other major Florida cities?



With proposed rate adjustments, the combined JEA Electric, Water, and Sewer residential bill remains low in comparison

JEA Board Agenda

MEMORANDUM
**Supplemental District Energy System (DES)
Delegation of Authority Resolution - Debt Authorization**

Board Meeting Date: January 28, 2025

 Outcome: ☐ INFORMATION ONLY ☒ ACTION ☐ FUTURE BOARD CONSIDERATION

If Action, Provide a Recommended Motion:

Staff requests the Finance, Governance, and Audit Committee recommend the Board approve the proposed Delegation of Authority.

 Consent Agenda Item: ☐ Yes ☒ No

Presenter: Joe Orfano, Deputy Chief Financial Officer/Treasurer, A.J. Souto, Manager, Debt Capital Markets

Chief: Ted Phillips, Chief Financial Officer

 Strategic Focus Area: ☒ DEVELOPING AN UNBEATABLE TEAM ☒ DELIVERING BUSINESS EXCELLENCE ☐ EARNING CUSTOMER LOYALTY

Background Information & Analysis:

The JEA Board delegates authority to issue debt to the Managing Director/CEO to take advantage of market timing of any bond issuance. The Annual Delegation of Authority process is paired with approval of the JEA Budget and it provides the Managing Director/CEO with authority to:

- Refund existing debt, subject to established refunding parameters contained in the Debt Management Policy;
- Issue new debt as approved by the JEA Board in the Budget

The FY25 DES Delegation of Authority (Resolution 2024-25), approved by the Board on June 25, 2024, did not include two components that are necessary for the taxable debt issuance of this system:

- Clear establishment of the backstop from the Water and Sewer System to DES;
- A Make-Whole-Call provision that is typically included when issuing taxable debt

This supplemental resolution will repeal and supersede the previous FY25 DES Delegation of Authority resolution.

The Delegation of Authority Summary exhibit remains unchanged from the same exhibit presented in Resolution 2024-25. Staff is not recommending changes to any of the authorized amounts shown in the exhibit.

JEA Board Agenda

MEMORANDUM



**Supplemental District Energy System (DES)
Delegation of Authority Resolution - Debt Authorization**

**Financial
Impact:**

JEA's FY25 Budget contemplates new debt issuance
(\$147 million for Electric System, \$462 million for Water/Sewer, and \$42 million for DES)

Committee/Board Meeting/Workshop & Date Presented:

June 25, 2024 Board Meeting

Appendix:

- Delegation of Authority Summary Exhibit
- Resolution 2024-25
- Resolution 2025-02

RESOLUTION NO. 2025-02

A RESOLUTION SUPPLEMENTING A RESOLUTION OF JEA ADOPTED ON JUNE 15, 2004 AND REFERRED TO THEREIN AS THE DISTRICT ENERGY SYSTEM REVENUE BOND RESOLUTION, AS AMENDED AND SUPPLEMENTED; PROVIDING FOR THE ISSUANCE IN ONE OR MORE SERIES OF NOT EXCEEDING \$42,000,000 DISTRICT ENERGY SYSTEM REVENUE BONDS, 2024/25 SERIES X OF JEA AUTHORIZED THEREIN, FOR THE PURPOSES OF PROVIDING MONEYS FOR THE PAYMENT OF A PORTION OF THE COSTS OF ADDITIONS, EXTENSIONS AND IMPROVEMENTS TO THE DISTRICT ENERGY SYSTEM AND PAYING THE COSTS OF ISSUANCE OF SAID BONDS; PROVIDING FOR THE ISSUANCE IN ONE OR MORE SERIES OF NOT EXCEEDING \$29,000,000 DISTRICT ENERGY SYSTEM REFUNDING REVENUE BONDS, 2024/25 SERIES X (FEDERALLY TAXABLE) OF JEA AUTHORIZED THEREIN, FOR THE PURPOSES OF PAYING A PORTION OF THE COST OF REFUNDING A PORTION OF THE OUTSTANDING DISTRICT ENERGY SYSTEM REVENUE BONDS AND PAYING COSTS OF ISSUANCE OF SAID BONDS; FIXING THE DATE AND OTHER DETAILS OF SAID BONDS; DELEGATING THE AUTHORITY TO DETERMINE SERIES DESIGNATION, MATURITIES, INTEREST RATES, SINKING FUND INSTALLMENTS, REDEMPTION PROVISIONS AND CERTAIN OTHER DETAILS FOR EACH SUCH SERIES OF BONDS; APPOINTING A PAYING AGENT FOR SAID BONDS; DESIGNATING SUCH 2024/25 SERIES X BONDS AS AN "ADDITIONALLY SECURED SERIES"; MAKING CERTAIN COVENANTS AND DESIGNATIONS IN CONNECTION WITH THE ISSUANCE OF SAID BONDS; AUTHORIZING THE NEGOTIATED SALE OR PLACEMENT OF SAID BONDS AND APPROVING THE FORM OF, AND AUTHORIZING THE EXECUTION AND DELIVERY OF ONE OR MORE BOND PURCHASE AGREEMENTS WITH RESPECT TO NEGOTIATED SALES, AND DELEGATING THE AUTHORITY TO DETERMINE CERTAIN MATTERS IN CONNECTION THEREWITH; PROVIDING FOR THE REFUNDING OF CERTAIN OUTSTANDING DISTRICT ENERGY SYSTEM REVENUE BONDS; APPROVING THE FORM OF AND USE OF A PRELIMINARY OFFICIAL STATEMENT AND AUTHORIZING THE PREPARATION AND USE OF AN OFFICIAL STATEMENT FOR EACH SERIES OF SAID BONDS; AUTHORIZING THE AUTHENTICATION AND DELIVERY OF EACH SERIES OF SAID 2024/25 SERIES X BONDS; PROVIDING FOR THE APPOINTMENT OF AN ESCROW AGENT FOR THE BONDS TO BE REFUNDED THROUGH THE ISSUANCE OF EACH SERIES OF SAID 2024/25 SERIES X BONDS AND APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW DEPOSIT AGREEMENT, IF APPLICABLE, BETWEEN JEA AND SUCH ESCROW AGENT; AUTHORIZING THE REGISTRATION OR QUALIFICATION OF EACH SERIES OF SAID 2024/25 SERIES X BONDS UNDER THE

BLUE SKY LAWS OF VARIOUS STATES; AUTHORIZING CERTAIN OFFICIALS OF JEA TO TAKE OTHER ACTION IN CONNECTION WITH THE ISSUANCE, SALE AND DELIVERY OF EACH SERIES OF SAID 2024/25 SERIES X BONDS; AGREEING TO PROVIDE CONTINUING DISCLOSURE INFORMATION WITH RESPECT TO SAID BONDS AND PROVIDING FOR THE EXECUTION OF CONTINUING DISCLOSURE AGREEMENTS IN CONNECTION THEREWITH; PROVIDING FOR THE NECESSARY INSTRUMENTS AND AGREEMENTS RELATING TO SAID 2024/25 SERIES X BONDS; SUPERSEDING RESOLUTION 2024-25; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, JEA has heretofore, by a resolution entitled "District Energy System Revenue Bond Resolution" adopted on June 15, 2004 (the "Bond Resolution"), authorized the issuance of District Energy System Revenue Bonds (the "Bonds"); and

WHEREAS, JEA deems it in its best interest that not exceeding \$42,000,000 principal amount of District Energy System Revenue Bonds, 2024/25 Series X (the "2024/25 New Money Bonds") be authorized and sold in one or more Series for the purpose of paying a portion of the cost of additions, extensions and improvements to the District Energy System and paying the costs of issuance of such bonds; and

WHEREAS, JEA deems it in its best interest that not exceeding \$29,000,000 principal amount of District Energy System Revenue Bonds, 2024/25 Series X (Federally Taxable) (the "2024/25 Refunding Bonds," and together with the 2024/25 New Money Bonds, the "2024/25 Series X Bonds") be authorized and sold in one or more Series for the purpose of paying a portion of the cost of refunding the Refunded Bonds (as defined herein); and

WHEREAS, JEA desires to provide a covenant to fund the 2024/25 Series X Bonds Subaccount from Available Water and Sewer System Revenues (as defined herein); and

WHEREAS, current and anticipated conditions in the market for obligations such as the 2024/25 Series X Bonds and the need for flexibility in timing the issuance of each Series of the 2024/25 Series X Bonds make it necessary and in the best interest of JEA that the 2024/25 Series X Bonds be sold on a negotiated basis, and that the Managing Director/CEO (as defined herein) be delegated the authority to determine certain matters in connection with the sale and issuance of each Series of the 2024/25 Series X Bonds, in the manner provided, and subject to the limitations set forth, herein; and

WHEREAS, in order to fix the date, Paying Agent and Bond Registrar, form and certain other details of each Series of the 2024/25 Series X Bonds, to designate each Series of the 2024/25 Series X Bonds as an "Additionally Secured Series" as such term is defined in the Bond Resolution, and to delegate the authority to determine maturities, principal amounts, interest rates, Sinking Fund Installments, redemption provisions and certain other details of each Series of the 2024/25 Series X Bonds, it is necessary that this resolution be adopted; and

WHEREAS, JEA may desire to enter into an Escrow Deposit Agreement with the Escrow Agent with respect to a particular Series of the 2024/25 Refunding Bonds to ensure that the procedure required for the paying and retiring of the Refunded Bonds will be followed.

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

ARTICLE I DEFINITIONS AND AUTHORITY

SECTION 1.01. Definitions. All terms used but not defined herein shall have the same meanings as specified in the Bond Resolution and as used in this resolution. In addition, the following terms shall have the meanings set forth below:

"Aggregate DES Debt Service Deficiency" shall mean an amount equal to Accrued Aggregate Debt Service for the 2024/25 Series X Bonds less the sum of (a) the amount on deposit in the Debt Service Account to be applied to the payment of Debt Service on the 2024/25 Series X Bonds and (b) the amount on deposit in the 2024/25 Series X Bonds Subaccount in the Debt Service Reserve Account in the Debt Service Fund.

"Authorized Officer of JEA" shall mean (a) the Chair, the Vice Chair, the Secretary and any Assistant Secretary of JEA, (b) the Managing Director/CEO, (c) the Chief Operating Officer, (d) the Vice President, Water/Wastewater Systems, the Chief Financial Officer, the Deputy Chief Financial Officer and the Treasurer of JEA (or any officer of JEA hereafter serving in a capacity equivalent to that of any of the foregoing officers) or (e) any other officer or employee of JEA authorized to perform specific acts or duties by resolution duly adopted by JEA.

"Available Water and Sewer System Revenues" shall mean the amount on deposit in the revenue fund established pursuant to subsection 1 of Section 502 of the Water and Sewer System Resolution and available for use by JEA in accordance with the provisions of subsection 2 of Section 507 of the Water and Sewer System Resolution.

"Bond Insurance Policy" shall mean, in the event that the Managing Director/CEO determines that the procurement of municipal bond insurance for one or more maturities (or interest rates within maturities) of a particular Series of the 2024/25 Series X Bonds is advantageous to JEA (as set out in the certificate referred to in Section 2.03 hereof relating to the 2024/25 Series X Bonds of such Series) or in the event the successful bidder(s) at a public sale elect to provide municipal bond insurance for one or more maturities (or interest rates within maturities) of a particular Series of the 2024/25 Series X Bonds, the financial guaranty or municipal bond insurance policy or policies to be issued by a Bond Insurer concurrently with the issuance of such Series of the 2024/25 Series X Bonds that will guaranty the scheduled payment of principal of and interest on the Insured 2024/25 Series X Bonds of such Series.

"Bond Insurer" shall mean the financial guaranty insurance company, if any, selected by, in the case of a negotiated sale, the Managing Director/CEO or, in the case of a public sale, the successful bidder(s) to provide the Bond Insurance Policy for the Insured 2024/25 Series X Bonds of a particular Series.

"Bond Purchase Agreement" shall have the meaning assigned to such term in Section 4.01 hereof.

"Business Day" shall mean any day, other than a Saturday or Sunday or a legal holiday in the State, on which the principal office of JEA and the Paying Agent are open for business during normal business hours.

"Code" shall mean the Internal Revenue Code of 1986, as amended.

"Continuing Disclosure Agreement" shall mean the Continuing Disclosure Agreement to be delivered by JEA in connection with the issuance of the 2024/25 Series X Bonds of a particular Series.

"Debt Service Account" shall mean the Debt Service Account in the Debt Service Fund established pursuant to the Bond Resolution.

"Delivery Date" shall mean the Date of Issuance of a particular Series of the 2024/25 Series X Bonds (however such 2024/25 Series X Bonds are identified upon initial issuance and delivery pursuant to the certificate referred to in Section 2.03 hereof relating to the 2024/25 Series X Bonds of such Series).

"DTC" shall mean The Depository Trust Company.

"Escrow Account" shall mean (i) the account by that name created under the Escrow Deposit Agreement or (ii) the trust account by that name established by the Paying Agent for the purposes of Section 1201 of the Bond Resolution.

"Escrow Agent" shall mean the bank or trust company appointed as escrow agent under an Escrow Deposit Agreement, and its duly appointed successors, such appointment, with respect to a particular Series of the 2024/25 Refunding Bonds, to be made in the certificate referred to in Section 2.03 hereof relating to the 2024/25 Refunding Bonds of such Series.

"Escrow Deposit Agreement" shall mean the escrow deposit agreement between JEA and an Escrow Agent that may be entered into concurrently with the authentication and delivery of the 2024/25 Refunding Bonds of a particular Series.

"Form Preliminary Official Statement" shall have the meaning assigned to such term in Section 4.02 hereof.

"Initial Subaccount" shall mean the Initial Subaccount in the Debt Service Reserve Account in the Debt Service Fund established pursuant to the Bond Resolution.

"Insured 2024/25 Series X Bonds" shall mean, as to a particular Series of the 2024/25 Series X Bonds, such maturity or maturities (or interest rates within maturities) of the 2024/25 Series X Bonds as the Managing Director/CEO determines shall be insured by a Bond Insurer, as identified in the certificate referred to in Section 5 hereof relating to the 2024/25 Series X Bonds of such Series.

"Letter of Representations" shall mean the Blanket Issuer Letter of Representations, dated May 6, 2004, from JEA to DTC, providing for the issuance of certain obligations of JEA (including the 2024/25 Series X Bonds) in book-entry form through the facilities of DTC or any successor Blanket Issuer Letter of Representations from JEA to DTC.

"Make-Whole Redemption Price" shall mean the price which is the greater of (i) 100 percent of the principal amount of the 2024/25 Series X Bonds to be redeemed and (ii) the sum of the present value of the remaining scheduled payments of principal and interest on the 2024/25 Series X Bonds to be redeemed, not including any portion of those payments of interest accrued and unpaid as of the date on which such 2024/25 Series X Bonds are to be redeemed, discounted to the date on which the 2024/25 Series X Bonds are to be redeemed on a semiannual basis, assuming a 360-day year consisting of twelve 30-day months, at the "Treasury Rate" defined herein, plus a spread to be forth in the certificate referenced in Section 2.03 hereof.

"Managing Director/CEO" shall mean the Managing Director and Chief Executive Officer of JEA or the Interim Managing Director/CEO, as applicable.

"Purchaser" shall mean the purchaser of any particular installment of the 2024/25 Series X Bonds as determined by an Authorized Officer of JEA pursuant to a negotiated sale or placement of the 2024/25 Series X Bonds which may include, but not be limited to, banking institutions.

"Refunded Bonds" shall mean, for any particular Series of the 2024/25 Refunding Bonds, the Bonds of the Series and maturities (and, if applicable, interest rates within maturities) and in the respective principal amounts to be refunded thereby, as identified by the Managing Director/CEO in the certificate described in Section 2.03 hereof relating to the 2024/25 Refunding Bonds of such Series.

"Reserve Policy" shall mean, in the event that the Managing Director/CEO determines that the procurement of a debt service reserve insurance policy or surety bond in connection with the issuance of a particular Series of the 2024/25 Series X Bonds is advantageous to JEA (as set out in the certificate referred to in Section 2.03 hereof relating to the 2024/25 Series X Bonds of such Series), the municipal bond debt service reserve insurance policy or surety bond to be issued by a Surety Provider concurrently with the issuance of such Series of 2024/25 Series X Bonds, which shall constitute a "reserve fund credit instrument" as such term is defined in subsection 3 of Section 509 of the Bond Resolution.

"Rule" means Rule 15c2-12 promulgated by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended.

"Sale Date" with respect to a particular Series of the 2024/25 Series X Bonds shall mean (i) the date on which JEA enters into a Bond Purchase Agreement with respect to such Series of the 2024/25 Series X Bonds or (ii) the date on which JEA places or sells such Series of the 2024/25 Series X Bonds with one or more Purchasers.

"Surety Provider" shall mean the financial guaranty insurance company, if any, selected by the Managing Director/CEO to provide a Reserve Policy in connection with the issuance of a particular Series of the 2024/25 Series X Bonds.

"Tax-Exempt 2024/25 Series X Bonds" shall mean the 2024/25 Series X Bonds of a particular Series (or particular maturities or interest rates within maturities of such Series) the interest on which is intended to be excludable from gross income for federal income tax purposes, as designated in the certificate referred to in Section 2.03 hereof relating to the 2024/25 Series X Bonds of such Series.

"Treasury Rate" means, with respect to any redemption date for a particular 2024/25 Series X Bond, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days, but not more than 45 calendar days, prior to the redemption date (excluding inflation indexed securities) or, if such Statistical Release is no longer published, any publicly available source of similar market data most nearly equal to the period from the redemption date to the maturity date of the 2024/25 Series X Bond to be redeemed.

"2024/25 Series X Bonds Subaccount" shall mean the account by that name established in the Debt Service Reserve Account.

"2024/25 Project" shall mean the additions, extensions and improvements to the District Energy System to be financed by the 2024/25 New Money Bonds.

"Underwriters" shall mean any or all of the investment banking firms under contract with JEA for the purpose of underwriting negotiated sales of JEA's debt named in the Bond Purchase Agreement.

"Water and Sewer System Resolution" shall mean the resolution adopted by JEA on February 18, 1997 and referred to therein as the "Water and Sewer System Revenue Bond Resolution," as the same has been or may hereafter be amended, restated and supplemented.

SECTION 1.02 Authority for this Resolution. This resolution is adopted pursuant to the provisions of the Acts and Articles II and X of the Bond Resolution and shall be and constitute a "Supplemental Resolution" within the meaning of the Bond Resolution.

ARTICLE II AUTHORIZATION OF 2024/25 SERIES X BONDS

SECTION 2.01 Principal Amount Designation and Series.

(a) Pursuant to the provisions of the Bond Resolution, one or more Series of 2024/25 New Money Bonds entitled to the benefit, protection and security of the Bond Resolution are hereby authorized in the aggregate principal amount of not to exceed \$42,000,000; *provided*, that such Series of Bonds be placed or sold to one or more Purchasers no later than September 30, 2025 or sold pursuant to one or more Bond Purchase Agreements entered into no later than September 30, 2025. Such Bonds shall be designated as, and shall be distinguished from the Bonds of all other Series by the title, "District Energy System Revenue Bonds, Series X"; provided, that the Managing Director/CEO may alter the year and letter designation, taxable or tax-exempt status, for any Series as he or she deems appropriate to reflect the other Bonds then previously issued by

JEA or as he or she otherwise deems desirable. Such determination shall be set forth in the certificate referred to in Section 2.03 hereof relating to the 2024/25 Series X Bonds of such Series.

(b) Pursuant to the provisions of the Bond Resolution, one or more Series of 2024/25 Refunding Bonds entitled to the benefit, protection and security of the Bond Resolution are hereby authorized in the aggregate principal amount of not to exceed \$29,000,000 for the purpose of refunding fixed rate Refunded Bonds; and *provided further*, that such Series of Bonds be placed or sold to one or more Purchasers no later than September 30, 2025 or sold pursuant to one or more Bond Purchase Agreements entered into no later than September 30, 2025. Such Bonds shall be designated as, and shall be distinguished from the Bonds of all other Series by the title, "District Energy System Refunding Revenue Bonds, Series X"; *provided*, that the Managing Director/CEO may alter the year and letter designation, taxable or tax-exempt status, for any Series as he or she deems appropriate to reflect the other Bonds then previously issued by JEA or as he or she otherwise deems desirable. Such determination shall be set forth in the certificate referred to in Section 2.03 hereof relating to the 2024/25 Series X Bonds of such Series.

(c) Notwithstanding any such alteration of the Series designation for the 2024/25 Series X Bonds, references in this resolution to "2024/25 Series X Bonds" shall include all bonds issued pursuant to the authority contained in this Section 2.01. The actual aggregate principal amount of the 2024/25 Series X Bonds of a particular series to be issued shall be determined by the Managing Director/CEO on or prior to the Sale Date therefor as the amount necessary to accomplish the purposes for which the 2024/25 Series X Bonds of such Series are being issued, such determination to be set forth in the certificate referred to in Section 2.03 hereof to be executed with respect to the 2024/25 Series X Bonds of such Series. Notwithstanding any other provision of the Bond Resolution or this resolution, each such particular Series of the 2024/25 Series X Bonds shall be and be deemed to be a separate Series of Bonds for all purposes of the Bond Resolution, including (without limitation) for the purpose of determining satisfaction of the conditions to the issuance of the 2024/25 Series X Bonds of such Series set forth in Article II of the Bond Resolution. The 2024/25 New Money Bonds and the 2024/25 Refunding Bonds may be issued in the same series.

SECTION 2.02 Purpose. The 2024/25 New Money Bonds shall be issued to provide moneys necessary to pay a portion of the cost of additions, extensions and improvements to the District Energy System and paying the costs of issuance of the 2024/25 New Money Bonds. The 2024/25 Refunding Bonds shall be issued to provide a portion of the moneys necessary to refund the Refunded Bonds to be refunded thereby and paying the costs of issuance of the 2024/25 Refunding Bonds.

SECTION 2.03 Maturities and Interest Rates; Certain Determinations with Respect to the 2024/25 Series X Bonds. The 2024/25 Series X Bonds of each Series shall be issued as fully registered bonds in the denomination of \$5,000 each or integral multiples thereof shall be numbered from 1 upward, shall bear interest from their date (payable semiannually thereafter on April 1 and October 1 in each year, commencing on either of the April 1 or October 1 next following the Delivery Date of such Series of 2024/25 Series X Bonds, as determined by the Managing Director/CEO) at such rates per annum and shall mature on October 1 in such years and amounts, all as shall be determined by the Managing Director/CEO in the manner hereinafter set forth.

On or prior to the Sale Date for a particular Series of the 2024/25 Series X Bonds, as applicable, the Managing Director/CEO shall execute a certificate setting forth the following determinations, as applicable, and the Managing Director/CEO may rely on a certificate from JEA's financial advisor in order to confirm the savings determinations made in clause (g) below:

(a) the aggregate principal amount of the 2024/25 Series X Bonds of such Series; *provided*, that the aggregate principal amount of all 2024/25 Series X Bonds shall not exceed \$71,000,000; *provided, further*, that not to exceed \$42,000,000 principal amount of 2024/25 New Money Bonds may be issued for the purpose of financing or refinancing the 2024/25 Project and that not to exceed \$29,000,000 principal amount of the 2024/25 Refunding Bonds may be issued for the purpose of refunding fixed rate Refunded Bonds;

(b) the number, if any, and any other designation and the Delivery Date for such Series of 2024/25 Series X Bonds;

(c) for 2024/25 New Money Bonds, a description of the 2024/25 Project;

(d) for 2024/25 Refunding Bonds, the Refunded Bonds to be refunded through the issuance of the 2024/25 Series X Bonds of such Series and the date or dates on which such Refunded Bonds are to be redeemed, which shall be such date or dates as the Managing Director/CEO determines to be the most advantageous date or dates on which such Refunded Bonds may be redeemed in light of the circumstances then existing; and the identity of the Escrow Agent, if any, for such Refunded Bonds and the Sinking Fund Installments, if any, to which the principal amount of the Refunded Bonds shall be credited;

(e) the principal amounts of the 2024/25 Series X Bonds of such Series coming due on any particular date;

(f) the respective dates on which the 2024/25 Series X Bonds of such Series shall mature and the principal amount of each such maturity; *provided, however*, that the latest maturity date for 2024/25 New Money Bonds shall be no later than October 1, 2061 and that the 2024/25 Refunding Bonds of each Series shall have a weighted average life no greater than the weighted average life of the Refunded Bonds refunded thereby, plus one year;

(g) the respective rate or rates of interest to be borne by the 2024/25 Series X Bonds of such Series maturing on each such date; *provided, however*, that (A) with respect to 2024/25 New Money Bonds, the all-in true interest cost of such 2024/25 New Money Bonds shall not exceed 7.00 percent per annum, (B) for any 2024/25 Refunding Bonds maturing on the October 1 next following the Delivery Date of such Series of 2024/25 Series X Bonds, such refunding shall result in positive net present value savings for such maturity; (C) for any 2024/25 Refunding Bonds maturing on an October 1 occurring at least one year and less than three years after the Delivery Date of such Series of 2024/25 Refunding Bonds, the present value savings shall not be less than 3.00 percent of the aggregate principal amount of such Refunded Bonds; (D) for any 2024/25 Refunding Bonds maturing on an October 1 occurring at least three years and less than nine years after the Delivery Date of such Series of 2024/25 Refunding Bonds, the present value savings shall not be less than 4.00 percent of the aggregate principal amount of such Refunded Bonds; (E) for any 2024/25 Refunding Bonds maturing after on or after the October 1 occurring at least nine years

after the Delivery Date of such Series of 2024/25 Refunding Bonds, the present value savings shall not be less than 5.00 percent of the aggregate principal amount of such Refunded Bonds; or (F) in lieu of complying with the requirements of sub-clauses (A), (B), (C), (D) and (E) above, the present value savings resulting from the issuance of such 2024/25 Refunding Bonds shall not be less than 5.00 percent of the aggregate principal amount of such Refunded Bonds; *provided, further*, compliance with the foregoing requirements of this clause (g) shall be effected by dividing the issue into its constituent purposes (*i.e.*, refunding of the respective maturities described in subclauses (B) through (F) above) and allocating on a ratable basis (based on the respective issue prices for federal income tax purposes) costs of issuance, underwriting discount, any deposit to the 2024/25 Series X Bonds Subaccount and any other items to the purposes that gave rise to such expenses; *provided, however*, that if the Managing Director/CEO determines that some other allocation method will result in a more accurate determination of the present value savings attributable to such constituent purposes (which determination shall be confirmed by JEA's financial advisor), then such other allocation method shall be used in lieu of the foregoing method;

(h) the commencement date of interest payments on the 2024/25 Series X Bonds of such Series, which shall be either of the April 1 or October 1 next following the Delivery Date of such Series of 2024/25 Series X Bonds;

(i) if the 2024/25 Series X Bonds of a Series maturing on a particular date and bearing interest at a particular rate are to be subject to redemption prior to maturity as provided in Article IV of the Bond Resolution by operation of the Debt Service Fund from mandatory Sinking Fund Installments, the due dates and amounts of such Sinking Fund Installments; *provided, however*, that each Sinking Fund Installment due date shall fall upon an October 1 interest payment date for the 2024/25 Series X Bonds;

(j) if the 2024/25 Series X Bonds of a Series maturing on a particular date and bearing interest at a particular rate are to be subject to optional redemption, the terms upon which such 2024/25 Series X Bonds shall be subject to redemption at the election of JEA; *provided, however*, that any Make-Whole Redemption Price of 2024/25 Series X Bonds to be redeemed will be determined by an independent accounting firm, investment banking firm or municipal advisor retained by JEA to calculate such redemption price;

(k) the purchase price for the 2024/25 Series X Bonds of such Series to be paid by the Purchaser(s) or the Underwriters pursuant to the Bond Purchase Agreement; *provided, however*, that such purchase price shall result in compliance with the limitations set forth in this Section 2.03;

(l) the identity of the Purchaser(s) or the senior managing underwriter and co-senior managing underwriter, if applicable, for such Series of 2024/25 Series X Bonds from any of the Underwriters;

(m) whether the procurement of municipal bond insurance for any 2024/25 Series X Bonds of such Series is advantageous to JEA;

(n) the maturity or maturities (or interest rates within maturities) which shall constitute the Insured 2024/25 Series X Bonds of such Series (if any);

(o) the identity of the Bond Insurer for any Insured 2024/25 Series X Bonds of such Series, which Bond Insurer is hereby designated as the Credit Enhancer for such Insured 2024/25 Series X Bonds within the meaning of the Bond Resolution, and any additional insurance provisions required by such Bond Insurer, which provisions (i) shall not be contrary to or inconsistent with the Bond Resolution as in effect on the date of adoption of this Supplemental Resolution, (ii) shall have been determined by JEA's financial advisor to be (X) necessary or advisable in order to cause such Bond Insurer to issue its Bond Insurance Policy and (Y) commercially reasonable in form and content, (iii) shall have been approved as to form by the Office of General Counsel and (iv) shall be deemed incorporated in this Supplemental Resolution for purposes of the Insured 2024/25 Series X Bonds of such Series;

(p) whether the procurement of a Reserve Policy in connection with the issuance of such Series of the 2024/25 Series X Bonds is advantageous to JEA and, if so, the identity of the Surety Provider and the form of financial guaranty agreement or reimbursement agreement, if any, to be executed in connection with the issuance of such Reserve Policy, such form to contain provisions that (i) shall not be contrary to or inconsistent with the Bond Resolution as in effect on the date of adoption of this Supplemental Resolution, (ii) shall have been determined by JEA's financial advisor to be (X) necessary or advisable in order to cause such Surety Provider to issue its Reserve Policy and (Y) commercially reasonable in form and content and (iii) shall have been approved as to form by the Office of General Counsel; and

(q) the amount, if any, of the proceeds of the 2024/25 Series X Bonds of such Series to be deposited in the 2024/25 Series X Bonds Subaccount, if any.

In the event that one or more Series of 2024/25 Series X Bonds are issued on the same day as part of a common plan of finance for the same Bond financing, JEA may demonstrate compliance with the savings requirements set forth in clause (g) above by calculating such savings either on an aggregate basis (*i.e.*, each Series of 2024/25 Series X Bonds issued on the same day as part of the same Bond financing are combined into one Series and compliance with the savings criteria is measured using the combined Series) or on a Series by Series basis (*i.e.*, each individual Series that is issued as part of the same Bond financing must satisfy the savings criteria independently of any other Series issued on the same day).

ARTICLE III

ADDITIONAL PROVISIONS RELATING TO 2024/25 SERIES X BONDS

SECTION 3.01 **Minimum Denomination, Dates, Numbers and Letters.** The 2024/25 Series X Bonds of each Series shall be issued in fully registered form in the denominations of \$5,000 or any integral multiple of \$5,000. Each 2024/25 Series X Bond shall be dated the date of its authentication, except that all 2024/25 Series X Bonds issued prior to the first interest payment date shall be dated the applicable Delivery Date thereof. Unless an Authorized Officer of JEA shall otherwise direct, the 2024/25 Series X Bonds of each Series shall be numbered, from one upward, preceded by the letter "R" prefixed to the number.

SECTION 3.02 **Place of Payment; Appointment of Paying Agent and Bond Registrar.** Except as provided in subsection 5 of Section 309 of the Bond Resolution and

subsection (3) of Section 3.04 hereof, the principal and Redemption Price of the 2024/25 Series X Bonds shall be payable at the principal corporate trust office of U.S. Bank Trust Company, National Association in Jacksonville, Florida (or such other city as may be designated by such bank), and such institution is hereby appointed Paying Agent for the 2024/25 Series X Bonds. The principal and Redemption Price of the 2024/25 Series X Bonds shall also be payable at any other place which may be provided for such payment by the appointment of any other Paying Agent or Paying Agents as permitted by the Bond Resolution. Except as provided in subsection (3) of Section 3.04 of this resolution, the interest on the 2024/25 Series X Bonds shall be payable by check or draft of U.S. Bank Trust Company, National Association, as Paying Agent, mailed to the persons entitled thereto at the addresses of such persons shown on the registration books of JEA kept for that purpose at the office of U.S. Bank Trust Company, National Association, and such institution is hereby appointed Bond Registrar for the 2024/25 Series X Bonds.

SECTION 3.03 Designation of 2024/25 Series X Bonds as an Additionally Secured Series. As set forth in Section 3.11 hereof, the 2024/25 Series X Bonds will be secured by the 2024/25 Series X Bonds Subaccount in the Debt Service Reserve Account and are hereby designated as an Additionally Secured Series as defined in the Bond Resolution.

SECTION 3.04 Designation of the 2024/25 Series X Bonds as Book Entry Bonds; Appointment of Securities Depository for the 2024/25 Series X Bonds. (1) Except as provided in subsection (4) or (5) below, the 2024/25 Series X Bonds are hereby authorized to be and shall be issued as Book Entry Bonds within the meaning of and subject to Section 309 of the Bond Resolution.

(2) DTC is hereby appointed as the initial Securities Depository for the 2024/25 Series X Bonds.

(3) The 2024/25 Series X Bonds of each Series shall be issued initially in the form of a separate single, fully registered Bond in the amount of each separate stated maturity (and, if applicable, each interest rate within a maturity) of such Series. So long as DTC serves as Securities Depository for a particular Series of the 2024/25 Series X Bonds, the registered holder of all 2024/25 Series X Bonds of such Series shall be, and each of the 2024/25 Series X Bonds of such Series shall be registered in the name of Cede & Co. ("Cede"), as nominee of DTC. Upon delivery by DTC to JEA or the Bond Registrar for the 2024/25 Series X Bonds of such Series of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the transfer provisions of the Bond Resolution, the word "Cede" in this resolution shall refer to such new nominee of DTC. Notwithstanding any other provisions of the Bond Resolution or this resolution to the contrary, so long as any 2024/25 Series X Bond of a particular series is registered in the name of Cede, as nominee of DTC in its capacity as Securities Depository for the 2024/25 Series X Bonds of such Series, all payments with respect to the principal or Redemption Price of, and interest on, such 2024/25 Series X Bond of such Series and all notices with respect to such 2024/25 Series X Bond of such Series shall be made or given, as the case may be, to DTC as provided in DTC's Operational Arrangements (as defined in the Letter of Representations); *provided, however*, that if a substitute securities depository shall be appointed, all payments with respect to the principal or Redemption Price of, and interest on, the 2024/25 Series X Bonds of such Series and all notices with respect to the 2024/25 Series X Bonds of such Series shall be made

and given, respectively, to such substitute securities depository (or any nominee thereof) as provided in the procedures of such substitute securities depository.

(4) (a) DTC may determine to discontinue providing its services as Securities Depository for a particular Series of the 2024/25 Series X Bonds at any time by giving reasonable notice thereof to JEA or the Paying Agent and the Bond Registrar for the 2024/25 Series X Bonds of such Series. Upon the discontinuance of the services of DTC as Securities Depository for the 2024/25 Series X Bonds of such Series pursuant to the preceding sentence, JEA may within 90 days thereafter appoint a substitute securities depository which, in the opinion of JEA, is willing and able to undertake the functions of Securities Depository under the Bond Resolution upon reasonable and customary terms. In such event, and subject to the transfer provisions of the Bond Resolution, the word "DTC" in this resolution shall refer to such substitute securities depository and the word "Cede" in this resolution shall refer to the nominee, if any, of such substitute securities depository (or, if there shall be no such nominee, then the word "Cede" in this resolution shall refer to such substitute securities depository). If no such successor can be found within such period, the 2024/25 Series X Bonds of such Series no longer shall be restricted to being registered in the registration books kept by the Bond Registrar for the 2024/25 Series X Bonds of such Series in the name of a Securities Depository.

(b) In the event that the 2024/25 Series X Bonds of a Series no longer shall be restricted to being registered in the registration books kept by the Bond Registrar for the 2024/25 Series X Bonds of such Series in the name of a Securities Depository as provided in paragraph (a) of this subsection (4), (i) JEA shall execute and such Bond Registrar for the 2024/25 Series X Bonds of such Series shall authenticate and deliver, upon presentation and surrender of the 2024/25 Series X Bonds of such Series bond certificates as requested by the Securities Depository therefor of like Series, aggregate principal amount, maturity and interest rate, in authorized denominations, to the identifiable beneficial owners in replacement of such beneficial owners' beneficial ownership interests in the 2024/25 Series X Bonds of such Series, and (ii) such Bond Registrar shall notify the Paying Agents for the 2024/25 Series X Bonds of such Series that the 2024/25 Series X Bonds of such Series no longer are restricted to being registered in the registration books kept by such Bond Registrar in the name of a Securities Depository.

(5) For 2024/25 Series X Bonds that have been placed with or sold to a Purchaser, the registered holder may be, and such 2024/25 Series X Bonds may be registered in the name of the Purchaser. Payment of interest on any 2024/25 Series X Bonds shall be made in accordance with the provisions of the Bond Resolution to the account of the Purchaser on the interest payment date for the 2024/25 Series X Bonds at the address indicated for the Purchaser in the registry books of JEA kept by the Registrar.

SECTION 3.05 Redemption Prices and Terms. (1) If the Managing Director/CEO determines that the 2024/25 Series X Bonds of a Series maturing on a particular date and bearing interest at a particular rate shall be subject to redemption prior to maturity as provided in Article IV of the Bond Resolution by operation of the Debt Service Fund to satisfy the Sinking Fund Installments, and such determination is set forth in the certificate referred to in Section 2.03 hereof relating to such Series of the 2024/25 Series X Bonds, then the 2024/25 Series X Bonds of such Series maturing on such date and bearing interest at such rate shall be subject to redemption prior to maturity as provided in Article IV of the Bond Resolution, on the respective dates and in the

respective amounts set forth in such certificate, in each such case, at a Redemption Price equal to 100 percent of the principal amount thereof, together with accrued interest to the redemption date.

(2) If the Managing Director/CEO determines that the 2024/25 Series X Bonds of a Series maturing on a particular date and bearing interest at a particular rate shall be subject to optional redemption, such 2024/25 Series X Bonds shall be subject to redemption prior to maturity at the election of JEA, as a whole or in part, at any time on and after the initial date on which such 2024/25 Series X Bonds may be so redeemed set forth in the certificate referred to in Section 2.03 hereof relating to such Series of the 2024/25 Series X Bonds, in either such case, at the respective Redemption Prices set forth in such certificate, in each case, together with accrued interest to the redemption date.

SECTION 3.06 Application of Proceeds of 2024/25 Series X Bonds.

(a) In accordance with Article II of the Bond Resolution, the proceeds of the 2024/25 New Money Bonds of such Series shall be applied simultaneously with the delivery of such Series of the 2024/25 New Money Bonds as follows:

(i) There shall be deposited in the 2024/25 Series X Bonds Subaccount an amount equal to the Debt Service Reserve Requirement for the 2024/25 Series X Bonds Subaccount calculated immediately after the authentication and delivery of the 2024/25 New Money Bonds of such Series; and

(ii) The remaining balance of the proceeds shall be deposited in the Construction Fund or a separate subaccount thereof in order to pay (i) the costs of the additions, extensions and improvements to the District Energy System which costs may include capitalized interest on the 2024/25 Series X Bonds of such Series for a period not to exceed two years, and (ii) the costs and expenses of issuing the 2024/25 New Money Bonds of such Series.

(b) In accordance with Article II of the Bond Resolution, the proceeds of the 2024/25 Refunding Bonds of such Series shall be applied simultaneously with the delivery of such Series of the 2024/25 Refunding Bonds as follows:

(i) There shall be delivered to the Escrow Agent or the Paying Agent, as applicable, simultaneously with the delivery of the 2024/25 Refunding Bonds of each Series, for deposit in the Escrow Account, an amount determined by an Authorized Officer of JEA as being equal to the amount necessary, when combined with the moneys, if any, transferred to the Escrow Account as provided in Section 3.07 hereof, to purchase such securities as are permitted by Section 1201 of the Bond Resolution, the principal of and interest to be received on which, together with any initial cash balance, will provide moneys which will be, or if such amount is to be held uninvested, the amount which will be sufficient to pay when due the principal or Redemption Price, as applicable, of the Refunded Bonds being refunded thereby on the respective maturity dates of such Refunded Bonds or the respective dates such Refunded Bonds are to be called for redemption, as applicable, and the interest to become due on such Refunded Bonds on and prior to such respective maturity or redemption dates, as the case may be;

(ii) If applicable, there shall be deposited in the Initial Subaccount an amount equal to the difference, if any, between (i) the Debt Service Reserve Requirement for the Initial Subaccount calculated immediately after the authentication and delivery of the 2024/25 Series X Bonds of such Series and (ii) the sum of the amounts then on deposit in the Initial Subaccount, valued as provided in Section 604 of the Bond Resolution; and

(c) The remaining balance of the proceeds shall be deposited in the Construction Fund or a separate subaccount thereof in order to pay (i) the costs and expenses of issuing the 2024/25 Series X Bonds of such Series and (ii) if the 2024/25 Refunding Bonds of such Series are being issued to refund any Refunded Bonds that are not being defeased within the meaning of Section 1201 of the Bond Resolution, the principal of or Redemption Price, as applicable, of such Refunded Bonds when due.

SECTION 3.07 Transfer of Certain Amounts. (a) Subject to the provisions of subsection 5 of Section 507 of the Bond Resolution, simultaneously with the delivery of each Series of the 2024/25 Refunding Bonds, there shall be transferred from the Debt Service Account to the Escrow Agent or Paying Agent, as applicable, for deposit in the Escrow Account, moneys in an amount determined by an Authorized Officer of JEA as not being greater than the Debt Service accrued on the Refunded Bonds being refunded thereby to the date of delivery of such 2024/25 Refunding Bonds. Such withdrawal shall, however, not be made if and to the extent that the effect thereof would cause the amount remaining on deposit in the Debt Service Account to be less than the Accrued Aggregate Debt Service calculated immediately after the issuance of such 2024/25 Refunding Bonds.

(b) Subject to the provisions of subsection 5 of Section 508 of the Bond Resolution, simultaneously with the delivery of each Series of the 2024/25 Refunding Bonds, there shall be withdrawn from the Initial Subaccount in the Debt Service Reserve Account for transfer to the Escrow Agent or Paying Agent, as applicable, for deposit in the Escrow Account, moneys in an amount determined by an Authorized Officer of JEA. Such withdrawal shall, however, not be made if and to the extent that the effect thereof would cause the amount remaining on deposit in Initial Subaccount in the Debt Service Reserve Account in the Debt Service Fund to be less than the Debt Service Reserve Requirement calculated immediately after the issuance of such 2024/25 Refunding Bonds.

SECTION 3.08 Authorization of 2024/25 Project and Refunding. The 2024/25 Project as well as the refunding of the Refunded Bonds in the manner provided herein is hereby authorized.

SECTION 3.09 Redemption of Refunded Bonds. (1) In the case of any Refunded Bonds to be refunded by a Series of the 2024/25 Refunding Bonds that are to be redeemed prior to maturity, such Refunded Bonds are hereby designated for redemption and the Escrow Agent (if any) or the respective Paying Agents therefor, as applicable, are hereby directed to redeem such Refunded Bonds on the respective dates determined by the Managing Director/CEO pursuant to clause (b) of the second paragraph of Section 2.03 hereof at a Redemption Price equal to the principal amount of the Refunded Bonds to be redeemed plus the redemption premium(s) for the applicable redemption date(s) (in each case, together with accrued interest thereon to the date fixed for redemption).

(2) The designation for redemption set forth in the foregoing subsection (1), and the direction to the Escrow Agent (if any) or the respective Paying Agents for the Refunded Bonds, as applicable, set forth therein, shall be, and hereby are declared to be, irrevocable upon the original issuance of the applicable Series of the 2024/25 Refunding Bonds.

(3) In order to effectuate such designation, on or prior to the applicable Delivery Date, an Authorized Officer of JEA shall give the Escrow Agent or the Bond Registrar, as applicable, for any Refunded Bonds to be redeemed prior to maturity instructions to mail, postage prepaid, not less than 30 days (or such lesser number of days as is permitted pursuant to the applicable supplemental resolution(s) for the Refunded Bonds) prior to the redemption date therefor, to all registered owners of such Refunded Bonds at their last addresses appearing on the registry books of JEA kept by the Bond Registrar therefor, a notice of redemption in substantially the following form:

[REVOCABLE]¹ NOTICE OF [FULL] [PARTIAL] REDEMPTION

JEA

**DISTRICT ENERGY SYSTEM REVENUE BONDS
DESCRIBED BELOW**

Notice is hereby given to the holders of the outstanding JEA District Energy System Revenue Bonds described below (the "Bonds") that the Bonds have been called for redemption prior to maturity on _____, 20__ in accordance with their terms at a redemption price of _____ percent of the principal amount thereof [, together with accrued interest thereon to _____, 20__]. **[The source of funds to be used for such redemption is certain moneys heretofore deposited with [_____, as Escrow Agent.][_____, as Paying Agent.]**

<u>Series</u>	<u>Maturity Date</u> <u>(October 1)</u>	<u>Interest Rate</u>	<u>Principal Amount</u>	<u>CUSIP</u>
		_____%	\$ ____	

[THIS CALL FOR, REDEMPTION IS REVOCABLE AND IS CONDITIONED UPON THE ISSUANCE BY JEA OF ITS REFUNDING BONDS ON OR PRIOR TO _____, 20__. In the event that JEA's refunding bonds are not issued on or prior to _____, 20__, this notice shall be of no further force or effect and the Bonds shall continue to bear interest until paid at the same rates they would have borne had this notice not been given. If JEA's refunding bonds are not issued on or prior to _____, 20__, the undersigned, on behalf of JEA, shall give notice forthwith of such fact to the holders of the Bonds, and this notice shall thereupon be revoked and shall be of no further force and effect.]

¹ To be included in any redemption notice given prior to the Delivery Date of the 2024/25 Refunding Bonds of the Series issued to refund such Refunded Bonds.

[Subject to the foregoing, t] [T]he redemption price of [and accrued interest on] the Bonds shall become due and payable on _____, 20____ and from and after _____, 20____ interest on the Bonds shall cease to accrue and be payable. [Interest will be paid in the usual manner.]

Holders of the Bonds will receive payment of the redemption price [and accrued interest] to which they are entitled upon presentation and surrender thereof at the principal corporate trust offices of [specify names of current Paying Agents].

Dated this ____ day of _____, 20____.

JEA

By: _____
as [Escrow Agent/ Bond Registrar]

SECTION 3.10 Representations and Covenants Regarding the Pledge of the Bond Resolution. JEA represents that, pursuant to the Acts, the Bond Resolution creates a valid, binding and irrevocable pledge of (a) the proceeds of the sale of the 2024/25 Series X Bonds of each particular Series, (b) the Revenues and (c) all Funds and Accounts established by the Bond Resolution (other than the Debt Service Reserve Account in the Debt Service Fund and the Renewal and Replacement Fund), including the investments and investment income, if any, thereof (collectively, the "Trust Estate"), in each such case, prior to all other liens or encumbrances on the Trust Estate, subject only to the provisions of the Bond Resolution permitting the application thereof for the purposes and on the terms and conditions set forth in the Bond Resolution, for the benefit of the Holders of the Bonds, including the 2024/25 Series X Bonds, as security for the payment of the Bonds, including the 2024/25 Series X Bonds, to the extent set forth therein, enforceable in accordance with the terms thereof.

JEA has not heretofore made or granted a pledge or assignment of, lien on or security interest in the Trust Estate that ranks on a parity with or prior to the pledge made or granted in the Bond Resolution. JEA shall not hereafter make or grant a pledge or assignment of, lien on or security interest in the Trust Estate that ranks prior to or on a parity with the pledge made or granted in the Bond Resolution, except as expressly permitted thereby.

SECTION 3.10 Certain Provisions of the Bond Resolution Excluded. Notwithstanding anything in the Bond Resolution to the contrary, and solely with respect to the rate covenant of JEA set forth in Section 710 of the Bond Resolution, clause (iii) of Section 801, Events of Default, of the Bond Resolution shall not be applicable to the 2024/25 Series X Bonds and shall not be enforceable by the Holders of the 2024/25 Series X Bonds so long as JEA remains in compliance with the provisions of Section 3.11 of this Supplemental Resolution.

SECTION 3.11 Establishment of 2024/25 Series X Bonds Subaccount in the Debt Service Reserve Account in the Debt Service Fund; Covenant to Fund the 2024/25 Series X Bonds Subaccount from Available Water and Sewer System Revenues.

(1) In accordance with the provisions of subsection 1 of Section 508 of the Bond Resolution, there is hereby established in the Debt Service Reserve Account a subaccount to be known as the "2024/25 Series X Bonds Subaccount." Amounts on deposit in the 2024/25 Series X Bonds Subaccount shall be pledged solely for the benefit of the 2024/25 Series X Bonds.

(2) In the event that the amount on deposit in the Debt Service Account in accordance with clause (a) of subsection (1) of Section 506 of the Bond Resolution is less than Accrued Aggregate Debt Service with respect to the 2024/25 Series X Bonds as of the last Business Day of the then current month, JEA shall deposit into the 2024/25 Series X Bonds Subaccount in the Debt Service Reserve Account from Available Water and Sewer System Revenues an amount equal to the Aggregate DES Debt Service Deficiency that exists.

(3) If on the last Business Day of the month preceding a 2024/25 Series X Bonds Payment Date the amount on deposit in the Debt Service Account shall be less than Accrued Aggregate Debt Service with respect to the 2024/25 Series X Bonds, JEA shall withdraw from the 2025/24 Series X Bonds Subaccount for transfer to the Debt Service Account monies in an amount sufficient to make the balance in said Debt Service Account allocable to the 2024/25 Series X Bonds equal the Accrued Aggregate Debt Service allocable to the 2024/25 Series X Bonds as of the last day of the then current month.

(4) Amounts remaining on deposit in the 2024/25 Series X Bonds Subaccount Date after all required payments have been made on each 2024/25 Series X Bonds Payment Date under the Bond Resolution may, at the option of JEA, be withdrawn by JEA on such 2024/25 Series X Bonds Payment Date and applied by JEA for any lawful purpose in accordance with subsection 2 of Section 507 of the Water and Sewer System Resolution.

(5) JEA covenants and agrees to include the amount of any Aggregate DES Debt Service Deficiency in the amounts payable out of Revenues (as defined in the Water and Sewer System Resolution) in clause (f) of subsection 1 of Section 711, Rates, Fees and Charges, of the Water and Sewer System Resolution.

SECTION 3.12 **Form of Bonds.** The form of the 2024/25 Series X Bonds and the Bond Registrar's Certificate of Authentication thereon shall be substantially as set forth as Exhibit A hereto, with such variations, omissions and insertions, not inconsistent with the provisions of the Bond Resolution, as shall be approved by the Managing Director/CEO, such approval to be conclusively evidenced by his or her execution of the instruments necessary to issue the 2024/25 Series X Bonds.

ARTICLE IV

SALE OF THE 2024/25 SERIES X BONDS; OFFICIAL STATEMENT; ESCROW DEPOSIT AGREEMENT; CONTINUING DISCLOSURE

SECTION 4.01 **Negotiated Sale.** (1) For the reasons stated in the recitals to this resolution, it is necessary and in the best interests of JEA to sell the 2024/25 Series X Bonds of each Series on a negotiated basis. The terms and conditions of the bond purchase agreement between JEA and the Underwriters, providing for the negotiated sale and purchase of the 2024/25 Series X Bonds of a particular Series, in substantially the form attached hereto as Exhibit B (the

"Bond Purchase Agreement"), are hereby approved. At such time or times as the Managing Director/CEO shall determine is (or are) advantageous to JEA, such officer shall execute and deliver the Bond Purchase Agreement (with such changes as are necessary to reflect, among other things, the terms of the 2024/25 Series X Bonds of the particular Series) as provided in Section 5.01 hereof, such determination to be evidenced by the execution and delivery thereof; *provided, however*, that at or prior to the time of the execution and delivery of the Bond Purchase Agreement, JEA shall have received from the senior managing underwriter(s) the disclosure statement required pursuant to Section 218.385(6), Florida Statutes. The purchase price of the 2024/25 Series X Bonds to be paid by the Underwriters pursuant to the applicable Bond Purchase Agreement shall be determined as provided in Section 2.03 of this resolution, subject to the limitations set forth therein.

(2) Alternatively, in consultation with JEA's financial advisor, the Managing Director/CEO may determine that a private placement or sale of one or more installments of the 2024/25 Series X Bonds to one or more Purchasers is in the best interests of JEA and in such event, such private placement or sale is hereby authorized. Such Purchaser(s) shall provide the disclosure statement required pursuant to Section 218.385(6), Florida Statutes.

SECTION 4.02 Preliminary Official Statement and Official Statement. The form and use of a preliminary official statement for the 2024/25 Series X Bonds, in substantially the form of the Preliminary Official Statement relating to the District Energy System Refunding Revenue Bonds, 2013 Series A (Federally Taxable) with such modifications as recommended by Bond or Disclosure Counsel or any other Preliminary Official Statement more recently executed and delivered by JEA in connection with the sale of bonds with such changes, omissions, insertions and revisions as an Authorized Officer of JEA shall deem necessary or appropriate (collectively, the "Form Preliminary Official Statement"), is hereby authorized and approved in connection with the offering and sale of the 2024/25 Series X Bonds of each Series.

In the event that the Managing Director/CEO shall determine that it is desirable to issue and sell the 2024/25 Series X Bonds of one or more Series to the Underwriters as provided in Section 4.01 or Section 4.02 hereof, the Managing Director/CEO is hereby authorized and directed to cause to be prepared a Preliminary Official Statement with respect to such bonds substantially in the form of the Form Preliminary Official Statement and with such changes thereto as are necessary (a) to reflect, among other things, the terms of such 2024/25 Series X Bonds and the security and sources of payment therefor and (b) so that such Preliminary Official Statement will not contain any untrue statement of a material fact or omit to state any material fact that is required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading, and, in such case, to cause such Preliminary Official Statement to be used in connection with the offering and sale of such 2024/25 Series X Bonds and, if applicable, the Treasurer of JEA, the Chief Financial Officer, the Deputy Chief Financial Officer or the Managing Director/CEO is hereby authorized to deem said Preliminary Official Statement final for purposes of the Rule. In the event that the Managing Director/CEO shall cause to be prepared a Preliminary Official Statement for such 2024/25 Series X Bonds as aforesaid, an Official Statement relating to such 2024/25 Series X Bonds, in substantially the form of said Preliminary Official Statement, with such changes as are necessary (a) to reflect, among other things, the terms of such 2024/25 Series X Bonds and the security and sources of payment therefor and (b) so that such Official Statement will not contain any untrue statement of a material fact or

omit to state any material fact that is required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they are made, not misleading, is hereby authorized and approved for use in connection with the offering and sale of such 2024/25 Series X Bonds.

Notwithstanding the foregoing, the Managing Director/CEO is authorized to determine whether or not such Preliminary Official Statement and Official Statement is necessary with the placement or sale of one or more installments of the 2024/25 Series X Bonds to one or more Purchasers.

SECTION 4.03 Appointment of the Escrow Agent and Authorization and Approval of the Escrow Deposit Agreement; Authorization to Purchase SLGS and Other Investments. The Managing Director/CEO is hereby authorized to appoint U.S. Bank Trust Company, National Association, The Bank of New York Mellon Trust Company, N.A. or any other bank or trust company selected pursuant to JEA's procurement code to act as Escrow Agent with respect to a particular Series of the 2024/25 Refunding Bonds. An Escrow Deposit Agreement is hereby approved in substantially the form attached hereto as Exhibit C, with such changes thereto as are necessary to reflect, among other things, the terms of the relevant transaction. Pursuant to the Escrow Deposit Agreement, the Escrow Agent shall be directed to invest the funds held thereunder in the manner provided therein.

In connection with the refunding of the Refunded Bonds as provided herein, each Authorized Officer of JEA is hereby authorized, if deemed desirable, to cause proceeds of the 2024/25 Refunding Bonds and other available amounts, and earnings thereon, to be invested in United States Treasury Securities - State and Local Government Series ("SLGS") or other obligations permitted to be used to accomplish the defeasance of such Refunded Bonds in such amounts, at such times, maturing at such times and having such rate or rates of interest as any Authorized Officer of JEA shall determine is necessary or desirable; and each such Authorized Officer of JEA and, upon receipt of instructions from an Authorized Officer of JEA, any authorized officer of the Escrow Agent is hereby authorized in the name and on behalf of JEA to submit subscriptions to the Bureau of Public Debt of the United States Department of the Treasury for the purchase of book-entry form SLGS, and to take such other action as such person deems necessary or appropriate to effectuate such purposes or to purchase such other obligations.

SECTION 4.04 Continuing Disclosure. For the benefit of the holders and beneficial owners from time to time of the 2024/25 Series X Bonds of a particular Series, JEA agrees, as an obligated person with respect to the 2024/25 Series X Bonds of such Series under the Rule, to provide or cause to be provided such financial information and operating data, audited financial statements and notices, in such manner as may be required for purposes of paragraph (b)(5) of the Rule, if applicable. In order to describe and specify certain terms of JEA's continuing disclosure agreement for that purpose, and thereby to implement that agreement, including provisions for enforcement, amendment and termination, the Authorized Officers of JEA are, and each of them hereby is, authorized and directed to sign and deliver, in the name and on behalf of JEA, a Continuing Disclosure Agreement with respect to the 2024/25 Series X Bonds of such Series substantially in the form of Appendix C to the Form Preliminary Official Statement with such modifications as recommended by Bond or Disclosure Counsel or any other Continuing Disclosure Agreement more recently executed and delivered by JEA in connection with the sale

of bonds, with any changes or amendments that: (i) are not inconsistent with this resolution and (ii) are not substantially adverse to JEA or (iii) may be required by Rule 15c2-12, and that are approved by the officer of JEA executing the same on behalf of JEA, all of which shall be conclusively evidenced by the signing of that agreement or amendments to it. The agreement formed, collectively, by this paragraph and that agreement, shall be JEA's continuing disclosure agreement with respect to the 2024/25 Series X Bonds of such Series for purposes of the Rule, and its performance shall be subject to the annual appropriation of any funds that may be necessary to perform it.

The Authorized Officers of JEA are, and each of them hereby is, further authorized and directed to take such actions as shall be necessary to comply with each such continuing disclosure agreement, including timely provision of information and notices. Prior to making any filing in accordance with any such agreement or providing notice of the occurrence of any other events, an Authorized Officer of JEA shall consult with and obtain legal advice from, as appropriate, the General Counsel and bond or other qualified independent special counsel selected by JEA. Any Authorized Officer of JEA, acting in the name and on behalf of JEA, shall be entitled to rely upon any such legal advice in determining whether a filing should be made.

ARTICLE V OTHER PROVISIONS

SECTION 5.01. Tax Covenants.

(a) JEA covenants that it shall not take any action, or fail to take any action, or permit any action to be taken on its behalf or cause or permit any circumstance within its control to arise or continue, if any such action or inaction would adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Tax-Exempt 2024/25 Series X Bonds under Section 103 of the Code and the applicable Treasury Regulations promulgated thereunder. Without limiting the generality of the foregoing, JEA covenants that it will comply with the instructions and requirements of the Tax Certificate to be executed and delivered on the date of issuance of each Series of the Tax-Exempt 2024/25 Series X Bonds concerning certain matters pertaining to the use of proceeds of the Tax-Exempt 2024/25 Series X Bonds of such Series, including any and all exhibits attached thereto (the "Tax Certificate"). This covenant shall survive payment in full or defeasance of the Tax-Exempt 2024/25 Series X Bonds.

(b) Notwithstanding any provisions of this Section, if JEA shall obtain an opinion of nationally recognized municipal bond attorneys to the effect that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from gross income for federal income tax purposes of interest on the applicable Series of the 2024/25 New Money Bonds, JEA may conclusively rely on such opinion in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

(c) Notwithstanding any other provision of the Bond Resolution to the contrary, (i) upon JEA's failure to observe or refusal to comply with the above covenants with respect to the Tax-Exempt 2024/25 Series X Bonds of a Series, the holders of the Tax-Exempt 2024/25 Series

X Bonds of such Series shall be entitled to the rights and remedies provided to Bondholders under the Bond Resolution, other than the right (which is hereby abrogated solely in regard to JEA's failure to observe or refusal to comply with the covenants of this Section) to declare the principal of all Bonds then outstanding, and the interest accrued thereon, to be due and payable and (ii) the holders of any Bonds other than the Tax-Exempt 2024/25 Series X Bonds of such Series shall not be entitled to exercise any right or remedy provided to Bondholders under the Bond Resolution based upon JEA's failure to observe, or refusal to comply with, the above covenants with respect to the Tax-Exempt 2024/25 Series X Bonds of such Series.

SECTION 5.02. Authorization of the Execution and Delivery of Any Series of 2024/25 Series X Bonds and Related Documents; Authorization of Authentication. The Authorized Officers of JEA are hereby authorized to execute the 2024/25 Series X Bonds of any Series, the Bond Purchase Agreements, if any, the Escrow Deposit Agreements, if any, the Continuing Disclosure Agreements, if any, and the Official Statements, if any, on behalf of JEA, each subject to completion thereof, and with such changes therein as they may approve as necessary and desirable and in the best interest of JEA, such approval to be evidenced by the execution and delivery thereof; *provided, however*, that the 2024/25 Series X Bonds of each Series shall be executed and delivered pursuant to the Bond Resolution and applicable law. The Secretary or an Assistant Secretary of JEA is hereby authorized (but not required) to cause the seal of JEA to be affixed to the 2024/25 Series X Bonds of each Series and the foregoing documents and to attest the same. Such Authorized Officers of JEA are each hereby authorized to deliver such Bonds and documents on behalf of JEA.

In the event that the Managing Director/CEO shall determine that it is desirable to sell and issue the 2024/25 Series X Bonds of a particular Series as provided in this resolution, U.S. Bank Trust Company, National Association, as Bond Registrar for the 2024/25 Series X Bonds, is hereby requested and authorized to authenticate and deliver the 2024/25 Series X Bonds of such Series in the aggregate principal amount for such Series determined as provided in this resolution, to or upon the order of the Underwriters, upon payment to JEA of the sum to be specified in the Bond Purchase Agreement with respect to such 2024/25 Series X Bonds and pursuant to the terms of the Bond Resolution and such Bond Purchase Agreement.

SECTION 5.03. Further Actions. Each Authorized Officer of JEA is hereby authorized and empowered to execute and deliver or cause to be executed and delivered such other documents and opinions and to do all administrative acts and things as may be necessary or desirable in connection with the adoption of this resolution and the approval, execution and delivery of the Bond Purchase Agreements, if any, the Escrow Deposit Agreements, if any, and the Continuing Disclosure Agreements, if any, the carrying out of the terms of the Bond Resolution and this resolution; the issuance, sale, execution and delivery of the 2024/25 Series X Bonds of each Series; and the use of the Preliminary Official Statements and the Official Statements, if necessary. Without limiting the generality of the foregoing, the Managing Director/CEO is hereby authorized to execute the certificates referred to in Section 2.03 of this resolution, in order to evidence the determinations referred to in Sections 2.01, 4.01 and 4.02 hereof. In the absence of the Managing Director/CEO of JEA for any reason, the authority granted to him or her in this resolution is hereby delegated to the Vice President, Water/Wastewater Systems of JEA, the Chair of JEA's governing board and the Chair of the Finance and Audit Committee of JEA's governing board, in that order.

SECTION 5.04. Approval with Respect to Registration or Qualification of the 2024/25 Series X Bonds Under the Blue Sky or Securities Laws of Various States. The Authorized Officers of JEA shall be, and hereby are, authorized in the name and on behalf of JEA, to take any and all action which they deem necessary or advisable in order to effect the registration or qualification (or exemption therefrom) of the 2024/25 Series X Bonds of a Series for issue, offer, sale or trade under the Blue Sky or securities laws of any of the states of the United States of America and in connection therewith to execute, acknowledge, verify, deliver, file or cause to be published any applications, reports, consents to service of process, appointments of attorneys to receive service of process and other papers and instruments which may be required under such laws, and to take any and all further action which they may deem necessary or advisable in order to maintain any such registration or qualification for as long as they deem necessary or as required by law or by the Underwriters.

SECTION 5.05. Severability. If any one or more provisions of this resolution should be determined by a court of competent jurisdiction to be contrary to law, such provisions shall be deemed to be severable from the remaining provisions hereof and shall in no way affect the validity or enforceability of such remaining provisions.

**ARTICLE VI
REMAINING AUTHORIZATION UNDER RESOLUTION
NO. 2024-25 SUPERSEDED**

SECTION 6.01. Remaining Authorization under Resolution No. 2024-25 SUPERSEDED. Any remaining authorization to issue additional debt under Resolution No. 2024-25 adopted by JEA on June 25, 2024 and the authorization of the issuance of District Energy System Revenue Bonds, Series X thereunder are hereby superseded by this Resolution and repealed.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

ARTICLE VII
EFFECTIVE DATE

SECTION 7.01. **Effective Date.** This resolution shall take effect immediately upon its adoption.

ADOPTED THIS 28TH DAY OF JANUARY, 2025.



JEA

By: _____
Name: _____
Title: _____

ATTEST:

By: _____

Secretary

Approved as to Form:

By: _____
Office of General Counsel

EXHIBIT A

FORM OF BONDS

[AS PROVIDED IN THE DISTRICT ENERGY SYSTEM RESOLUTION REFERRED TO HEREIN, UNTIL THE TERMINATION OF THE SYSTEM OF BOOK-ENTRY-ONLY TRANSFERS THROUGH THE DEPOSITORY TRUST COMPANY (TOGETHER WITH ANY SUCCESSOR SECURITIES DEPOSITORY APPOINTED PURSUANT TO THE DISTRICT ENERGY SYSTEM RESOLUTION, "DTC"), AND NOTWITHSTANDING ANY OTHER PROVISION OF THE DISTRICT ENERGY SYSTEM RESOLUTION TO THE CONTRARY, (A) THIS BOND MAY BE TRANSFERRED, IN WHOLE BUT NOT IN PART, ONLY TO A NOMINEE OF DTC, OR BY A NOMINEE OF DTC TO DTC OR A NOMINEE OF DTC, OR BY DTC OR A NOMINEE OF DTC TO ANY SUCCESSOR SECURITIES DEPOSITORY OR ANY NOMINEE THEREOF AND (B) A PORTION OF THE PRINCIPAL AMOUNT OF THIS BOND MAY BE PAID OR REDEEMED WITHOUT SURRENDER HEREOF TO THE PAYING AGENT. DTC OR A NOMINEE, TRANSFEREE OR ASSIGNEE OF DTC OF THIS BOND MAY NOT RELY UPON THE PRINCIPAL AMOUNT INDICATED HEREON AS THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID. THE PRINCIPAL AMOUNT HEREOF OUTSTANDING AND UNPAID SHALL FOR ALL PURPOSES BE THE AMOUNT DETERMINED IN THE MANNER PROVIDED IN THE DISTRICT ENERGY SYSTEM RESOLUTION.

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED OFFICER OF DTC (A) TO THE BOND REGISTRAR FOR REGISTRATION OF TRANSFER OR EXCHANGE OR (B) TO THE PAYING AGENT FOR PAYMENT OF PRINCIPAL OR REDEMPTION PRICE, AND ANY BOND ISSUED IN REPLACEMENT HEREOF OR SUBSTITUTION HEREFOR IS REGISTERED IN THE NAME OF DTC OR ITS NOMINEE OR SUCH OTHER NAME AS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF DTC AND ANY PAYMENT IS MADE TO DTC OR ITS NOMINEE, ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL BECAUSE ONLY THE REGISTERED OWNER HEREOF, CEDE & CO., AS NOMINEE OF DTC, HAS AN INTEREST HEREIN.]

No. R-_____

\$_____

UNITED STATES OF AMERICA
STATE OF FLORIDA
JEA
DISTRICT ENERGY SYSTEM REVENUE BONDS
2024/25 SERIES X

MATURITY DATE	INTEREST RATE	ORIGINAL ISSUE DATE	CUSIP
October 1, 20____	_____%	_____, 20____	_____

REGISTERED OWNER:

PRINCIPAL SUM: _____ DOLLARS

KNOW ALL MEN BY THESE PRESENTS, that JEA, a body politic and corporate under the laws of the State of Florida, and an independent agency of the City of Jacksonville, Florida (hereinafter called the "City"), for value received, hereby promises to pay to the Registered Owner specified above on the Maturity Date specified above solely from the revenues and other amounts hereinafter mentioned the Principal Sum specified above and to pay solely from such revenues and other amounts interest thereon to the Registered Owner hereof at the rate per annum specified above, from the Original Issue Date specified above or from the most recent interest payment date to which interest has been paid, until payment of the Principal Sum, such interest to the payment hereof being payable in lawful money of the United States of America on October 1, 20____ and semiannually thereafter on April 1 and October 1 in each year, by check or draft mailed to the Registered Owner at his address as it appears on the registration books of the Bond Registrar hereinafter mentioned on the Regular Record Date (as defined in the District Energy System Resolution hereinafter referred to). However, so long as this Bond and the issue of which it is one are held in book-entry form pursuant to the District Energy System Resolution, the provisions of the District Energy System Resolution governing such book-entry form shall govern repayment of the principal or Redemption Price of and interest on such bonds. The principal or Redemption Price of this Bond is payable in lawful money of the United States of America upon presentation and surrender of this Bond at the principal corporate trust office of U.S. Bank Trust Company, National Association in Jacksonville, Florida.

This Bond is one of an authorized issue of bonds (the "2024/25 Series X Bonds") in the aggregate principal amount of \$_____ of like date, tenor and effect, except as to number, interest rate and date of maturity, issued to refund certain variable rate bonds of JEA previously issued to finance or refinance a portion of the costs of the district energy facilities owned and operated by JEA for supply, transmission and distribution of chilled water, process steam or similar thermal energy as defined in the District Energy System Resolution (the "District Energy System") pursuant to the authority of and in full compliance with the Constitution and Statutes of the State of Florida, including particularly Article 21 of the Charter of the City, as amended and readopted by Chapter 80-515, Laws of Florida, Special Acts of 1980, as subsequently amended by Chapter 92-341, Laws of Florida, Special Acts of 1992 and as thereafter amended in accordance with the

terms thereof prior to the date hereof (collectively, the "Act"), and other applicable provisions of law, and a resolution duly adopted by JEA on June 15, 2004 (approved by Ordinance 2004-819-E of the Council of the City enacted on September 28, 2004), as supplemented (hereinafter collectively called the "District Energy System Resolution"), and is subject to all the terms and conditions of the District Energy System Resolution.

[Insert redemption provisions]

The payment of the principal of and interest on the 2024/25 Series X Bonds is secured by a first lien upon and pledge of (a) the Net Revenues (as defined in the District Energy System Resolution) derived by JEA from the operation of the District Energy System and (b) the amounts on deposit in the Revenue Fund and the Debt Service Account in the Debt Service Fund established pursuant to the District Energy System Resolution as may from time to time be available therefor, in each case, prior and superior to all other liens or encumbrances on such Net Revenues and amounts, subject only to the provisions of the District Energy System Resolution permitting the application thereof for the purposes and on the terms and conditions set forth therein. In addition, as provided in the District Energy System Resolution, the payment of the principal of and interest on the 2024/25 Series X Bonds is secured by a pledge of the amounts on deposit in the 2024/25 Series X Bonds Subaccount in the Debt Service Reserve Account in the Debt Service Fund established pursuant to the District Energy System Resolution as may from time to time be available therefor, in each case, prior and superior to all other liens or encumbrances on such amounts, subject only to the provisions of the District Energy System Resolution permitting the application thereof for the purposes and on the terms and conditions set forth therein. As provided in the District Energy System Resolution, bonds of JEA may be issued from time to time in one or more installments, in various principal amounts, may mature at different times, may bear interest at different rates and may otherwise vary as provided in the District Energy System Resolution. The aggregate principal amount of bonds which may be issued under the District Energy System Resolution is not limited except as provided in the District Energy System Resolution and in the Act, and all bonds issued and to be issued under the District Energy System Resolution (including the 2024/25 Series X Bonds) are and will be equally and ratably secured by the pledge and covenants made therein, except as expressly provided or permitted in the District Energy System Resolution.

This Bond and the issue of which it is one shall not be or constitute general obligations or indebtedness of the City or JEA as "bonds" within the meaning of the Constitution of Florida, but shall be payable solely from and secured by a lien upon and a pledge of the Net Revenues and other amounts as provided in the District Energy System Resolution. No holder of this Bond shall ever have the right to compel the exercise of the ad valorem taxing power of the City or of JEA, if any, or taxation in any form of any real property in the City to pay this Bond or the interest thereon or be entitled to payment of such principal and interest from any other funds of the City or JEA except from the special funds in the manner provided in the District Energy System Resolution.

JEA has entered into certain further covenants with the owners of the 2024/25 Series X Bonds for the terms of which reference is made to the District Energy System Resolution.

It is hereby certified and recited that all acts, conditions and things required to exist, to happen, and to be performed precedent to and in the issuance of this Bond exist, have happened

and have been performed in regular and due form and time as required by the Laws and Constitution of the State of Florida applicable thereto, and that the issuance of the 2024/25 Series X Bonds does not violate any constitutional or statutory limitations or provisions.

This Bond is and has all the qualities and incidents of negotiable instruments under the laws of the State of Florida. The 2024/25 Series X Bonds are issuable as fully registered Bonds which may be exchanged for like aggregate principal amount of fully registered 2024/25 Series X Bonds of like interest rate and maturity in denominations of \$5,000 and any integral multiple thereof. JEA and U.S. Bank Trust Company, National Association or its successor, as Bond Registrar, may charge the Registered Owner or the transferee or transferees, as the case may be, a sum sufficient to reimburse them for any expenses incurred in making any exchange or transfer of this Bond. The Bond Registrar or JEA may also require payment from the Registered Owner or transferee of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto. Such charges and expenses shall be paid before any such new 2024/2 Series A X Bond shall be delivered.

IN WITNESS WHEREOF, JEA has caused this bond to be executed in its name and on its behalf by the manual or facsimile signature of its Chair, and its corporate seal or a facsimile thereof to be impressed, imprinted, engraved or otherwise reproduced hereon, and attested by the manual or facsimile signature of its Secretary, and this bond to be dated _____, 20__.



JEA

By: _____
Chair

ATTEST:

By: _____
Secretary

[FORM OF
BOND REGISTRAR'S
CERTIFICATE OF AUTHENTICATION]

BOND REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds delivered pursuant to the within mentioned Resolution.

**U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION,**
as Bond Registrar

By: _____
Authorized Signatory

Date of Authentication: _____, 20__

[Insert Statement of Insurance, if applicable.]

The following abbreviations, when used in the inscription on the within bond, shall be construed as though they were written out in full according to applicable laws or regulations:

The following abbreviations, when used in the inscription on the within bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	as tenants in common	UNIF GIF MIN ACT _____ (Cust.)
-		
TEN ENT	as tenants by the entireties	Custodian for _____ (Minor)
-		
JT TEN	as joint tenants with right of survivorship and not as tenants in common	Under Uniform Gifts to Minors Act of _____ (State)

Additional abbreviations may also be used although not listed above.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers to

[PLEASE INSERT NAME, ADDRESS AND SOCIAL SECURITY OR OTHER IDENTIFYING
NUMBER OF ASSIGNEE]

the within bond and does hereby irrevocably constitute and appoint the Registrar as his or her agent to transfer the bond on the books kept for registration thereof, with full power of substitution in the premises.

Date: _____

Signature guaranteed:

(Bank, Trust Company or Firm)

(Authorized Officer)

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution which is a member of a recognized signature guaranty program, i.e., Securities Transfer Agents Medallion Program (STAMP), Stock Exchanges Medallion Program (SEMP) or New York Stock Exchange Medallion Signature Program (MSP), a member firm of the New York Stock Exchange or a commercial bank or a trust company.

NOTICE: No transfer will be registered and no new Bond will be issued in the name or names of the Transferee(s), unless the signature(s) to this assignment correspond(s) with the name or names as it/they appear(s) upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever and the Social Security or Federal Employer Identification. Numbers of the Transferee(s) is/are supplied.

EXHIBIT B

FORM OF BOND PURCHASE AGREEMENT

EXHIBIT C

FORM OF ESCROW DEPOSIT AGREEMENT

JEA Board Agenda

MEMORANDUM**Storm Stock Analysis Review**

Board Meeting Date: January 28, 2025

Outcome:



INFORMATION ONLY



ACTION



FUTURE BOARD CONSIDERATION

If Action, Provide a Recommended Motion:

N/A

Consent Agenda Item:



Yes



No

Presenter:

Rodney Lovgren, Senior Manager, Procurement Support

Chief:

Ted Phillips, Chief Financial Officer

Strategic Focus Area:

DEVELOPING AN
UNBEATABLE TEAMDELIVERING BUSINESS
EXCELLENCEEARNING CUSTOMER
LOYALTYBackground
Information &
Analysis:

JEA currently maintains a storm stock valued at approximately \$7.3 million. This value fluctuates based on stocking levels and system average pricing. To improve efficiency and responsiveness, Inventory Planning is transitioning from legacy manual processes to a data-driven approach for managing storm stock. This shift will allow for more dynamic, real-time adjustments to stocking levels, ensuring the inventory is aligned with current needs. As part of this preliminary effort, we are reducing inventory value by an estimated \$500,000 while maintaining sufficient replenishment stock to support a Category 1 storm event.

We are bringing this information to the Board to demonstrate how JEA leverages real data to make informed decisions, ensuring we are prepared for storm events while optimizing costs. This data-driven approach reflects our commitment to operational excellence and readiness, while in turn allowing the board to feel confident that JEA is well-positioned to respond effectively to storm-related challenges and support the community we serve.

Financial
Impact:

\$500,000.00 reduction in inventory

Committee/Board Meeting/Workshop & Date Presented:

N/A

Appendix:

N/A

FINANCIAL STATEMENTS, SUPPLEMENTARY INFORMATION,
AND BOND COMPLIANCE INFORMATION

JEA

Years Ended September 30, 2024 and 2023
With Report of Independent Auditors

Ernst & Young LLP



JEA

Financial Statements, Supplementary Information, and Bond Compliance Information

Years Ended September 30, 2024 and 2023

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Suite 500
Jacksonville, FL 32258

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ey.com

Report of Independent Auditors

The Board of Directors
JEA
Jacksonville, Florida

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities and fiduciary activity of JEA, a component unit of the City of Jacksonville, as of and for the years ended September 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise JEA's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the fiduciary activity of JEA at September 30, 2024 and 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of JEA and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.



In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about JEA's ability to continue as a going concern for 12 months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of JEA's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about JEA's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Schedule of JEA's Proportionate Share of the Net Pension Liability and Schedule of JEA Contributions, SJRPP Pension Plan – Schedule of Changes in Net Pension Liability and Related Ratios, SJRPP Pension Plan – Investment Returns and Schedule of Contributions, OPEB Plan – Schedule of Changes in Net OPEB Liability and Related Ratios and OPEB Plan – Investment Returns and Schedule of Contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board which considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise JEA's basic financial statements. The combining statements of net position, revenues, expenses and changes in net position and cash flows and Schedules of Debt Service Coverage as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements of net position, revenues, expenses and changes in net position and cash flows, as listed in the table of contents are fairly stated, in all material respects, in relation to the basic financial statements as a whole.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report December 13, 2024, on our consideration of JEA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of JEA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering JEA's internal control over financial reporting and compliance.

Ernst & Young LLP

December 13, 2024

Management's Discussion and Analysis

Introduction

JEA is a municipal utility operating in Jacksonville, Florida (Duval County) and parts of three adjacent counties. The operation is composed of three enterprise funds – Electric Enterprise, Water and Sewer, and District Energy System (DES). Electric Enterprise is comprised of the JEA Electric System, Bulk Power Supply System (Scherer), and St. Johns River Power Park System (SJRPP). Electric Enterprise, Water and Sewer, and DES funds are presented on a combined basis in the accompanying statements of net position, statements of revenues, expenses and changes in net position, and statements of cash flows.

Overview of the Combined Financial Statements

This discussion and analysis serves as an introduction to JEA's basic financial statements. The information presented here should be read in conjunction with the financial statements and accompanying notes.

The basic financial statements are presented on a comparative basis for the fiscal years ended September 30, 2024 and 2023. The statements of net position present JEA's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the residual reported as net position. Revenue and expense information is presented in the accompanying statements of revenues, expenses, and changes in net position. The accompanying statements of cash flows present JEA's sources and uses of cash and cash equivalents and are presented using the direct method. This method provides broad categories of cash receipts and cash disbursements pertaining to cash provided by or used in operations, investing, and financing activities.

The fiduciary financial statements are presented on a comparative basis for the fiscal years ended September 30, 2024 and 2023. The statements of fiduciary net position present the SJRPP pension trust fund's assets and liabilities, with the residual reported as fiduciary net position. Additions and deductions information is presented in the accompanying statements of changes in fiduciary net position.

The notes to the financial statements are an integral part of JEA's basic and fiduciary financial statements and contain information on accounting principles and additional information on certain components of these statements.

Management's Discussion and Analysis (continued)

The following tables summarize the financial condition and operations of JEA for the 2024 and 2023 fiscal years:

Condensed Statements of Net Position

	2024	2023	2022
	<i>(In millions)</i>		
Assets and deferred outflows of resources			
Current assets	\$ 897	\$ 844	\$ 734
Other noncurrent assets	1,437	1,384	1,725
Net capital assets	6,230	5,889	5,464
Deferred outflows of resources	365	455	306
Total assets and deferred outflows of resources	<u>\$ 8,929</u>	<u>\$ 8,572</u>	<u>\$ 8,229</u>
Liabilities and deferred inflows of resources			
Current liabilities	\$ 244	\$ 244	\$ 267
Current liabilities payable from restricted assets	286	280	218
Net pension liability	966	959	646
Other noncurrent liabilities	221	222	96
Long-term debt	3,166	2,873	2,870
Deferred inflows of resources	391	433	547
Net position			
Net investment in capital assets	3,153	3,043	2,831
Restricted	166	229	424
Unrestricted	336	289	330
Total liabilities, deferred inflows of resources, and net position	<u>\$ 8,929</u>	<u>\$ 8,572</u>	<u>\$ 8,229</u>

Condensed Statements of Revenues, Expenses, and Changes in Net Position

	2024	2023	2022
	<i>(In millions)</i>		
Operating revenue	\$ 1,931	\$ 1,845	\$ 2,030
Operating expense	(1,773)	(1,789)	(1,851)
Operating income	158	56	179
Nonoperating expense, net	(30)	(33)	(75)
Contributions	(34)	(58)	(86)
Special Item	–	11	100
Change in net position	94	(24)	118
Net position – beginning of the year	3,561	3,585	3,467
Net position – end of the year	<u>\$ 3,655</u>	<u>\$ 3,561</u>	<u>\$ 3,585</u>

Management's Discussion and Analysis (continued)

Financial Analysis of JEA for fiscal years 2024 and 2023

2024 Compared to 2023

Electric Enterprise*Operating Revenues*

Total operating revenues increased approximately \$97 million (7.3%) over the prior year. The drivers of the changes are detailed below.

(Dollars in millions)

September 2023 operating revenues	\$	1,324
Stabilization funds		190
Territorial sales		(95)
Other		2
September 2024 operating revenues	\$	1,421

Stabilization fund revenues increased \$190 million due to decreases in contributions to the purchased power stabilization fund. Territorial sales revenues decreased \$95 million, due primarily to a \$144 million decrease in fuel revenues resulting from a decrease in fuel costs.

Operating Expenses

Total operating expenses decreased approximately \$14 million (-1.0%) over the prior year. The drivers of the changes are detailed below.

(Dollars in millions)

September 2023 operating expenses	\$	1,351
Fuel		(83)
State utility and franchise taxes		(6)
Recognition of deferred costs and revenues, net		(1)
Depreciation		2
Maintenance and other operating expense		8
Purchased power		66
September 2024 operating expenses	\$	1,337

Fuel expense decreased \$83 million (19.0%) primarily due to decreased fuel generation costs.

State utility and franchise taxes decreased \$6 million (-7.4%), as a result of lower taxable revenues.

Recognition of deferred costs and revenues, net decreased \$1 million (-4.4%) driven by a decrease in regulatory environmental costs.

Depreciation expense increased \$2 million (1.0%) due to an increase in depreciable assets.

Management's Discussion and Analysis (continued)

Maintenance and other operating expenses increased \$8 million (2.5%) as a result of \$19 million in higher maintenance costs, primarily due to SJRPP decommissioning expenses and a change in estimate for environmental liability; \$9 million due to company-wide pay band adjustments; and \$1 million in higher legal and other professional services; offset by \$21 million decreased overhead due to the cancellation of the C2M conversion project in 2023.

Purchased power expense increased \$66 million (24.2%) driven by a \$137 million increase in debt service associated with MEAG power purchase agreement. Plant Vogtle, Units 3 and 4, went into service July 31, 2023 and April 29, 2024, respectively (see footnote 10, fuel and purchase power commitments for additional details). This increase was offset by decreases of \$34 million in unit cost and \$28 million in volume for solar, wind, and landfill purchased power.

As commodity prices fluctuate, the mix between generation and purchased power shifts, with JEA taking advantage of the most economical source of power. JEA's power supply mix is detailed below.

	<u>2024</u>	<u>2023</u>
Natural gas	61%	58%
Purchased power	32%	30%
Petroleum coke	6%	9%
Coal	1%	3%
Total	<u>100%</u>	<u>100%</u>

Water and Sewer Enterprise

Operating Revenues

Total operating revenues decreased approximately \$8 million (-1.5%) over the prior year. The drivers of the changes are detailed below.

(Dollars in millions)

September 2023 operating revenues	\$ 538
Stabilization funds	(26)
Reuse	2
Water	4
Sewer	5
Other	7
September 2024 operating revenues	<u>\$ 530</u>

Stabilization fund revenues decreased \$26 million primarily due to the environmental stabilization fund being depleted as of September 30, 2023. Reuse revenues increased \$2 million due to an increase in kGal consumption and cost per kGal of 3.2% and 3.5%, respectively. Water revenues increased \$4 million driven by higher cost per kGal of 1.4%. Sewer revenues increased \$5 million driven by higher consumption as a result of a 2.3% increase in customers. Other operating revenues increased \$7 million primarily due to increases of \$3 million each for intercompany inventory carrying charges and miscellaneous service revenues.

Management's Discussion and Analysis (continued)

Operating Expenses

Operating expenses increased approximately \$2 million (0.3%) over the prior year. The drivers of the changes are detailed below.

(Dollars in millions)

September 2023 operating expenses	\$ 458
Maintenance and other operating expenses	34
Depreciation	(21)
Recognition of deferred costs and revenues, net	(11)
September 2024 operating expenses	\$ 460

Maintenance and other operating expenses increased \$34 million (14.7%) due to increases of \$17 million in compensation and benefits, \$13 million in maintenance expenses, \$4 million in interlocal payments. Depreciation expense decreased \$21 million (-10.5%) due to a lower depreciable base. Recognition of deferred costs and revenues, net decreased \$11 million (-96.4%) due to lower capital expenses recovered through the rate stabilization fund due to the discontinuation of the environmental fee.

District Energy System

Operating revenues and expenses remained flat at \$13 million and \$9 million, respectively.

Nonoperating Revenues and Expenses

Total nonoperating expenses, net increased approximately \$3 million (9.5%) over the prior year. The drivers of the changes are detailed below.

(Dollars in millions)

September 2023 nonoperating revenues and expenses, net	\$ (33)
Increase in allowance for funds used during construction	16
Increase in investment fair market value	6
Increase in realized investment income	2
Decrease in other interest, net	1
Increase in interest on debt	(11)
Decrease in The Energy Authority earnings	(11)
September 2024 nonoperating revenues and expenses, net	\$ (30)

Management's Discussion and Analysis (continued)

2023 Compared to 2022**Electric Enterprise***Operating Revenues*

Total operating revenues decreased approximately \$211 million (-13.7%) over the prior year. The drivers of the changes are detailed below.

(Dollars in millions)

September 2022 operating revenues	\$ 1,535
Stabilization funds	(177)
Territorial sales	(31)
Other	(3)
September 2023 operating revenues	\$ 1,324

Stabilization fund revenues decreased \$177 million due to increases in contributions to the purchased power stabilization fund. Territorial sales revenues decreased \$31 million, due primarily to a \$27 million decrease in fuel revenues resulting from a decrease in fuel costs.

Operating Expenses

Total operating expenses decreased approximately \$119 million (8.1%) over the prior year. The drivers of the changes are detailed below.

(Dollars in millions)

September 2022 operating expenses	\$ 1,470
Depreciation	(99)
Fuel	(50)
Recognition of deferred costs and revenues, net	(48)
Purchased power	(11)
Maintenance and other operating expense	89
September 2023 operating expenses	\$ 1,351

Depreciation expense decreased \$99 million (30.4%) largely due to the Plant Scherer shutdown in 2022. Fuel expense decreased \$50 million (10.2%) primarily due to decreased fuel costs. Recognition of deferred costs and revenues, net decreased \$48 million (63.4.0%) driven by the Plant Scherer shutdown in 2022.

Purchased power expense decreased \$11 million (4.0%) driven by a \$34 million decrease in FPL purchased power, slightly offset by a \$20 million increase in MEAG power purchase agreement debt service due to Plant Vogtle, Unit 3, going in service July 31, 2023 (see footnote 10, fuel and purchase power commitments for additional details).

Maintenance and other operating expenses increased \$89 million (39.5%) as a result of \$45 million in higher maintenance costs, primarily due to SJRPP decommissioning expenses and a change in estimate for environmental liability; \$16 million due to company-wide payroll market adjustments; \$22 million due to the cancellation of the C2M conversion project; and \$6 million in higher legal and other professional services.

Management's Discussion and Analysis (continued)

As commodity prices fluctuate, the mix between generation and purchased power shifts, with JEA taking advantage of the most economical source of power. JEA's power supply mix is detailed below.

	<u>2023</u>	<u>2022</u>
Natural gas	58%	58%
Purchased power	30%	29%
Coal	3%	6%
Petroleum coke	9%	7%
Total	<u>100%</u>	<u>100%</u>

Water and Sewer Enterprise*Operating Revenues*

Total operating revenues increased approximately \$28 million (5.6%) over the prior year. The drivers of the changes are detailed below.

(Dollars in millions)

September 2022 operating revenues	\$	510
Stabilization funds		22
Sewer		5
Water		4
Bad debt		(3)
September 2023 operating revenues	\$	538

Stabilization fund revenues increased \$22 million primarily due to current year withdrawals from the environmental stabilization fund. Sewer revenues increased \$5 million driven by higher consumption as a result of a 2.7% increase in customers. Water revenues increased \$4 million driven by higher consumption as a result of a 2.2% increase in customers. Bad debt expense increased \$3 million.

Operating Expenses

Operating expenses increased approximately \$62 million (15.6%) over the prior year. The drivers of the changes are detailed below.

(Dollars in millions)

September 2022 operating expenses	\$	396
Maintenance and other operating expenses		36
Depreciation		30
Recognition of deferred costs and revenues, net		(4)
September 2023 operating expenses	\$	458

Maintenance and other operating expenses increased \$36 million (18.4%) due to increases of \$19 million in compensation and benefits, \$13 million in overhead, \$6 million in maintenance expenses, and \$3 million in professional services. This increase is slightly offset by a decrease of \$5 million in interlocal payments.

Management's Discussion and Analysis (continued)

Depreciation expense increased \$30 million (17.3%) due to a higher depreciable base. Recognition of deferred costs and revenues, net decreased \$4 million (25.9%) due to lower capital expenses recovered through the rate stabilization fund.

District Energy System

Operating revenues increased \$4 million (41.96%) over prior year due to higher consumption, an increase in the adjustable fuel rate, and introduction of the new rate structure effective October 1, 2022. Operating expenses increased from \$8 million in 2022 to \$9 million in 2023.

Nonoperating Revenues and Expenses

Total nonoperating expenses, net decreased approximately \$42 million (55.9%) over the prior year. The drivers of the changes are detailed below.

(Dollars in millions)

September 2022 nonoperating revenues and expenses, net	\$ (75)
Increase in investment fair market value	20
Increase in realized investment income	18
Increase in allowance for funds used during construction	12
Decrease in interest on debt	6
Decrease in The Energy Authority earnings	(7)
Increase in other interest, net	(7)
September 2023 nonoperating revenues and expenses, net	<u>\$ (33)</u>

Capital Assets and Debt Administration for Fiscal Years 2024 and 2023

Capital Assets

JEA's total investment in capital assets and capital expenditures are detailed below.

<i>(Dollars in millions)</i>	Total Investment		Additions	
	September 30, 2024	September 30, 2023	FY 2024	FY 2023
Electric Enterprise	\$ 2,619	\$ 2,593	\$ 255	\$ 245
Water and Sewer Enterprise	3,561	3,253	493	484
District Energy System	50	43	10	9
Total	<u>\$ 6,230</u>	<u>\$ 5,889</u>	<u>\$ 758</u>	<u>\$ 738</u>

Under the utility basis methodology for rate setting, the depreciation of contributed assets is not included in rates charged to customers, because it has already been recovered with the contribution. In accordance with GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*, the contributed assets will be expensed in capital contributions as a reduction of plant cost through contributions. During fiscal year 2024, \$5 million of contributed capital related to the Electric System and \$125 million related to Water and Sewer System was recorded as a reduction of plant cost through contributions. During fiscal year 2023, \$8 million of contributed capital related to the Electric System and \$104 million related to Water and Sewer System was recorded as a reduction of plant cost through contributions.

Management's Discussion and Analysis (continued)

JEA has ongoing capital improvement programs for the Electric Enterprise Fund and the Water and Sewer Fund. The capital programs consist of: (a) the Electric Enterprise Fund capital requirements for improvements to existing generating facilities that are determined to be necessary as a result of JEA's annual resource planning process; (b) the Electric Enterprise Fund capital requirements for transmission and distribution facilities and other capital items; and (c) the Water and Sewer Fund capital requirements that are determined to be necessary as a result of the annual resource planning process. The cost of the capital improvement program is planned to be primarily provided from revenues generated from operations, existing construction fund balances, and a potential issuance of new debt in the Water and Sewer Fund.

Debt Administration

Debt outstanding at September 30, 2024 was \$3,047 million, an increase of approximately \$252 million from the prior fiscal year. This increase was due to the issuance of \$504 million in new debt and \$186 million in revolving credit agreement advances less \$177 million in revolving credit agreement repayments, defeasance of principal of \$171 million, and scheduled principal payments of \$90 million.

Debt outstanding at September 30, 2023 was \$2,795 million, an increase of approximately \$61 million from the prior fiscal year. This increase was due to revolving credit agreement advances of \$135 million less scheduled principal payments of \$74 million.

JEA's debt ratings on its long-term debt per Standard & Poor's, Moody's, and Fitch remained unchanged from fiscal year 2023. JEA's outlooks on its long-term debt per Standard & Poor's and Fitch remained unchanged from fiscal year 2023. On January 5, 2024, Moody's revised JEA's Water and Sewer Enterprise outlook to positive from stable.

All ratings and outlooks as of September 30, 2024 are detailed below.

	Moody's		Standard & Poor's		Fitch	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
JEA Electric System						
Senior	A1	stable	A+	stable	AA	stable
Subordinated	A2	stable	A	stable	AA	stable
Scherer	A1	stable	A+	stable	AA	stable
SJRPP	A1	stable	A+	stable	AA	stable
W&S						
Senior	Aa2	positive	AA+	stable	AA+	stable
Subordinated	Aa2	positive	AA	stable	AA+	stable
DES	Aa3	stable	AA	stable	AA+	stable

All ratings and outlooks as of September 30, 2023 are detailed below.

	Moody's		Standard & Poor's		Fitch	
	Rating	Outlook	Rating	Outlook	Rating	Outlook
JEA Electric System						
Senior	A1	stable	A+	stable	AA	stable
Subordinated	A2	stable	A	stable	AA	stable
Scherer	A1	stable	A+	stable	AA	stable
SJRPP	A1	stable	A+	stable	AA	stable
W&S						
Senior	Aa2	stable	AA+	stable	AA+	stable
Subordinated	Aa2	stable	AA	stable	AA+	stable
DES	Aa3	stable	AA	stable	AA+	stable

Management's Discussion and Analysis (continued)

Currently Known Facts Expected to have a Significant Effect on Financial Position and/or Changes in Operations*Setting of Rates*

The setting of rates is the responsibility of the Board. Base rate changes are implemented after a public rate hearing and Board approval. Fuel rate changes are implemented monthly and do not require a public rate hearing or Board approval. At the October 2021 meeting, the Board approved a revision to the pricing policy that stated the fuel rate (fuel charge) will be set monthly by the CEO/Manager Director or designee. The fuel charge is based on the energy cost projection for the billing month to fully recover all expected fuel and purchased power energy-related costs. Fuel charge variances and true-ups are typically recovered in the subsequent billing month, except for certain circumstances which may extend over a period of time.

At the March 2024 meeting, the Board approved the following Base Rate changes, effective April 1, 2024:

- Modification of the Electric Tariff Documentation:
 - to increase basic monthly (customer) charge for electric customers,
 - to increase the energy rate for electric customers,
 - to include demand credits for certain electric customers, and
 - to close and remove Load Density Improvement Rider and update other administrative items

JEA has an ongoing plan to review, update and, where possible, expand its rate options to provide customers more rate choices for their utility services.

SJRPP Pension Trust Fund for Fiscal Years 2024 and 2023

The Statements of Fiduciary Net Position present information on all of the SJRPP Pension Trust Fund's assets and liabilities with the difference between these two amounts being reported as fiduciary net position available for benefits. Assets and liabilities are segregated based on their nature and liquidity. The Statements of Changes in Fiduciary Net Position present the current year additions and deductions from the fiduciary net position during the fiscal year.

	2024	2023	2022
	<i>(in thousands)</i>		
<i>Condensed Statement of Fiduciary Net Position</i>			
Total assets	\$ 180,852	\$ 160,730	\$ 156,148
Total liabilities	63	124	505
Fiduciary net position available for benefits	<u>\$ 180,789</u>	<u>\$ 160,606</u>	<u>\$ 155,643</u>
<i>Condensed Statement of Changes in Fiduciary Net Position</i>			
Total contributions	\$ 16	\$ 14	\$ 6,912
Net investment earnings (losses)	33,182	17,835	(27,684)
Total additions (losses) to fiduciary net position	<u>33,198</u>	<u>17,849</u>	<u>(20,772)</u>
Total deductions from fiduciary net position	13,015	12,886	13,679
Net change in fiduciary net position	<u>\$ 20,183</u>	<u>\$ 4,963</u>	<u>\$ (34,451)</u>

Management's Discussion and Analysis (continued)

2024 compared to 2023

Total assets increased due to an increase in investment values as a result of market conditions. Total liabilities decreased due to timing of broker settlements regarding investment sales and purchases.

A net investment gain during fiscal year 2024 was due to the improvement in market performance as compared to the prior year.

2023 compared to 2022

Total assets increased due to an increase in investment values as a result of market conditions. Total liabilities decreased due to timing of broker settlements regarding investment sales and purchases.

Total contributions decreased as employer contributions were made during fiscal year 2022 compared to no employer contributions during fiscal year 2023. A net investment gain during fiscal year 2023 was due to the improvement in market performance as compared to the prior year.

Requests for Information

The financial report is designed to provide a general overview of JEA's finances for all those with an interest in JEA's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Controller, JEA, 225 North Pearl Street, Jacksonville, Florida, 32202.

Audited Financial Statements

JEA

Statements of Net Position
(In Thousands)

	September	
	2024	2023
Assets		
Current assets:		
Cash and cash equivalents	\$ 255,838	\$ 278,483
Investments	143,442	106,701
Customer accounts receivable, net of allowance (\$2,848 for 2024 and \$2,242 for 2023)	248,069	252,861
Inventories:		
Materials and supplies	143,307	103,057
Fuel	56,329	56,131
Prepaid assets	33,843	23,847
Other current assets	16,395	22,476
Total current assets	<u>897,223</u>	<u>843,556</u>
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	180,404	100,129
Investments	161,853	288,132
Other restricted assets	927	991
Total restricted assets	<u>343,184</u>	<u>389,252</u>
Costs to be recovered from future revenues	991,923	865,083
Hedging derivative instruments	53,512	93,219
Other assets	48,045	36,070
Total noncurrent assets	<u>1,436,664</u>	<u>1,383,624</u>
Net capital assets	6,230,235	5,888,960
Total assets	<u>8,564,122</u>	<u>8,116,140</u>
Deferred outflows of resources		
Unrealized pension contributions and losses	192,172	290,610
Unamortized deferred losses on refundings	62,266	73,433
Unrealized asset retirement obligation	31,501	36,276
Accumulated decrease in fair value of hedging derivatives	64,783	39,157
Unrealized OPEB contributions and losses	13,746	15,943
Total deferred outflows of resources	<u>364,468</u>	<u>455,419</u>
Total assets and deferred outflows of resources	<u>\$ 8,928,590</u>	<u>\$ 8,571,559</u>

See accompanying notes to financial statements.

JEA

Statements of Net Position (continued)
(In Thousands)

	September	
	2024	2023
Liabilities		
Current liabilities:		
Accounts and accrued expense payable	\$95,856	\$ 100,645
Customer deposits and prepayments	94,245	85,651
Billings on behalf of state and local governments	27,841	28,535
Compensation and benefits payable	12,570	16,237
City of Jacksonville payable	10,437	10,366
Asset retirement obligation	2,817	2,623
Total current liabilities	243,766	244,057
Current liabilities payable from restricted assets:		
Debt due within one year	106,305	89,375
Interest payable	55,501	48,304
Construction contracts and accounts payable	117,524	137,793
Renewal and replacement reserve	6,983	4,581
Total current liabilities payable from restricted assets	286,313	280,053
Noncurrent liabilities:		
Long-term debt		
Debt payable, less current portion	2,940,745	2,705,510
Unamortized premium, net	181,583	149,503
Fair value of debt management strategy instruments	44,085	18,368
Total long-term debt	3,166,413	2,873,381
Net pension liability	965,649	958,534
Lease liability	87,300	89,463
Asset retirement obligations	28,684	33,653
Compensation and benefits payable	44,980	40,142
Net OPEB liability	557	7,971
Other liabilities	59,860	50,409
Total noncurrent liabilities	4,353,443	4,053,553
Total liabilities	4,883,522	4,577,663
Deferred inflows of resources		
Revenues to be used for future costs	293,983	300,455
Accumulated increase in fair value of hedging derivatives	53,512	93,218
Unrealized OPEB gains	19,712	16,343
Unrealized pension gains	22,754	22,391
Total deferred inflows of resources	389,961	432,407
Net position		
Net investment in capital assets	3,153,611	3,042,666
Restricted for:		
Capital projects	57,481	138,245
Debt service	106,624	90,582
Other purposes	1,232	594
Unrestricted	336,159	289,402
Total net position	3,655,107	3,561,489
Total liabilities, deferred inflows of resources, and net position	\$ 8,928,590	\$ 8,571,559

See accompanying notes to financial statements.

JEA

Statements of Revenues, Expenses, and Changes in Net Position
(In Thousands)

	September	
	2024	2023
Operating revenue		
Electric	\$1,373,911	\$ 1,276,715
Water and sewer	503,610	518,767
District energy system	12,118	11,934
Other operating revenue	41,656	37,533
Total operating revenue	<u>1,931,295</u>	<u>1,844,949</u>
Operating expense		
Operations and maintenance:		
Maintenance and other operating expense	560,685	521,676
Fuel	354,743	438,132
Purchased power	338,965	272,940
Depreciation and amortization	413,121	432,147
State utility and franchise taxes	78,644	83,809
Recognition of deferred costs and revenues, net	27,112	39,718
Total operating expense	<u>1,773,270</u>	<u>1,788,422</u>
Operating income	<u>158,025</u>	<u>56,527</u>
Nonoperating revenue (expense)		
Interest on debt	(120,359)	(109,275)
Earnings from The Energy Authority	13,286	23,603
Allowance for funds used during construction	41,667	25,853
Other nonoperating income, net	6,473	6,600
Investment income, net	35,772	27,787
Other interest, net	(6,859)	(7,744)
Total nonoperating expense, net	<u>(30,020)</u>	<u>(33,176)</u>
Income before contributions	<u>128,005</u>	<u>23,351</u>
Contributions (to) from		
General Fund, City of Jacksonville, Florida	(123,648)	(122,424)
Developers and other	219,666	176,771
Reduction of plant cost through contributions	(130,405)	(112,236)
Total contributions, net	<u>(34,387)</u>	<u>(57,889)</u>
Special item	<u>-</u>	<u>11,135</u>
Change in net position	93,618	(23,403)
Net position, beginning of year	3,561,489	3,584,892
Net position, end of year	<u>\$ 3,655,107</u>	<u>\$ 3,561,489</u>

See accompanying notes to financial statements.

JEA

Statements of Cash Flows

(In Thousands)

	September	
	2024	2023
Operating activities		
Receipts from customers	\$ 1,889,828	\$ 2,018,257
Payments to suppliers	(1,040,847)	(1,041,801)
Payments for salaries and benefits	(331,814)	(295,240)
Other operating activities	47,969	41,802
Net cash provided by operating activities	565,136	723,018
Noncapital and related financing activities		
Contribution to General Fund, City of Jacksonville, Florida	(123,547)	(122,323)
Net cash used in noncapital and related financing activities	(123,547)	(122,323)
Capital and related financing activities		
Acquisition and construction of capital assets	(790,009)	(702,805)
Defeasance of debt	(171,295)	-
Proceeds received from debt	503,835	-
Interest paid on debt	(128,403)	(124,539)
Repayment of debt principal	(89,375)	(74,070)
Capital contributions	89,261	64,536
Revolving credit agreement withdrawals (repayments)	9,000	135,000
Other capital financing activities	59,952	(369)
Net cash used in capital and related financing activities	(517,034)	(702,247)
Investing activities		
Proceeds from sale and maturity of investments	471,138	482,732
Purchase of investments	(374,052)	(568,910)
Distributions from The Energy Authority	8,045	20,731
Investment income	27,944	24,921
Net cash provided by (used in) investing activities	133,075	(40,526)
Net change in cash and cash equivalents	57,630	(142,078)
Cash and cash equivalents at beginning of year	378,612	520,690
Cash and cash equivalents at end of year	\$ 436,242	\$ 378,612
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 158,025	\$ 56,527
Adjustments:		
Depreciation and amortization	413,121	432,147
Recognition of deferred costs and revenues, net	27,112	39,718
Other nonoperating income, net	(3,204)	6,817
Changes in noncash assets and noncash liabilities:		
Accounts receivable	4,793	61,501
Inventories	(40,448)	(39,642)
Other assets	(14,715)	14,121
Accounts and accrued expense payable	(843)	(25,835)
Current liabilities payable from restricted assets	2,891	(999)
Other noncurrent liabilities and deferred inflows	18,404	178,663
Net cash provided by operating activities	\$ 565,136	\$ 723,018
Non-cash activity		
Contribution of capital assets from developers	\$ 130,405	\$ 112,236
Unrealized investment fair market value changes, net	\$ 7,548	\$ 1,729

See accompanying notes to financial statements.

JEA

Statements of Fiduciary Net Position
 SJRPP Pension Trust Fund
(In Thousands)

	September	
	2024	2023
Assets		
Cash and cash equivalents	\$ 1,672	\$ 4,869
Receivables:		
Interest and dividends	625	634
Sale of investments	64	142
Employer	-	13
Total receivables	689	789
Investments at fair value:		
Bonds and notes	78,584	69,041
Common stock	49,028	46,172
Mutual funds	50,879	39,859
Total investments	178,491	155,072
Total assets	\$ 180,852	\$ 160,730
Liabilities		
Accounts payable and other liabilities	\$ 63	\$ 124
Net position		
Restricted for pensions	180,789	160,606
Total liabilities and net position	\$ 180,852	\$ 160,730

See accompanying notes to financial statements.

JEA

Statements of Changes in Fiduciary Net Position
 SJRPP Pension Trust Fund
(In Thousands)

	September	
	2024	2023
Additions		
Contributions:		
Members	\$ 16	\$ 14
Total contributions	<u>16</u>	<u>14</u>
Investment earnings:		
Net gains	29,881	14,957
Interest, dividends, and other	<u>3,882</u>	<u>3,455</u>
Total investment earnings	33,763	18,412
Less investment activity costs	<u>(581)</u>	<u>(577)</u>
Net investment earnings	<u>33,182</u>	<u>17,835</u>
Total additions	<u>33,198</u>	<u>17,849</u>
Deductions		
Benefits paid to participants or beneficiaries	12,872	12,819
Administrative expense	<u>143</u>	<u>67</u>
Total deductions	<u>13,015</u>	<u>12,886</u>
Net change in fiduciary net position	20,183	4,963
Net position, beginning of year	<u>160,606</u>	<u>155,643</u>
Net position, end of year	<u><u>\$ 180,789</u></u>	<u><u>\$ 160,606</u></u>

See accompanying notes to financial statements.

JEA

Notes to Financial Statements

(Dollars in Thousands)

Years Ended September 30, 2024 and 2023

1. Summary of Significant Accounting Policies and Practices**(a) Reporting Entity**

JEA is currently organized into three enterprise funds – Electric Enterprise, Water and Sewer, and District Energy System (DES). Electric Enterprise is comprised of the Electric System; St. Johns River Power Park System (SJRP); and the Bulk Power Supply System (Scherer), which is jointly owned by JEA (23.64% ownership interest) and Florida Power & Light Company (FPL) (76.36% ownership interest). Water and Sewer consists of water and sewer system activities. DES consists of chilled water activities. Separate accounting records are currently maintained for each system. These financial statements include JEA's ownership interest in Scherer. The following information relates to JEA's ownership interest in Scherer as of September 30, 2024 and 2023:

	2024	2023
Inventories	\$ 2,453	\$ 2,292
Other current assets	760	770
Costs to be recovered from future revenues	17,331	19,911
Net capital assets	1,115	1,115
Unrealized asset retirement obligations	31,501	36,276
Current portion of asset retirement obligations	2,817	2,623
Debt due within one year	2,580	2,495
Interest payable	645	711
Long-term portion of asset retirement obligations	28,684	33,653
Long-term debt	19,690	22,270

The funds are governed by the JEA Board of Directors (Board). The Board is responsible for setting rates based on operating and maintenance expenses and depreciation and amortization of its capital assets used in operations. The operation of Scherer is subject to a joint ownership agreement and the rates for SJRP and Scherer are established on a cost-of-service basis, including operating and maintenance expenses and debt service. See note 1(t), Setting of rates.

(b) Basis of Accounting

JEA is presenting financial statements combined for the Electric Enterprise Fund, the Water and Sewer Fund, and the District Energy System. JEA uses the accrual basis of accounting for its operations and the uniform system of accounts prescribed by the Federal Energy Regulatory Commission for the Electric Enterprise Fund and the National Association of Regulatory Utility Commissioners for the Water and Sewer Fund.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

1. Summary of Significant Accounting Policies and Practices (continued)

The financial statements have been prepared in conformity with the Governmental Accounting Standards Board (GASB) codification, which defines JEA as a component unit of the City of Jacksonville, Florida (City). Accordingly, the financial statements of JEA are included in the Annual Comprehensive Financial Report of the City.

JEA presents its financial statements in accordance with the GASB pronouncements that establish standards for external financial reporting for all state and local governmental entities that include a statement of net position, a statement of revenues, expenses, and changes in net position, and a statement of cash flows. It requires the classification of net position into three components – net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

- Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any debt that is attributable to those assets and increased/reduced by costs to be recovered from future revenues or revenues to be used for future costs.
- Restricted consists of assets that have constraints placed upon their use through external constraints imposed either by creditors (such as through debt covenants) or through laws, regulations, or constraints imposed by law through constitutional provisions or enabling legislation, reduced by any liabilities to be paid from these assets.
- Unrestricted consists of net position that does not meet the definition of restricted or net investment in capital assets.

JEA's bond resolutions specify the flow of funds from revenues and specify the requirements for the use of certain restricted and unrestricted assets.

(c) Revenues

Operating revenues are defined as revenues generated from the sale of primary products or services through normal business operations. Nonoperating revenues include investment income and earnings from investments recorded on the equity method.

Operating revenues reported in the accompanying statements of revenues, expenses, and changes in net position are shown net of discounts, estimated allowances for bad debts, and amounts transferred to and/or from stabilization funds. Discounts and allowances totaled \$26,965 in fiscal year 2024 and \$31,892 in 2023. JEA withdrew the net amount of \$7,550 in fiscal year 2024 and contributed \$155,941 to stabilization funds in fiscal year 2023. Electric Enterprise and Water and Sewer Fund revenues are recorded as earned. Operating revenues include amounts estimated for unbilled services provided during the reporting period of \$83,158 in fiscal year 2024 and \$77,801 in 2023.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

1. Summary of Significant Accounting Policies and Practices (continued)**(d) Capital Assets**

Utility plant represents four classes of capital assets – real property, tangible property, tangible personal property, and intangible property. All capital assets are recorded at historical cost and must have a useful life greater than one year. The costs of capital asset additions and replacements are capitalized. The costs of capital projects include direct labor and benefits of JEA employees working on capital projects and an allocation of overhead from certain JEA departments. Maintenance and replacements of minor items are charged to operating expenses. The cost of depreciable plant retired is removed from the capital asset accounts and such cost plus removal expense less salvage value is charged to accumulated depreciation.

SJRPP and Scherer are required by their bond resolutions to deposit certain amounts in a renewal and replacement fund, which are applied to designated uses as specifically allowed under the bond resolutions. The Electric Fund records the amounts deposited in the fund as a purchased power expense when deposited.

(e) Allowance for Funds Used During Construction

Beginning in fiscal year 2022, JEA elected to apply regulatory accounting to continue capitalizing qualifying interest cost as a regulatory asset. See note 2, Regulatory Deferrals, for additional information.

JEA capitalizes interest on construction projects financed with revenue bonds and renewal and replacement funds. The average AFUDC rate for the debt of each system is listed in the table below.

Average AFUDC Rate (%)	2024	2023
Electric Enterprise Fund	4.6%	4.6%
Water and Sewer Fund	4.5%	4.5%
District Energy System	5.1%	4.5%

The amount capitalized is the interest cost of the debt less any interest earned on investment of debt proceeds from the date of the borrowing until the assets are placed in service. Total interest incurred was \$120,359 for fiscal year 2024 and \$109,275 for 2023, of which \$41,667 and \$25,853 was capitalized as a regulatory asset in fiscal year 2024 and 2023, respectively. Investment income on bond proceeds was \$2,019 in fiscal year 2024 and \$73 in 2023.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

1. Summary of Significant Accounting Policies and Practices (continued)**(f) Depreciation**

Depreciation of capital assets is computed on a straight-line basis at rates based upon the estimated service lives of the various property classes. Depreciation begins on the date the assets are placed in service. Generally, recurring renewal and replacement capital additions are placed in service at the end of each fiscal year. The depreciation rates are based on depreciation studies performed by an outside consultant that are updated periodically. The latest depreciation study was completed during fiscal year 2024 and the rates for that study are effective in fiscal year 2025. The effective rate of depreciation based upon the average depreciable plant in service balance was 3.11% and 3.36% for fiscal years 2024 and 2023, respectively. The average depreciable life in years of the depreciable capital assets for each system is listed in the table below.

Average Depreciable Life (Years)	2024	2023
Electric Enterprise Fund	23.8	23.6
Water and Sewer Fund	26.6	26.9
District Energy System	24.0	24.0

(g) Amortization

Amortization of bond discounts and premiums is computed on a straight-line basis, which approximates the effective-interest method over the remaining term of the outstanding bonds.

(h) Losses on Refundings

Losses on refundings of JEA revenue bonds are deferred and amortized as a component of interest on debt using the straight-line method over the remaining life of the old debt or the new debt, whichever is shorter. Unamortized deferred losses on refundings are reported as deferred outflows of resources on the accompanying statements of net position. Whereas JEA has incurred accounting losses on refundings, calculated as the difference between the net carrying value of the refunded and the refunding bonds, JEA has over time realized economic gains calculated as the present value difference in the future debt service on the refunded and refunding bonds.

(i) Investments

Investments are presented at fair value or cost, which is further explained in note 14, *Fair Value Measurements*. Realized and unrealized gains and losses for all investments are included in investment income on the statements of revenues, expenses, and changes in net position. The investment in The Energy Authority (TEA) is recorded on the equity method (see note 7, Investment in The Energy Authority, for additional information).

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

1. Summary of Significant Accounting Policies and Practices (continued)**(j) Cash and Cash Equivalents**

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, bank demand accounts, money market mutual funds, and short-term liquid investments purchased with an original maturity of 90 days or less.

(k) Interest Rate Swap Agreements

JEA's risk management policies allow for the use of interest rate swaps to manage financial exposures, but prohibit the use of these instruments for speculative or trading purposes. JEA utilizes interest rate swaps to manage the interest rate risk associated with various assets and liabilities. Interest rate swaps are used in the area of debt management to take advantage of favorable market interest rates. Interest rate swaps are authorized under the policy to be used in the area of investment management to increase the yield on revolving short-term investments.

JEA applies GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* (GASB 53), where applicable for effective hedging instruments. For effective hedging instruments, the changes in fair value are recorded on the statements of net position as deferred outflows and inflows of resources. For ineffective hedging instruments or investment derivatives, the changes in fair value are recorded on the statements of revenues, expenses, and changes in net position as an adjustment to investment income.

Under JEA's interest rate swap programs, JEA either pays a variable rate of interest, which is based on various indices, and receives a fixed rate of interest for a specified period of time (unless earlier terminated) or JEA pays a fixed rate of interest and receives a variable rate of interest, which is based on various indices for a specified period of time (unless earlier terminated). These indices are affected by changes in the market. The net amounts received or paid under the swap agreements are recorded as either an adjustment to investment income (asset management) or interest on debt (debt management) in the statements of revenues, expenses, and changes in net position. No money is initially exchanged when JEA enters into a new interest rate swap transaction.

During fiscal years 2024 and 2023, JEA did not have any interest rate swaps outstanding under JEA's asset management interest rate swap program. See the Debt Management Strategy section in note 8, Long-Term Debt, for more information on JEA's debt management interest rate swap program.

(l) Inventory

Inventories are maintained for fuel and materials and supplies. Fuel inventories are maintained at levels sufficient to meet generation requirements. Inventories are valued at average cost, with obsolete items being expensed when identified.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

1. Summary of Significant Accounting Policies and Practices (continued)**(m) Energy Market Risk Management Program**

The energy market risk management program is intended to help manage JEA's exposure to the volatility in electric energy and fuel prices, uncertainty in load and resource availability, the creditworthiness of counterparties, and risks associated with transacting in wholesale energy markets. Under this policy, JEA executes over-the-counter forward purchase and sale contracts and swaps. For effective derivative transactions, hedge accounting is applied in accordance with GASB 53 and the fair market value changes are recorded on the accompanying statements of net position as either a deferred outflow of resources or a deferred inflow of resources until such time that the transactions end. The related settled gains and losses from these transactions are recognized as fuel expenses on the accompanying statements of revenues, expenses, and changes in net position.

(n) Capital Contributions

Capital contributions represent contributions of cash and capital assets from the City, developers, customers, and other third parties. Capital contributions are recorded in the accompanying statements of revenues, expenses, and changes in net position at the time of receipt. Assets received are recorded as contributions from developers and others at acquisition cost. Corresponding expenses of \$130,405 and \$112,236 were recorded in fiscal years 2024 and 2023 to recognize the costs of the assets since it will not be included in revenue requirements charged to customers in the future.

(o) Pension

For purposes of measuring the net liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense and fiduciary net position; JEA's portion of the City's General Employees' Retirement Plan (GERP), JEA's portion of the City's Defined Contribution Disability Plan and St. Johns River Power Park System Employees' Retirement Plan (SJRPP Plan) have been determined on the same basis as reported in the GERP and SJRPP Plan financial statements. Employer contributions made subsequent to the measurement date and before the fiscal year end are recorded as a deferred outflow of resources.

Basis of Accounting – The pension trust financial statements are prepared using the accrual basis of accounting. Plan member contributions are recognized in the period in which the contributions are due. Employer contribution, benefit payments and refunds are recognized when due and payable in accordance with the terms of the plans. Florida law and the Florida Division of Retirement require plan contributions be made annually in amounts determined by an actuarial valuation stated as a percent of covered payroll or in dollars. The Florida Division of Retirement reviews and approves the GERP actuarial report to ensure compliance with actuarial standards. The SJRPP Plan is governed by a four-member Pension Committee to ensure compliance with actuarial standards.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

1. Summary of Significant Accounting Policies and Practices (continued)

Method Used to Value Investments – Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. The fair value of real estate investments in GERP is based on independent appraisals or estimates of fair value as provided by third-party fund managers. Investments that do not have an established market are reported at estimated fair value as provided by third-party fund managers. Investments are managed by third-party money managers while cash and securities are generally held by the independent custodians.

(p) Compensated Absences

JEA employees accumulate earned personal leave benefits (compensated absences) at various rates within limits specified in collective bargaining agreements and other employment plans. Accrued leave may be taken at any time when authorized. In addition, employees may elect to sell back any leave accrued during the fiscal year. Leave accrued over the maximum allowed leave balances is paid to the employee after the end of the fiscal year.

Upon termination from employment, employees are paid for their unused leave balances. In accordance with GASB Statement No. 101, *Compensated Absences* (GASB 101), the amount reflected as the current portion is estimated based upon historical trends of retirements and attrition.

This liability reflects amounts attributable to employee services already rendered, cumulative, probable for payment, and reasonably estimated in conformity with GASB 101.

Compensated absences liabilities are accrued when incurred in the financial statements in conformity with generally accepted accounting principles (GAAP). The compensated absences liability is determined based on current rates of pay.

The compensated absence liability as of September 30, 2024, is \$50,367. Of this amount, \$5,387 is included in compensation and benefits payable under current liabilities on the accompanying statements of net position. The remaining balance of \$44,980 is included in compensation and benefits payable in noncurrent liabilities on the accompanying statements of net position. During fiscal year 2024, the net change in compensated absence liability was \$5,457. The compensated absence liability as of September 30, 2023, was \$44,910. Of this amount, \$4,768 was included in compensation and benefits payable under current liabilities on the accompanying statements of net position. The remaining balance of \$40,142 was included in compensation and benefits payable in noncurrent liabilities on the accompanying statements of net position. During fiscal year 2023, the net change in compensated absence liability was \$5,719.

(q) Pollution Remediation Obligations

JEA applies GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*. See note 15, Commitments and Contingent Liabilities, for further discussion.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

1. Summary of Significant Accounting Policies and Practices (continued)**(r) Asset Retirement Obligations**

JEA applies GASB Statement No. 83, *Certain Asset Retirement Obligations* (GASB 83). See note 3, Asset Retirement Obligations, for further discussion.

(s) Costs to Be Recovered from Future Revenues/Revenues to Be Used for Future Costs

JEA records certain assets and liabilities (or deferred inflows) that result from the effects of the ratemaking process that would not be recorded under GAAP for nonregulated entities. Currently, the electric utility industry is predominantly regulated on a basis designed to recover the cost of providing electric power to its customers. If cost-based regulation were to be discontinued in the electric industry for any reason, market prices for electricity could be reduced or increased and utilities might be required to reduce their statements of net position amounts to reflect market conditions.

Discontinuance of cost-based regulation could also require affected utilities to write off their associated regulatory assets and liabilities. Management cannot predict the potential impact, if any, of the change in the regulatory environment on JEA's future financial position and results of operations.

(t) Setting of Rates

The setting of rates is the responsibility of the JEA Board. Base rate changes are implemented after a public rate hearing and Board approval. Fuel rate changes are implemented monthly and do not require a public rate hearing or Board approval. At the October 2021 meeting, the JEA Board approved a revision to the Pricing Policy that stated the Fuel Rate (Fuel Charge) will be set monthly by the CEO/Manager Director or designee. The Fuel Charge is based on the energy cost projection for the billing month to fully recover all expected fuel and purchased power energy-related costs. Fuel Charge variances and true ups are typically recovered in subsequent billing month, except for certain circumstances which may extend over a period of time.

At the March 2024 meeting, the Board approved the following Base Rate changes, effective April 1, 2024:

- Modification of the Electric Tariff Documentation:
 - To increase basic monthly (customer) Charge for electric customers
 - To increase the energy rate for electric customers
 - To include demand credits for certain electric customers
 - To close and remove Load Density Improvement Rider and update other administrative items

JEA has an ongoing plan to review, update and, where possible, expand its rate options to provide customers more rate choices for their utility services.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

1. Summary of Significant Accounting Policies and Practices (continued)**(u) Leases**

JEA applies GASB Statement No. 87, *Leases* (GASB 87). See note 17, *Leases*, for further discussion.

(v) Pervasiveness of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and deferred outflows of resources, liabilities and deferred inflows of resources, and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(w) Newly Adopted Standards for Fiscal Year 2024

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. This statement is fully effective for JEA in fiscal year 2024. The implementation of this statement did not have an impact on JEA's financial statements.

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement 62*. The primary objective of this statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement is effective for JEA in fiscal year 2024. The implementation of this statement did not have an impact on JEA's financial statements.

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The primary objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This statement is effective for JEA in fiscal year 2024. The implementation of this statement did not have an impact on JEA's financial statements.

(x) Recently Issued Accounting Pronouncements Not Yet Effective

In January 2024, GASB issued Statement No. 102, *Certain Risk Disclosures*. The primary objective of this statement is to provide financial statement users with essential information about risks a government face related to concentrations and constraints of resources. This statement is effective for JEA in fiscal year 2025. The implementation of this statement is not expected to have an impact on JEA's financial statements.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

1. Summary of Significant Accounting Policies and Practices (continued)

In May 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The primary objective of this statement is to enhance the effectiveness of governmental financial reports by providing essential information for decision making and assessing a government's accountability. Certain application issues should also be addressed. This statement is effective for JEA in fiscal year 2025. The impact of the implementation on JEA's financial reporting has not been determined.

2. Regulatory Deferrals

Based on regulatory action taken by the Board and in accordance with the Regulated Operations section within GASB Statement 62, JEA has recorded the following regulatory assets and liabilities that will be included in the ratemaking process and recognized as expenses and revenues, respectively, in future periods. These amounts are shown under costs to be recovered from future revenues or deferred inflows of resources on the accompanying statements of net position.

Regulatory Assets

The following is a summary of JEA's regulatory assets at September 30:

Regulatory Assets	2024	2023
Unfunded pension costs	\$ 803,249	\$ 704,048
Allowance for funds used during construction	80,402	39,358
SJRPP and Bulk Power costs to be recovered	71,555	89,840
Storm and COVID-19 costs to be recovered	18,360	5,356
Debt issue costs	8,673	6,879
Unfunded OPEB costs	6,523	8,371
Deferred fuel regulatory costs	3,161	11,231
Total regulatory assets	<u>\$ 991,923</u>	<u>\$ 865,083</u>

Unfunded Pension Costs – Accrued pension represents a regulatory asset related to unrecognized actuarial gains and losses, unrecognized prior service cost, and unrecognized transition obligation attributable to JEA's portion of the GERP. The regulatory asset is amortized with the recognition of actuarial gains and losses, prior service cost, and transition obligations to net periodic benefit costs for pension.

Allowance for Funds Used During Construction – This amount represents interest cost incurred before the end of a construction period. The regulatory asset is amortized over the life of constructed assets after they are placed into service.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

2. Regulatory Deferrals (continued)

SJRPP and Bulk Power costs to be recovered – SJRPP deferred debt-related costs of \$54,257 at September 30, 2024 and \$69,996 at September 30, 2023 are the result of differences between expenses in determining rates and those used in financial reporting. During fiscal year 2018, operations of SJRPP, as generating facility, ceased and the majority of the assets were dismantled. As of September 30, 2024, SJRPP has remaining plant in service assets of \$7,685 and outstanding debt of \$76,850. The JEA board approved the deferral of this regulatory asset. SJRPP has a contract with the JEA Electric System to recover these costs from future revenues that will coincide with retirement of long-term debt. The amount recovered each year will be the difference between debt principal maturities (adjusted for the effects of premiums, discounts, and amortization of gains and losses) and straight-line depreciation and results in recognition of deferred costs on the accompanying statements of revenues, expenses, and changes in net position. The Bulk Power Supply System deferred debt-related costs were \$17,298 at September 30, 2024 and \$19,844 at September 30, 2023. The amount recovered each year will be the difference between debt principal maturities (adjusted for the effects of premiums, discounts, and amortization of gains and losses) and straight-line depreciation. The Bulk Power Supply System will recover these costs from future revenues that will coincide with the retirement of long-term debt.

Storm and COVID-19 costs to be recovered – JEA incurs emergency response costs in conjunction with unplanned major events including natural disasters and other historic emergencies such as the COVID-19 pandemic. The Federal Emergency Management Agency (FEMA) provides supplemental grants to state and local governments through the Public Assistance Program so communities can quickly respond to and recover from those disasters. FEMA allows cost share of 87.5% of eligible costs (75.0% from FEMA and 12.5% from the State of Florida) of those costs not covered by insurance.

JEA's costs to be recovered for storm and COVID-19 expenses as of September 30, 2024 are summarized below:

	September 30, 2024 Balance	Reimbursement Requests, net	Reimbursements Received		September 30, 2023 Balance
			FEMA	Insurance	
Hurricane Ian	\$ 6,218	\$ 6,218	\$ –	\$ –	\$ –
Hurricane Idalia	5,447	5,447	–	–	–
Hurricane Debby	2,509	2,509	–	–	–
Hurricane Nicole	2,113	2,113	–	–	–
COVID-19 Pandemic	1,802	2	–	–	1,800
Hurricane Irma	271	33	(5,273)	–	5,511
Hurricane Matthew	-	1,757	–	–	(1,757)
Hurricane Dorian	-	198	–	–	(198)
Total Storm/COVID CTBR	\$ 18,360	\$ 18,277	\$ (5,273)	\$ –	\$ 5,356

Debt issue costs – With the application of regulatory accounting in fiscal year 2015, the Board approved deferral of the issue costs on all new debt issues with the amounts being amortized over the life of the bonds, as they are included in revenue requirements. These costs are incurred in connection with the issuance of debt obligations and are mainly underwriter fees and legal costs.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

2. Regulatory Deferrals (continued)

Unfunded OPEB Costs – Accrued OPEB represents a regulatory asset related to unrecognized actuarial gains and losses, unrecognized prior service cost, and unrecognized transition obligation attributable to JEA's other postemployment benefit plan. The regulatory asset is amortized with the recognition of actuarial gains and losses, prior service cost, and transition obligations to net periodic benefit costs for OPEB. The Board approved the recovery of the unfunded amounts in future revenue requirements with the adoption of GASB 75 in fiscal year 2018. In addition, the Board approved the deferral of the difference between the annual contributions (funding) and OPEB expense.

Deferred fuel regulatory costs –JEA adjusts the fuel charge monthly. This represents the amount under-collected that will be recovered in the next period.

Regulatory Liabilities

The following is a summary of JEA's regulatory liabilities at September 30:

Regulatory Liabilities	2024	2023
Nonfuel purchased power	\$ 246,000	\$ 246,000
Self-insurance medical reserve	22,243	20,134
Excess pension contributions	12,702	13,733
Environmental	12,101	14,612
Customer benefit stabilization	937	5,976
Total regulatory liabilities	<u>\$ 293,983</u>	<u>\$ 300,455</u>

Nonfuel purchased power – JEA entered into a power purchase agreement related to the Alvin W. Vogtle Nuclear Plant in Burke County, Georgia (Plant Vogtle). This agreement is discussed in further detail in note 10, Fuel Purchase and Purchased Power Commitments. Related to that agreement, the JEA Board approved a nonfuel purchased power stabilization fund to assist in the timing of nonfuel purchased power expenses. The amounts included in the fund are to be used for nonfuel purchased power expenses or refunded to customers. There were no deposits made for fiscal year 2024. Deposits of \$191,000 were made to the stabilization fund for fiscal year 2023.

Self-insurance medical reserve – The Board has established, from operating revenues, an internally designated "Health Self-Insurance Fund" to cover reserve requirements for its self-insurance health program over medical and prescription benefits. The Board, as part of the budget process, will approve amounts to be collected in rates that include both the current anticipated cost less approved amounts to be contributed by employees as well as amounts to maintain an adequate reserve for future costs.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

2. Regulatory Deferrals (continued)

Under the self-insurance program, JEA is liable for all claims. JEA retains an additional stop-loss policy for claims in excess of \$500 per employee effective January 1, 2024, which was increased from \$250 during fiscal year 2023. The health insurance benefits program is administered through a third-party insurance company and, as such, the administrator is responsible for processing the claims in accordance with the benefit specifications with JEA reimbursing the insurance company for its payouts. Liabilities associated with the health care program are determined based on an actuarial study and include claims that have been incurred but not reported.

The changes in the self-insurance medical reserve for the years ended September 30, 2024 and 2023 are as follows:

	2024	2023
Beginning balance	\$ 20,134	\$ 14,145
Contributions	33,315	32,744
Incurred claims	(31,206)	(26,755)
Ending balance	<u>\$ 22,243</u>	<u>\$ 20,134</u>

Excess pension contributions – Excess pension contributions represents a regulatory liability related to unrecognized actuarial gains and losses, unrecognized prior service cost, and unrecognized transition obligation attributable to the SJRPP Plan. The regulatory liability is amortized with the recognition of actuarial gains and losses, prior service cost, and transition obligations to net periodic benefit costs for pension.

Environmental – The Board authorized an environmental surcharge that was applied to all electric customer kilowatt-hour and water customer kilogallon sales through March 31, 2023. Amounts over-collected were recorded as a regulatory liability and will be used for electric costs of environmental remediation and compliance with new and existing environmental regulations, and water operating and capital costs of environmentally driven or regulatory required projects approved by the Board.

The changes in the environmental regulatory liability for the years ended September 30, 2024 and 2023 are as follows:

Environmental	2024	2023
Beginning balance	\$ 14,612	\$ 46,822
Surcharge revenue	–	15,404
Prior capital projects cost recovery	–	(31,360)
Capital projects	(6)	(14,683)
Operations and maintenance projects	(2,505)	(1,571)
Ending balance	<u>\$ 12,101</u>	<u>\$ 14,612</u>

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

2. Regulatory Deferrals (continued)

Customer benefit stabilization – The pricing policy adopted by the Board included a demand side management surcharge through March 31, 2023. The costs approved for recovery through the surcharge includes programs for the electrification, direct load control, demand side management, residential low-income efficiency programs, and customer utility optimization education programs.

3. Asset Retirement Obligations**Scherer**

On November 24, 2020, JEA executed a retirement agreement with FPL, setting forth the terms and conditions of the Plant Scherer closure as of January 1, 2022. On that same date, JEA also executed the FPL PPA and a related 10-year natural gas hedge. The obligation of JEA to retire Plant Scherer was subject to FPL having performed and complied in all material respects with the agreement including remittance of the \$100,000 consummation payment to be used by JEA in its discretion to pay for JEA's costs in completing the retirement of Unit No. 4, including, but not limited to, the defeasance of the outstanding bonds. The consummation payment is listed as a special item on the statement of revenues, expenses, and changes in net position.

As part of JEA's ownership of Scherer, it has a proportionate ownership interest in associated common facilities (Common Facilities) of 5.91% (23.64% divided by 4, as there are 4 units in total). There is no majority owner of the Common Facilities. Georgia Power is the nongovernmental minority owner that has operational responsibility of the Common Facilities and, as such, is responsible for calculating any associated asset retirement obligations (AROs). The AROs at Scherer are primarily related to the ash pond.

In accordance with GASB 83, JEA's minority share of the AROs is reported using the measurement produced by Georgia Power, who is registered with the Securities and Exchange Commission and is subject to accounting rules set by the Financial Accounting Standards Board.

At September 30, 2024, the total amount of the AROs at Scherer are \$533,004, with JEA's minority share being \$31,501. Of the total liability, \$2,817 is recorded in asset retirement obligations in current liabilities and \$28,684 in asset retirement obligations in noncurrent liabilities on the statement of net position. These amounts are offset by the unrealized asset retirement obligation of \$31,501, which is recorded in deferred outflows of resources.

At September 30, 2023, the total amount of the AROs at Scherer are \$613,804, with JEA's minority share being \$36,276. Of the total liability, \$2,623 is recorded in asset retirement obligations in current liabilities and \$33,653 in asset retirement obligations in noncurrent liabilities on the statement of net position. These amounts are offset by the unrealized asset retirement obligation of \$36,276, which is recorded in deferred outflows of resources.

There are no legally required funding or assurance provisions associated with JEA's minority share of the AROs and JEA has not restricted any of its assets for payment of this liability.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

4. Restricted Assets

Restricted assets were held in the following funds at September 30, 2024 and 2023:

	September 30, 2024				
	Electric	SJRPP	Water and Sewer	DES	Total
Renewal and Replacement Fund	\$ (1,249)	\$ 6,983	\$ 26,267	\$ 11,444	\$ 43,445
Sinking Fund	54,774	18,206	86,549	2,595	162,124
Debt Service Reserve Fund	53,352	2,912	62,614	—	118,878
Revenue Fund	—	312	—	—	312
Construction Fund	—	—	19,770	—	19,770
Adjustment to fair value of investments	(811)	88	(622)	—	(1,345)
Total	<u>\$ 106,066</u>	<u>\$ 28,501</u>	<u>\$ 194,578</u>	<u>\$ 14,039</u>	<u>\$ 343,184</u>

	September 30, 2023				
	Electric	SJRPP	Water and Sewer	DES	Total
Renewal and Replacement Fund	\$ 135,992	\$ 4,581	\$ 946	\$ 1,065	\$ 142,584
Sinking Fund	42,024	17,585	75,477	2,505	137,591
Debt Service Reserve Fund	53,352	3,403	57,587	—	114,342
Revenue Fund	—	335	—	—	335
Construction Fund	—	—	242	—	242
Adjustment to fair value of investments	(6,269)	(53)	(2,481)	—	(8,803)
Environmental Fund	922	—	2,039	—	2,961
Total	<u>\$ 226,021</u>	<u>\$ 25,851</u>	<u>\$ 133,810</u>	<u>\$ 3,570</u>	<u>\$ 389,252</u>

The Electric System, SJRPP System, Bulk Power Supply System, Water and Sewer System, and DES are permitted to invest restricted funds in specified types of investments in accordance with their bond resolutions and the investment policy.

The requirements of the respective bond resolutions for contributions to the respective systems' renewal and replacement funds are as follows:

Electric System:	An amount equal to the greater of 10% of the prior year defined net revenues or 5% of the prior year defined gross revenues.
SJRPP System:	An amount equal to 12.5% of aggregate debt service, as defined.
Bulk Power Supply System:	An amount equal to 12.5% of aggregate debt service, as defined.
Water and Sewer System:	An amount equal to the greater of 10% of the prior year defined annual net revenues or 5% of the prior year defined gross revenues.
DES:	An amount equal to the greater of 10% of the prior year defined annual net revenues or 5% of the prior year defined revenues.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

5. Cash and Investments

JEA maintains cash and investment pools that are utilized by all funds except for the bond funds. Included in the JEA cash balances are amounts on deposit with JEA's commercial bank, as well as amounts held in various money market funds as authorized in the JEA Investment Policy. The commercial bank balances are covered by federal depository insurance or collateralized subject to the Florida Security for Public Deposits Act of Chapter 280, Florida Statutes. Amounts subject to Chapter 280, Florida Statutes, are collateralized by securities deposited by JEA's commercial bank under certain pledging formulas with the State Treasurer or other qualified custodians.

JEA follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, which requires the adjustments of the carrying value of investments to fair value to be presented as a component of investment income. Investments are presented at fair value or cost, which is further explained in note 14, Fair Value Measurements.

At September 30, 2024 and 2023, the fair value of all securities, regardless of statement of net position classification as cash equivalent or investment, was as follows:

	2024	2023
Securities:		
U.S. Treasury and government agency securities	\$ 232,550	\$ 272,528
Local government investment pool	77,081	119,545
Money market mutual funds	171,684	74,502
Commercial paper	36,322	72,873
State and local government securities	38,810	63,917
Total securities, at fair value	<u>\$ 556,447</u>	<u>\$ 603,365</u>

These securities are held in the following accounts:

	2024	2023
Current assets:		
Cash and cash equivalents	\$ 255,838	\$ 278,483
Investments	143,442	106,701
Restricted assets:		
Cash and cash equivalents	180,404	100,129
Investments	161,853	288,132
Total cash and investments	741,537	773,445
Less: cash on deposit	(187,477)	(172,185)
Plus: interest due on securities	2,387	2,105
Total securities, at fair value	<u>\$ 556,447</u>	<u>\$ 603,365</u>

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

5. Cash and Investments (continued)

JEA is authorized to invest in securities as described in its investment policy and in each bond resolution. As of September 30, 2024, JEA's investments in securities and their maturities are categorized below in accordance with GASB Statement No. 40, *Deposit and Investment Risk Disclosures – an amendment of GASB Statement No. 3*. It is assumed that callable investments will not be called. Puttable securities are presented as investments with a maturity of less than one year.

The maturity distribution of the investments held at September 30, 2024 is listed below.

Type of Investments	Less than One Year	One to Five Years	Five to Ten Years	Ten to Twenty Years	Total
Money market mutual funds	\$ 171,684	\$ –	\$ –	\$ –	\$ 171,684
Local government investment pools	77,081	–	–	–	77,081
State and local government securities	–	–	15,506	23,304	38,810
U.S. Treasury and government agency securities	93,595	134,508	–	4,447	232,550
Commercial paper	36,322	–	–	–	36,322
Total securities, at fair value	<u>\$ 378,682</u>	<u>\$ 134,508</u>	<u>\$ 15,506</u>	<u>\$ 27,751</u>	<u>\$ 556,447</u>

Interest Rate Risk – As a means of limiting its exposure to fair value losses arising from rising interest rates, JEA's investment policy requires the investment portfolio to be structured in such a manner as to provide sufficient liquidity to pay obligations as they come due. To the extent possible, investment maturities are matched with known cash needs and anticipated cash flow requirements. Additionally, maturity limitations for investments related to the issuance of debt are outlined in the bond resolution relating to those bond issues. JEA's investment policy also limits investments in commercial paper to maturities of less than nine months.

Credit Risk – JEA's investment policy is consistent with the requirements for investments of state and local governments contained in the Florida Statutes and its objectives are to seek reasonable income, preserve capital, and avoid speculative investments. Consistent with JEA's investment policy and bond resolutions: (1) the state and local government securities are rated by two nationally recognized rating agencies and are rated at least A by Standard & Poor's, Aa3 by Moody's Investors Services, or A by Fitch Ratings; (2) the U.S. government agency securities held in the portfolio are issued or guaranteed by agencies created pursuant to an Act of Congress as an agency or instrumentality of the United States of America; and (3) the money market mutual funds are rated AAA by Standard & Poor's or Aaa by Moody's Investors Services. JEA's investment policy limits investments in commercial paper to the highest whole rating category issued by at least two nationally recognized rating agencies, and the issuer must be a Fortune 500 company, a Fortune Global 500 company with significant operations in the U.S., or the governments of Canada or Canadian provinces and the ratings outlook must be positive or stable at the time of the investment. As of September 30, 2024, JEA's investments in commercial paper are rated at least A-1 by Standard & Poor's and P-1 by Moody's Investors Services. In addition, JEA's investment policy limits the commercial paper investment in any one issuer to \$12,500 as well as limits investments in commercial paper to 25% of the total cash and investment portfolio, regardless of statement of net position classification as cash equivalent or investment. As of September 30, 2024, JEA had 6.5% of its investments in commercial paper.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

5. Cash and Investments (continued)

Custodial Credit Risk – For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, JEA will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All of JEA's investments are held by JEA or by an agent in JEA's name.

Concentration of Credit Risk – As of September 30, 2024, investments in any one issuer representing 5% or more of JEA's investments included \$89,864 (16.1%) invested in issues of the Federal Home Loan Bank and \$72,232 in Federal Farm Credit Bank (13.0%). JEA's investment policy limits the maximum holding of any one U.S. government agency issuer to 50% of total cash and investments regardless of statement of net position classification as cash equivalent or investment. Other than investments in U.S. Treasury securities or U.S. Treasury money market funds, JEA's investment policy limits the percentage of the total cash and investment portfolio (regardless of statement of net position classification as cash equivalent or investment) that may be held in various security types. As of September 30, 2024, investments in all security types were within the allowable policy limits.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)**6. Capital Assets**

Capital asset activity for the year ended September 30, 2024 is as follows:

	Balance September 30, 2023	Additions	Retirements	Transfers/ Adjustments	Balance September 30, 2024
Electric Enterprise Fund:					
Generation assets	\$ 3,960,382	\$ —	\$ (1,326)	\$ 47,664	\$ 4,006,720
Transmission assets	746,046	—	(770)	441	745,717
Distribution assets	2,352,259	—	(2,731)	112,840	2,462,368
Other assets	588,236	—	(2,659)	44,607	630,184
Lease assets	93,313	—	—	—	93,313
Total capital assets	7,740,236	—	(7,486)	205,552	7,938,302
Less: accumulated depreciation and amortization	(5,491,843)	(227,962)	7,486	—	(5,712,319)
Land	139,476	—	(2)	6,226	145,700
Construction work-in-process	204,605	254,497	—	(211,778)	247,324
Net capital assets	2,592,474	26,535	(2)	—	2,619,007
Water and Sewer Fund:					
Pumping assets	702,184	—	(2,297)	48,887	748,774
Treatment assets	886,020	—	—	31,829	917,849
Transmission and distribution assets	1,410,462	—	(83)	53,349	1,463,728
Collection assets	1,658,613	—	(501)	30,913	1,689,025
Reclaimed water assets	176,479	—	—	15,451	191,930
General and other assets	507,530	—	(719)	28,104	534,915
Total capital assets	5,341,288	—	(3,600)	208,533	5,546,221
Less: accumulated depreciation	(2,863,482)	(186,853)	3,600	4,182	(3,042,553)
Land	81,426	—	(23)	3,825	85,228
Construction work-in-process	693,969	490,931	—	(212,358)	972,542
Net capital assets	3,253,201	304,078	(23)	4,182	3,561,438
District Energy System:					
Chilled water plant assets	76,532	—	—	148	76,680
Total capital assets	76,532	—	—	148	76,680
Less: accumulated depreciation	(37,298)	(3,118)	—	—	(40,416)
Land	3,051	—	—	—	3,051
Construction work-in process	1,000	9,623	—	(148)	10,475
Net capital assets	43,285	6,505	—	—	49,790
Total	\$ 5,888,960	\$ 337,118	\$ (25)	\$ 4,182	\$ 6,230,235

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

6. Capital Assets (continued)

Capital asset activity for the year ended September 30, 2023 is as follows:

	Balance September 30, 2022	Additions	Retirements	Transfers/ Adjustments	Balance September 30, 2023
Electric Enterprise Fund:					
Generation assets	\$ 3,902,140	\$ —	\$ (4,043)	\$ 62,285	\$ 3,960,382
Transmission assets	689,536	—	(273)	56,783	746,046
Distribution assets	2,304,997	—	(2,172)	49,434	2,352,259
Other assets	554,716	93,313	(1,813)	35,333	681,549
Total capital assets	7,451,389	93,313	(8,301)	203,835	7,740,236
Less: accumulated depreciation and amortization	(5,274,607)	(225,537)	8,301	—	(5,491,843)
Land	133,759	—	—	5,717	139,476
Construction work-in-process	169,195	244,962	—	(209,552)	204,605
Net capital assets	2,479,736	112,738	—	—	2,592,474
Water and Sewer Fund:					
Pumping assets	680,751	—	(472)	21,905	702,184
Treatment assets	828,866	—	(31)	57,185	886,020
Transmission and distribution assets	1,361,360	—	(207)	49,309	1,410,462
Collection assets	1,638,564	—	(262)	20,311	1,658,613
Reclaimed water assets	169,195	—	—	7,284	176,479
General and other assets	475,354	—	(548)	32,724	507,530
Total capital assets	5,154,090	—	(1,520)	188,718	5,341,288
Less: accumulated depreciation	(2,686,812)	(182,371)	1,520	4,181	(2,863,482)
Land	81,433	—	(54)	47	81,426
Construction work-in-process	398,824	483,909	—	(188,764)	693,969
Net capital assets	2,947,535	301,538	(54)	4,182	3,253,201
District Energy System:					
Chilled water plant assets	65,212	—	—	11,320	76,532
Total capital assets	65,212	—	—	11,320	76,532
Less: accumulated depreciation	(34,401)	(2,897)	—	—	(37,298)
Land	3,051	—	—	—	3,051
Construction work-in process	3,364	8,956	—	(11,320)	1,000
Net capital assets	37,226	6,059	—	—	43,285
Total	\$ 5,464,497	\$ 420,335	\$ (54)	\$ 4,182	\$ 5,888,960

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

7. Investment in The Energy Authority

JEA is a member of TEA, a municipal power marketing and risk management joint venture, headquartered in Jacksonville, Florida, with an ownership interest of 17.6%. TEA provides wholesale power marketing and resource management services to members (including JEA) and nonmembers and allocates transaction savings and operating expenses pursuant to a settlement agreement. TEA also assists members (including JEA) and nonmembers with natural gas procurement and related gas hedging activities. JEA's earnings from TEA were \$13,286 in fiscal year 2024 and \$23,603 in 2023 for all power marketing activities. JEA's distributions from TEA were \$8,045 in fiscal year 2024 and \$20,731 in 2023. The investment in TEA was \$34,165 at September 30, 2024 and \$27,863 at September 30, 2023 and is included in noncurrent assets on the accompanying statements of net position.

The following is a summary of the unaudited financial information of TEA for the nine months ended September 30, 2024 and 2023. TEA issues separate audited financial statements on a calendar-year basis.

	Unaudited	
	2024	2023
Condensed statement of net position:		
Current assets	\$ 366,736	\$ 355,758
Noncurrent assets	93,797	41,039
Total assets	<u>\$ 460,533</u>	<u>\$ 396,797</u>
Current liabilities	\$ 261,257	\$ 236,091
Noncurrent liabilities	12,107	18,231
Deferred inflows	6,914	4,506
Members' capital	188,527	158,889
Total liabilities and members' capital	<u>\$ 468,805</u>	<u>\$ 417,717</u>
Condensed statement of operations:		
Operating revenues	\$ 2,347,669	\$ 3,132,281
Operating expenses	2,251,995	3,026,014
Operating income	<u>\$ 95,674</u>	<u>\$ 106,267</u>
Net income	<u>\$ 188,527</u>	<u>\$ 110,154</u>

As of September 30, 2024, JEA is obligated to guaranty, directly or indirectly, TEA's electric trading activities in an amount up to \$60,000, and TEA's natural gas procurement and trading activities up to \$55,900, in either case, plus attorney's fees that any party claiming and prevailing under the guaranty might incur and be entitled to recover under its contract with TEA.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

7. Investment in The Energy Authority (continued)

Generally, JEA's guaranty obligations for electric trading would arise if TEA did not make the contractually required payment for energy, capacity, or transmission that was delivered or made available, or if TEA failed to deliver or provide energy, capacity, or transmission as required under a contract. Generally, JEA's guaranty obligations for natural gas procurement and trading would arise if TEA did not make the contractually required payment for natural gas or transportation that was delivered or purchased or if TEA failed to deliver natural gas or transportation as required under a contract.

Upon JEA's making any payments under its electric guaranty, it has certain contribution rights with the other members of TEA in order that payments made under the TEA member guaranties would be equalized ratably, based upon each member's equity ownership interest in TEA. Upon JEA's making any payments under its natural gas guaranty, it has certain contribution rights with the other members of TEA in order that payments under the TEA member guaranties would be equalized ratably in proportion to their respective amounts of guaranties, as adjusted by the actual natural gas member volumes and prices for the calendar year. After such contributions have been effected, JEA would only have recourse against TEA to recover amounts paid under the guaranty.

The term of these guaranties is generally indefinite, but JEA has the ability to terminate its guaranty obligations by providing advance notice to the beneficiaries thereof. Such termination of its guaranty obligations only applies to TEA transactions not yet entered into at the time the termination takes effect. Such termination would be because of JEA's withdrawal from membership in TEA, or such termination could cause JEA's membership in TEA to be terminated.

8. Long-Term Debt

The Electric System, Bulk Power Supply System, SJRPP System, Water and Sewer System, and DES revenue bonds (JEA Revenue Bonds) are each governed by one or more bond resolutions. The Electric System bonds are governed by both a senior and a subordinated bond resolution; the Bulk Power Supply System bonds are governed by a single bond resolution; the Water and Sewer System bonds are governed by both a senior and a subordinated bond resolution; the SJRPP System bonds are governed by the Second Power Park Resolution; and the DES bonds are governed by a single bond resolution. In accordance with the bond resolutions of each system, principal and interest on the bonds are payable from and secured by a pledge of the net revenues of the respective system. In general, the bond resolutions require JEA to make monthly deposits into the separate debt service sinking funds for each system in an amount equal to approximately one-twelfth of the aggregate amount of principal and interest due and payable on the bonds within the bond year. Interest on the fixed rate bonds is payable semiannually on April 1 and October 1, and principal is payable on October 1.

The various bond resolutions provide for certain other covenants, the most significant of which (1) requires JEA to establish rates for each system such that net revenues with respect to that system are sufficient to exceed (by a certain percentage) the debt service for that system during the fiscal year and any additional amount required to make all reserve or other payments required to be made in such fiscal year by the resolution of that system and (2) restricts JEA from issuing additional parity bonds unless certain conditions are met.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)

Below is the schedule of outstanding indebtedness for the years ended September 30, 2024 and 2023.

Long-Term Debt	Interest Rates⁽¹⁾	Payment Dates	September 30	
			2024	2023
Electric System Senior Revenue Bonds:				
Series Three 2004A	5.000%	2039	\$ 5	\$ 5
Series Three 2005B	4.750%	2033	100	100
Series Three 2008A ⁽²⁾	Variable	2027-2036	51,680	51,680
Series Three 2008B-1 ⁽³⁾	Variable	2024-2040	51,395	53,945
Series Three 2008B-2 ⁽²⁾	Variable	2025-2040	41,900	41,900
Series Three 2008B-3 ⁽²⁾	Variable	2024-2036	37,000	37,000
Series Three 2008B-4 ⁽³⁾	Variable	2024-2036	36,560	38,735
Series Three 2008C-1 ⁽²⁾	Variable	2024-2034	44,145	44,145
Series Three 2008C-2 ⁽²⁾	Variable	2024-2034	43,900	43,900
Series Three 2008C-3 ⁽²⁾	Variable	2030-2038	25,000	25,000
Series Three 2008D-1 ⁽³⁾	Variable	2024-2036	91,380	94,605
Series Three 2009D ⁽⁴⁾	6.056%	2033-2044	45,955	45,955
Series Three 2010E ⁽⁴⁾	5.350-5.482%	2028-2040	34,255	34,255
Series Three 2013C	4.600%	2029	845	845
Series Three 2015B	5.000%	2030-2031	4,535	4,535
Series Three 2017B	3.375-5.000%	2026-2039	198,095	198,095
Series Three 2020A	3.000-5.000%	2026-2041	129,255	129,255
Series Three 2021A	4.000-5.000%	2033-2039	10,385	10,385
Total Electric System Senior Revenue Bonds			<u>846,390</u>	<u>854,340</u>

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Notes to Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)

Long-Term Debt	Interest Rates ⁽¹⁾	Payment Dates	September 30	
			2024	2023
Electric System Subordinated Revenue Bonds:				
2000 Series A ⁽²⁾	Variable	2024-2025	\$ 7,885	\$ 12,030
2008 Series D ⁽²⁾	Variable	2024-2038	39,455	39,455
2009 Series F ⁽⁴⁾	5.500-6.406%	2024-2034	58,420	58,420
2010 Series D ⁽⁴⁾	5.582%	2024-2027	25,455	30,140
2013 Series A	5.000%	2027-2029	6,725	6,725
2013 Series C	5.000%	2029-2037	31,900	31,900
2014 Series A	5.000%	2034-2039	22,860	22,860
2017 Series B	3.375-5.000%	2026-2034	142,065	142,065
2020 Series A	4.000-5.000%	2028-2038	92,415	92,415
2021 Series A	4.000-5.000%	2029-2034	34,175	34,175
Total Electric System Subordinated Revenue Bonds			461,355	470,185
Bulk Power Supply System Revenue Bonds:				
Series 2010A ⁽⁴⁾	5.400-5.920%	2024-2030	22,270	24,765
Total Bulk Power System Revenue Bonds			22,270	24,765
SJRPP System Revenue Bonds:				
Issue Three, Series Four ⁽⁴⁾	5.050-5.450%	2024-2028	11,225	13,245
Issue Three, Series Six	3.000-5.000%	2024-2027	19,040	26,460
Issue Three, Series Seven	3.000-3.375%	2024-2028	36,995	41,190
Issue Three, Series Eight	3.000-3.125%	2024-2027	9,590	11,820
Total SJRPP System Revenue Bonds			76,850	92,715

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Notes to Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)

Long-Term Debt	Interest Rates ⁽¹⁾	Payment Dates	September 30	
			2024	2023
Water and Sewer System Senior Revenue Bonds:				
2008 Series A-2 ⁽²⁾	Variable	2028-2042	\$ 51,820	\$ 51,820
2008 Series B ⁽²⁾	Variable	2024-2041	81,255	85,290
2010 Series A ⁽⁴⁾	6.210-6.310%	2026-2044	83,115	83,115
2010 Series B	5.600-5.700%	2024-2025	3,460	5,190
2010 Series F ⁽⁴⁾	4.700-5.887%	2024-2040	37,595	37,845
2012 Series B	3.000-5.000%	2024-2034	—	13,170
2013 Series A	4.500-5.000%	2024-2027	—	4,995
2014 Series A	4.000-5.000%	2024-2040	—	148,390
2017 Series A	3.125-5.000%	2024-2041	320,965	346,770
2020 Series A	3.000-5.000%	2024-2040	100,210	104,000
2021 Series A	3.000-5.000%	2024-2041	118,595	121,815
2024 Series A	5.000-5.500%	2024-2054	503,835	—
Total Water and Sewer System Senior Revenue Bonds			\$ 1,300,850	\$ 1,002,400
Water and Sewer System Subordinated Revenue Bonds:				
Subordinated 2008 Series A-1 ⁽²⁾	Variable	2024-2038	37,650	39,325
Subordinated 2008 Series A-2 ⁽²⁾	Variable	2030-2038	25,600	25,600
Subordinated 2008 Series B-1 ⁽²⁾	Variable	2030-2036	30,885	30,885
Subordinated 2012 Series B	3.250-5.000%	2030-2034	—	4,480
Subordinated 2013 Series A	5.000%	2028-2029	—	2,760
Subordinated 2017 Series A	2.750-5.000%	2024-2034	45,655	55,015
Subordinated 2020 Series A	4.000-5.000%	2024-2040	26,590	26,590
Total Water and Sewer System Subordinated Revenue Bonds			\$ 166,380	\$ 184,655
Water and Sewer System Other Subordinated Debt				
Revolving Credit Agreement	Variable	2027	120,000	127,000
Water and Sewer System Other Subordinated Debt			\$ 120,000	\$ 127,000

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Notes to Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)

Long-Term Debt	Interest Rates ⁽¹⁾	Payment Dates	September 30	
			2024	2023
District Energy System:				
2013 Series A	3.394-4.538%	2024-2034	25,955	27,825
Total District Energy System			<u>\$ 25,955</u>	<u>\$ 27,825</u>
District Energy System Other Subordinated Debt				
Revolving Credit Agreement	Variable	2027	27,000	11,000
Total District Energy System Subordinated Debt			<u>\$ 27,000</u>	<u>\$ 11,000</u>
Total Debt Principal Outstanding			3,047,050	2,794,885
Less: Debt Due Within One Year			(106,305)	(89,375)
Total Long-Term Debt			<u><u>\$ 2,940,745</u></u>	<u><u>\$ 2,705,510</u></u>

(1) Interest rates apply only to bonds outstanding at September 30, 2024. Interest on the outstanding variable rate debt is based on either the daily mode, weekly mode, or the flexible mode, which resets in time increments ranging from 1 to 270 days. In addition, JEA has executed fixed-payer interest rate swaps to effectively fix a portion of its net payments relative to certain variable rate bonds. See the Debt Management Strategy section of this note for more information related to the interest rate swap agreements outstanding at September 30, 2024 and 2023.

(2) Variable rate demand obligations – interest rates ranged from 3.05% to 3.90% at September 30, 2024.

(3) Variable rate direct purchased bonds indexed to SIFMA – interest rates were 3.60% at September 30, 2024.

(4) Federally Taxable – Issuer Subsidy – Build America Bonds where JEA expects to receive a cash subsidy payment from the United States Department of the Treasury for an amount up to 35% of the related interest.

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Notes to Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)

Long-term debt activity for the year ended September 30, 2024 was as follows:

System	Debt Payable September 30, 2023	Par Amount of Debt Issued	Par Amount of Debt Refunded or Defeased	Scheduled Debt Principal Payments	Debt Payable September 30, 2024	Current Portion of Debt Payable September 30, 2024
Electric:						
Revenue	\$ 1,137,240	\$ -	\$ -	\$ (8,830)	\$ 1,128,410	\$ 19,745
Direct Purchase	187,285	-	-	(7,950)	179,335	10,190
Total Electric	1,324,525	-	-	(16,780)	1,307,745	29,935
Bulk Power Supply	24,765	-	-	(2,495)	22,270	2,580
SJRPP	92,715	-	-	(15,865)	76,850	16,445
Water and Sewer:						
Revenue	1,187,055	503,835	(171,295)	(52,365)	1,467,230	55,415
Revolver	127,000	170,000	(177,000)	-	120,000	-
Total Water and Sewer	1,314,055	673,835	(348,295)	(52,365)	1,587,230	55,415
DES:						
Revenue	27,825	-	-	(1,870)	25,955	1,930
Revolver	11,000	16,000	-	-	27,000	-
Total DES	38,825	16,000	-	(1,870)	52,955	1,930
Total	\$ 2,794,885	\$ 689,835	\$ (348,295)	\$ (89,375)	\$ 3,047,050	\$ 106,305

Long-term debt activity for the year ended September 30, 2023 was as follows:

System	Debt Payable September 30, 2022	Par Amount of Debt Issued	Par Amount of Debt Refunded or Defeased	Scheduled Debt Principal Payments	Debt Payable September 30, 2023	Current Portion of Debt Payable September 30, 2023
Electric:						
Revenue	\$ 1,173,025	\$ -	\$ -	\$ (35,785)	\$ 1,137,240	\$ 8,830
Direct Purchase	196,210	-	-	(8,925)	187,285	7,950
Total Electric	1,369,235	-	-	(44,710)	1,324,525	16,780
Bulk Power Supply	27,175	-	-	(2,410)	24,765	2,495
SJRPP	108,000	-	-	(15,285)	92,715	15,865
Water and Sewer:						
Revenue	1,196,905	-	-	(9,850)	1,187,055	52,365
Revolver	-	127,000	-	-	127,000	-
Total Water and Sewer	1,196,905	127,000	-	(9,850)	1,314,055	52,365
DES:						
Revenue	29,640	-	-	(1,815)	27,825	1,870
Revolver	3,000	8,000	-	-	11,000	-
Total DES	32,640	8,000	-	(1,815)	38,825	1,870
Total	\$ 2,733,955	\$ 135,000	\$ -	\$ (74,070)	\$ 2,794,885	\$ 89,375

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Notes to Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)

The debt service payments to maturity on the outstanding debt as of September 30, 2024 are summarized below.

Fiscal Year	Electric System Revenue		Electric System Direct Purchase		Bulk Power Supply System	
	Principal	Interest ⁽¹⁾⁽²⁾	Principal	Interest ⁽²⁾	Principal	Interest ⁽¹⁾
2025	\$ 19,745	\$ 50,015	\$ 10,190	\$ 6,500	\$ 2,580	\$ 1,221
2026	26,020	49,065	10,605	6,138	3,105	1,066
2027	59,110	47,093	11,050	5,714	3,100	890
2028	67,975	43,940	15,430	5,134	3,205	703
2029	67,870	40,709	16,025	4,519	3,310	511
2030-2034	388,100	153,422	69,910	13,686	6,970	416
2035-2039	419,855	57,900	40,805	3,643	—	—
2040-2044	75,040	6,443	5,320	45	—	—
2045-2049	4,695	142	—	—	—	—
2050-2054	—	—	—	—	—	—
2055	—	—	—	—	—	—
Total	\$ 1,128,410	\$ 448,729	\$ 179,335	\$ 45,379	\$ 22,270	\$ 4,807

Fiscal Year	SJPPP		Water and Sewer System		District Energy System		Total Debt Service
	Principal	Interest ⁽¹⁾	Principal	Interest ⁽¹⁾⁽²⁾	Principal	Interest	
2025	\$ 16,445	\$ 2,457	\$ 55,415	\$ 73,139	\$ 1,930	\$ 2,726	\$ 242,363
2026	17,105	1,825	50,230	70,424	1,995	2,679	\$ 240,257
2027	17,565	1,245	174,105	65,897	29,065	2,043	\$ 416,877
2028	18,060	628	53,360	59,231	2,145	833	\$ 270,644
2029	7,675	155	53,320	56,531	2,235	740	\$ 253,600
2030-2034	—	—	286,285	241,588	12,695	2,131	\$ 1,175,203
2035-2039	—	—	349,560	171,621	2,890	66	\$ 1,046,340
2040-2044	—	—	231,345	108,342	—	—	\$ 426,535
2045-2049	—	—	128,445	73,595	—	—	\$ 206,877
2050-2054	—	—	166,250	34,493	—	—	\$ 200,743
2055	—	—	38,915	8,110	—	—	\$ 47,025
Total	\$ 76,850	\$ 6,310	\$ 1,587,230	\$ 962,971	\$ 52,955	\$ 11,218	\$ 4,526,464

- (1) The interest requirement reflects gross interest, prior to any 35% cash subsidy payments, on the Federally Taxable – Issuer Subsidy – Build America Bonds.
- (2) The interest requirement for the variable rate debt was determined by using the interest rates that were in effect at the financial statement date of September 30, 2024.
- (3) The principal requirement for Fiscal Year 2027 includes the outstanding amounts drawn upon the revolving credit agreement, which is scheduled to expire on May 24, 2027.

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Notes to Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)

JEA, at its option, may redeem specific outstanding fixed rate JEA Revenue Bonds prior to maturity, as discussed in the official statements covering their issuance. A summary of the redemption provisions, excluding federally taxable bonds with make-whole redemption provisions, is as follows:

	Electric System	SJRPP	Water and Sewer System	District Energy System
Earliest fiscal year for redemption	2025	2025	2025	2025
Redemption price	100%	100%	100%	100%
Par available for redemption	\$ 103,510	\$ 65,625	\$ 76,540	\$ 25,955

JEA, at its option, may redeem federally taxable bonds, including Build America Bonds, with make-whole redemption provisions, in whole or in part, on any date, as discussed in the official statements covering their issuance. A summary of the make-whole redemption provisions is as follows:

	Electric System	Bulk Power Supply System	SJRPP	Water and Sewer System
Earliest fiscal year for redemption	2025	2025	2025	2025
Redemption price	Make-Whole	Make-Whole	Make-Whole	Make-Whole
Par available for redemption	\$ 164,085	\$ 22,270	\$ 11,225	\$ 124,170

JEA debt issued during fiscal year 2024 is summarized as follows:

System	Debt Issued	Purpose	Priority of Lien	Month of Issue	Par Amount Issued	Par Amount Refunded	Accounting Gain/(Loss)
Water and Sewer	2024 Series A	New Money	Senior	Feb 2024	\$ 353,000	\$ -	\$ -
Water and Sewer	2024 Series A	Refunding ⁽¹⁾	Senior ⁽²⁾	Feb 2024	150,835	171,295	4,320
					\$ 503,835	\$ 171,295	\$ 4,320

⁽¹⁾ Fixed rate bonds issued to refund fixed rate bonds with new debt service of \$207,277 compared to prior debt service of \$223,207 and \$12,408 of net present value economic savings.

⁽²⁾ Senior bonds issued to refund \$162,865 senior bonds and \$8,430 subordinated bonds.

JEA issued no bonds during fiscal years 2023.

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Notes to Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)

The JEA Board has authorized the issuance of additional bonds within certain parameters for the Electric System, SJRPP, the Water and Sewer System, and DES. The following table summarizes the maximum amounts that could be issued:

System	New Money Authorization		Refunding Authorization		Expiration
	Senior	Subordinated	Senior	Subordinated	
Electric	\$ –	\$ –	\$ 454,000	\$ 160,000	September 30, 2024
SJRPP Issue Three	–	–	88,000	–	September 30, 2024
Water and Sewer	353,000	–	532,000	109,000	September 30, 2024
District Energy System	22,000	–	42,000	–	September 30, 2024

Variable Rate Demand Obligations (VRDOs) – Liquidity Support

For the Electric System and the Water and Sewer System VRDOs appearing in the schedule of outstanding indebtedness, and except for the obligations noted in the following paragraphs, liquidity support is provided in connection with tenders for purchase with various liquidity providers pursuant to standby bond purchase agreements (SBPA) relating to that series of obligation. The purchase price of the obligations tendered or deemed tendered for purchase is payable from the proceeds of the remarketing thereof and moneys drawn under the applicable SBPA. At September 30, 2024, there were no outstanding draws under the SBPA. In the event of the expiration or termination of the SBPA that results in a mandatory tender of the VRDOs and the purchase of the obligations, then beginning on April 1 or October 1, whichever date is at least six months subsequent to the purchase of the obligations by the bank, JEA shall begin to make equal semiannual installments over an approximate five-year period. Commitment fees range from 0.40% to 0.42% with stated termination dates ranging from July 26, 2026 to June 25, 2027, unless otherwise extended.

JEA entered into irrevocable direct-pay letter of credit and reimbursement agreement to support the payment of principal and interest on the Water and Sewer System 2008 Series A-2 VRDOs. The letter of credit agreement constitutes both a credit facility and a liquidity facility. As of September 30, 2024, there were no draws outstanding under the letter of credit agreement. Repayment of any draws outstanding at the expiration date are payable in equal semiannual installments over an approximate five-year period. The commitment fee is 0.42% with a stated expiration date of September 27, 2028, unless otherwise extended.

JEA has entered into continuing covenant agreements for the Variable Rate Electric System Revenue Bonds, Series Three 2008B-1, Series Three 2008B-4, and Series Three 2008D-1 (collectively, the Direct Purchase Bonds). Except as described below, the bank does not have the option to tender the respective Direct Purchase Bonds for purchase for a period specified in the respective continuing covenant agreements, which period would be subject to renewal under certain conditions. Any Direct Purchase Bonds that were not purchased on the scheduled mandatory tender date that occurred, upon the expiration of such period, would be required to be repaid as to principal in equal semiannual installments over a period of approximately five years from the scheduled mandatory tender date. The continuing covenant agreements specify certain events of default that require immediate repayment of outstanding amounts and other events of default that require repayment of outstanding amounts if the event of default continues from 7 days to 180 days. During the years ended September 30, 2024 and 2023, JEA did not default on any terms of the continuing covenant agreements. The current expiration date of the continuing covenant agreements is December 9, 2024, unless otherwise extended. The interest rate is variable and set weekly based upon SIFMA plus 45 basis points.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)***Revolving Credit Agreement***

JEA has a revolving credit agreement with a commercial bank for an unsecured amount of \$500,000. The revolving credit agreement may be used with respect to the Electric System, the Bulk Power Supply System, SJRPP, the Water and Sewer System, or DES for operating or capital expenditures. The revolving credit agreement specifies events of default that require immediate repayment of outstanding amounts. During the years ended September 30, 2024 and 2023, JEA did not default on any terms of the revolving credit agreement. During fiscal year 2024, the revolving credit agreement was drawn upon by the District Energy System for \$16,000 and the Water and Sewer System for \$170,000, with \$177,000 being repaid with proceeds from the Water and Sewer System bond issuance, increasing the balance outstanding to \$147,000 as of September 30, 2024, with \$353,000 available to be drawn. The revolving credit agreement is scheduled to expire on May 24, 2027.

Debt Management Strategy

JEA has entered into various interest rate swap agreements, executed in conjunction with debt financings for initial terms up to 35 years (unless earlier terminated). JEA utilizes floating to fixed interest rate swaps as part of its debt management strategy. For purposes of this note, the term floating to fixed interest rate swaps refers to swaps in which JEA receives a floating rate and pays a fixed rate.

The fair value of the interest rate swap agreements and related hedging instruments is reported in the long-term debt section in the accompanying statements of net position; however, the notional amounts of the interest rate swaps are not reflected in the accompanying financial statements. JEA follows GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*; therefore, hedge accounting is applied where fair market value changes are recorded in the accompanying statements of net position as either deferred outflow or deferred inflow of resources.

The earnings from the debt management strategy interest rate swaps are recorded to interest on debt in the accompanying statements of revenues, expenses, and changes in net position.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)

JEA entered into all outstanding floating to fixed interest rate swap agreements during prior fiscal years. The terms of the floating to fixed interest rate swap agreements outstanding at September 30, 2024, are as follows:

System	Hedged Bonds	Initial Notional Amount	Notional Amount Outstanding	Fixed Rate of Interest	Effective Date	Termination Date	Variable Rate Index
Electric	Series Three 2008C	\$ 174,000	\$ 84,800	3.7%	Sep 2003	Sep 2033	68% of 1 month LIBOR fallback(1)
Electric	Series Three 2008B	117,825	82,575	4.4%	Aug 2008	Oct 2039	SIFMA
Electric	Series Three 2008B	116,425	72,750	3.7%	Sep 2008	Oct 2035	68% of 1 month LIBOR fallback(1)
Electric	2008 Series D	40,875	39,175	3.7%	Mar 2009	Oct 2037	68% of 1 month LIBOR fallback(1)
Electric	Series Three 2008D-1	98,375	59,755	3.9%	May 2008	Oct 2031	SIFMA
Electric	Series Three 2008A	100,000	51,680	3.8%	Jan 2008	Oct 2036	SIFMA
Water and Sewer	2008 Series B	85,290	81,255	3.9%	Mar 2007	Oct 2041	SIFMA
		<u>\$ 732,790</u>	<u>\$ 471,990</u>				

The terms of the floating to fixed interest rate swap agreements outstanding at September 30, 2023, are as follows:

System	Hedged Bonds	Initial Notional Amount	Notional Amount Outstanding	Fixed Rate of Interest	Effective Date	Termination Date	Variable Rate Index
Electric	Series Three 2008C	\$ 174,000	\$ 84,800	3.7%	Sep 2003	Sep 2033	68% of 1 month LIBOR fallb
Electric	Series Three 2008B	117,825	82,575	4.4%	Aug 2008	Oct 2039	SIFMA
Electric	Series Three 2008B	116,425	74,925	3.7%	Sep 2008	Oct 2035	68% of 1 month LIBOR fallb
Electric	2008 Series D	40,875	39,175	3.7%	Mar 2009	Oct 2037	68% of 1 month LIBOR fallb
Electric	Series Three 2008D-1	98,375	62,980	3.9%	May 2008	Oct 2031	SIFMA
Electric	Series Three 2008A	100,000	51,680	3.8%	Jan 2008	Oct 2036	SIFMA
Water and Sewer	2008 Series B	85,290	85,290	3.90%	Mar 2007	Oct 2041	SIFMA
		<u>\$ 732,790</u>	<u>\$ 481,425</u>				

- (1) The UK's Financial Conduct Authority ("FCA") is responsible for regulating LIBOR. On November 30, 2020, the ICE Benchmark Administration ("IBA"), an authorized administrator, regulated and supervised by the FCA, announced that it planned to consult on its intention to cease publication of the overnight, one-month, six-month and 12-month LIBOR tenors on June 30, 2022. On March 5, 2021, the FCA announced the future cessation or loss of representativeness of the 35 LIBOR benchmark settings published by IBA, and on May 3, 2021, the FCA confirmed that the one-month U.S. dollar tenor, among others, would cease to be provided by any administrator or no longer representative after June 30, 2023. The International Swap and Derivatives Association ("ISDA") led an industry effort to implement fallback language for derivatives contracts covered under the IBA and FCA announcements. On October 23, 2020, ISDA published the ISDA 2020 IBOR Fallbacks Protocol ("Protocol"), which enables parties to amend the terms of covered swap documents and to include new fallback rates for those that would be discontinued or become non-representative. JEA and its LIBOR swap counterparties adhered to the Protocol prior to June 30, 2023, to replace LIBOR with a rate based on SOFR.

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Notes to Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)

For fiscal years ended September 30, 2024 and 2023, all outstanding interest rate swap agreements were considered effective hedging instruments. The following table includes fiscal year 2024 and 2023 summary information for JEA's effective cash flow hedges related to the outstanding floating to fixed interest rate swap agreements.

System	Changes in Fair Value		Fair Value at September 30, 2024		
	Classification	Amount	Classification	Amount ⁽¹⁾	Notional
Electric	Deferred outflows	\$ (20,321)	Fair value of debt management strategy instruments	\$ (36,057)	\$ 390,735
Water and Sewer	Deferred outflows	(5,396)	Fair value of debt management strategy instruments	(8,028)	81,255
Total		<u>\$ (25,717)</u>		<u>\$ (44,085)</u>	<u>\$ 471,990</u>

System	Changes in Fair Value		Fair Value at September 30, 2023		
	Classification	Amount	Classification	Amount ⁽¹⁾	Notional
Electric	Deferred outflows	\$ 15,768	Fair value of debt management strategy instruments	\$ (15,736)	\$ 396,135
Water and Sewer	Deferred outflows	4,095	Fair value of debt management strategy instruments	(2,632)	85,290
Total		<u>\$ 19,863</u>		<u>\$ (18,368)</u>	<u>\$ 481,425</u>

⁽¹⁾ Fair value amounts were calculated using market rates and standard cash flow present valuing techniques.

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Notes to Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)

For fiscal years ended September 30, 2024 and 2023, the weighted-average rates of interest for each index type of floating to fixed interest rate swap agreement and the total net swap earnings were as follows:

	2024		2023
68% of LIBOR fallback (based on SOFR Index) and LIBOR Index ⁽¹⁾ :			
Notional amount outstanding	\$ 196,725	\$	198,900
Variable rate received (weighted average)	3.69%		3.16%
Fixed rate paid (weighted average)	3.70%		3.70%
SIFMA Index (formerly BMA Index):			
Notional amount outstanding	\$ 275,265	\$	282,525
Variable rate received (weighted average)	3.47%		3.06%
Fixed rate paid (weighted average)	4.02%		4.02%
Net debt management swap loss	\$ (1,417)	\$	(3,765)

⁽¹⁾ LIBOR fallback (based on SOFR Index) for rates set after June 30, 2023 and LIBOR Index for rates set on and prior to June 30, 2023.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)

The following two tables summarize the anticipated net cash flows of JEA's outstanding hedged variable rate debt and related floating to fixed interest rate swap agreements at September 30, 2024:

Electric System				
Fiscal Year	Principal	Interest⁽¹⁾	Net Swap Interest	Total
2025	\$ 13,840	\$ 13,481	\$ 1,472	\$ 28,793
2026	19,205	12,899	1,532	33,636
2027	19,750	12,192	1,448	33,390
2028	32,905	11,047	1,312	45,264
2029	35,115	9,795	1,165	46,075
2030-2034	163,070	30,286	3,522	196,878
2035-2039	97,675	9,160	1,521	108,356
2040	9,175	27	7	9,209
Total	\$ 390,735	\$ 98,887	\$ 11,979	\$ 501,601

Water and Sewer System				
Fiscal Year	Principal	Interest⁽¹⁾	Net Swap Interest	Total
2025	\$ 4,420	\$ 2,483	\$ 399	\$ 7,302
2026	4,525	2,355	372	7,252
2027	4,615	2,206	349	7,170
2028	—	2,194	347	2,541
2029	—	2,194	347	2,541
2030-2034	7,055	10,470	1,655	19,180
2035-2039	28,710	7,608	1,203	37,521
2040	31,930	1,149	182	33,261
Total	\$ 81,255	\$ 30,659	\$ 4,854	\$ 116,768

- ⁽¹⁾ Interest requirement for the variable rate debt and the variable portion of the interest rate swaps was determined by using the interest rates that were in effect at the financial statement date of September 30, 2024. The fixed portion of the interest rate swaps was determined based on the actual fixed rates of the outstanding interest rate swaps at September 30, 2024.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)

Credit Risk – JEA is exposed to credit risk on hedging derivative instruments that are in asset positions. To minimize its exposure to loss related to credit risk, the Board has established limits on the notional amount of JEA's interest rate swap transactions and standards for the qualification of financial institutions with which JEA may enter into interest rate swap transactions. The counterparties with which JEA may deal must be rated (i) "AAA"/"Aaa" by one or more nationally recognized rating agencies at the time of execution, (ii) "A"/"A2" or better by at least two of such credit rating agencies at the time of execution, or (iii) if such counterparty is not rated "A"/"A2" or better at the time of execution, provide for a guarantee by an affiliate of such counterparty rated at least "A"/"A2" or better at the time of execution where such affiliate agrees to unconditionally guarantee the payment obligations of such counterparty under the swap agreement. In addition, each swap agreement will require the counterparty to enter into a collateral agreement to provide collateral when the ratings of such counterparty (or its guarantor) fall below "AA-"/"Aa3" and a payment is owed to JEA. With respect to swap agreements entered into in 2014 between JEA and three swap counterparties, each counterparty will be required to provide collateral when (a) the ratings of such counterparty fall below "A+"/"A1" by any one of the rating agencies and (b) a termination payment would be owed to JEA above a specified threshold amount. All outstanding interest rate swaps at September 30, 2024, were in a liability position. Therefore, if counterparties failed to perform as contracted, JEA would not be subject to any credit risk exposure at September 30, 2024.

JEA's floating to fixed interest rate swap counterparty credit ratings at September 30, 2024, are as follows:

Counterparty	Counterparty Credit Ratings S&P/Moody's/Fitch	Outstanding Notional Amount
Morgan Stanley Capital Service Inc.	A-/A1/A+	\$ 142,330
Goldman Sachs Mitsui Marine Derivative Products L.P.	AA-/Aa2/not rated	136,480
JPMorgan Chase Bank, N.A.	A+/Aa2/AA	111,925
Merrill Lynch Derivative Products AG	A-/A1/AA-	81,255
Total		<u>\$ 471,990</u>

Interest Rate Risk – JEA is exposed to interest rate risk where changes in interest rates could affect the related net cash flows and fair values of outstanding interest rate swaps. On a pay-fixed, receive-variable interest rate swap, as the floating swap index decreases, JEA's net payment on the swap increases, and as the fixed rate swap market declines as compared to the fixed rate on the swap, the fair value declines.

Basis Risk – JEA is exposed to basis risk on certain pay-fixed interest rate swap hedging derivative instruments because the variable-rate payments received on certain hedging derivative instruments are based on a rate or index other than interest rates that JEA pays on its hedged variable-rate debt, which is reset every one or seven days. As of September 30, 2024, the weighted-average interest rate on JEA's hedged variable-rate debt is 3.34%, the SIFMA swap index rate is 3.38%, and 68% of LIBOR fallback (based on SOFR) is 3.59%.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

8. Long-Term Debt (continued)

Termination Risk – JEA or its counterparties may terminate a derivative instrument if the other party fails to perform under the terms of the contract. If at the time of termination, a hedging derivative instrument were in a liability position, JEA would be liable to the counterparty for a payment equal to the liability.

Market Access Risk – JEA is exposed to market access risk due to potential market disruptions in the municipal credit markets that could inhibit the issuing or remarketing of bonds and related hedging instruments. JEA maintains strong credit ratings (see Debt Administration section of the Management Discussion and Analysis) and, to date, has not encountered any barriers to the credit markets.

9. Related Party Transactions***City of Jacksonville****Utility and Administrative Services*

JEA is a separately governed authority and considered a discretely presented component unit of the City. JEA provides electric, water, and sewer service to the City and its agencies and bills for such service using established rate schedules. JEA utilizes various services provided by departments of the City including insurance, legal, and motor pool. JEA is billed on a proportionate cost basis with other user departments and agencies. The revenues for services provided and expenses for services received by JEA for these related-party transactions with the City were as follows:

	2024	2023
Revenues	\$ 28,315	\$ 31,878
Expenses	\$ 5,466	\$ 5,248

City Contribution

The City and JEA had an agreement through September 30, 2023, which established a contribution formula. The JEA Electric Enterprise Fund is required to contribute annually to the General Fund of the City an amount equal to 7.468 mills per kilowatt hour delivered by JEA to retail users in JEA's service area and to wholesale customers under firm contracts having an original term of more than one year. The JEA Water and Sewer Fund is required to contribute annually to the General Fund of the City an amount equal to 389.2 mills per thousand gallons of potable water and sewer service provided, excluding reclaimed water service. These calculations are subject to a minimum increase of 1% per year, using 2016 as the base year for the combined assessment for the Electric Enterprise Fund and Water and Sewer Fund. Per Section 21.07 of the City Charter, should the council not reconsider the assessment calculations, the assessments shall be calculated using the existing formulas. There is no maximum annual assessment.

Although the calculation for the annual transfer of available revenue from JEA to the City is based upon formulas that are applied specifically to each utility system operated by JEA, JEA, at its sole discretion, may utilize any of its available revenues, regardless of source, to satisfy its total annual obligation to the City.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

9. Related Party Transactions (continued)

The contributions from the JEA Electric Enterprise Fund and JEA Water and Sewer Fund were as follows:

	2024		2023
Electric	\$ 95,209	\$	95,491
Water and Sewer	\$ 28,439	\$	26,933

Franchise Fees

In 2008, the City enacted a 3.0% franchise fee from designated revenues of the Electric and Water and Sewer systems. The ordinance authorizes JEA to pass through these fees to its electric and water and sewer funds. These amounts are included in operating revenues and expenses and were as follows:

	2024		2023
Electric	\$ 32,038	\$	34,329
Water and Sewer	\$ 11,483	\$	11,319

Insurance Risk Pool

JEA is exposed to various risks of loss related to torts, theft and destruction of assets, errors and omissions, and natural disasters. In addition, JEA is exposed to risks of loss due to injuries and illness of its employees. These risks are managed through the Risk Management Division of the City, which administers the public liability (general liability and automobile liability) and workers' compensation self-insurance program covering the activities of the City general government, JEA, Jacksonville Housing Authority, Jacksonville Port Authority, and the Jacksonville Aviation Authority. The general objectives are to formulate, develop, and administer, on behalf of the members, a program of insurance to obtain lower costs for that coverage and to develop a comprehensive loss control program.

JEA has excess coverage for individual workers' compensation claims above \$1,500. Liability for claims incurred is the responsibility of, and is recorded in, the City's self-insurance plan. The premiums are calculated on a retrospective or prospective basis, depending on the claims experience of JEA and other participants in the City's self-insurance program. The liabilities are based on the estimated ultimate cost of settling the claim including the effects of inflation and other societal and economic factors. The JEA workers' compensation expense is the premium charged by the City's self-insurance plan. JEA is also a participant in the City's general liability insurance program. As part of JEA's risk management program, certain commercial insurance policies are purchased to cover designated exposures and potential loss programs.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

9. Related Party Transactions (continued)

These amounts are included in operating expenses and were as follows:

	2024	2023
General liability	\$ 2,249	\$ 2,145
Workers' compensation	\$ 1,942	\$ 1,821

The following table shows the estimated workers' compensation and general liability loss accruals for the City and JEA's portion for the fiscal years ended September 30, 2024 and 2023. The amounts are recorded by the City at present value using a 4% discount rate for the fiscal years ended September 30, 2024 and September 30, 2023.

	Workers' Compensation		General Liability	
	City of Jacksonville	JEA Portion	City of Jacksonville	JEA Portion
Beginning balance	\$ 139,440	\$ 3,033	\$ 18,206	\$ 3,161
Change in provision	23,868	2,003	10,359	1,200
Payments	(23,234)	(1,247)	(8,313)	(985)
Ending balance	\$ 140,074	\$ 3,789	\$ 20,252	\$ 3,376

10. Fuel Purchase and Purchased Power Commitments

JEA has committed to purchase approximately 25,000 tons of coal for Northside. Contract terms specify minimum annual purchase commitments at fixed prices or at prices that are subject to market adjustments. JEA has remarketing rights under the coal contracts. JEA's coal supply is purchased with transportation included.

JEA has a power purchase agreement (PPA) with Florida Power & Light (FPL) which provides 200 MW of day-ahead scheduled power. The pricing structure of the FPL PPA is based on the system cost of its natural gas combined cycle units and has a term of 20 years.

JEA has commitments to purchase natural gas delivered to Jacksonville under a long-term contract with Shell Energy North America L.P. (Shell Energy) until 2031. Contract terms for the natural gas supply specify minimum annual purchase commitments at market prices. JEA has the option to remarket any excess natural gas purchases. In addition to the gas delivered by Shell Energy, JEA has long-term contracts with Peoples Gas system, Florida Gas Transmission, Southern Natural Gas and SeaCoast Gas Transmission for firm gas transportation to allow the delivery of natural gas through those pipeline systems. There is no purchase commitment of natural gas associated with those transportation contracts.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

10. Fuel Purchase and Purchased Power Commitments (continued)

JEA has ten contracts to purchase prepaid natural gas supplies from various locations using JEA's firm natural gas supply and transportation agreements with expiration dates from 2039 to 2054. JEA is obligated to purchase specified volumes per day ranging from 45,000-53,000 mmBtu/day, increasing to 55,000-63,000 mmBtu/day on November 1, 2024, then to 56,000-64,000 mmBtu/day on July 1, 2029. JEA's financial obligations under the gas supply agreements are based on index prices for monthly deliveries at the delivery point and are on a "take and pay" basis whereby JEA is only obligated to pay for gas that is delivered.

In the unlikely event that JEA would not be in a position to fulfill its obligations to receive fuel and purchased power under the terms of its existing fuel and purchased power contracts, JEA would nonetheless be obligated to make certain future payments. If the conditions necessitating the future payments occurred, JEA would mitigate the financial impact of those conditions by remarketing the fuel and purchased power at then-current market prices. The aggregate amount of future payments that JEA does not expect to be able to mitigate appears in the table below:

Fiscal Year Ending	Coal and Pet Coke		Natural Gas		Transmission	Total
	Fuel	Transportation	Transportation			
2025	\$ 2,197	\$ 525	\$ 5,328	\$ 16,800	\$ 24,850	
2026	—	—	5,328	16,800	22,128	
2027	—	—	5,328	16,800	22,128	
2028	—	—	5,342	16,800	22,142	
2029-2043	—	—	14,203	222,600	236,803	
Total	<u>\$ 2,197</u>	<u>\$ 525</u>	<u>\$ 35,529</u>	<u>\$ 289,800</u>	<u>\$ 328,051</u>	

Vogtle Units Purchased Power Agreement*Overview*

As a result of an earlier 2008 Board policy establishing a 10% of total energy from nuclear energy goal, JEA entered into a power purchase agreement (as amended, the Additional Vogtle Units PPA) with the Municipal Electric Authority of Georgia (MEAG) for 206 megawatts (MW) of capacity and related energy from MEAG's interest in two additional nuclear generating units (the Additional Vogtle Units or Plant Vogtle Units 3 and 4) at the Alvin W. Vogtle Nuclear Plant in Burke County, Georgia. The owners of the Additional Vogtle Units include Georgia Power Company (Georgia Power), Oglethorpe Power Corporation, MEAG and the City of Dalton, Georgia (collectively, the Vogtle Co-Owners). The energy received under the Additional Vogtle Units PPA is projected to represent approximately 11% of JEA's total energy requirements in the year 2030.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

10. Fuel Purchase and Purchased Power Commitments (continued)

The Additional Vogtle Units PPA requires JEA to pay MEAG for the capacity and energy at the full cost of production (including debt service on the bonds issued and to be issued by MEAG and on the loans made and to be made by the Project J Entity referred to below, in each case, to finance the portion of the capacity to be sold to JEA from the Additional Vogtle Units) plus a margin over the term of the Additional Vogtle Units PPA. Under the Additional Vogtle Units PPA, JEA is entitled to 103 MW of capacity and related energy from each of the Additional Vogtle Units for a 20-year term commencing on each Additional Vogtle Unit's commercial operation date and is required to pay for such capacity and energy on a "take-or-pay" basis (that is, whether or not either Additional Vogtle Unit is operating or operable, whether or not its output is suspended, reduced or the like, or terminated in whole or in part) except that JEA is not obligated to pay the margin referred to above during such periods in which the output of either Additional Vogtle Unit is suspended or terminated.

Financing and In-Service Costs

MEAG created three separate projects (the Vogtle Units 3 and 4 Project Entities) for the purpose of owning and financing its 22.7% undivided ownership interest in the Additional Vogtle Units (representing approximately 500.308 MW of capacity and related energy based upon the nominal rating of the Units). The project corresponding to the portion of MEAG's ownership interest, which will provide the capacity and energy to be purchased by JEA under the Additional Vogtle Units PPA, is referred to herein as Project J. MEAG's total in-service cost for its entire undivided ownership interest in the Additional Vogtle Units is \$7,482,427, including construction and financing costs through the estimated in-service dates, initial fuel load costs, switchyard and transmission costs, and contingencies established by Georgia Power at the project level for all Vogtle Co-Owners. MEAG has additionally provided that its total capital costs for its share of the Additional Vogtle Units, including reserve funds and other fund deposits required under the financing documents, are approximately \$8,023,974. A certain portion of these costs reflect a reduction in accordance with the 2019 Global Amendments to the Plant Vogtle Joint Operating Agreements. The total in-service cost for the Additional Vogtle Units allocable to Project J and the portion of additional in-service costs relating to reserve funds and other fund deposits is \$3,464,944.

On September 29, 2022, MEAG announced that MEAG and the Vogtle Units 3 and 4 Project Entities had entered into a Definitive Settlement Agreement with Georgia Power (the Settlement Agreement) to resolve claims relating to the 2019 Global Amendments pending in litigation filed by MEAG and the Vogtle Units 3 and 4 Project Entities on June 18, 2022, in the Superior Court of Fulton County, Georgia. Under the Settlement Agreement:

- Georgia Power reimbursed the Vogtle Units 3 and 4 Project Entities for (1) 15% of their share of the actual cost of construction of the Additional Vogtle Units in excess of \$18.7 billion, up to and including \$19.6 billion, and (2) 20% of their share of the actual cost of construction of the Additional Vogtle Units in excess of \$19.6 billion. MEAG and the Vogtle Units 3 and 4 Project Entities released Georgia Power from claims for reimbursement of costs of construction of the Additional Vogtle Units other than pursuant to the Settlement Agreement;
- The Vogtle Units 3 and 4 Project Entities would not tender any of their ownership interests in the Additional Vogtle Units to Georgia Power, which remained 22.7% in the aggregate;

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

10. Fuel Purchase and Purchased Power Commitments (continued)

- The parties dismissed with prejudice the existing litigation among them and deliver customary releases relating to the litigation; and
- MEAG Power waived its rights under the Agreement Regarding Additional Participating Party Rights, dated November 2, 2017, by and among MEAG, Georgia Power, and the other Vogtle Co-Owners (Additional Rights Agreement), and agreed to vote to continue the construction of the Additional Vogtle Units upon occurrence of specified project adverse events unless the commercial operation date of either of the Additional Vogtle Units was not projected to occur by December 31, 2025.

Financing for Project J – In order to finance a portion of its acquisition and construction of Project J and to refund bond anticipation notes previously issued by MEAG, MEAG issued \$1,248,435 of its Plant Vogtle Units 3 and 4 Project J Bonds (the 2010 PPA Bonds) on March 11, 2010. Of the total 2010 PPA Bonds, approximately \$1,224,265 were issued as Federally Taxable – Issuer Subsidy – Build America Bonds where MEAG expects to receive a cash subsidy payment from the United States Treasury for 35% of the related interest, subject to reduction due to sequestration. At this time, a portion of the interest subsidy payments with respect to the Build America Bonds is not being paid as a result of the federal government sequestration process and the Bipartisan Budget Act of 2019 for the current fiscal year through fiscal year 2030. The current sequestration rate of 5.7% will be applied unless and until a law is enacted that cancels or otherwise affects the sequester. MEAG issued \$185,180 of additional Project J tax-exempt bonds on September 9, 2015. In addition, MEAG issued \$570,925 of additional Project J tax-exempt bonds on July 19, 2019. JEA was not asked to, and did not, provide updated disclosure regarding JEA in connection with the preparation of MEAG's July 18, 2019 Project J Bonds Series 2019A Official Statement relating to the issuance and JEA did not make any representations or warranties, or deliver any opinions of legal counsel, in connection with the offering, issuance, and sale of the Project J Bonds, Series 2019A. Further, on July 20, 2021, July 12, 2022 and January 19, 2023, MEAG issued \$150,350, \$212,005, and \$192,370 of additional Project J tax-exempt bonds, Series 2021A, Series 2022A and Series 2023A, respectively. JEA provided updated disclosure regarding JEA in connection with MEAG's July 8, 2021 Project J Bonds, Series 2021A Official Statement, June 29, 2022 Project J Bonds, Series 2022A Official Statement and January 12, 2023 Project J Bonds, Series 2023A Official Statement, respectively, relating to the issuances and JEA made certain representations and warranties and delivered opinions of legal counsel in connection with the offering, issuance, and sale of the Project J Bonds, Series 2021A, 2022A and 2023A.

On June 24, 2015, in order to obtain certain loan guarantees from the United States Department of Energy (DOE) for further funding of Plant Vogtle Units 3 and 4, MEAG divided its undivided ownership interest in Plant Vogtle Units 3 and 4 into three separate undivided interests and transferred such interests to the Vogtle Units 3 and 4 Project Entities. MEAG transferred approximately 41.175% of its ownership interest, representing 206 MW of nominally rated generating capacity (which is the portion of MEAG's ownership interest attributable to Project J), to MEAG Power SPVJ, LLC (the Project J Entity).

The Project J Entity entered into a loan guarantee agreement with the DOE in 2015, subsequently amended in 2016 and 2017, under which the Project J Entity is permitted to borrow from the Federal Financing Bank (FFB) an aggregate amount of approximately \$687,279, all of which has been advanced to date.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

10. Fuel Purchase and Purchased Power Commitments (continued)

On September 28, 2017, DOE, MEAG, and the Vogtle Units 3 and 4 Project Entities entered into a conditional commitment for additional DOE loan guarantees in the aggregate amount of \$414,700. On March 22, 2019, MEAG announced that it had closed on the additional DOE loan guarantees in the aggregate amount of \$414,700. The Project J Entity's portion of the \$414,700 in additional loan guarantees is \$111,541 and this amount was fully drawn on October 2, 2021. MEAG expects that any future financing needs for Project J will be financed in the capital markets, or bank borrowings.

The following is a summary of financing associated with Project J:

Long-term bonds	
2010A Build America bonds	\$ 1,224,265
2010B tax-exempt bonds	24,170
2015A tax-exempt bonds	185,180
2019A tax-exempt bonds	570,925
2021A tax-exempt bonds	150,350
2022A tax-exempt bonds	212,005
2023A tax-exempt bonds	192,370
Remaining financing requirement	<u>32,400</u>
Total long-term bonds	<u>2,591,665</u>
DOE advances ⁽¹⁾	
2015 DOE advances	345,990
2019 DOE advances	229,748
2020 DOE advances	<u>111,541</u>
Total DOE advances	<u>687,279</u>
Estimated interest earnings and bond premiums	<u>186,000</u>
Total capital requirements ⁽²⁾	<u>\$ 3,464,944</u>

(1) Includes advances and related capitalized interest accretion.

(2) Represents total construction costs and required reserve deposits, net of payments received.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

10. Fuel Purchase and Purchased Power Commitments (continued)

Based on information provided by MEAG, JEA's portion of the debt service on the outstanding Project J debt as of September 30, 2024, is summarized as follows:

Fiscal Year Ending September 30	Principal	Interest	Annual Debt Service	Build America Bonds Subsidy	Net Debt Service
2025	\$ 37,296	\$ 157,173	\$ 194,469	\$ (25,746)	\$ 168,723
2026	38,710	153,997	192,707	(25,378)	167,329
2027	40,198	151,827	192,025	(24,993)	167,032
2028	41,776	149,689	191,465	(24,592)	166,873
2029	43,399	147,584	190,983	(24,173)	166,810
2030	45,082	145,359	190,441	(23,737)	166,704
2031	46,838	143,042	189,880	(23,281)	166,599
2032	48,622	140,753	189,375	(22,806)	166,569
2033	50,586	138,093	188,679	(22,311)	166,368
2034	52,603	135,465	188,068	(21,794)	166,274
2035	54,653	132,800	187,453	(21,255)	166,198
2036	48,287	130,025	178,312	(20,692)	157,620
2037	37,324	127,079	164,403	(20,106)	144,297
2038	33,865	124,038	157,903	(19,494)	138,409
2039	31,040	120,792	151,832	(18,855)	132,977
2040	22,063	117,520	139,583	(18,189)	121,394
2041	19,177	114,060	133,237	(17,495)	115,742
2042	13,207	110,900	124,107	(16,770)	107,337
2043	7,063	91,988	99,051	(13,880)	85,171
2044	2,527	21,830	24,357	(3,550)	20,807
Total	\$ 714,316	\$ 2,554,014	\$ 3,268,330	\$ (409,097)	\$ 2,859,233

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

10. Fuel Purchase and Purchased Power Commitments (continued)*Construction Arrangements for the Additional Vogtle Units*

As a result of the bankruptcy of the original contractor for the Additional Vogtle Units and increases in the construction costs, the Vogtle Co-Owners restructured the construction arrangements for the Additional Vogtle Units. Under the restructured construction arrangements:

- Bechtel Power Corporation (Bechtel) served as the prime construction contractor for the remaining construction activities for Plant Vogtle Units 3 and 4 under a Construction Agreement entered into between Bechtel and Georgia Power, acting for itself and as agent for the other Vogtle Co-Owners (the Construction Agreement), which is a cost reimbursable plus fee arrangement, which means that the Construction Agreement does not require Bechtel to absorb any increases in construction costs.
- In August 2018, the Vogtle Co-Owners approved amendments to their joint ownership agreements for Plant Vogtle Units 3 and 4 (as amended, the Vogtle Joint Ownership Agreements) that limit the circumstances under which the holders of at least 90% of the ownership interests in Plant Vogtle Units 3 and 4 are required to approve the continuance of the construction of the Additional Vogtle Units to a few events, including the delay of one year or more over the most recently approved project schedule. Such events do not include increases in the construction budget.
- Under the Vogtle Joint Ownership Agreements, Georgia Power had the right to cancel the project at any time in its discretion.

The construction costs to complete Project J's share of the Additional Vogtle Units have significantly increased from the original project budget of approximately \$1,400,000 to the final cost of approximately \$3,464,944 inclusive of financing costs and required reserves. In addition, significant delays in the project's construction schedule have resulted in the original placed inservice dates for Vogtle Unit 3 of April 2016 and for Vogtle Unit 4 of April 2017 being revised to July 31, 2023 for Vogtle Unit 3 and April 29, 2024 for Vogtle Unit 4, respectively.

Increases in construction costs for Plant Vogtle Units 3 and 4 have resulted in increases in the payment obligations of JEA for capacity and energy under the Additional Vogtle Units PPA. See the *Overview* and *Financing and In-Service Costs* sections above and *Litigation and Regulatory Proceedings* section below for a description of the complaint filed by JEA and the City challenging the enforceability of the Additional Vogtle Units PPA.

Settlement of Prior Litigation

On July 30, 2020, JEA and MEAG filed a voluntary notice and announced a settlement of all disputed issues relating to the Additional Vogtle Units PPA. In connection with the litigation settlement, MEAG and JEA executed an amendment to the Additional Vogtle Units PPA pursuant to which MEAG and JEA agreed to an increase in the Additional Compensation Obligation payable by JEA to MEAG of \$0.75 per MWh of energy delivered to JEA thereunder.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

10. Fuel Purchase and Purchased Power Commitments (continued)

In addition, MEAG and JEA also entered into an agreement that, subject to the rights granted to other Project J participants in their Project J power sales contracts, grants to JEA a right of first refusal to purchase all or any portion of the entitlement share of a Project J participant to the output and services of Project J in the event that any Project J participant requests MEAG to effectuate a sale of such entitlement share pursuant to such participant's Project J power sales contract. This right of first refusal is applicable during the period commencing ten (10) years following the commercial operation date of the first of Vogtle Unit 3 or Vogtle Unit 4 to achieve commercial operation (July 31, 2033) and continuing until the expiration of twenty (20) years following such commercial operation dates. In order to exercise its right of first refusal as described above, JEA will be required to pay the price offered by a third-party purchaser or the fully embedded costs as provided for in the Project J power sales contract, whichever is greater.

Option to Purchase Interest in Lee Nuclear Station

On February 1, 2011, JEA entered into an option agreement with Duke Energy Carolinas, LLC (Duke Carolinas), a wholly owned subsidiary of Duke Energy Corporation, pursuant to which JEA has the option (but not the obligation) to purchase an undivided ownership interest of not less than 5% and not more than 20% of the proposed two-unit nuclear station currently known as William States Lee III Nuclear Station, Units 1 and 2 to be constructed at a site in Cherokee County, South Carolina (the Lee Project). The Lee Project planned to have 2,234 MW of electric generating capacity with a projected on-line date of 2026 with respect to Unit 1 and 2028 with respect to Unit 2. The total cost of the option was \$7,500, with \$3,750 paid in both fiscal year 2011 and 2012, respectively. JEA obtained this option in furtherance of its 2010 policy target to acquire up to 30% of JEA's energy requirements from nuclear sources by 2030.

The option agreement requires that JEA and Duke Carolinas complete negotiation of an ownership agreement and an operation and maintenance agreement for the Lee Project prior to JEA exercising the option. The option exercise period will be opened by Duke Carolinas after it (i) receives NRC approval of the COL for the Lee Project and (ii) executes an engineering, procurement, and construction agreement for the Lee Project. The Lee Project COL was received from the NRC in December 2016. In August 2017, Duke Carolinas filed with the North Carolina Utilities Commission and the South Carolina Public Service Commission to cancel the plant. This cancellation allows Duke Carolinas to seek cost recovery for the expenditures on licensing the plant, however, the NRC license remains active and the cancellation is not permanent. There is currently no schedule for negotiating an EPC agreement.

Once the exercise period is opened, JEA will have 90 days within which to exercise the option, and, if it does exercise the option, it must specify the percentage undivided ownership interest in the Lee Project that it will acquire.

After JEA exercises the option (should it elect to do so) and various regulatory approvals are obtained, JEA must pay Duke Carolinas the exercise price for the option. Such price is generally JEA's pro rata share, based on its percentage ownership interest in the Lee Project, of the development and pre construction cost for the Lee Project incurred by Duke Carolinas from the beginning of the Lee Project through the closing date of the option exercise. JEA is undecided as to the financing structure it would employ to finance its interest in the Lee Project, should it elect to exercise its option.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

10. Fuel Purchase and Purchased Power Commitments (continued)

Under certain circumstances, should the Lee Project be terminated by Duke Carolinas, Duke may be obligated to provide JEA with options for alternative resources (but not necessarily from nuclear resources) to replace JEA's optional portion of the projected Lee Project capacity.

Such alternative resources are to be available to JEA within two years of the projected online date for the Lee Project, once such date is set. No alternative resource for the Lee Project has yet been proposed by Duke Carolinas.

Solar Projects

In 2009, JEA entered into a 30-year PPA with Jacksonville Solar, LLC for the produced energy, as well as the associated environmental attributes from a solar farm, Jacksonville Solar, which has been constructed in JEA's service territory. The facility, which consists of 200,000 photovoltaic panels on a JEA-leased 100-acre site, is currently owned by Rev Renewables, an LS Power company, and generated approximately 11,330 MWh of electricity in fiscal year 2024 and 16,255 MWh of electricity in 2023. JEA pays only for the energy produced. Purchases of energy were \$2,064 for fiscal year 2024 and \$3,636 in 2023.

As part of JEA's continued commitment to the environment, and to increase JEA's level of carbon-free renewable energy generation, in December 2014, the Board established a solar policy to add up to 38 MWac of solar photovoltaic capacity. To support this policy, JEA issued requests for proposals for PPAs in December 2014 and April 2015. Seven PPAs, representing 27 MWac, have been finalized. The solar PPAs are distributed around JEA's service territory.

As of the end of calendar year 2019, all seven projects had been completed: NW Jacksonville Solar, Old Plank Road Solar, Starratt Solar, Simmons Solar, Blair Road Solar, Old Kings Solar, and Sunport Solar. JEA entered into 20-25 year PPAs for the energy and the associated environmental attributes from each solar farm. The solar facilities generated approximately 45,744 MWh in fiscal year 2024 and 51,304 MWh in fiscal year 2023. JEA pays only for the energy produced. Purchases of energy were \$3,639 for fiscal year 2024 and \$4,042 in 2023.

On April 25, 2023, the JEA Board approved JEA's 2030 goals, which include sourcing 35% of JEA's energy from clean energy resources, such as solar and nuclear. To support this goal, JEA will need a total of 1,275 MW of solar. As a result, JEA entered into an agreement on January 24, 2023, to purchase 150 MWac of electric energy, capacity resources, and renewable attributes (Solar) beginning April 1, 2023, from Florida Power & Light. JEA received approximately 365,574 MWh in fiscal year 2024 and 196,411 MWh in fiscal year 2023. JEA only pays for the energy produced. Purchases of energy were \$20,036 in fiscal year 2024 and \$9,934 in fiscal year 2023.

JEA is in negotiations for a solar agreement with the Florida Municipal Power Agency to purchase approximately 140 MW from facilities set to commission in 2026. Finally, JEA is currently in negotiations with Florida Renewable Partners for 280 MW of solar and energy storage systems to be constructed on JEA-owned parcels. These facilities are expected to commission between 2026 and 2027.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

10. Fuel Purchase and Purchased Power Commitments (continued)***Trail Ridge Landfill***

JEA purchases energy from two landfill gas-to-energy facilities through PPA agreements with Landfill Energy Systems (LES). Each agreement is for 9.6 MWs. Currently, JEA purchases 9.6 MW from Trail Ridge Landfill in Jacksonville, FL and 6.4 MW from Sarasota Landfill in Sarasota, FL. LES can supply the remaining 3.2 MW from Sarasota, if it is expanded and becomes available, or JEA can exercise its option to receive the remaining 3.2 MW from New River Landfill in Raiford, FL. JEA pays only for the energy produced. LES pays all transmission and ancillary charges associated with transmitting the energy from Sarasota to Jacksonville, which came online in January 2015. Purchases of landfill energy were 54,957 MWh for \$4,317 in fiscal year 2024 and 55,312 MWh for \$4,256 in fiscal year 2023.

11. Energy Market Risk Management Program

The Energy Market Risk Management Program is intended to help manage JEA's exposure to volatility and associated risks in the fuel and energy markets. Under this program, JEA has entered into financial swaps that locked in the monthly commodity price of natural gas for calendar years 2024 through 2031. These swaps cover approximately 61% of JEA's expected annual natural gas requirements for calendar year 2025. Each year thereafter, until calendar year 2028, the volumes of natural gas under financial swaps gradually declines. Calendar years 2029 through 2031 have consistent volumes of natural gas under financial swaps.

Under the existing natural gas supply contract with Shell Energy, JEA has the option to enter into fixed price transactions with Shell Energy in relation to the purchases to be made under the contract. As of September 30, 2024, JEA has executed fixed price transactions on 32% of the natural gas supply to be received from Shell Energy through August 2028.

JEA executes over-the-counter forward purchase and sale contracts and swaps. For effective derivative transactions, hedge accounting is applied in accordance with GASB Statement No. 53 and the fair market value changes are recorded on the accompanying statements of net position as either deferred charges or deferred credits until such time that the transactions end. At September 30, 2024, deferred credits of \$53,512 were included in accumulated increase in fair value of hedging derivatives and deferred charges of \$20,698 were included in accumulated decrease in fair value of hedging derivatives on the statement of net position. At September 30, 2023, deferred credits of \$93,219 were included in accumulated increase in fair value of hedging derivatives and deferred charges of \$20,789 were included in accumulated decrease in fair value of hedging derivatives on the statement of net position. The related settled gains and losses from these transactions are recognized as fuel expenses on the accompanying statements of revenues, expenses, and changes in net position. There was a realized loss of \$29,825 included in fuel expense in fiscal year 2024 and a realized gain of \$21,893 offsetting fuel expense in fiscal year 2023.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

12. Pension Plans

Substantially all JEA employees participate in and contribute to the GERP, as amended. The GERP is a cost-sharing, multiple-employer contributory defined benefit pension plan (DB) with a defined contribution alternative (DC). The defined benefit pension plan portion of the GERP is closed to new members, with all new employees entering the defined contribution plan. Employees hired prior to September 30, 2017 can electively change from the DC plan to the DB plan, or vice versa, up to three times within their first five years of participation. GERP, based on laws outlined in the City's Ordinance Code and applicable Florida statutes, provides for retirement, survivor, death, and disability benefits. Its latest financial statements, required supplementary information, and compositions of the nine member Board of Trustees and seven member Advisory Committee are included in the Comprehensive Annual Financial Report of the City. This report may be obtained at: <https://www.coj.net/departments/finance/accounting/comprehensive-annual-financial-reports.aspx> or by writing to the City of Jacksonville, Florida, Accounting Division, City Hall at St. James Building, 117 West Duval Street, Suite 375, Jacksonville, Florida 32202-5725.

Plan Benefits Provided – Participation in the GERP is mandatory for all full-time employees of JEA, Jacksonville Housing Authority, North Florida Transportation Planning Authority, and the City, other than police officers and firefighters. Appointed officials and permanent employees not in the civil service system may opt to become members of GERP. Elected officials are members of the Florida Retirement System Elected Officer Class. Members of the GERP are eligible to retire with a normal pension benefit upon achieving one of the following: (a) completing 30 years of credited service, regardless of age; (b) attaining age 55 with 20 years of credited service; or (c) attaining age 65 with five years of credited service. There is no mandatory retirement age.

Upon reaching one of the three conditions for retirement described above, a member is entitled to a retirement benefit of 2.5% of final average compensation, multiplied by the number of years of credited service, up to a maximum benefit of 80% of final monthly compensation. A time service retirement benefit is payable bi-weekly, to commence upon the first payday coincident with or next payday following the member's actual retirement and will continue until death.

Each member and survivor is entitled to a cost of living adjustment (COLA). The COLA consists of a 3% increase of the retiree's or survivor's pension benefits, which compounds annually. The COLA commences in the first full pay period of April occurring at least 4.5 years (and no more than 5.5 years) after retirement. In addition, there is a supplemental benefit. The supplemental benefit is equal to five dollars (\$5) multiplied by the number of years of credited service. This benefit may not exceed \$150 per month.

A member who has suffered an illness, injury, or disease, which renders the member permanently and totally incapacitated, physically or mentally, from regular and continuous duty as an employee is considered disabled under the terms of the GERP. The GERP provides two types of disability benefits: a service related disability benefit and a non-service related disability benefit. The service related disability benefit is 50% of the member's final monthly compensation at the time of the disability. Members are eligible for non-service related disability benefits after five years of service. The benefit is 25% of the member's final monthly compensation at the time of the disability, increasing 2.5% for each year of service in excess of five years to a maximum of 50%.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

12. Pension Plans (continued)

Contributions – Florida law requires plan contributions be made annually in amounts determined by an actuarial valuation in either dollars or as a percentage of payroll. The Florida Division of Retirement reviews and approves the City's actuarial report to ensure compliance with actuarial standards and appropriateness for funding purposes. Contributions were made in accordance with contribution requirements determined through an actuarial valuation.

JEA plan members of the DB plan were required to contribute 10.0% of their annual covered salary, which includes 0.3% to the DB disability plan. JEA's pension contribution for the DB plan was \$50,036 (33.54%) in fiscal year 2024 and \$43,986 (30.69%) in 2023.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflow of Resources Related to Pensions

Net Pension Liability – JEA's net pension liability at September 30, 2024 and September 30, 2023 were measured based on an actuarial valuation as of September 30, 2023 and September 30, 2022, respectively. JEA's allocated share of the net pension liability is \$962,324 (52.74%) as of September 30, 2024, based on an allocation proportional to the actual contributions paid during the year ended September 30, 2023. JEA's allocated share of the net pension liability was \$950,267 (52.03%) as of September 30, 2023, based on an allocation proportional to the actual contributions paid during the year ended September 30, 2022.

For the years ended September 30, 2024 and 2023, JEA's recognized pension expense is \$149,486 and \$124,719, respectively. As JEA has implemented regulatory accounting for pensions, the difference between the recognized pension expense and the cash contributions paid has been deferred as a regulatory asset. See note 2, Regulatory Deferrals, for additional details.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

12. Pension Plans (continued)

JEA reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	September 30	
	2024	2023
Deferred outflows of resources		
Net difference between projected and actual earnings on pension investments	\$ 49,512	\$ 135,885
Contributions subsequent to the measurement date	50,036	43,986
Changes in assumptions	29,494	40,808
Differences between expected and actual experience	29,336	23,024
Changes in proportion	6,757	10,953
Total	\$ 165,135	\$ 254,656
Deferred inflows of resources		
Changes in proportion	\$ (2,927)	\$ (5,039)
Net difference between projected and actual earnings on pension investments	—	—
Total	\$ (2,927)	\$ (5,039)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30	Recognition of Deferred Outflows (Inflows)
2025	\$ 98,187
2026	36,666
2027	40,016
2028	(12,661)
Total	\$ 162,208

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

12. Pension Plans (continued)

Actuarial Assumptions – Actuarial valuations are performed as of the beginning of the fiscal year and assumptions below pertain to all years presented unless otherwise noted:

Inflation	2.50%
Salary increases assumption	3.50%-10.00%, of which 2.50% is the Plan's long-term payroll inflation
Investment rate of return	6.50% (2024 and 2023), net of pension plan investment expense, including inflation
Healthy pre-retirement mortality rates	FRS pre-retirement mortality tables for personnel other than special risk and K-12 instructional personnel, set forward 2 years, projected generationally from 2010 with scale MP2018.
Healthy post-retirement mortality rates	FRS healthy post-retirement mortality tables for personnel other than special risk and K-12 instructional personnel, set forward 2 years, projected generationally from 2010 with Scale MP2018.
Disabled mortality rates	FRS disabled mortality tables for personnel other than special risk, with no set forward, projected generationally from 2010 with Scale MP2018. The FRS tables for personnel other than special risk and K-12 instructional personnel, set forward 2 years, reasonably reflect the healthy annuitant mortality experience of the General Employees Retirement Plan as of the measurement date. The FRS disabled mortality tables for personnel other than special risk reasonably reflect the disabled annuitant mortality experience as of the measurement date.
Rationale for assumptions	The information and analysis used in selecting each demographic assumption that has a significant effect on this actuarial valuation is shown in the Experience Study Report for the five-year period ended September 30, 2022.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

12. Pension Plans (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentages and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation are summarized in the following table. The long-term expected real rates of return are based on 20-year projections of capital market assumptions provided by Segal Marco Advisors.

Asset Class	2024		2023	
	Target Allocation	Long-term Expected Nominal Rate of Return	Target Allocation	Long-term Expected Nominal Rate of Return
Domestic equity	30.0%	6.60%	30.0%	6.40%
Fixed income	20.0%	1.80%	20.0%	0.40%
International equity	20.0%	6.70%	20.0%	6.80%
Real estate	15.0%	3.40%	15.0%	3.90%
Alternatives	7.5%	3.00%	7.5%	2.75%
Private equity	7.5%	9.90%	7.5%	10.40%
Total	100%		100%	

Discount Rate – The discount rate used to measure the total pension liability is 6.50%. The projection of cash flows used to determine the discount rate assumed plan member contributions would be made at their applicable contribution rates and that City contributions would be made at rates equal to the actuarially determined contribution rates. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the Plan's investments was applied to all periods of projected benefit payments to determine the total pension liability. Cash flow projections were run for a 120-year period.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the Jacksonville GERP, calculated using the discount rate of 6.50% for 2024 and 2023, as well as what the Jacksonville GERP's net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the discount rate used:

	Net Pension Liability	
	2024	2023
1% decrease	\$ 1,196,428	\$ 1,175,687
Current discount	962,324	950,267
1% increase	766,502	762,102

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

12. Pension Plans (continued)

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is included in the Comprehensive Annual Financial Report of the City.

Defined Contribution Plan

The City has, by ordinance, a defined contribution (DC) plan within the Jacksonville Retirement System for GERP participants as an employee choice alternative to the defined benefit (DB) plans. Beginning in fiscal year 2011, employees had the option to participate in a DC plan. Employees vest in the employer contributions to the plan at 25% after two years, and 25% per year thereafter until fully vested after five years of service. Employees hired prior to September 30, 2017 can electively change from the DC plan to the DB plan, or vice versa, up to three times within their first five years of participation. All employees hired after September 30, 2017 now enter this plan.

In fiscal years 2024 and 2023, JEA plan members of the defined contribution plan were required to contribute 7.7% of their annual covered salary. JEA's contribution for the members of the defined contribution plan was \$8,831 (8.39%) in fiscal year 2024 and \$7,509 (11.70%) in 2023.

Defined Contribution Disability Program Fund

The City of Jacksonville started in fiscal year 2022 to account for the defined contribution disability contributions separately from the disability contributions of the Defined Benefit plan and requested an actuarial valuation for the Defined Contribution Disability Program Fund as of September 30, 2021.

Contributions – In fiscal years 2024 and 2023, JEA plan members of the defined contribution plan were required to contribute 0.3% of their annual covered salary to the DC disability fund. JEA's contribution to the defined contribution disability plan was \$1,021 (0.97%) in fiscal year 2024 and \$955 (1.49%) in fiscal year 2023.

Pension Liabilities, Pension Expense, Deferred Outflows of Resources, and Deferred Inflow of Resources Related to Pensions

Net Pension Liability – JEA's Defined Contribution Disability net pension liability at September 30, 2024 was measured based on an actuarial valuation as of September 30, 2023. JEA's allocated share of the net pension liability is \$3,325 (38.21%) as of September 30, 2024, and \$3,471 (33.62%) as of September 30, 2023.

For the year ended September 30, 2024, JEA's recognized pension expense is \$755 and \$635 as of September 30, 2023. As JEA has implemented regulatory accounting for pensions, the difference between the recognized pension expense and the cash contributions paid has been deferred as a regulatory asset. See note 2, Regulatory Deferrals, for additional details.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

12. Pension Plans (continued)

JEA reported deferred outflows of resources and deferred inflows of resources related to the DC disability fund from the following sources:

	September 30	
	2024	2023
Deferred outflows of resources		
Differences between expected and actual experience	\$ 1,414	\$ 1,145
Contributions subsequent to the measurement date	1,021	955
Changes in proportion	754	848
Changes in assumptions	148	58
Net difference between projected and actual earnings on pension investments	—	54
Total	\$ 3,337	\$ 3,060
Deferred inflows of resources		
Changes in assumptions	\$ (2,519)	\$ (2,494)
Differences between expected and actual experience	(528)	(64)
Changes in proportion	(66)	(429)
Net difference between projected and actual earnings on pension investments	(31)	—
Total	\$ (3,144)	\$ (2,987)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30	Recognition of Deferred Outflows (Inflows)
2025	\$ 919
2026	(102)
2027	(106)
2028	(118)
2029	(99)
Thereafter	(301)
Total	\$ 193

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

12. Pension Plans (continued)

Actuarial Assumptions – Actuarial valuations are performed as of the beginning of the fiscal year and assumptions below pertain to all years presented unless otherwise noted:

Inflation	2.50%
Salary increases assumption	3.50%-10.00%, of which 2.50% is the Plan's long-term payroll inflation
Investment rate of return	6.50% (2024 and 2023), net of pension plan investment expense, including inflation
Healthy pre-retirement mortality rates	FRS pre-retirement mortality tables for personnel other than special risk and K-12 instructional personnel, set forward 2 years, projected generationally from 2010 with scale MP2018.
Spouse post-retirement mortality rates	FRS healthy post-retirement mortality tables for personnel other than special risk and K-12 instructional personnel, set forward 2 years, projected generationally from 2010 with Scale MP2018.
Disabled mortality rates	FRS disabled mortality tables for personnel other than special risk, with no set forward, projected generationally from 2010 with Scale MP2018. The FRS tables for personnel other than special risk and K-12 instructional personnel, set forward 2 years, reasonably reflect the healthy annuitant mortality experience of the General Employees Retirement Plan as of the measurement date. The FRS disabled mortality tables for personnel other than special risk reasonably reflect the disabled annuitant mortality experience as of the measurement date.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

12. Pension Plans (continued)

Discount Rate – The discount rate used to measure the total pension liability is 6.50 for 2024 and 2023. The projection of cash flows used to determine the discount rate assumed plan member contributions would be made at their applicable contribution rates and that City contributions would be made at rates equal to the actuarially determined contribution rates. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the Plan's investments was applied to all periods of projected benefit payments to determine the total pension liability. Cash flow projections were run for a 120-year period.

The Plan's assets are not currently invested but are planned to be invested under the same investment policy as that employed by the General Employee's Retirement Plan, and thus the same investment return assumption as that used for the valuation of the Retirement Plan is used to measure TPL

Sensitivity of the Net DC Disability Fund Liability to Changes in the Discount Rate – The following presents the net pension liability of the Jacksonville DC disability plan, calculated using the discount rate of 6.50% for 2024 and 2023, as well as what the net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the discount rate used:

	Net Pension Liability	
	2024	2023
1% decrease	\$ 4,162	\$ 4,042
Current discount	3,325	3,471
1% increase	2,636	2,999

St. Johns River Power Park Plan Description

Plan Description – The SJRPP Plan is a single employer contributory defined benefit plan that covers former employees of SJRPP. The SJRPP Plan provides for pension, death, and disability benefits. Participation in the SJRPP Plan was required as a condition of employment. The SJRPP Plan is subject to provisions of Chapter 112 of the State of Florida Statutes and the oversight of the Florida Division of Retirement. The SJRPP Plan is governed by a four-member pension committee (Pension Committee). As part of the Asset Transfer Agreement with FPL related to the shutdown of SJRPP, JEA assumed all payment obligations and other liabilities related to separation benefits for the qualifying SJRPP employees and any amounts required to be deposited in SJRPP Pension Fund.

The SJRPP Plan periodically issues stand-alone financial statements, with the most recent report issued for the year ended September 30, 2023. This report may be obtained at

https://www.jea.com/About/Investor_Relations/Financial_Reports/SJRPP_Pension.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

12. Pension Plans (continued)

Pursuant to the February 25, 2013 amendment, the SJRPP Plan consists of two tiers: Tier One is the Defined Benefits Tier and Tier Two is the Cash Balance Tier. Tier One participants will remain in the traditional defined benefit plan and Tier Two employees (defined as employees with less than 20 years of experience) will participate in a modified defined benefit plan, or "cash balance" plan, with an employer match provided for any Tier Two employee who contributes to the 457 Plan. Participants hired after February 25, 2013 are only eligible to accrue Tier Two benefits.

Plan Benefits Provided – Members of the SJRPP Plan are eligible to retire with a normal pension benefit upon achieving one of the following: (a) completing 30 years of credited service, regardless of age; (b) attaining age 55 with 20 years of credited service; or (c) attaining age 65 with five years of credited service. There is no mandatory retirement age.

Upon reaching one of the three conditions for retirement described above, a member in Tier One is entitled to a retirement benefit of:

- 2.0% of final average earnings (FAE) multiplied by the number of years of credited service, not to exceed 15 years
- plus 2.4% of FAE multiplied by the number of years of credited service in excess of 15 years, but not to exceed 30 years
- plus .65% of the excess FAE over the Social Security Average Wages multiplied by years of credited service, not to exceed 35 years

FAE is the annual average of a participant's earnings over the highest 36 consecutive complete months out of the last 120 months of participation immediately preceding retirement or termination. Retirement benefits are payable bi-weekly beginning on the first day of the month following or coincident with the participant's Earliest Retirement Age.

As of February 25, 2013, the accrued benefits in Tier One of newly classified Tier Two participants were frozen. Distribution of frozen Tier One Benefits is governed by the provisions applicable to Tier One. Tier Two Benefits employees receive annual pay credits to their Cash Balance accounts in the amount of 6.0% of earnings between February 25, 2013 and September 30, 2015 and 8.5% of earnings on or after October 1, 2015. Cash Balance Accounts are credited with interest at the rate of 4% per year. Benefits may be distributed as a lump sum, by rollover in accordance with the Internal Revenue Service Code or as an annuity, at the election of the participant.

For participants retired on or after October 1, 2003, each member and survivor of Tier One is entitled to a COLA. The COLA consists of a 1% increase of the retiree's or survivor's pension benefits, which compounds annually. The COLA commences each October 1 following the fifth anniversary of payment commencement.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

12. Pension Plans (continued)

Employees Covered by Benefit Terms – At September 30, 2024 and September 30, 2023, the following employees were covered by the benefit terms:

	2024	2023
Inactive plan members or beneficiaries currently receiving benefits	380	386
Inactive plan members entitled to but not yet receiving benefits	56	66
Active plan members	3	3
Total plan members	439	455

Contributions – The SJRPP Plan's funding policy provides for biweekly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate assets to pay benefits when due. In fiscal years 2024 and 2023, SJRPP plan members were required to contribute 4% of their annual covered salary. SJRPP didn't make employer contributions in fiscal year 2024 or fiscal year 2023.

Net Pension Liability – SJRPP's net pension asset at September 30, 2024 and net pension liability at September 30, 2023 were measured based on an actuarial valuation as of September 30, 2023 and September 30, 2022, respectively.

Actuarial Assumptions – Actuarial valuations are performed as of the beginning of the fiscal year and assumptions below pertain to all years presented unless otherwise noted:

Actuarial Cost Method	Entry Age Normal
Inflation	2.25%
Salary increases	2.5%–12.5% per year, including inflation
Investment rate of return	6.00% per year compounded annually, net of investment expenses
Retirement Age	Experience-based table of rates based on year of eligibility.
Mortality rates	<p>Mortality tables used by the Florida Retirement System for classes other than K-12 School Instructional Personnel described as follows:</p> <p><i>Healthy pre-retirement mortality rates</i>: PUB-2010 Headcount Weighted General Below Median Employee tables, generationally projected from year 2010 using Scale MP-2018, set back 1 year for males;</p> <p><i>Healthy post-retirement mortality rates</i>: PUB-2010 Headcount Weighted General Below Median Healthy Retiree tables, generationally projected from year 2010 using Scale MP-2018, set back 1 year for males;</p> <p><i>Disabled mortality rates</i>: PUB-2010 Headcount Weighted General Disabled Retiree tables, set forward 3 years.</p>

Notes: A new formal written funding policy was adopted on December 14, 2022 and implemented in the October 1, 2022 valuation. The new policy (i) amended the Asset Method for determining the actuarial value of assets by incorporating five-year smoothing of investment returns on assets and (ii) amended the Amortization Method by incorporating a five-year amortization schedule for changes in unfunded actuarial accrued liability. Other significant actuarial assumptions used in the October 1, 2022 valuation were based on the results of an actuarial experience study for the period October 1, 2003-September 30, 2012.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

12. Pension Plans (continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation are summarized in the following table.

Asset Class	2024		2023	
	Target Allocation	Long-term Expected Nominal Rate of Return	Target Allocation	Long-term Expected Nominal Rate of Return
Domestic equity	47%	6.04%	47%	6.02%
Fixed income	45%	1.30%	45%	1.40%
International equity	8%	4.90%	8%	4.80%
Total	100%		100%	

Discount Rate – The discount rate used to measure the total pension liability is 6%. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at their applicable contribution rates and that the employer's contributions will be made at rates equal to the actuarially determined contribution rates. Based on these assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on the Plan's investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate – The following presents the net pension liability (asset) of SJRPP, calculated using a discount rate of 6%, as well as what the net pension liability (asset) would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	2024	2023
1% decrease	\$ 8,905	\$ 20,230
Current discount rate	(5,683)	4,796
1% increase	(18,170)	(8,377)

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

12. Pension Plans (continued)

Changes in the net pension liability/(asset) are detailed below.

	2024	2023
Total pension liability		
Beginning balance	\$ 160,439	\$ 163,682
Service cost	10	10
Interest on the total pension liability	9,243	9,414
Difference between expected and actual experience	(1,950)	912
Benefit payments	(12,819)	(13,579)
Ending balance	154,923	160,439
Plan fiduciary net position		
Beginning balance	155,643	190,094
Employer contributions	—	6,900
Employee contributions	14	12
Pension plan net investment income	17,835	(27,684)
Benefit payments	(12,819)	(13,579)
Administrative expense	(67)	(100)
Ending balance	160,606	155,643
Net pension liability/(asset)	\$ (5,683)	\$ 4,796

Plan Assets – Cash balances are amounts on deposit with the SJRPP Plan's trust bank, as well as amounts held in various money market funds as authorized in the Investment Policy Statement (Policy). All investments shall comply with the Policy as approved by the Pension Committee, and with the fiduciary standards set forth by the Employee Retirement Income Security Act and requirements set forth by the Florida Statutes. The trust bank balances are collateralized and subject to the Florida Security for Public Deposits Act of Chapter 280, Florida Statutes.

The Plan follows GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Investments are presented at fair value, which is based on available or equivalent market values. The money market mutual fund is a 2a-7 fund registered with the SEC and, therefore is presented at actual pooled share price, which approximates fair value.

At September 30, 2024 and September 30, 2023, the SJRPP Plan's cash and cash equivalents consisted of the following:

	2024	2023
Cash equivalents:		
Allspring Treasury Plus Money Market Fund	\$ 1,672	\$ 4,869
Total cash and cash equivalents	\$ 1,672	\$ 4,869

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

12. Pension Plans (continued)

The Policy specifies investment objectives and guidelines for the SJRPP Plan's investment portfolio and provides asset allocation targets for various asset classes.

Investments controlled by the SJRPP Plan that represent 5% or more of the SJRPP Plan's net position were the Alliance Domestic Passive Collective Trust. At September 30, 2024, the investment had a basis of \$7,862, a fair market value of \$50,879, and represented 28% of the fiduciary net position available for benefits. At September 30, 2023, the investment had a basis of \$8,391, a fair market value of \$39,859, and represented 25% of the fiduciary net position available for benefits.

Risk

In accordance with GASB Statement No. 40, investments also require certain disclosures regarding policies and practices with respect to the risks associated with them (see discussion in the following paragraphs).

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Generally speaking, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. As a means of limiting its exposure to interest rate risk, the SJRPP Plan's fixed income portfolio manager monitors the duration of the fixed maturity securities portfolio as part of the strategy to manage interest rate risk. The average modified duration of the managed fixed securities portfolio was 4.8 years as of September 30, 2024 and 4.7 years as of September 30, 2023.

Credit risk

Credit risk is the risk that a security or a portfolio will lose some or all its value due to real or perceived changes in the ability of the issuer to repay its debt. The SJRPP Plan's rated debt instruments as of September 30, 2024 and 2023 were rated by Standard & Poor's and/or an equivalent nationally recognized statistical rating organization.

The fixed income managers limit their investments to securities with an investment grade rating (BBB- or equivalent) and the overall weighted average composite quality rating of the managed fixed income portfolio was AA3.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the SJRPP Plan will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All the SJRPP Plan's investments are held by the SJRPP Plan's directed trustee and custodian in the SJRPP Plan's name, or by an agent in the SJRPP Plan's name.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

12. Pension Plans (continued)*Concentration of Credit Risk*

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. The Policy specifies an overall target allocation of 55% equities and 45% fixed income, including cash. The Policy further specifies target allocations for the equity investments among several asset classes.

The fair value of the asset classes and portfolio and specific target allocations are as follows:

	September 30, 2024			September 30, 2023		
	Fair Value	Percent		Fair Value	Percent	
		Actual	Target		Actual	Target
U.S. Government Securities and Agencies	\$ 44,285	25%	N/A	\$ 39,460	25%	N/A
Corporate bonds - non-convertible	34,299	19%	N/A	29,581	18%	N/A
Money Market/ Cash	1,672	1%	N/A	4,869	3%	N/A
Total fixed income	80,256	45%	45%	73,910	46%	45%
S&P 500 Index Fund	50,879	28%	28%	39,859	25%	28%
S&P 400 Mid-Cap Index Fund	20,310	11%	11%	17,742	11%	11%
Small and Mid-Cap Value Fund	14,967	8%	8%	13,618	9%	8%
International equities	13,751	8%	8%	14,812	9%	8%
Total equities	99,907	55%	55%	86,031	54%	55%
Total	\$ 180,163	100%	100%	\$ 159,941	100%	100%

The Policy allows the percentage allocation to each asset class to vary by plus or minus 5% depending upon market conditions.

The annual money-weighted rate of return on pension plan investments was 11.95% for the year ended September 30, 2024 and -14.83% for the year ended September 30, 2023. This reflects the changing amounts actually invested.

Foreign Currency Risk

Foreign currency risk is the risk that changes in the exchange rates will adversely affect the fair market value of the investment or a deposit. The Plan is exposed to foreign currency risk through its investments in an international equity mutual fund. Investments in international equities are limited by the Policy's target asset allocation for that asset class. The target for international equities is 8% of the total portfolio. The international fund comprised 8% of total investments as of September 30, 2024 and 9% as of September 30, 2023.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

12. Pension Plans (continued)*Fair Value Disclosures*

GASB Statement No. 72, *Fair Value Measurement and Application*, addresses accounting and financial reporting issues related to fair value measurements. It provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

The SJRPP Plan categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset or liability.

- Level 1 – quoted prices (unadjusted) for identical assets or liabilities in active markets that are accessible at the measurement date
- Level 2 – Inputs – other than quoted prices included within Level 1 – that are observable for an asset or liability, either directly or indirectly
- Level 3 – unobservable inputs for an asset or liability

Level 1 investments are valued using prices quoted in active markets for those securities. Level 2 investments are valued using direct market observations combined with quantitative pricing models to generate prices. The table below summarizes the SJRPP Plan's investments.

	September 30, 2024			September 30, 2023		
	Level 1	Level 2	Total	Level 1	Level 2	Total
U.S. Government Securities and Agencies	\$ 30,023	\$ 14,262	\$ 44,285	\$ 26,392	\$ 13,068	\$ 39,460
Corporate bonds - non-convertible	–	34,299	34,299	–	29,581	29,581
Money Market / Cash	1,672	–	1,672	4,869	–	4,869
Total fixed income	31,695	48,561	80,256	31,261	42,649	73,910
S&P 500 Index Fund	–	50,879	50,879	–	39,859	39,859
S&P 400 Mid-Cap Index Fund	19,381	929	20,310	17,041	701	17,742
Small and Mid-Cap Value Fund	13,198	1,769	14,967	12,041	1,577	13,618
International equities	–	13,751	13,751	102	14,710	14,812
Total equities	32,579	67,328	99,907	29,184	56,847	86,031
Total	\$ 64,274	\$ 115,889	\$ 180,163	\$ 60,445	\$ 99,496	\$ 159,941

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued SJRPP Pension Plan financial report.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

12. Pension Plans (continued)***Pension Liabilities/Assets, Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to the Pension***

Net Pension Liability (Asset) – SJRPP's net pension asset at September 30, 2024 and net pension liability at September 30, 2023 were measured based on an actuarial valuation as of September 30, 2023 and September 30, 2022, respectively. SJRPP's net pension asset is \$5,683 as of September 30, 2024 and is included in other noncurrent assets on the statement of net position. SJRPP's net pension liability is \$4,796 as of September 30, 2023.

For the year ended September 30, 2024 and 2023, SJRPP recognized pension expense is \$1,031 and \$3,198, respectively. As JEA has implemented regulatory accounting for pensions, the difference between the recognized pension expense and the cash contributions paid has been deferred as a regulatory asset. See note 2, Regulatory Deferrals, for additional details.

SJRPP Plan reported deferred outflows of resources and deferred inflows of resources related to pension from the following sources:

	September 30	
	2024	2023
Deferred outflows of resources		
Net difference between projected and actual earnings on pension plan investments	23,701	32,894
Total	\$ 23,701	\$ 32,894
Deferred inflows of resources		
Net difference between projected and actual earnings on pension plan investments	\$ (16,683)	\$ (14,365)
Total	\$ (16,683)	\$ (14,365)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ended September 30	Recognition of Deferred Outflows (Inflows)
2025	\$ 1,582
2026	1,212
2027	6,001
2028	(1,777)
Total	\$ 7,018

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

13. Other Postemployment Benefits***Plan Description***

Plan administration – JEA maintains a medical benefits plan (OPEB Plan) that it makes available to its retirees. The medical plan is an agent multiple-employer, experience rated insurance contract plan that provides medical benefits to employees and eligible retirees and their beneficiaries.

JEA currently determines the eligibility, benefit provisions, and changes to those provisions applicable to eligible retirees. The OPEB Plan does not issue separate financial statements for each participating employer's share of the plan.

Plan membership – As of September 30, 2024 and September 30, 2023, the OPEB Plan membership consisted of the following:

	2024	2023
Inactive plan members or beneficiaries currently receiving benefits	307	347
Active plan members	2,159	1,904
Total plan members	2,466	2,251

Benefits provided – The OPEB Plan refers to the benefits applicable to current and future retirees and their beneficiaries. These benefits consist of continued access to medical, dental, and vision benefits as well as life insurance coverage upon retirement through the plan sponsored by JEA. Premiums for the first \$5,000 of coverage are being subsidized by JEA and, as such, are considered as other postemployment benefits for purposes of GASB Statement No. 75.

Contributions – Retired members pay the full premium associated with the health coverage elected. There is no direct JEA subsidy currently applicable; however, there is an implicit cost. Spouses and other dependents are also eligible for coverage and the member is responsible for payment of the applicable premiums.

Florida law prohibits JEA from separately rating retirees and active employees. Therefore, JEA assigns to both groups blended-rate premiums.

In 2008, JEA began to advance-fund the OPEB obligation. This was accomplished by establishing a separate trust into which JEA makes periodic deposits and withdrawals to reimburse operations for costs incurred on a pay-as-you-go basis.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

13. Other Postemployment Benefits (continued)

Actuarial assumptions – Actuarial valuations are performed as of the beginning of the fiscal year and assumptions below pertain to all years presented unless otherwise noted:

Actuarial Cost Method	Entry Age Normal
Inflation	2.50%
Discount Rate	6.00%
Salary increases	2.5% to 12.5%, including inflation; varies by years of service
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition.
Mortality	<p>Mortality rates used by the Florida Retirement System for its regular class members other than K-12 School Instructional Personnel described as follows:</p> <p><i>Healthy pre-retirement mortality rates</i> : PUB-2010 Headcount Weighted General Below Median Employee tables, generationally projected from year 2010 using Scale MP-2018, set back 1 year for males;</p> <p><i>Healthy post-retirement mortality rates</i> : PUB-2010 Headcount Weighted General Below Median Healthy Retiree tables, generationally projected from year 2010 using Scale MP-2018, set back 1 year for males;</p> <p><i>Disabled mortality rates</i> : PUB-2010 Headcount Weighted General Disabled Retiree tables, set forward 3 years.</p>
Healthcare cost trend rates	Based on the Getzen Model, with trend starting at 7.00% (2024 and 2023) and gradually decreasing to an ultimate trend rate of 4.00% (2024 and 2023).
Aging Factors	Based on the 2013 SOA Study "Health Care Costs – From Birth to Death".
Expenses	Investment returns are net of the investment expenses; and, Administrative expenses related to the operation of the health plan are included in the premium costs.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

13. Other Postemployment Benefits (continued)

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the OPEB plan's target asset allocation are summarized in the following table.

Asset Class	2024		2023	
	Target Allocation	Long-term Expected Nominal Rate of Return	Target Allocation	Long-term Expected Nominal Rate of Return
Large cap domestic equity	25%	9.9%	25%	9.9%
Global fixed income	15%	5.6%	15%	5.6%
International equity	21%	11.0%	21%	11.0%
Domestic fixed income	15%	5.3%	15%	5.3%
Small cap domestic equity	14%	11.4%	14%	11.3%
Real estate	10%	9.3%	10%	9.4%
Total	100%		100%	

Discount Rate – GASB Statement No. 75 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total OPEB Liability. This rate considers the ability of the fund to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. As the assets are projected to be sufficient to meet benefit payments, the assumed valuation discount rate of 6.00% was used.

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate – The following presents the net OPEB liability, calculated using a discount rate of 6.00% as well as what the net OPEB liability would be if it were calculated using a rate that is 1% lower or 1% higher than the current rate:

	2024	2023
1% decrease	\$ 4,420	\$ 12,595
Current discount rate	557	7,971
1% increase	(2,071)	4,047

Healthcare Cost Trend Rate – JEA followed the Getzen model with trend rates for costs and premiums declining from 7.00% to 4.00% assumed for the years 2024 and 2023.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

13. Other Postemployment Benefits (continued)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate – The following presents the net OPEB liability, calculated using a healthcare cost trend rate of 7.00% down to 4.00% for 2024 and 2023, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1% lower or 1% higher than the current trend rate:

	2024	2023
1% decrease	\$ (2,937)	\$ 3,795
Current healthcare cost trend rate	557	7,971
1% increase	4,715	12,905

Changes in the net OPEB liability are detailed below.

	2024	2023
Total OPEB liability		
Beginning balance	\$ 42,117	\$ 42,338
Service cost	535	528
Interest on the total OPEB liability	2,473	2,489
Difference between expected and actual experience	(1,460)	670
Change of assumptions	(4,965)	(1,135)
Benefit payments	(2,856)	(2,773)
Ending balance	35,844	42,117

Plan fiduciary net position

Beginning balance	34,146	40,696
Employer contributions	961	1,714
Net investment income	3,062	(5,463)
Reimbursements to employer	(2,856)	(2,773)
OPEB plan administrative expense	(26)	(28)
Ending balance	35,287	34,146
Net OPEB liability	\$ 557	\$ 7,971

**Plan fiduciary net position as a percentage of the
total OPEB liability**

98.45% 81.07%

Covered payroll \$224,612 \$173,502

Net OPEB liability as a percentage of covered payroll 0.25% 4.59%

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

13. Other Postemployment Benefits (continued)

Plan Assets – The assets of the plan consist of shares held in the Florida Municipal Investment Trust (FMIT), which is administered by the Florida League of Cities. The FMIT is an interlocal governmental entity created under the laws of the State of Florida and an Authorized Investment under Sec. 163.01 Florida Statutes. It is considered an external investment pool for reporting purposes. JEA owns shares in the OPEB Fund A as directed in the Master Trust Agreement. OPEB Fund A target asset allocation is 60% equities, 30% fixed income, and 10% real estate.

At September 30, 2024 and September 30, 2023, the OPEB Plan's cash and money market balance within the OPEB Fund A was (\$247) and (\$137), respectively.

Risk

In accordance with GASB Statement No. 40, investments also require certain disclosures regarding policies and practices with respect to the risks associated with them (see discussion in the following paragraphs).

Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. Generally speaking, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The table below details the interest rate risk in years for investments in the trust.

	September 30, 2024		September 30, 2023	
	Modified Duration	Weighted Average Maturity	Modified Duration	Weighted Average Maturity
Fixed Income Fund				
FMIT Broad Market High Quality Bond Fund	5.58	6.90	5.46	6.70
FMIT Core Plus Fixed Income Fund	6.80	8.03	6.02	8.92

Credit risk

Credit risk is the risk that a security or a portfolio will lose some or all of its value due to real or perceived changes in the ability of the issuer to repay its debt. The FMIT Broad Market High Quality Bond Fund was rated by Fitch as AAf/S4 as of September 30, 2024 and September 30, 2023. The remaining funds of the trust are unrated.

Money-Weighted rates of return

The money-weighted rates of return for the fiscal years ended September 30, 2024 and September 30, 2023 were 9.17% and -13.56%, respectively.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

13. Other Postemployment Benefits (continued)*Fair Value Disclosures*

The table below summarizes the OPEB Plan's investments. Level 1 investments are valued using prices quoted in active markets for those securities. Level 2 investments are valued using direct market observations combined with quantitative pricing models to generate prices. The disclosure below is based on the asset allocation provided by the FMIT of those investments held by OPEB Fund A.

	September 30, 2024			September 30, 2023		
	Level 2	Level 3	Total	Level 2	Level 3	Total
FMIT Core Plus Fixed Income Fund	\$ –	\$ 4,623	\$ 4,623	\$ –	\$ 4,644	\$ 4,644
FMIT Broad Market High Quality Bond Fund	4,975	–	4,975	5,088	–	5,088
Total fixed income	4,975	4,623	9,598	5,088	4,644	9,732
FMIT Large Cap Diversified Value Portfolio	9,528	–	9,528	8,058	–	8,058
FMIT International Equity Portfolio	6,881	–	6,881	6,010	–	6,010
FMIT Diversified Small to Mid Cap Equity Portfolio	5,081	–	5,081	5,054	–	5,054
FMIT Core Real Estate Portfolio	–	4,446	4,446	–	5,429	5,429
Total equities	21,490	4,446	25,936	19,122	5,429	24,551
Total	\$ 26,465	\$ 9,069	\$ 35,534	\$ 24,210	\$ 10,073	\$ 34,283

OPEB Liabilities, OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to the OPEB

Net OPEB Liability – JEA's net OPEB liability at September 30, 2024 and September 30, 2023 was measured based on an actuarial valuation as of and with the measurement dates of September 30, 2023 and September 30, 2022, respectively. JEA's net OPEB liability is \$557 as of September 30, 2024 and \$7,971 as of September 30, 2023.

For the year ended September 30, 2024 and 2023, JEA's recognized OPEB (income)/expense is (\$207) and \$121, respectively. As JEA has implemented regulatory accounting for OPEB, the difference between the recognized OPEB expense and the cash contributions paid has been deferred as a regulatory asset. See note 2, Regulatory Deferrals, for additional details.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

13. Other Postemployment Benefits (continued)

The JEA Plan recorded deferred outflows of resources and deferred inflows of resources related to OPEB as detailed in the table below.

	September 30	
	2024	2023
Deferred outflows of resources		
Change of assumptions	\$ 6,657	\$ 7,839
Contributions subsequent to the measurement date	1,641	961
Differences between expected and actual experience	725	823
Net difference between projected and actual earnings on OPEB plan investments	4,723	6,320
Total	<u>\$ 13,746</u>	<u>\$ 15,943</u>
Deferred inflows of resources		
Differences between expected and actual experience	\$ (7,739)	\$ 7,948
Change of assumptions	(9,266)	5,596
Net difference between projected and actual earnings on OPEB plan investments	(2,707)	2,799
Total	<u>\$ (19,712)</u>	<u>\$ 16,343</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended September 30	Recognition of Deferred (Inflows)
2025	\$ 369
2026	(1,225)
2027	(324)
2028	(1,163)
2029	(887)
Thereafter	(2,736)
Total	<u>\$ (5,966)</u>

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

14. Fair Value Measurements

GASB Statement No. 72, *Fair Value Measurement and Application*, addresses accounting and financial reporting issues related to fair value measurements. It provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements. For JEA, this statement applies to certain investments, interest rate swap agreements, and natural gas cash flow hedges.

JEA categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset or liability.

- Level 1 – quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date
- Level 2 – Inputs – other than quoted prices included within Level 1 – that are observable for an asset or liability, either directly or indirectly
- Level 3 – unobservable inputs for an asset or liability

Investments

JEA's investments are summarized in the table below. Level 1 investments are valued using prices quoted in active markets for those securities. Level 2 investments are valued using direct market observations combined with quantitative pricing models to generate prices. Money market mutual funds are managed to meet the requirements of Rule 2a-7 under the Investment Company Act of 1940, as amended, and are recorded at net asset value (NAV). The local government investment pools transact with participants at a stable NAV and are recorded at NAV. Certain U.S. Treasury and government agency securities and commercial paper are measured at cost.

	2024		
	Total	Level 1	Level 2
Investments by fair value level			
State and local government securities	\$ 38,810	\$ –	\$ 38,810
U.S. Treasury and government agency securities	232,550	39,709	192,841
Total investments by fair value level	271,360	39,709	231,651
Investments measured at NAV			
Money market mutual funds	171,684		
Local government investment pools	77,081		
Total investments measured at NAV	248,765		
Investments measured at cost			
Commercial paper	36,322		
Total investments measured at cost	36,322		
Total investments	\$ 556,447		

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

14. Fair Value Measurements (continued)

	2023		
	Total	Level 1	Level 2
Investments by fair value level			
State and local government securities	\$ 63,917	\$ —	\$ 63,917
U.S. Treasury and government agency securities	272,528	34,722	237,806
Total investments by fair value level	336,445	34,722	301,723
Investments measured at NAV			
Money market mutual funds	74,502		
Local government investment pools	119,545		
Total investments measured at NAV	194,047		
Investments measured at cost			
Commercial paper	72,873		
Total investments measured at cost	72,873		
Total investments	\$ 603,365		

Interest Rate Swap Agreements

JEA's interest rate swap agreements are valued using market rates as of September 30, 2024 and 2023 and standard cash flow present valuing techniques, which places them at Level 2 in the fair value hierarchy. The agreements are recorded at fair value as part of long-term debt in the statements of net position. The fair value of the interest rate swap agreements is detailed below.

	2024	2023
Electric	\$ (36,057)	\$ (15,736)
Water and Sewer	(8,028)	(2,632)
Total	\$ (44,085)	\$ (18,368)

Natural Gas Cash Flow Hedges

JEA's natural gas cash flow hedges consisted of swap agreements, covering calendar years 2024 through 2031. These hedges were valued using prices observed on commodities exchanges and/or using industry-standard valuation techniques, such as option modeling or discounted cash flows techniques, incorporating both observable and unobservable valuation inputs, which placed them at Level 3 in the fair value hierarchy. At September 30, 2024, deferred credits of \$53,512 were included in accumulated increase in fair value of hedging derivatives and deferred charges of \$20,698 were included in accumulated decrease in fair value of hedging derivatives on the statement of net position. At September 30, 2023, deferred credits of \$93,218 were included in accumulated increase in fair value of hedging derivatives and deferred charges of \$20,789 were included in accumulated decrease in fair value of hedging derivatives on the statement of net position.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)**15. Commitments and Contingent Liabilities****Grants**

JEA participates in various federal and state assisted grant programs that are subject to review and audit by the grantor agencies. Entitlements to these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal and state regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from a federal or state audit may become a liability of JEA. It is management's opinion that the results of these audits will have no material adverse effect on JEA's financial position or results of operations.

Regulatory Initiatives

The electric industry and water and wastewater industry have been and will continue to be affected by a number of legislative and regulatory initiatives. The following summarizes the key regulations affecting JEA:

Electric Enterprise System – On August 3, 2015, the Environmental Protection Agency (EPA) issued the first-ever limits on carbon pollution from U.S. power plants with the Clean Power Plan (CPP) applicable to existing fossil fuel-fired electric generating units (EGUs). The Best System of Emissions Reduction (BSER) called for by the CPP was challenged by several states.

On February 9, 2016, the United States Supreme Court (SCOTUS) issued an order staying implementation of the CPP. The SCOTUS granted the applications of numerous parties to stay the CPP pending judicial review of the rule. On March 28, 2017, President Trump issued an Executive Order establishing a national policy "in favor of energy independence, economic growth, and the rule of law". The President has directed agencies to review existing regulations that potentially burden the development of domestic energy resources, and appropriately suspend, revise, or rescind regulations that unduly burden the development of U.S. energy resources beyond what is necessary to protect the public interest or otherwise comply with the law. The Executive Order specifically directed EPA to review and, if appropriate, initiate reconsideration proceedings to suspend, revise or rescind the new EPA Final Rules pertaining to CO₂ emissions. EPA initially obtained temporary court orders to hold the court challenge of the CPP and the CPS in abeyance, pending the completion of EPA's review of the rules. EPA subsequently petitioned the court to pause the litigation indefinitely while EPA promulgates new rules.

On October 16, 2017, EPA published a proposal to repeal the Clean Power Plan (CPP). On August 31, 2018, EPA published a proposal to replace the CPP, called the Affordable Clean Energy (ACE) Rule. On July 8, 2019, EPA published the final ACE rule. The compliance requirements of the ACE rule are significantly less stringent than those of the CPP. Rule will establish a CO₂ emission limit for Northside Generating Units 1 and 2. The CO₂ emission limit will be set using a baseline of previous CO₂ emissions and what potential reductions can be completed by heat rate improvements (HRI). Units 1 and 2 are currently being assessed on what HRI projects could be implemented. These studies were completed in November 2020. On January 19, 2021, the D.C. Circuit vacated the ACE rule and remanded to the EPA for further proceedings consistent with its opinion. EPA is in process of developing a new rule.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

15. Commitments and Contingent Liabilities (continued)

On October 29, 2021, the Supreme Court accepted appeal of ACE vacatur (CPP Replacement) from West Virginia and 18 states, North Dakota, Westmoreland Mining and North American Coal Corp. On June 30, 2022, the Supreme Court reversed and remanded the January 19, 2021 DC Circuit Court decision, with a vote of 6-3. SCOTUS stated that Section 111(d) does not allow generating shifting, and the DC Circuit Court was wrong to interpret that the CAA gives the EPA expansive power to curb carbon emissions. On May 23, 2023, the EPA issued a proposal titled New Source Performance Standards for Greenhouse Gas (GHG) Emissions from New, Modified, and Reconstructed Fossil Fuel-Fired Electric Generating Units; Emission Guidelines for GHG Emissions from Existing Fossil Fuel-Fired Electric Generating Units; and Repeal of the ACE Rule. This rule was finalized in April 2024.

On May 9, 2024, the EPA published the Final GHG Rule, which covers existing coal-, oil-, and gas-fired steam generating units and new stationary combustion turbines (CT). However, this final rule does not cover existing CTs, which the EPA is addressing in a separate rulemaking. Currently, there are several litigations of the final rule and it is uncertain if the litigations will be successful.

On July 6, 2011, the EPA released the Cross-State Air Pollution Rule (CSAPR), which is intended as a substitute for the invalidated Clean Air Interstate Rule (CAIR). In the CSAPR, the EPA determined that 27 states in the eastern United States are in violation of the Clean Air Act, because they significantly contribute to nonattainment or interference with the maintenance of attainment of three National Ambient Air Quality Standards (NAAQS) in one or more downwind states. The three air quality standards addressed in the CSAPR are the 1997 and 2006 fine particulate matter (PM_{2.5}), NAAQS, and the 1997 ozone NAAQS. To address these violations, the CSAPR imposes Federal Implementation Plans (FIPs) that establish state budgets for SO₂ and NO_x emissions from EGUs. The EPA targeted these two pollutants, because they are precursors to the formation of PM_{2.5} and ozone in the atmosphere. The budgets are allocated to individual EGUs in the form of allowances and the CSAPR permits limited interstate emissions trading and unlimited intrastate emissions trading as a means of compliance. States became subject to the emission budgets in 2012 with more stringent limits taking effect in 2014. In April 2014, the SCOTUS upheld the rule, but remanded back certain legal issues to the DCA to address. On July 28, 2015, the DCA issued an order and opinion remanding, without vacatur, certain state budgets under the CSAPR for reconsideration by the EPA, including the ozone-season NO_x emissions budget for Florida. On September 7, 2016, the EPA issued a final updated CSAPR rule that removed Florida and two other eastern states from the rule.

On December 21, 2011, the EPA issued its Mercury and Air Toxics Standards (MATS) rule, setting forth maximum achievable control technology (MACT) standards for coal and oil generating stations. The new standards regulate four categories of hazardous air pollutants (HAPS) emitted by coal- or oil-fired EGUs, namely mercury, HAP metals, acid gases, and organic HAP. The compliance deadline for affected sources to have all necessary pollution controls installed was April 2015. JEA's units that are regulated under MATS comply with all rule requirements.

On April 24, 2024, the EPA finalized revisions to the MATS rule, in response to its reconsideration of the 2020 Residual Risk and Technology Review (which resulted in no rule revisions). The rule lowers the filterable PM standard from 0.030 to 0.010 lb/MMBtu and requires continuous monitoring of PM emissions from JEA's circulating fluidized bed boilers. PM continuous emissions monitoring systems are required to be installed on Northside Generating Units 1 and 2 by 2027.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

15. Commitments and Contingent Liabilities (continued)

In April 2015, the EPA finalized rules to regulate the disposal and management of coal combustion residuals (CCRs), meaning fly ash, bottom ash, boiler slag, and flue gas desulfurization materials, destined for disposal from coal-fired power plants. The new rule became effective on October 19, 2015 and established technical requirements for surface impoundments and landfills. The rule requires protective controls, such as liners and groundwater monitoring, at landfills and surface impoundments that store CCRs. The rule, as adopted by the EPA, is enforced only by citizen-initiated lawsuits, rather than by the EPA. However, with passage of the WIIN Act in 2016, the rule can now be reformed to provide the following: 1) conversion from a "self-implementing" program to a permit program the states or EPA would have primary responsibility to administer and enforce; and, 2) flexibility for state programs to adjust and tailor federal CCR requirements to meet local, case-specific situations, so long as they are adequately protective of federal CCR requirements. Multiple federal rulemaking proceedings are underway, many of which are subject to litigation. Florida has started the process to incorporate the rule and regulations and is seeking approval from EPA of a state program.

The rule applies to CCR management practices at SJRPP and Scherer. The rule does not apply to management of byproducts at Northside Generating Station (NGS) as long as it continues to burn a fuel mix with less than 50% coal. SJRPP has no regulated surface impoundments. The recently closed cell within Area B of SJRPP does not have to be lined, but must comply with the operating and monitoring requirements of the rule. Area B is currently in post-closure care management with a natural attenuation remedy in place for the groundwater monitoring program. SJRPP's two closed Area A byproduct storage areas (Areas A-I and A-II) are currently affected by this rule. The EPA promulgated a proposed rule on May 18, 2023, that covers legacy surface impoundments and CCR management units (CCRMUs). The comment period closed on July 17, 2023, and the rule revision was finalized on May 8, 2024 with an effective date of November 8, 2024. As finalized, the rule will require SJRPP to assess its CCRMUs on a site-wide basis and determine if they require additional action. Based on the Final Rule, areas A-I and A-II will be brought under the CCR regulatory program. The measures that will need to be implemented to bring these two closed landfill cells into compliance with the rule will need to be determined after completion of the Facility Evaluation Report. Existing surface impoundments, like that at Scherer, are required to meet increased and more restrictive technical and operating criteria or close. Georgia Power has decided to close the surface impoundment at Scherer instead of pursuing a retrofit and the timeline for closure activities is currently projected to run through 2030.

The EPA left in place the Bevill exemption for beneficial uses of CCRs in which CCRs are recycled as components of products instead of placed in impoundments or landfills. Large quantities of CCRs are used today in concrete, cement, wallboard, and other contained applications that should not involve any exposure by the public to unsafe contaminants.

On November 22, 2010, the EPA entered into a settlement agreement with Riverkeeper, Inc. regarding rule-making dates for the EPA to set technology standards for cooling water intake systems for existing facilities under Section 316(b) of the Federal Clean Water Act. Section 316(b) requires that standards for the location, design, construction and capacity of cooling water intake systems reflect the best technology available for minimizing adverse environmental impacts. The EPA announced proposed standards for cooling water intake systems on March 28, 2011. Under the proposal, existing facilities are required to conduct studies to help their respective permitting authorities determine whether and what site-specific controls, if any, would be required to reduce the number of aquatic organisms that are captured in cooling water intake systems.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

15. Commitments and Contingent Liabilities (continued)

With few changes to the proposed rule, the EPA published the final rule in the Federal Register in August 2015. The new standards will not affect any JEA facilities other than NGS. NGS is one of more than 1,260 existing facilities that use large volumes of cooling water from lakes, rivers, estuaries, or oceans to cool their plants. The new standards will likely require upgrades to the system, varying from establishment of existing facilities as the Best Technology Available (BTA) to improvements to the existing screening facilities or installation of cooling towers. A full two-year biological study is required to evaluate site-specific conditions and form a basis for assessing BTA and was completed in 2020. Study results are currently being evaluated. Estimated final compliance deadlines are not expected until after 2025 and will depend on the level of upgrade ultimately required. Accordingly, costs of compliance have not been determined for NGS and are not included in JEA's capital program for the Electric System.

On April 25, 2024, the EPA made available the pre-publication version of the final rule for Supplemental Effluent Limitations Guidelines. In setting the new and more stringent standards, the EPA evaluated the technologies and costs to remove metals and other parameters from individual wastewater streams generated by steam electric power plants and identify the BAT to affect their control. The new requirements for existing power plants must be phased in as soon as possible after the effective date of the rule, but no later than December 31, 2029. The costs of compliance at NGS and Scherer have been evaluated and are anticipated in operating budgets and in JEA's five-year capital program for the Electric System.

Water Supply System Regulatory Initiatives – JEA was issued a 20-year Consumptive Use Permit (CUP) in May 2011 from the St. Johns River Water Management District (SJRWMD), which allows for aquifer withdrawals sufficient to completely satisfy customer demands until 2031 if certain permit conditions are met. JEA evaluates its total water management plan annually to continuously understand changes in demand and how to balance investments in a three-part program: (1) continued expansion of the reuse system, (2) measured conservation program and (3) water transfers from areas with a higher supply on JEA's north grid to areas with a lower supply on JEA's south grid via river-crossing pipelines. In North Florida, the Suwannee River Water Management District (SRWMD), Florida Department of Environmental Protection (FDEP), and the SJRWMD have set or are setting/revising Minimum Flows and Levels (MFLs) for water bodies in the region. MFLs are intended to assess the potential for ecological resource risks from water withdrawals and ensure sustainable supplies. In 2015, MFLs were adopted in the SRWMD and a determination required a recovery strategy. By permit, JEA will participate to the extent of its proportionate impact in prevention and recovery strategies that may be developed to ensure the groundwater resource remains sustainable. The SRWMD is re-evaluating the 2015 MFLs and a draft MFL has been released and is still in recovery status. In 2020, the SJRWMD released draft MFLs for Lakes Brooklyn and Geneva in the Keystone Heights area. The draft MFL indicates the lakes will require a prevention and recovery strategy. In 2021, JEA along with other northeast Florida water utilities entered into an MOA with SJRWMD to provide financial assistance with a proposed pipeline from Black Creek to assist in providing additional water resource for recharging of the lakes. In addition, JEA completed and submitted the CUP 10-year compliance report in May 2021 and the report was accepted by SJRWMD.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

15. Commitments and Contingent Liabilities (continued)

Wastewater Treatment System Regulatory Initiatives – The Sewer System is regulated by the EPA under provisions of the Federal Clean Water Act and the Federal Water Pollution Act. In Florida, the EPA has delegated the wastewater regulatory program to FDEP. The FDEP has implemented a Total Maximum Daily Load regulation (TMDL) defining the mass of nitrogen and phosphorus that can be assimilated by the St. Johns River, to which 8 of JEA's 11 wastewater treatment plants discharge. This state rule limits the amount of nitrogen and phosphorus that these eight wastewater treatment facilities are allowed to discharge by permit. JEA is meeting these limits as the result of past capital improvements to its wastewater facilities, expansion of the reclaimed water system, and phase-out of smaller old technology wastewater facilities. By virtue of exceeding its own regulatory obligation, JEA has generated nutrient reduction credits and has assisted the City in meeting a portion of their Municipal Separate Storm System nutrient requirements by transferring 33.44 short tons per year. This was recognized in JEA's annual contribution agreement negotiated in 2016. In 2013, both the FDEP and EPA reaffirmed the site-specific nutrient standard that is codified in the Lower St. Johns River TMDL.

The Florida Legislature passed statutory changes in 2021 under Florida Senate Bill 64 to eliminate the disposal of effluent from wastewater treatment facilities (WWTF) via surface water discharge by 2032. This change would require the WWTF effluent be used for aquifer recharge, potable reuse, conventional reuse, or ecological restoration. The bill also declares potable reuse to be an alternative water supply and prohibits exclusion of use of potable reuse water from regional water supply planning. Per the requirements of the legislation, on October 29, 2021 JEA submitted plans showing elimination of its surface water discharges by 2032. The plans were reviewed and accepted by FDEP in July 2022. The initial phases of the plan are underway with the completed drilling of an exploratory deep injection well in Nassau County. Permitting and construction is also underway for a 1 million gallon per day indirect potable reuse demonstration facility in Duval County.

Pollution Remediation Obligations

JEA is subject to numerous federal, state, and local environmental regulations resulting in environmental liabilities due to compliance costs associated with new regulatory initiatives, enforcement actions, legal actions, and contaminated site assessment and remediation. Based on an analysis of the cost of cleanup and other identified environmental contingencies, JEA has accrued a liability associated with the remediation efforts. In accordance with GASB No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, based on project estimates and probabilities, the liability is estimated to be \$50,143 at September 30, 2024. The accrual is related to the following environmental matters: Kennedy Generating Station (KGS) RCRA Corrective Action for former wood preserving site; Northside Generating Station RCRA Corrective Action for former chemical waste pond site; SJRPP post-closure; Pearl Street Electric Shop remedial activities; Sans Souci Substation remedial activities; KGS Bulkhead remedial activities; and remediation at a number of miscellaneous petroleum sites. Of the \$50,143 that JEA has accrued as environmental liabilities, approximately \$12,304 is associated with the expected cost of remediating the former wood preserving facility at the Kennedy Generating Facility, approximately \$18,639 is associated with remediating the former chemical waste ponds at the Northside Generating Station, and approximately \$16,596 is associated with SJRPP. Following are other environmental matters that could have an impact on JEA; however, the resolution of these matters is uncertain and no accurate prediction of range of loss is possible at this time: Southside Generating Station brownfield, Pickettville Road Landfill CERCLA site post-closure activities and the Ellis Road CERCLA site.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

15. Commitments and Contingent Liabilities (continued)

Although uncertainties associated with these recognized environmental liabilities remain, JEA believes that the current provision for such costs is adequate and additional costs, if any, will not have a material adverse effect upon its financial position, results of operations, or liquidity. Costs associated with these obligations that were expensed prior to the approval of regulatory accounting for environmental projects and after the discontinuation of the separate environmental charge are recorded in other noncurrent liabilities and total \$30,042. The remaining liability is recognized as part of revenues to be used for future costs.

Northside Generating Station Byproduct

JEA Northside Generating Station (NGS) Units 1 and 2 are fueled by a combination of petroleum coke, biomass, coal, and natural gas. Limestone is added during the power generation process to create thermal mass and to aid in the removal of sulfurous gas emissions. At the conclusion of this generation process, two byproducts are generated, fly ash and bed ash. These byproducts are distinct from that of a conventionally fired boiler because they are composed primarily of lime and gypsum. JEA has obtained a permit from FDEP to beneficially use NGS byproduct material in the State of Florida, subject to certain restrictions. Rail capacity at NGS, the ability to load rail cars and trucks directly from the storage silos, and direct leasing of railcars has enabled JEA to market fly ash and bed ash by truck or rail. These byproducts are currently being transported by truck and rail to leachate solidification and environmental remediation/stabilization projects in several southeastern states.

The Byproducts Storage Area is an FDEP permitted, Class I lined storage facility at NGS. JEA received a new 20-year permit effective May 4, 2015.

A case is pending in the Second Judicial Circuit in Harrison County, Mississippi. Plaintiff sued multiple defendants seeking damages allegedly resulting from construction defects at The Promenade, a retail shopping mall in D'Iberville, Mississippi. Plaintiff amended the complaint in April 2010 to add JEA as a defendant on various product liability theories, claiming that JEA's ash byproduct was allegedly incorporated as a component of the product of another party defendant and used by other party defendants at the subject project. Plaintiff seeks injunctive relief, to remediate the site, and damages. Multiple third party claims and cross claims were raised and have since been settled with Plaintiff. The Plaintiff is seeking approximately \$100,000 in damages from JEA. The trial court initially determined that Plaintiff was limited to a \$500 damages cap due to sovereign immunity. The issue was argued in the Mississippi Supreme Court in January 2019. In June 2019, the U.S. Supreme Court reversed a long-standing precedent with respect to the ability of one state's courts to exercise jurisdiction over another state. The same week, the Mississippi Supreme Court dismissed Promenade's damages cap appeal and remanded the case to the trial court for consideration of JEA's jurisdiction defense in light of the U.S. Supreme Court's 2019 decision. JEA filed a Re-Urged Motion to Dismiss, which was originally set for hearing in 2020, but was cancelled and rescheduled multiple times due to COVID-19. The Motion was finally heard on August 10, 2023 and the court entered a Final Judgment of Dismissal in favor of JEA on October 11, 2023. Plaintiff filed a notice of appeal on November 9, 2023. The appeal has been briefed and the Mississippi Supreme Court has retained jurisdiction to hear the case on October 18, 2024. JEA will continue to vigorously defend the dismissal on appeal.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

15. Commitments and Contingent Liabilities (continued)**General Litigation**

JEA is party to various pending or threatened legal actions in connection with its normal operations. In the opinion of management, any ultimate liabilities that may arise from these actions are not expected to materially affect JEA's financial position, results of operations, or liquidity.

16. Segment Information

The financial statements of JEA contain four segments, as the Electric System and Bulk Power Supply System, the SJRPP System, the Water and Sewer System, and DES represent separate identifiable activities. These systems have debt outstanding with a revenue stream pledged in support of the debt. In addition, the activities are required to be accounted for separately. JEA's Electric System and Bulk Power Supply System segment consists of an electric utility engaged in the generation, purchase, transmission, distribution, and sale of electricity primarily in Northeast Florida. JEA's SJRPP System segment consists of a generation facility that was decommissioned as of September 30, 2023. JEA's Water and Sewer System segment consists of water collection, distribution, and wastewater treatment in Northeast Florida. The DES segment consists of chilled water activities.

Intercompany billing is employed between the Electric System, the Water and Sewer System, and DES and includes purchases of electricity, water, sewer, and chilled water services and the rental of inventory and buildings. The utility charges between entities are based on a commercial customer rate. All intercompany billings are eliminated in the financial statements. See intercompany charges detailed below.

	2024			2023		
	Electric	W&S	DES	Electric	W&S	DES
Electricity services	N/A	\$ 19,106	\$ 3,638	N/A	\$ 18,775	\$ 4,056
Water and sewer services	521	N/A	192	368	N/A	174
Chilled water services	—	764	N/A	—	827	N/A

The Electric System shares certain administrative functions with the Water and Sewer System. Generally, these costs are charged to the Electric System and the costs of these functions are allocated to the Water and Sewer System based on the benefits provided. Operating expense allocated to the Water and Sewer System was \$86,129 for fiscal year 2024 and \$76,443 for 2023.

In September 1999, the Water and Sewer System purchased the inventory owned by the Electric System for \$32,929. This was initiated to increase the utilization of its assets between the Electric System and the Water and Sewer System. A monthly inventory carrying charge is paid by the Electric System based on the value of the inventory multiplied by one-twelfth of the prior year's Water and Sewer average cost of debt. Inventory carrying charges were \$5,996 for fiscal year 2024 and \$3,492 for 2023.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

16. Segment Information (continued)

In July 1999 and July 2004, the Electric System transferred several buildings to the Water and Sewer System in the amounts of \$22,940 and \$6,284, respectively, an amount equal to the net book value of the assets. Monthly, the Electric System reimburses the Water and Sewer System for their equitable allocation. Annual rent paid by the Electric System to the Water and Sewer System for use of these buildings was \$2,529 for fiscal year 2024 and \$2,456 for 2023.

To utilize the efficiencies in the Customer Account Information billing system and reduce the administrative efforts in recording deposits, customer deposits are recorded to one Service Agreement per account. Deposits are allocated to the Electric System or Water and Sewer System based on revenues. When the deposits are credited to customer accounts, they are allocated between the service agreements.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

16. Segment Information (continued)

Segment information for these activities for the fiscal years ended September 30, 2024 and 2023 was as follows:

	Electric System and Bulk Power Supply System		SJRPP System		Water and Sewer		DES	
	2024	2023	2024	2023	2024	2023	2024	2023
Condensed statements of net position								
Total current assets	\$ 65,550	\$ 649,180	\$ 4,789	\$ 4,011	\$ 225,872	\$ 188,754	\$ 1,991	\$ 2,036
Total noncurrent assets	709,376	816,208	102,172	100,243	623,931	467,094	14,462	3,891
Net capital assets	2,611,322	2,584,379	7,685	8,095	3,561,438	3,253,201	49,790	43,285
Deferred outflows of resources	226,857	272,658	24,467	33,891	113,023	148,737	121	133
Total assets and deferred outflows of resources	\$ 3,613,105	\$ 4,322,425	\$ 139,113	\$ 146,240	\$ 4,524,264	\$ 4,057,786	\$ 66,364	\$ 49,345
Total current liabilities	\$ 179,857	\$ 189,007	\$ 97	\$ 114	\$ 63,806	\$ 54,579	\$ 103	\$ 471
Total current liabilities payable from restricted assets	71,536	69,440	25,663	22,509	185,739	185,215	4,207	3,200
Total long-term debt	1,403,628	1,425,668	60,300	76,809	1,651,465	1,333,959	51,020	36,945
Total other noncurrent liabilities	748,652	759,935	13,277	8,608	438,294	415,372	84	69
Total liabilities	2,403,673	2,444,050	99,337	108,040	2,339,304	1,989,125	55,414	40,685
Deferred inflows of resources	349,232	394,074	29,385	28,098	11,344	10,235	-	-
Net investment in (divestment of) capital assets	1,245,434	1,167,090	(11,502)	(9,943)	1,923,907	1,881,290	(4,228)	4,229
Restricted net position	32,515	155,196	17,202	16,148	106,911	54,831	13,374	2,935
Unrestricted net position	182,201	162,015	4,691	3,897	142,798	122,305	1,804	1,496
Total net position	1,460,150	1,484,301	10,391	10,102	2,173,616	2,058,426	10,950	8,660
Total liabilities, deferred inflows of resources, and net position	\$ 4,213,055	\$ 4,322,425	\$ 139,113	\$ 146,240	\$ 4,524,264	\$ 4,057,786	\$ 66,364	\$ 49,345
Condensed statements of revenues, expenses, and changes in net position information								
Total operating revenues	\$ 1,421,162	\$ 1,324,028	\$ 20,655	\$ 21,023	\$ 529,995	\$ 538,308	\$ 12,884	\$ 12,761
Depreciation	227,260	225,098	410	410	182,333	203,742	3,118	2,897
Other operating expenses	1,112,144	1,130,799	18,186	15,829	277,480	254,747	5,740	6,071
Operating income (loss)	81,758	(31,869)	2,059	4,784	70,182	79,819	4,026	3,793
Total nonoperating expenses, net	(10,700)	(12,276)	(1,770)	(3,023)	(15,814)	(16,472)	(1,736)	(1,405)
Total contributions, net	(95,209)	(95,491)	-	-	60,822	37,602	-	-
Special item	-	11,135	-	-	-	-	-	-
Changes in net position	(24,151)	(128,501)	289	1,761	115,190	100,949	2,290	2,388
Net position, beginning of year	1,484,301	1,612,802	10,102	8,341	2,058,426	1,957,477	8,660	6,272
Net position, end of year	\$ 1,460,150	\$ 1,484,301	\$ 10,391	\$ 10,102	\$ 2,173,616	\$ 2,058,426	\$ 10,950	\$ 8,660
Condensed statements of cash flow information								
Net cash provided by operating activities	\$ 307,216	\$ 470,428	\$ 21,148	\$ 19,217	\$ 230,029	\$ 226,127	\$ 6,743	\$ 7,246
Net cash used in noncapital and related financing activities	(95,233)	(95,412)	-	-	(28,314)	(26,911)	-	-
Net cash used in capital and related financing activities	(359,244)	(349,267)	(18,776)	(18,920)	(142,426)	(327,382)	3,412	(6,678)
Net cash provided by (used in) investing activities	121,116	(96,682)	2,164	470	9,581	55,586	214	100
Net change in cash and cash equivalents	(26,145)	(70,933)	4,536	767	68,870	(72,580)	10,369	668
Cash and cash equivalents at beginning of year	256,800	327,733	25,631	24,864	90,702	163,282	5,479	4,811
Cash and cash equivalents at end of year	\$ 230,655	\$ 256,800	\$ 30,167	\$ 25,631	\$ 159,572	\$ 90,702	\$ 15,848	\$ 5,479

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

17. Leases

JEA financial statements reflect the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to establish a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, unless the lease is a short-term lease or ownership is transferred at the end of the contract.

Lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset, the underlying asset, as specified in the contract for a period of time in an exchange or exchange-like transaction. The lease term is the period during which a lessee has a noncancellable right to use an underlying asset plus periods covered by the option to extend if it is reasonably certain the lessee will extend, and the option to terminate if it is reasonably certain the lessee will not terminate. Lease assets are amortized on a straight-line basis over the shorter of the contract term or the useful life of the underlying asset.

JEA is party to a multitude of leases, as either lessee or lessor, and applies a materiality threshold of one million dollars in net assets based on the present value of expected receipts or payments over the term of the contract. JEA has one material lease that began in FY23. On November 3, 2022, JEA entered into an agreement with Ryan Companies to lease a new building and parking garage, located at 225 N Pearl St., Jacksonville, FL 32202, as JEA corporate headquarters. As the lessee party, JEA recognizes a right-to-use capital asset (known as the lease asset) and a lease liability.

At September 30, 2024, the lease asset is \$93,313, with accumulated amortization of \$8,845, included in net capital assets on the Statement of Net Position. At September 30, 2024, the lease liability is \$89,463. At September 30, 2023, the lease asset was \$93,313, with accumulated amortization of \$4,217, included in net capital assets on the Statement of Net Position. At September 30, 2023, the lease liability was \$91,400. The lease expires December 31, 2042 and the payments are discounted using an estimated incremental borrowing rate.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

17. Leases (continued)

Future principal and interest payments as of September 30, 2024 are as follows:

Fiscal Year Ending September 30	Principal	Interest	Total Payment
2025	\$ 2,163	\$ 3,642	\$ 5,805
2026	2,401	3,549	5,950
2027	2,654	3,445	6,099
2028	2,920	3,331	6,251
2029	3,202	3,206	6,408
2030-2034	20,817	13,706	34,523
2035-2039	30,310	8,485	38,795
2040-2043	24,996	1,763	26,759
Total Minimum Lease Payments	\$ 89,463	\$ 41,127	\$ 130,590

Future principal and interest payments as of September 30, 2023 are as follows:

Fiscal Year Ending September 30	Principal	Interest	Total Payment
2024	\$ 1,937	\$ 3,726	\$ 5,663
2025	2,163	3,642	5,805
2026	2,401	3,549	5,950
2027	2,654	3,445	6,099
2028	2,920	3,331	6,251
2029-2033	19,156	14,525	33,681
2034-2038	28,336	9,689	38,025
2039-2043	31,833	2,946	34,779
Total Minimum Lease Payments	\$ 91,400	\$ 44,853	\$ 136,253

18. Subsequent Events

On October 1, 2024, JEA issued \$351,600 of refunding Electric System senior lien bonds and \$121,230 of refunding subordinated lien bonds to refund \$379,695 of variable rate senior lien bonds, \$95,510 of fixed rate subordinated lien bonds and \$39,330 of variable rate subordinated lien bonds, and pay swap termination costs, with new debt service of \$672,272 compared to prior debt service of \$695,416 and economic saving of \$7,852.

In December 2024, JEA plans to borrow \$50,000 against the revolving line of credit to fund Water and Sewer System capital projects.

JEA

Notes to Financial Statements (continued)
(Dollars in Thousands)

18. Subsequent Events (continued)

JEA expects to issue up to \$500,000 of new Water and Sewer System senior lien bonds during January 2025 to pay down the outstanding balance of Water and Sewer System draws of the revolving line of credit and fund capital projects. Additionally, JEA expects to issue up to \$42,000 of new District Energy System bonds during February 2025 to pay down the outstanding balance of District Energy System draws of the revolving line of credit and fund capital projects.

REQUIRED SUPPLEMENTARY INFORMATION

JEA

Required Supplementary Information – Pension
(Dollars in Thousands)

City of Jacksonville General Employees Retirement Plan

Schedule of JEA's Proportionate Share of the Net Pension Liability^(a)

<u>Fiscal Year</u>	<u>Proportional Share Percentage</u>	<u>Net Pension Liability</u>	<u>Covered Payroll</u>	<u>Net Pension Liability as a Percentage of Covered Payroll</u>	<u>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</u>
2015	48.85%	\$ 404,466	\$ 128,084	315.78%	69.06%
2016	49.15%	480,353	127,440	376.92%	64.03%
2017	50.37%	541,025	126,808	426.65%	63.00%
2018	51.68%	527,680	134,443	392.49%	66.42%
2019	50.59%	562,371	135,709	414.40%	65.23%
2020	48.84%	633,292	134,549	470.68%	60.54%
2021	52.71%	729,569	133,714	545.62%	59.16%
2022	52.29%	643,001	130,400	493.10%	65.16%
2023	52.00%	950,267	130,164	730.05%	50.01%
2024	52.74%	962,324	137,151	701.65%	51.54%

Schedule of JEA Contributions^(a)

<u>Fiscal Year Ending September 30,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Contribution</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll</u>	<u>Actual Contribution as a % of Covered Payroll</u>
2015	\$ 40,179	\$ 40,179	\$ -	\$ 128,084	31.37%
2016	43,156	43,156	-	127,440	33.86%
2017	48,942	48,942	-	126,808	38.60%
2018	35,459	35,929	(470)	134,443	26.72%
2019	33,856	34,352	(496)	135,709	25.31%
2020	37,592	38,095	(503)	134,549	28.31%
2021	40,401	40,401	-	133,714	30.21%
2022	43,825	43,825	-	130,400	33.61%
2023	43,986	43,986	-	130,164	33.79%
2024	50,036	50,036	-	137,151	36.48%

^(a) All information is on measurement year basis.

JEA

Required Supplementary Information – Pension (continued)
(Dollars in Thousands)

Notes to Schedule of Contributions

Valuation date:	Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported
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Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method	Level percent of payroll, using 1.50% annual increases*
Remaining amortization period	As of October 1, 2021, the effective amortization period is 25 years
Asset valuation method	The market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between the actual and expected returns on a market value basis and is recognized over a five-year period. The deferred return is further adjusted, if necessary, so that the actuarial value of assets will stay within 20% of the market value of assets.

Actual assumptions:

Investment rate of return	6.63%, net of pension plan investment expense, including inflation
Inflation rate	2.50%
Projected salary increases	3.00% – 7.50%, of which 2.50% is the Plan's long-term payroll inflation assumption
Cost-of-living adjustments	Plan provisions contain a 3.00% COLA.

* The Fund's payroll inflation assumption is 2.50% as of October 1, 2021. Per Part VII, Chapter 112.64(5)(a) of *Florida Statutes*, the payroll growth assumption used for amortization of the unfunded liability is not allowed to exceed the average annual payroll growth for the proceeding ten years. However, pursuant to Chapter 112.64(5)(b), and after adjusting this analysis to account for bargained pay level increases and inclusion of DC plan participants in the total payroll, the assumption was set at 1.50%.

JEA

Required Supplementary Information – Pension (continued)
(Dollars in Thousands)

City of Jacksonville Defined Contribution Disability Fund

Schedule of JEA's Proportionate Share of the Net Pension Liability^(a)

Fiscal Year	Proportional Share Percentage	Net Pension Liability	Covered Payroll	Net Pension Liability as a Percentage of Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2022	37.01%	\$ 3,111	\$ 50,609	6.15%	22.07%
2023	33.62%	3,471	51,427	6.75%	19.66%
2024	38.21%	3,325	73,243	4.54%	46.23%

Schedule of JEA Contributions^(a)

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2022	N/A	\$ 150	N/A	\$ 50,609	0.30%
2023	\$ 955	955	\$ -	51,427	1.86%
2024	1,021	1,021	-	73,243	1.39%

^(a) These schedules are presented to illustrate the requirement to share information for ten years. However, until a full ten-year trend is compiled, only available information is shown. All information is on a measurement year basis.

Notes to Schedule of Contributions

Methods and Assumptions Used to Determine Contribution Rates:

Valuation date	Actuarially determined contribution rates are calculated as of October 1, two years prior to the end of the fiscal year in which contributions are reported.
Actuarial cost method	Entry Age Actuarial Cost Method.
Amortization method	Level Percentage of Payroll, using 1.50% annual increases.
Remaining amortization period	As of October 1, 2021 the effective amortization period is 25 years.

Asset valuation method	The market value of assets less unrecognized returns in each of the last five years. Unrecognized return is equal to the difference between actual and expected returns on a market value basis and is recognized over a five-year period. The deferred return is further adjusted, if necessary, so that the actuarial value of assets will stay within 20% of the market value of assets.
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JEA

Required Supplementary Information – Pension
(Dollars in Thousands)

SJRPP Plan – Schedule of Changes in Net Pension (Asset) Liability and Related Ratios^(a)

	2023	2022 ^(d)	2021 ^(c)	2020	2019 ^(b)	2018	2017	2016	2015	2014
Total Pension Liability										
Beginning balance	\$ 160,439	\$ 163,682	\$ 167,697	\$ 169,807	\$ 174,666	\$ 169,321	\$ 158,926	\$ 155,143	\$ 148,508	\$ 146,521
Service cost	10	10	22	21	35	112	1,032	1,210	1,275	1,470
Interest	9,243	9,414	9,656	9,795	10,086	11,163	10,768	10,514	10,271	10,026
Changes in benefit terms	-	-	-	-	-	-	-	(59)	-	-
Difference between actual and expected experience	(1,950)	912	(153)	1,222	1,193	(1,784)	10,826	714	2,121	-
Changes in assumptions	-	-	-	-	(2,975)	15,782	26	3,730	3,316	-
Benefit payments	(12,819)	(13,579)	(13,540)	(13,148)	(13,198)	(19,928)	(12,257)	(12,326)	(10,348)	(9,509)
Total pension liability – ending	<u>\$ 154,923</u>	<u>\$ 160,439</u>	<u>\$ 163,682</u>	<u>\$ 167,697</u>	<u>\$ 169,807</u>	<u>\$ 174,666</u>	<u>\$ 169,321</u>	<u>\$ 158,926</u>	<u>\$ 155,143</u>	<u>\$ 148,508</u>
Plan Fiduciary Net Position										
Beginning balance	\$ 155,643	\$ 190,094	\$ 169,982	\$ 162,013	\$ 170,665	\$ 152,798	\$ 142,286	\$ 138,902	\$ 145,425	\$ 135,019
Contributions – employer	-	6,900	-	13,307	-	26,409	8,039	2,142	3,509	5,559
Contributions – employee	14	12	15	19	90	232	625	629	648	655
Net investment income (loss)	17,835	(27,684)	33,731	7,877	4,610	11,499	14,571	13,379	(266)	13,763
Benefit payments	(12,819)	(13,579)	(13,540)	(13,148)	(13,198)	(19,928)	(12,257)	(12,326)	(10,348)	(9,509)
Administrative expense	(67)	(100)	(94)	(86)	(154)	(345)	(466)	(440)	(66)	(62)
Plan fiduciary net position – ending	<u>\$ 160,606</u>	<u>\$ 155,643</u>	<u>\$ 190,094</u>	<u>\$ 169,982</u>	<u>\$ 162,013</u>	<u>\$ 170,665</u>	<u>\$ 152,798</u>	<u>\$ 142,286</u>	<u>\$ 138,902</u>	<u>\$ 145,425</u>
Net Pension Liability (Asset) – Ending	<u>\$ (5,683)</u>	<u>\$ 4,796</u>	<u>\$ (26,412)</u>	<u>\$ (2,285)</u>	<u>\$ 7,794</u>	<u>\$ 4,001</u>	<u>\$ 16,523</u>	<u>\$ 16,640</u>	<u>\$ 16,241</u>	<u>\$ 3,083</u>
Plan Fiduciary Net Position as a Percentage of										
Total Pension Liability	103.67%	97.01%	116.14%	101.36%	95.41%	97.71%	90.24%	89.53%	89.53%	97.92%
Covered Payroll	\$ 339	\$ 297	\$ 373	\$ 468	\$ 452	\$ 3,992	\$ 15,621	\$ 15,730	\$ 16,665	\$ 21,304
Net Pension Liability (Asset) as a Percentage of										
Covered Payroll	-1676.86%	1616.38%	-7078.62%	-488.67%	1723.50%	100.24%	105.78%	105.79%	97.46%	14.47%

^(a) All information is on a measurement year basis.^(b) The mortality tables and improvement scales used by FRS were updated in their July 1, 2019 valuation. The new FRS mortality assumptions were adopted for this measurement.^(c) The mortality tables and improvement scales used by FRS were updated in their July 1, 2021 valuation. The new FRS mortality assumptions were adopted for this measurement.^(d) The new funding policy adopted for the Plan on December 14, 2022 implemented five-year smoothing for the actuarial value of assets and five-year amortization of the unfunded accrued actuarial liability. The changed methods were adopted for this measurement.

JEA

Required Supplementary Information – Pension (continued)
(Dollars in Thousands)

SJRPP Plan – Investment Returns^(a)

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
10.32%	-0.19%	9.99%	10.39%	7.37%	2.48%	4.78%	21.33%	1.92%	3.72%

SJRPP Plan – Schedule of Contributions^(a)

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2015	3,414	3,509	\$ (95)	16,665	21.06%
2016	2,050	2,142	(92)	15,730	13.62%
2017	7,967	8,039	(72)	15,621	51.46%
2018	7,727	26,409	(18,682)	3,992	661.57%
2019	-	-	-	452	0.00%
2020	4,582	13,307	(8,725)	468	2845.69%
2021	-	-	-	373	0.00%
2022	-	6,900	(6,900)	297	2323.23%
2023	-	-	-	339	0.00%
2024	-	-	-	386	0.00%

(a) All information is on measurement year basis

Notes to Schedule of Contributions

Valuation date: Actuarially determined contributions are calculated in a valuation performed as of the beginning of the year prior to the fiscal year in which contributions are made and reported.

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, Closed
Remaining amortization period	1 year
Asset valuation method	Market value of assets, with 5-year smoothing, less Credit Balance Account
Inflation	2.25%
Salary increases	2.5% - 12.5% per year, including inflation
Investment rate of return	6.00% per year, compounded annually, net of investment expenses.
Retirement Rates	Experience-based table of rates based on year of eligibility.
Mortality	Mortality rates used by the Florida Retirement System for Non-K12 Instructional Regular Class members, described as follows: <i>Healthy pre-retirement mortality rates</i> : PUB-2010 Headcount Weighted General Below Median Employee tables, generationally projected from year 2010 using Scale MP-2018, set back 1 year for males; <i>Healthy post-retirement mortality rates</i> : PUB-2010 Headcount Weighted General Below Median Healthy Retiree tables, generationally projected from year 2010 using Scale MP-2018, set back 1 year for males; <i>Disabled mortality rates</i> : PUB-2010 Headcount Weighted General Disabled Retiree tables, set forward 3 years.

JEA

Required Supplementary Information – OPEB
(Dollars in Thousands)

OPEB Plan – Schedule of Changes in Net OPEB Liability and Related Ratios^(a)

	2023	2022	2021 ^(b)	2020 ^(c)	2019 ^(d)	2018	2017	2016
Total OPEB Liability								
Beginning balance	\$ 42,117	\$ 42,338	\$ 39,135	\$ 40,794	\$ 46,705	\$ 44,547	\$ 60,949	\$ 62,554
Service cost	535	528	432	453	539	499	811	781
Interest on the total OPEB liability	2,473	2,489	2,291	2,392	2,740	3,044	4,253	4,203
Changes in benefit terms	-	-	-	-	-	-	(11,556)	-
Difference between actual and expected experience	(1,460)	670	(2,934)	(620)	362	(4,057)	(7,891)	-
Change of assumptions	(4,965)	(1,135)	6,202	(1,131)	(6,387)	5,794	-	-
Benefit payments	(2,856)	(2,773)	(2,788)	(2,753)	(3,165)	(3,122)	(2,019)	(6,589)
Total OPEB liability – ending	<u>\$ 35,844</u>	<u>\$ 42,117</u>	<u>\$ 42,338</u>	<u>\$ 39,135</u>	<u>\$ 40,794</u>	<u>\$ 46,705</u>	<u>\$ 44,547</u>	<u>\$ 60,949</u>
Plan Fiduciary Net Position								
Beginning balance	\$ 34,146	\$ 40,696	\$ 33,999	\$ 30,703	\$ 28,449	\$ 25,712	\$ 21,441	\$ 18,156
Employer contributions	961	1,714	2,946	4,394	3,903	4,078	5,240	5,061
Net investment income	3,062	(5,463)	6,552	2,112	1,617	1,989	2,942	2,135
Reimbursements to employer	(2,856)	(2,773)	(2,774)	(3,187)	(3,244)	(3,308)	(3,911)	(3,911)
OPEB plan administrative expense	(26)	(28)	(27)	(23)	(22)	(22)	-	-
Plan fiduciary net position – ending	<u>\$ 35,287</u>	<u>\$ 34,146</u>	<u>\$ 40,696</u>	<u>\$ 33,999</u>	<u>\$ 30,703</u>	<u>\$ 28,449</u>	<u>\$ 25,712</u>	<u>\$ 21,441</u>
Net OPEB Liability – Ending	<u>\$ 557</u>	<u>\$ 7,971</u>	<u>\$ 1,642</u>	<u>\$ 5,136</u>	<u>\$ 10,091</u>	<u>\$ 18,256</u>	<u>\$ 18,835</u>	<u>\$ 39,508</u>
Plan Fiduciary Net Position as a Percentage of								
Total OPEB Liability	98.45%	81.07%	96.12%	86.88%	75.26%	60.91%	57.72%	35.18%
Covered Payroll	\$ 224,612	\$ 173,502	\$ 169,291	\$ 162,138	\$ 157,415	\$ 156,042	\$ 155,326	\$ 150,073
Net OPEB Liability as a Percentage of								
Covered Payroll	0.25%	4.59%	0.97%	3.17%	6.41%	11.70%	12.13%	26.33%

- (a) This schedule is presented to illustrate the requirement to share information for ten years. However, until a full ten-year trend is compiled, only available information is shown. All information is on a measurement year basis.
- (b) The expected claims costs and premiums were updated to reflect recent information provided for this valuation. Long-term trend rates of healthcare increases were lowered from 3.99% to 3.75%, and the year for reaching the ultimate value was revised from 2040 to 2050.
- (c) A load for modeling the excise tax was removed following the repeal of the Cadillac tax.
- (d) First year trend on premiums was reduced from 6.50% to 2.06%. Assumed initial cost of coverage was reduced from previously projected \$1,090 per subscriber per month to \$1,016 per subscriber per month, partially offset by a modest change in the first year average premium to \$699 per month from expected \$695 per month. Assumed mortality rates were updated to PUB-2020 tables. These are the same rates used by the Florida Retirement System in their July 1, 2019 Actuarial Valuation for non K-12 Instructional Regular Class Members. Demographic assumptions for GERP members were updated following an experience study by the plan actuary for the GERP. Updated assumptions include salary increase assumptions, rates of disability, rates of withdrawal, and rates of retirement. The ultimate inflation assumption was changed from 2.5% to 2.25% with healthcare cost trend assumption revised accordingly.

JEA

Required Supplementary Information – OPEB
(Dollars in Thousands)

OPEB Plan – Investment Returns^(a)

2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
8.22%	-0.46%	7.90%	13.35%	7.54%	5.55%	6.69%	19.13%	-13.56%	9.17%

OPEB Plan – Schedule of Contributions^(a)

Fiscal Year Ending September 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a % of Covered Payroll
2014	\$ 4,819	\$ 4,382	\$ 437	148,617	2.95%
2015	5,011	7,255	(2,244)	N/A	N/A
2016	5,061	7,739	(2,678)	150,073	5.16%
2017	4,138	5,240	(1,102)	155,326	3.37%
2018	4,078	4,078	-	156,042	2.61%
2019	3,903	3,903	-	157,415	2.48%
2020	4,394	4,394	-	162,138	2.71%
2021	2,946	2,946	-	169,291	1.74%
2022	1,714	1,714	-	173,502	0.99%
2023	961	961	-	224,612	0.43%

(a) All information is on measurement year basis.

Notes to Schedule of Contributions**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar, Open
Remaining amortization period	5 years
Asset valuation method	Market value
Inflation	2.5%
Salary increases	2.5% – 12.5% per year, including inflation; varies by years of service
Investment rate of return	6.0%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	Mortality rates used by the Florida Retirement System for its regular class members other than K-12 School Instructional Personnel described as follows: <i>Healthy pre-retirement mortality rates</i> : PUB-2010 Headcount Weighted General Below Median Employee tables, generationally projected from year 2010 using Scale MP-2018, set back 1 year for males; <i>Healthy post-retirement mortality rates</i> : PUB-2010 Headcount Weighted General Below Median Healthy Retiree tables, generationally projected from year 2010 using Scale MP-2018, set back 1 year for males; <i>Disabled mortality rates</i> : PUB-2010 Headcount Weighted General Disabled Retiree tables, set forward 3 years.
Healthcare cost trend rates	Based on the Getzen Model, with trend starting at 7.5% (3.0% for premiums) and gradually decreasing to an ultimate trend rate of 4.0% in 2050.
Aging factors	Based on the 2013 SOA Study "Health Care Costs – From Birth to Death".
Expenses	Investment returns are net of the investment expenses; and, administrative expenses related to operation of the health plan are included in the per capita costs.

JEA

Combining Statement of Net Position
(In Thousands)

September 30, 2024

	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	\$ 230,655	\$ 3,327	\$ —	\$ 233,982	\$ 20,047	\$ 1,809	\$ 255,838
Investments	142,095	1,347	—	143,442	—	—	143,442
Customer accounts receivable, net of allowance (\$2,848)	188,414	—	—	188,414	59,482	173	248,069
Inventories:							
Materials and supplies	2,453	—	—	2,453	140,854	—	143,307
Fuel	56,329	—	—	56,329	—	—	56,329
Prepaid assets	33,324	4	—	33,328	506	9	33,843
Other current assets	12,230	111	(929)	11,412	4,983	—	16,395
Total current assets	665,500	4,789	(929)	669,360	225,872	1,991	897,223
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	—	26,840	—	26,840	139,525	14,039	180,404
Investments	105,155	1,645	—	106,800	55,053	—	161,853
Other restricted assets	911	16	—	927	—	—	927
Total restricted assets	106,066	28,501	—	134,567	194,578	14,039	343,184
Costs to be recovered from future revenues	507,451	54,711	—	562,162	429,338	423	991,923
Hedging derivative instruments	53,512	—	—	53,512	—	—	53,512
Other assets	42,347	18,960	(13,277)	48,030	15	—	48,045
Total noncurrent assets	709,376	102,172	(13,277)	798,271	623,931	14,462	1,436,664
Net capital assets	2,611,322	7,685	—	2,619,007	3,561,438	49,790	6,230,235
Total assets	3,986,198	114,646	(14,206)	4,086,638	4,411,241	66,243	8,564,122
Deferred outflows of resources							
Unrealized pension contributions and losses	94,344	23,701	—	118,045	74,127	—	192,172
Unamortized deferred losses on refundings	36,559	766	—	37,325	24,820	121	62,266
Unrealized asset retirement obligation	31,501	—	—	31,501	—	—	31,501
Accumulated decrease in fair value of hedging derivatives	56,755	—	—	56,755	8,028	—	64,783
Unrealized OPEB contributions and losses	7,698	—	—	7,698	6,048	—	13,746
Total deferred outflows of resources	226,857	24,467	—	251,324	113,023	121	364,468
Total assets and deferred outflows of resources	\$ 4,213,055	\$ 139,113	\$ (14,206)	\$ 4,337,962	\$ 4,524,264	\$ 66,364	\$ 8,928,590

JEA
Combining Statement of Net Position (continued)
(In Thousands)

September 30, 2024

	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 expense payable	\$ 69,873	\$ 97	\$ (97)	\$ 69,873	\$ 25,912	\$ 71	\$ 95,856
Customer deposits and prepayments	66,342	—	—	66,342	27,903	—	94,245
Billings on behalf of state and local governments	23,992	—	—	23,992	3,849	—	27,841
Compensation and benefits payable	8,786	—	—	8,786	3,752	32	12,570
City of Jacksonville payable	8,047	—	—	8,047	2,390	—	10,437
Asset retirement obligation	2,817	—	—	2,817	—	—	2,817
Total current liabilities	179,857	97	(97)	179,857	63,806	103	243,766
Current liabilities payable from restricted assets:							
Debt due within one year	32,515	16,445	—	48,960	55,415	1,930	106,305
Interest payable	22,259	1,404	—	23,663	31,173	665	55,501
Construction contracts and accounts payable	16,762	831	(832)	16,761	99,151	1,612	117,524
Renewal and replacement reserve	—	6,983	—	6,983	—	—	6,983
Total current liabilities payable from restricted assets	71,536	25,663	(832)	96,367	185,739	4,207	286,313
Noncurrent liabilities:							
Long-term debt							
Debt payable, less current portion	1,297,500	60,405	—	1,357,905	1,531,815	51,025	2,940,745
Unamortized premium (discount), net	70,071	(105)	—	69,966	111,622	(5)	181,583
Fair value of debt management strategy instruments	36,057	—	—	36,057	8,028	—	44,085
Total long-term debt	1,403,628	60,300	—	1,463,928	1,651,465	51,020	3,166,413
Net pension liability	540,763	—	—	540,763	424,886	—	965,649
Lease liability	87,300	—	—	87,300	—	—	87,300
Asset retirement obligations	28,684	—	—	28,684	—	—	28,684
Compensation and benefits payable	31,733	—	—	31,733	13,163	84	44,980
Net OPEB liability	312	—	—	312	245	—	557
Other liabilities	59,860	13,277	(13,277)	59,860	—	—	59,860
Total noncurrent liabilities	2,152,280	73,577	(13,277)	2,212,580	2,089,759	51,104	4,353,443
Total liabilities	2,403,673	99,337	(14,206)	2,488,804	2,339,304	55,414	4,883,522
Deferred inflows of resources							
Revenues to be used for future costs	281,281	12,702	—	293,983	—	—	293,983
Accumulated increase in fair value of hedging derivatives	53,512	—	—	53,512	—	—	53,512
Unrealized OPEB gains	11,039	—	—	11,039	8,673	—	19,712
Unrealized pension gains	3,400	16,683	—	20,083	2,671	—	22,754
Total deferred inflows of resources	349,232	29,385	—	378,617	11,344	—	389,961
Net position							
Net investment in (divestment of) capital assets	1,245,434	(11,502)	—	1,233,932	1,923,907	(4,228)	3,153,611
Restricted for:							
Capital projects	—	—	—	—	46,037	11,444	57,481
Debt service	32,515	16,802	—	49,317	55,377	1,930	106,624
Other purposes	—	400	832	1,232	—	—	1,232
Unrestricted	182,201	4,691	(832)	186,060	148,295	1,804	336,159
Total net position	1,460,150	10,391	—	1,470,541	2,173,616	10,950	3,655,107
Total liabilities, deferred inflows of resources, and net position	\$ 4,213,055	\$ 139,113	\$ (14,206)	\$ 4,337,962	\$ 4,524,264	\$ 66,364	\$ 8,928,590

JEA

Combining Statement of Net Position
(In Thousands)

September 30, 2023

	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	\$ 256,800	\$ 2,972	\$ —	\$ 259,772	\$ 16,802	\$ 1,909	\$ 278,483
Investments	105,855	846	—	106,701	—	—	106,701
Customer accounts receivable, net of allowance (\$2,242)	194,282	—	—	194,282	58,458	121	252,861
Inventories:							
Materials and supplies	2,292	—	—	2,292	100,765	—	103,057
Fuel	56,131	—	—	56,131	—	—	56,131
Prepaid assets	23,348	6	—	23,354	487	6	23,847
Other current assets	10,472	187	(425)	10,234	12,242	—	22,476
Total current assets	649,180	4,011	(425)	652,766	188,754	2,036	843,556
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	—	22,659	—	22,659	73,900	3,570	100,129
Investments	225,063	3,159	—	228,222	59,910	—	288,132
Other restricted assets	958	33	—	991	—	—	991
Total restricted assets	226,021	25,851	—	251,872	133,810	3,570	389,252
Costs to be recovered from future revenues	460,923	70,580	—	531,503	333,259	321	865,083
Hedging derivative instruments	93,219	—	—	93,219	—	—	93,219
Other assets	36,045	3,812	(3,812)	36,045	25	—	36,070
Total noncurrent assets	816,208	100,243	(3,812)	912,639	467,094	3,891	1,383,624
Net capital assets	2,584,379	8,095	—	2,592,474	3,253,201	43,285	5,888,960
Total assets	4,049,767	112,349	(4,237)	4,157,879	3,909,049	49,212	8,116,140
Deferred outflows of resources							
Unrealized pension contributions and losses	149,475	32,894	—	182,369	108,241	—	290,610
Unamortized deferred losses on refundings	36,525	—	—	36,525	2,632	—	39,157
Unrealized asset retirement obligation	41,135	997	—	42,132	31,168	133	73,433
Accumulated decrease in fair value of hedging derivatives	36,276	—	—	36,276	—	—	36,276
Unrealized OPEB contributions and losses	9,247	—	—	9,247	6,696	—	15,943
Total deferred outflows of resources	272,658	33,891	—	306,549	148,737	133	455,419
Total assets and deferred outflows of resources	\$ 4,322,425	\$ 146,240	\$ (4,237)	\$ 4,464,428	\$ 4,057,786	\$ 49,345	\$ 8,571,559

JEA
Combining Statement of Net Position (continued)
(In Thousands)

September 30, 2023

	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 expense payable	\$ 82,995	\$ 114	\$ (114)	\$ 82,995	\$ 17,211	\$ 439	\$ 100,645
Customer deposits and prepayments	58,791	—	—	58,791	26,860	—	85,651
Billings on behalf of state and local governments	24,496	—	—	24,496	4,039	—	28,535
Compensation and benefits payable	12,006	—	—	12,006	4,199	32	16,237
City of Jacksonville payable	8,096	—	—	8,096	2,270	—	10,366
Asset retirement obligation	2,623	—	—	2,623	—	—	2,623
Total current liabilities	189,007	114	(114)	189,007	54,579	471	244,057
Current liabilities payable from restricted assets:							
Debt due within one year	19,275	15,865	—	35,140	52,365	1,870	89,375
Interest payable	22,820	1,720	—	24,540	23,129	635	48,304
Construction contracts and accounts payable	27,345	343	(311)	27,377	109,721	695	137,793
Renewal and replacement reserve	—	4,581	—	4,581	—	—	4,581
Total current liabilities payable from restricted assets	69,440	22,509	(311)	91,638	185,215	3,200	280,053
Noncurrent liabilities:							
Long-term debt							
Debt payable, less current portion	1,330,015	76,850	—	1,406,865	1,261,690	36,955	2,705,510
Unamortized premium (discount), net	79,917	(41)	—	79,876	69,637	(10)	149,503
Fair value of debt management strategy instruments	15,736	—	—	15,736	2,632	—	18,368
Total long-term debt	1,425,668	76,809	—	1,502,477	1,333,959	36,945	2,873,381
Net pension liability	553,168	4,796	—	557,964	400,570	—	958,534
Lease liability	89,463	—	—	89,463	—	—	89,463
Asset retirement obligations	33,653	—	—	33,653	—	—	33,653
Compensation and benefits payable	28,619	—	—	28,619	11,454	69	40,142
Net OPEB liability	4,623	—	—	4,623	3,348	—	7,971
Other liabilities	50,409	3,812	(3,812)	50,409	—	—	50,409
Total noncurrent liabilities	2,185,603	85,417	(3,812)	2,267,208	1,749,331	37,014	4,053,553
Total liabilities	2,444,050	108,040	(4,237)	2,547,853	1,989,125	40,685	4,577,663
Deferred inflows of resources							
Revenues to be used for future costs	286,722	13,733	—	300,455	—	—	300,455
Accumulated increase in fair value of hedging derivatives	93,218	—	—	93,218	—	—	93,218
Unrealized OPEB gains	9,479	—	—	9,479	6,864	—	16,343
Unrealized pension gains	4,655	14,365	—	19,020	3,371	—	22,391
Total deferred inflows of resources	394,074	28,098	—	422,172	10,235	—	432,407
Net position							
Net investment in (divestment of) capital assets	1,167,090	(9,943)	—	1,157,147	1,881,290	4,229	3,042,666
Restricted for:							
Capital projects	135,992	—	—	135,992	1,188	1,065	138,245
Debt service	19,204	15,865	—	35,069	53,643	1,870	90,582
Other purposes	—	283	311	594	—	—	594
Unrestricted	162,015	3,897	(311)	165,601	122,305	1,496	289,402
Total net position	1,484,301	10,102	—	1,494,403	2,058,426	8,660	3,561,489
Total liabilities, deferred inflows of resources, and net position	\$ 4,322,425	\$ 146,240	\$ (4,237)	\$ 4,464,428	\$ 4,057,786	\$ 49,345	\$ 8,571,559

JEA
Combining Statement of Revenues, Expenses, and Changes in Net Position
(In Thousands)

Year Ended September 30, 2024

	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 revenue								
Electric	\$ 1,396,655	\$ 20,655	\$ (20,655)	\$ 1,396,655	\$ -	\$ -	\$ (22,744)	\$ 1,373,911
Water and sewer	-	-	-	-	504,323	-	(713)	503,610
District energy system	-	-	-	-	-	12,882	(764)	12,118
Other operating revenue	24,507	-	-	24,507	25,672	2	(8,525)	41,656
Total operating revenue	1,421,162	20,655	(20,655)	1,421,162	529,995	12,884	(32,746)	1,931,295
Operating expense								
Operations and maintenance:								
Maintenance and other operating expense	319,674	2,448	-	322,122	265,577	5,732	(32,746)	560,685
Fuel	354,743	-	-	354,743	-	-	-	354,743
Purchased power	359,620	-	(20,655)	338,965	-	-	-	338,965
Depreciation and amortization	227,260	410	-	227,670	182,333	3,118	-	413,121
State utility and franchise taxes	67,161	-	-	67,161	11,483	-	-	78,644
Recognition of deferred costs and revenues, net	10,946	15,738	-	26,684	420	8	-	27,112
Total operating expense	1,339,404	18,596	(20,655)	1,337,345	459,813	8,858	(32,746)	1,773,270
Operating income (loss)	81,758	2,059	-	83,817	70,182	4,026	-	158,025
Nonoperating revenue (expense)								
Interest on debt	(58,254)	(3,105)	-	(61,359)	(56,943)	(2,057)	-	(120,359)
Earnings from The Energy Authority	13,286	-	-	13,286	-	-	-	13,286
Allowance for funds used during construction	7,795	-	-	7,795	33,765	107	-	41,667
Other nonoperating income, net	3,784	196	-	3,980	2,493	-	-	6,473
Investment income, net	29,373	1,139	-	30,512	5,046	214	-	35,772
Other interest, net	(6,684)	-	-	(6,684)	(175)	-	-	(6,859)
Total nonoperating expense, net	(10,700)	(1,770)	-	(12,470)	(15,814)	(1,736)	-	(30,020)
Income (loss) before contributions	71,058	289	-	71,347	54,368	2,290	-	128,005
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(95,209)	-	-	(95,209)	(28,439)	-	-	(123,648)
Developers and other	5,289	-	-	5,289	214,377	-	-	219,666
Reduction of plant cost through contributions	(5,289)	-	-	(5,289)	(125,116)	-	-	(130,405)
Total contributions, net	(95,209)	-	-	(95,209)	60,822	-	-	(34,387)
Change in net position	(24,151)	289	-	(23,862)	115,190	2,290	-	93,618
Net position, beginning of year	1,484,301	10,102	-	1,494,403	2,058,426	8,660	-	3,561,489
Net position, end of year	\$ 1,460,150	\$ 10,391	\$ -	\$ 1,470,541	\$ 2,173,616	\$ 10,950	\$ -	\$ 3,655,107

JEA

Combining Statement of Revenues, Expenses, and Changes in Net Position
(In Thousands)

Year Ended September 30, 2023

	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 revenue								
Electric	\$ 1,299,546	\$ 21,023	\$ (21,023)	\$ 1,299,546	\$ -	\$ -	\$ (22,831)	\$ 1,276,715
Water and sewer	-	-	-	-	519,309	-	(542)	518,767
District energy system	-	-	-	-	-	12,761	(827)	11,934
Other operating revenue	24,482	-	-	24,482	18,999	-	(5,948)	37,533
Total operating revenue	1,324,028	21,023	(21,023)	1,324,028	538,308	12,761	(30,148)	1,844,949
Operating expense								
Operations and maintenance:								
Maintenance and other operating expense	313,557	571	-	314,128	231,632	6,064	(30,148)	521,676
Fuel	438,132	-	-	438,132	-	-	-	438,132
Purchased power	293,963	-	(21,023)	272,940	-	-	-	272,940
Depreciation and amortization	225,098	410	-	225,508	203,742	2,897	-	432,147
State utility and franchise taxes	72,490	-	-	72,490	11,319	-	-	83,809
Recognition of deferred costs and revenues, net	12,657	15,258	-	27,915	11,796	7	-	39,718
Total operating expense	1,355,897	16,239	(21,023)	1,351,113	458,489	8,968	(30,148)	1,788,422
Operating income (loss)	(31,869)	4,784	-	(27,085)	79,819	3,793	-	56,527
Nonoperating revenue (expense)								
Interest on debt	(59,019)	(3,637)	-	(62,656)	(44,955)	(1,664)	-	(109,275)
Earnings from The Energy Authority	23,603	-	-	23,603	-	-	-	23,603
Allowance for funds used during construction	5,581	-	-	5,581	20,113	159	-	25,853
Other nonoperating income, net	3,849	228	-	4,077	2,523	-	-	6,600
Investment income, net	20,942	386	-	21,328	6,359	100	-	27,787
Other interest, net	(7,232)	-	-	(7,232)	(512)	-	-	(7,744)
Total nonoperating expense, net	(12,276)	(3,023)	-	(15,299)	(16,472)	(1,405)	-	(33,176)
Income (loss) before contributions	(44,145)	1,761	-	(42,384)	63,347	2,388	-	23,351
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(95,491)	-	-	(95,491)	(26,933)	-	-	(122,424)
Developers and other	7,664	-	-	7,664	169,107	-	-	176,771
Reduction of plant cost through contributions	(7,664)	-	-	(7,664)	(104,572)	-	-	(112,236)
Total contributions, net	(95,491)	-	-	(95,491)	37,602	-	-	(57,889)
Special item	11,135	-	-	11,135	-	-	-	11,135
Change in net position	(128,501)	1,761	-	(126,740)	100,949	2,388	-	(23,403)
Net position, beginning of year	1,612,802	8,341	-	1,621,143	1,957,477	6,272	-	3,584,892
Net position, end of year	\$ 1,484,301	\$ 10,102	\$ -	\$ 1,494,403	\$ 2,058,426	\$ 8,660	\$ -	\$ 3,561,489

JEA
Combining Statement of Cash Flows
(In Thousands)

Year Ended September 30, 2024

	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	Elimination of intercompany transactions	Total JEA
Operating activities								
Receipts from customers	\$ 1,397,556	\$ 20,655	\$ (21,158)	\$ 1,397,053	\$ 504,167	\$ 12,829	\$ (24,221)	\$ 1,889,828
Payments to suppliers	(880,324)	445	21,158	(858,721)	(209,672)	(5,200)	32,746	(1,040,847)
Payments for salaries and benefits	(233,198)	—	—	(233,198)	(97,728)	(888)	—	(331,814)
Other operating activities	23,182	48	—	23,230	33,262	2	(8,525)	47,969
Net cash provided by operating activities	307,216	21,148	—	328,364	230,029	6,743	—	565,136
Noncapital and related financing activities								
Contribution to General Fund, City of Jacksonville, Florida	(95,233)	—	—	(95,233)	(28,314)	—	—	(123,547)
Net cash used in noncapital and related financing activities	(95,233)	—	—	(95,233)	(28,314)	—	—	(123,547)
Capital and related financing activities								
Acquisition and construction of capital assets	(276,262)	—	—	(276,262)	(505,039)	(8,708)	—	(790,009)
Defeasance of debt	—	—	—	—	(171,295)	—	—	(171,295)
Proceeds received from debt	—	—	—	—	503,835	—	—	503,835
Interest paid on debt	(63,687)	(3,124)	—	(66,811)	(59,582)	(2,010)	—	(128,403)
Repayment of debt principal	(19,275)	(15,865)	—	(35,140)	(52,365)	(1,870)	—	(89,375)
Capital contributions	—	—	—	—	89,261	—	—	89,261
Revolving credit agreement withdrawals/(repayments)	—	—	—	—	(7,000)	16,000	—	9,000
Other capital financing activities	(20)	213	—	193	59,759	—	—	59,952
Net cash provided by (used in) capital and related financing activities	(359,244)	(18,776)	—	(378,020)	(142,426)	3,412	—	(517,034)
Investing activities								
Proceeds from sale and maturity of investments	422,598	1,841	—	424,439	46,699	—	—	471,138
Purchase of investments	(333,471)	(599)	—	(334,070)	(39,982)	—	—	(374,052)
Distributions from The Energy Authority	8,045	—	—	8,045	—	—	—	8,045
Investment income	23,944	922	—	24,866	2,864	214	—	27,944
Net cash provided by (used in) investing activities	121,116	2,164	—	123,280	9,581	214	—	133,075
Net change in cash and cash equivalents	(26,145)	4,536	—	(21,609)	68,870	10,369	—	57,630
Cash and cash equivalents at beginning of year	256,800	25,631	—	282,431	90,702	5,479	—	378,612
Cash and cash equivalents at end of year	\$ 230,655	\$ 30,167	\$ —	\$ 260,822	\$ 159,572	\$ 15,848	\$ —	\$ 436,242
Reconciliation of operating income (loss) to net cash provided by operating activities								
Operating income (loss)	\$ 81,758	\$ 2,059	\$ —	\$ 83,817	\$ 70,182	\$ 4,026	\$ —	\$ 158,025
Adjustments:								
Depreciation and amortization	227,260	410	—	227,670	182,333	3,118	—	413,121
Recognition of deferred costs and revenues, net	10,946	15,738	—	26,684	420	8	—	27,112
Other nonoperating income, net	(3,029)	—	—	(3,029)	(175)	—	—	(3,204)
Changes in noncash assets and noncash liabilities:								
Accounts receivable	5,868	—	—	5,868	(1,023)	(52)	—	4,793
Inventories	(359)	—	—	(359)	(40,089)	—	—	(40,448)
Other assets	(12,885)	(9,398)	—	(22,283)	7,571	(3)	—	(14,715)
Accounts and accrued expense payable	(9,559)	(17)	—	(9,576)	9,101	(368)	—	(843)
Current liabilities payable from restricted assets	—	2,891	—	2,891	—	—	—	2,891
Other noncurrent liabilities and deferred inflows	7,216	9,465	—	16,681	1,709	14	—	18,404
Net cash provided by operating activities	\$ 307,216	\$ 21,148	\$ —	\$ 328,364	\$ 230,029	\$ 6,743	\$ —	\$ 565,136
Non-cash activity								
Contribution of capital assets from developers	\$ 5,289	\$ —	\$ —	\$ 5,289	\$ 125,116	\$ —	\$ —	\$ 130,405
Unrealized investment fair market value changes, net	\$ 5,459	\$ 229	\$ —	\$ 5,688	\$ 1,860	\$ —	\$ —	\$ 7,548

JEA
Combining Statement of Cash Flows
(In Thousands)

Year Ended September 30, 2023

	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	Elimination of intercompany transactions	Total JEA
Operating activities								
Receipts from customers	\$ 1,544,875	\$ 21,023	\$ (21,076)	\$ 1,544,822	\$ 484,672	\$ 12,963	\$ (24,200)	\$ 2,018,257
Payments to suppliers	(899,702)	(1,856)	21,076	(880,482)	(186,560)	(4,907)	30,148	(1,041,801)
Payments for salaries and benefits	(209,585)	—	—	(209,585)	(84,845)	(810)	—	(295,240)
Other operating activities	34,840	50	—	34,890	12,860	—	(5,948)	41,802
Net cash provided by operating activities	470,428	19,217	—	489,645	226,127	7,246	—	723,018
Noncapital and related financing activities								
Contribution to General Fund, City of Jacksonville, Florida	(95,412)	—	—	(95,412)	(26,911)	—	—	(122,323)
Net cash used in noncapital and related financing activities	(95,412)	—	—	(95,412)	(26,911)	—	—	(122,323)
Capital and related financing activities								
Acquisition and construction of capital assets	(235,504)	—	—	(235,504)	(456,057)	(11,244)	—	(702,805)
Interest paid on debt	(64,716)	(3,749)	—	(68,465)	(54,455)	(1,619)	—	(124,539)
Repayment of debt principal	(47,120)	(15,285)	—	(62,405)	(9,850)	(1,815)	—	(74,070)
Capital contributions	—	—	—	—	64,536	—	—	64,536
Revolving credit agreement withdrawals	—	—	—	—	127,000	8,000	—	135,000
Other capital financing activities	(1,927)	114	—	(1,813)	1,444	—	—	(369)
Net cash used in capital and related financing activities	(349,267)	(18,920)	—	(368,187)	(327,382)	(6,678)	—	(702,247)
Investing activities								
Proceeds from sale and maturity of investments	347,271	586	—	347,857	134,875	—	—	482,732
Purchase of investments	(482,745)	(586)	—	(483,331)	(85,579)	—	—	(568,910)
Distributions from The Energy Authority	20,731	—	—	20,731	—	—	—	20,731
Investment income	18,061	470	—	18,531	6,290	100	—	24,921
Net cash provided by (used in) investing activities	(96,682)	470	—	(96,212)	55,586	100	—	(40,526)
Net change in cash and cash equivalents	(70,933)	767	—	(70,166)	(72,580)	668	—	(142,078)
Cash and cash equivalents at beginning of year	327,733	24,864	—	352,597	163,282	4,811	—	520,690
Cash and cash equivalents at end of year	\$ 256,800	\$ 25,631	\$ —	\$ 282,431	\$ 90,702	\$ 5,479	\$ —	\$ 378,612
Reconciliation of operating income (loss) to net cash provided by operating activities								
Operating income (loss)	\$ (31,869)	\$ 4,784	\$ —	\$ (27,085)	\$ 79,819	\$ 3,793	\$ —	\$ 56,527
Adjustments:								
Depreciation and amortization	225,098	410	—	225,508	203,742	2,897	—	432,147
Recognition of deferred costs and revenues, net	12,657	15,258	—	27,915	11,796	7	—	39,718
Other nonoperating income, net	7,329	—	—	7,329	(512)	—	—	6,817
Changes in noncash assets and noncash liabilities:								
Accounts receivable	63,612	—	—	63,612	(2,313)	202	—	61,501
Inventories	(3,598)	—	—	(3,598)	(36,044)	—	—	(39,642)
Other assets	19,479	885	—	20,364	(6,244)	1	—	14,121
Accounts and accrued expense payable	(26,468)	(168)	—	(26,636)	431	370	—	(25,835)
Current liabilities payable from restricted assets	—	(999)	—	(999)	—	—	—	(999)
Other noncurrent liabilities and deferred inflows	204,188	(953)	—	203,235	(24,548)	(24)	—	178,663
Net cash provided by operating activities	\$ 470,428	\$ 19,217	\$ —	\$ 489,645	\$ 226,127	\$ 7,246	\$ —	\$ 723,018
Non-cash activity								
Contribution of capital assets from developers	\$ 7,664	\$ —	\$ —	\$ 7,664	\$ 104,572	\$ —	\$ —	\$ 112,236
Unrealized investment fair market value changes, net	\$ 1,792	\$ (84)	\$ —	\$ 1,708	\$ 21	\$ —	\$ —	\$ 1,729



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Report of Independent Auditors on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

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JEA
Jacksonville, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities and fiduciary activity of JEA, as of and for the year ended September 30, 2024 and the related notes to the financial statements, which collectively comprise JEA's basic financial statements, and have issued our report thereon dated December 13, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered JEA's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of JEA's internal control. Accordingly, we do not express an opinion on the effectiveness of JEA's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.



Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether JEA's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Ernst & Young LLP

December 13, 2024



BOND COMPLIANCE INFORMATION

JEA Electric System
Schedule of Debt Service Coverage
(In Thousands)

	Year Ended September 30	
	2024	2023
Revenues		
Electric	\$ 1,389,106	\$ 1,481,583
Investment income ⁽¹⁾	23,619	17,919
Earnings from The Energy Authority	13,286	23,603
Other ⁽²⁾	24,750	35,709
Plus: amounts paid from the Rate Stabilization Fund into the Revenue Fund	7,551	15,034
Less: amounts paid from the Revenue Fund into the Rate Stabilization Fund	(1)	(197,071)
Total Revenues	1,458,311	1,376,777
Cost of Operation and Maintenance ⁽³⁾		
Fuel	354,743	438,127
Purchased power ⁽⁴⁾	370,984	306,647
Maintenance and other operating expense	311,752	304,327
State utility and franchise taxes	67,162	72,490
Total Cost of Operation and Maintenance	1,104,641	1,121,591
Net Revenues	\$ 353,670	\$ 255,186
Debt Service Requirement on Electric System Bonds (prior to reduction of investment income on sinking fund and Build America Bonds subsidy)	\$ 53,914	\$ 42,012
Less: investment income on sinking fund	(296)	(1,231)
Less: Build America Bonds subsidy	(1,535)	(1,535)
Debt Service Requirement on Electric System Bonds	\$ 52,083	\$ 39,246
Debt service coverage on Electric System Bonds ⁽⁵⁾	6.79 x	6.50 x
Debt Service Requirement on Electric System Bonds (from above)	\$ 52,083	\$ 39,246
Plus: Aggregate Subordinated Debt Service on Subordinated Electric System Bonds (prior to Build America Bonds subsidy)	33,884	31,179
Less: Build America Bonds subsidy	(1,698)	(1,775)
Debt Service Requirement on Electric System Bonds and Aggregate Subordinated Debt Service on Subordinated Electric System Bonds	\$ 84,269	\$ 68,650
Debt service coverage on Electric System Bonds and Subordinated Electric System Bonds ⁽⁶⁾	4.20 x	3.72 x

⁽¹⁾ Excludes investment income on sinking funds.

⁽²⁾ Excludes the Build America Bonds subsidy.

⁽³⁾ Excludes depreciation and recognition of deferred costs and revenues, net.

⁽⁴⁾ In accordance with the requirements of the Electric System Resolution, all the contract debt payments from the Electric System to SJRPP and Bulk Power Supply System with respect to the use by the Electric System of the capacity and output of the SJRPP and Bulk Power Supply System are reflected as a purchased power expense on these schedules. These schedules do not include revenue of SJRPP and Bulk Power Supply System, except that the purchased power expense is net of interest income on funds maintained under the SJRPP and Bulk Power Supply System resolutions.

⁽⁵⁾ Net Revenues divided by Debt Service Requirement on Electric System Bonds. Minimum annual coverage is 1.20x.

⁽⁶⁾ Net Revenues divided by Debt Service Requirement on Electric System Bonds and Aggregate Subordinated Debt Service on Subordinated Electric System Bonds. Minimum annual coverage is 1.15x.

JEA Bulk Power Supply System

Schedule of Debt Service Coverage

(In Thousands)

	Year ended September 30	
	2024	2023
Revenues		
Operating	\$ 11,364	\$ 12,683
Investment income	288	141
Total Revenues	11,652	12,824
Operation and Maintenance Expenses ⁽¹⁾		
Fuel	-	5
Maintenance and other operating expense	4,408	5,408
Total Operation and Maintenance Expenses	4,408	5,413
Net Revenues	\$ 7,244	\$ 7,411
Aggregate Debt Service (prior to reduction of Build America Bonds subsidy)	\$ 3,870	\$ 3,918
Less: Build America Bonds subsidy	(426)	(470)
Aggregate Debt Service	\$ 3,444	\$ 3,448
Debt service coverage ⁽²⁾	2.10 x	2.15 x

⁽¹⁾ Excludes depreciation.

⁽²⁾ Net Revenues divided by Aggregate Debt Service. Minimum annual coverage is 1.15x.

JEA St. Johns River Power Park System, Second Resolution

Schedule of Debt Service Coverage

(In Thousands)

	Year Ended September 30	
	2024	2023
Revenues		
Operating	\$ 21,008	\$ 21,395
Investment income	909	470
Total Revenues	21,917	21,865
Operation and Maintenance Expenses	-	-
Net Revenues	\$ 21,917	\$ 21,865
Aggregate Debt Service (prior to reduction of Build America Bonds subsidy)	\$ 19,253	\$ 19,305
Less: Build America Bonds subsidy	(195)	(228)
Aggregate Debt Service	\$ 19,058	\$ 19,077
Debt service coverage ⁽¹⁾	1.15 x	1.15 x

⁽¹⁾ Net Revenues divided by Aggregate Debt Service. Minimum annual coverage is 1.15x.

JEA Water and Sewer System
Schedule of Debt Service Coverage
(In Thousands)

	Year Ended September 30	
	2024	2023
Revenues		
Water	\$ 223,823	\$ 217,572
Water Capacity Charges	24,776	18,845
Sewer	280,500	275,642
Sewer Capacity Charges	64,485	45,690
Investment income	3,187	6,338
Other ⁽¹⁾	25,672	18,999
Plus: amounts paid from the Rate Stabilization Fund into the Revenue Fund	-	48,387
Less: amounts paid from the Revenue Fund into the Rate Stabilization Fund	-	(22,292)
Total Revenues	622,443	609,181
Operation and Maintenance Expenses		
Maintenance and other operating expense ⁽²⁾	265,577	231,632
State utility and franchise taxes	11,483	11,319
Total Operation and Maintenance Expenses	277,060	242,951
Net Revenues	\$ 345,383	\$ 366,230
Aggregate Debt Service on Water and Sewer System Bonds (prior to reduction of Build America Bonds subsidy)	\$ 102,228	\$ 86,676
Less: Build America Bonds subsidy	(2,432)	(2,435)
Aggregate Debt Service on Water and Sewer System Bonds	\$ 99,796	\$ 84,241
Debt service coverage on Water and Sewer System Bonds ⁽³⁾	3.46 x	4.35 x
Aggregate Debt Service on Water and Sewer System Bonds (from above)	\$ 99,796	\$ 84,241
Plus: Aggregate Subordinated Debt Service on Subordinated Water and Sewer System Bonds	14,954	16,899
Aggregate Debt Service on Water and Sewer System Bonds and Aggregate Subordinated Debt Service on Subordinated Water and Sewer System Bonds	\$ 114,750	\$ 101,140
Debt service coverage on Water and Sewer System Bonds and Subordinated Water and Sewer System Bonds excluding Capacity Charges ⁽⁴⁾	2.23 x	2.98 x
Debt service coverage on Water and Sewer System Bonds and Subordinated Water and Sewer System Bonds including Capacity Charges ⁽⁴⁾	3.01 x	3.62 x

⁽¹⁾ Excludes the Build America Bonds subsidy.

⁽²⁾ Excludes depreciation and recognition of deferred costs and revenues, net.

⁽³⁾ Net Revenues divided by Aggregate Debt Service on Water and Sewer System Bonds. Minimum annual coverage is 1.25x.

⁽⁴⁾ Net Revenues divided by Aggregate Debt Service on Water and Sewer System Bonds and Aggregate Subordinated Debt Service on Subordinated Water and Sewer System Bonds. Minimum annual coverage is either 1.00x Aggregate Debt Service on Water and Sewer System Bonds and Aggregate Subordinated Debt Service on Subordinated Water and Sewer System Bonds (excluding Capacity Charges) or the sum of 1.00x Aggregate Debt Service on Water and Sewer System Bonds and 1.20x Aggregate Subordinated Debt Service on Subordinated Water and Sewer System Bonds (including Capacity Charges).

JEA District Energy System
Schedule of Debt Service Coverage
(In Thousands)

	Year Ended September 30	
	2024	2023
Revenues		
Service revenue	\$ 12,882	\$ 12,761
Investment income	214	100
Other	2	-
Total Revenues	<u>13,098</u>	<u>12,861</u>
Operation and Maintenance Expenses ⁽¹⁾		
Maintenance and other operating expense	<u>5,732</u>	<u>6,064</u>
Total Operation and Maintenance Expenses	<u>5,732</u>	<u>6,064</u>
Net Revenues	<u>\$ 7,366</u>	<u>\$ 6,797</u>
Aggregate Debt Service ⁽²⁾	<u>\$ 3,021</u>	<u>\$ 3,022</u>
Debt service coverage ⁽³⁾	<u>2.44 x</u>	<u>2.25 x</u>

⁽¹⁾ Excludes depreciation.

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

⁽³⁾ Net Revenues divided by Aggregate Debt Service.

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Energy Market Risk Management Policy Quarterly Report

1/9/2025

Energy Market Risk Management: Physical and Financial Positions

Summary as of 1/1/2025	
FY25 Fuel Expense (Budget \$434M)	\$458M
EMRM Compliance	Yes
Counterparty Credit Limit Exceptions	No
Any Issues of Concern	No

Table 1: Physical Counterparties (Contracts One Year or Greater) as of 1/1/2025

Generating Unit	Fuel Type	Supplier/Counterparty	Contract Type	Remaining Contract Value	Remaining Contract Term
NG Fleet	Natural Gas	Shell Energy	Index w/Fixed Price Option	\$505,198,761	6.41 years
NG Fleet	Natural Gas	Main Street/MGAG	Index w/Discount	\$115,652,648	24.24 years
NG Fleet	Natural Gas	Main Street/MGAG	Index w/Discount	\$66,204,079	14.24 years
NG Fleet	Natural Gas	Main Street/MGAG	Index w/Discount	\$107,049,694	28.83 years
NG Fleet	Natural Gas	Main Street/MGAG	Index w/Discount	\$107,189,238	24.49 years
NG Fleet	Natural Gas	Main Street/MGAG	Index W/Discount	\$174,432,528	27.83 years
NG Fleet	Natural Gas	Main Street/MGAG	Index W/Discount	\$231,244,039	28.33 years
NG Fleet	Natural Gas	Main Street/MGAG	Index W/Discount	\$284,639,802	28.41 years
NG Fleet	Natural Gas	Main Street/MGAG	Index W/Discount	\$311,223,013	29.24 years
NG Fleet	Natural Gas	Main Street/MGAG	Index W/Discount	\$156,172,578	29.83 years
NG Fleet	Natural Gas	Main Street/MGAG	Index W/Discount	\$155,627,978	29.83 years

Table 2: Financial Positions as of 1/1/2025

Year	Commodity	Physical Volume (mmBtu)	Hedged Volume (mmBtu)	Percent Hedged	Unhedged Cost	Hedge Type	Hedge Price	Mark-to-Market Credit/(Cost)	Counterparty
FY25	Natural Gas	38,040,241	25,379,311	66.7%	\$ 3.36	Swap	\$ 3.58	\$ (5,382,406)	Wells Fargo & RBC
FY26	Natural Gas	53,109,239	27,433,083	51.7%	\$ 3.87	Swap	\$ 3.93	\$ (2,221,567)	Wells Fargo & RBC
FY27	Natural Gas	51,115,746	17,617,876	34.5%	\$ 3.87	Swap	\$ 4.20	\$ (6,263,308)	Wells Fargo & RBC
FY28	Natural Gas	47,825,175	7,072,000	14.8%	\$ 3.76	Swap	\$ 3.83	\$ (638,661)	Wells Fargo & RBC
CY25-31	Nat.Gas-PPA	80,672,143	56,470,500	70.0%	\$ 3.64	Swap	\$ 2.58	\$ 57,694,521	Nextera

Table 3: Fuel & Purchase Power Procurement as of 1/1/2025

Fuel Type	Natural Gas	Coal	Petcoke	Limestone	FPL PPA	PurchPwr	Oil/Diesel	Renewables	Vogtle
FY25 Remaining / Energy Mix	57%	2%	8%	N/A	11%	7%	0%	4%	11%
Expected Spend (\$)	162.2M	14M	27.4M	3.7M	30.6M	39.3M	4.7M	22.3M	16M
% Procured	80%	100%	24%	0%	100%	0%	100%	100%	100%
% Hedged	63%	100%	0%	0%	87%	0%	100%	88%	100%
FY26 Projection / Energy Mix	56%	1%	8%	N/A	11%	7%	0%	4%	13%
Expected Spend (\$)	227.1M	9.3M	36.2M	4.7M	40.7M	46.2M	4.2M	27.6M	17.8M
% Procured	66%	4%	0%	0%	100%	0%	100%	100%	100%
% Hedged	47%	4%	0%	0%	90%	0%	100%	81%	100%
FY27 Projection / Energy Mix	53%	2%	8%	N/A	11%	6%	0%	7%	13%
Expected Spend (\$)	217.3M	10.3M	39.4M	5.1M	40.7M	34.9M	5.3M	40.6M	16.1M
% Procured	60%	0%	0%	0%	100%	0%	100%	100%	100%
% Hedged	34%	0%	0%	0%	91%	0%	100%	85%	100%

Supporting Notes:

- Renewable purchase power agreements are not included in Table 1
- Table 1: Natural Gas discount - Municipal Gas Authority of Georgia (MGAG) issues municipal bonds to prepay for gas, allowing them to offer discounts to JEA for qualified use
- Table 1: MGAG prepay agreement remaining contract values are based on current discounts, future discounts are subject to change
- Table 1: Limestone contract value is based on current contract pricing; due to supply disruption this price is expected to increase
- Table 3: FY Energy Mix based on MWH; the procured percent relates to inventory on hand or contracted and the percent hedged is inventory on hand or contracted with fixed pricing or financial hedges
- Solar purchase power agreement with FPL reported as renewable in Table 3
- Placeholders for new solar deals included in FY26 projections in Table 3

Energy Market Risk Management Policy Quarterly Report

1/9/2025

