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American Water Q&A LOG

127-19 Strategic Alternatives - Question and Answer Log

Due Diligence Request List

Respondent	Topic	Question / Document Requested	Priority	Date Submitted	Answers	Date Responded	Round (1 / 2)	Status (Open / Closed)	Data Room Location	
1	American Water	Corporate Finance	Please confirm the revenues in the provided financial model comply with the 3 year rate stability commitment discussed under part iv. of the process letter.	High	8-Nov-19	Please see page 1 and iii e) on page 5 of the Process Letter. Also, as the negotiation process continues, JEA anticipates providing Respondents access to additional information and documents, some of which may include information addressing this question.	15-Nov-19	1	Closed	Process Letter
2	American Water	Corporate Finance	Please provide the detailed analysis on potential cost savings initiatives that were outlined to the JEA Board earlier this year, including a break out of potential cost saving measures by business segment where possible.	High	8-Nov-19	As the negotiation process continues, JEA anticipates providing Respondents access to additional information and documents, some of which may include information addressing this question.	12-Nov-19	1	Closed	
3	American Water	Water System	Has JEA had any discussion with regulators regarding potential regulatory framework / rate structure?	High	8-Nov-19	JEA, during the course of managing its ongoing business, typically has ongoing discussions with the FPSC	14-Nov-19	1	Closed	
4	American Water	Corporate Finance	Please provide a list of services, employees, etc that are shared between the water/wastewater business and the electric and district energy business, if any.	High	8-Nov-19	As the negotiation process continues, JEA anticipates providing Respondents access to additional information and documents, some of which may include information addressing this question.	12-Nov-19	1	Closed	2.1.16
5	American Water	Organizational Structure	Please provide a detailed legal and organization chart for JEA	High	8-Nov-19	As the negotiation process continues, JEA anticipates providing Respondents access to additional information and documents, some of which may include information addressing this question.	14-Nov-19	1	Closed	1-Jan-00
6	American Water	Process	When will the Leidos Professional Engineers Report be made available?	High	8-Nov-19	Please see IE Report, which will be made available upon execution of the Use Agreement.	5-Nov-19	1	Closed	
7	American Water	Corporate Finance	Please provide the core drivers for the revenues contained in the financial model including rate changes and associated rate studies, if any, and changes in customer counts or usage per customer.	High	8-Nov-19	As the negotiation process continues, JEA anticipates providing Respondents access to additional information and documents, some of which may include information addressing this question.	14-Nov-19	1	Closed	8-Jan-00
8	American Water	Accounting	Please provide a description of JEA's cost capitalization policy including the amount, if any, of labor & benefits, interest during construction, backoffice, engineering, etc. that is capitalized	High	8-Nov-19	As the negotiation process continues, JEA anticipates providing Respondents access to additional information and documents, some of which may include information addressing this question.	14-Nov-19	1	Closed	7.6.1
9	American Water	Corporate Finance	Please provide a detailed breakout of O&M by category.	High	8-Nov-19	As the negotiation process continues, JEA anticipates providing Respondents access to additional information and documents, some of which may include information addressing this question.	14-Nov-19	1	Closed	7-Jan-00
10	American Water	Employees	Of the provided O&M expenses, please provide the ongoing cost for all employees by plan and utility type with underlying assumptions <ul style="list-style-type: none"> • Base Salaries (annual) • Health and Welfare Benefit costs (annual) • Employee Retirement Benefits including Defined Benefit, Defined Contribution and other post-employment benefits (OPEB) (annual) • If applicable, Pension Contribution (annual) 	High	8-Nov-19	As the negotiation process continues, JEA anticipates providing Respondents access to additional information and documents, some of which may include information addressing this question.	14-Nov-19	1	Closed	7-Jan-00
11	American Water	Corporate Finance	Please provide the detailed capex plan for the Water and Wastewater Business supporting the projections provided in the JEA ITN Respondent Financial Model	High	8-Nov-19	As the negotiation process continues, JEA anticipates providing Respondents access to additional information and documents, some of which may include information addressing this question.	14-Nov-19	1	Closed	7-Jan-00
12	American Water	Corporate Finance	The CIP indicates that there may be some assets remaining with a "Legacy JEA" entity after the sale. Would there be any water/wastewater/reclaim assets remaining with the "Legacy JEA" company.	High	8-Nov-19	No, that is not anticipated at this time	14-Nov-19	1	Closed	
13	American Water	General Operations	Is the new HQ building included in the Capital Plan, or is it strictly an Operating Lease for the utility.	High	8-Nov-19	JEA has entered into a lease agreement for the new HQ building. There are \$8.5 million in capital expenditures in the plan for tenant improvements and furniture/fixtures.	15-Nov-19	1	Closed	

14	American Water	Process	Please confirm that calculation for Gross Proceeds for the Water and Sewer System only that is to be provided in the Reply, specifically, - The amount of Defeasance cost, other liabilities not assignable and transaction costs estimated for 9/30/2020 for the Water and Sewer System - The employee retention payment for Water and Sewer System? - The employee pension protection payment for the Water and Sewer System? - Other specific costs included in the calculation (is the customer payment paid out of gross proceeds)?	High	8-Nov-19	Please see Addendum 4 - Attachment 14 - Net Proceeds Calculation,	14-Nov-19	1	Closed
15	American Water	Accounting	Is a property tax surcharge included in the authorized revenue for the rate stabilization period? (Said another way, do you anticipate JEA W&W listing a property tax surcharge as a line item until they are able to factor it into rates?)	High	11-Nov-19	As the negotiation process continues, JEA anticipates providing Respondents access to additional information and documents, some of which may include information addressing this question.	14-Nov-19	1	Closed
16	American Water	Corporate Finance	Please provide the assumptions backup package underlying the projections of the JEA ITN Respondent Financial Model	High	17-Dec-19	Please see Corporate Finance Data File in the Corporate Finance folder 31.2 in the VDR for details	23-Dec-19	2	Closed
17	American Water	Corporate Finance	Please provide the backup / assumptions behind each of the capex buckets of the water, sewer and other capital projects as shown in the JEA ITN Respondent Model. We also note that the VDR location provided in Q&A (7.3) is not available in the VDR. For the avoidance of doubt, we would like the underlying assumptions of each of the following: 1) Water Distribution (Meters, New Water Lines and R&R Water Lines) 2) Water Treatment (Purified and Alternative Water Options, R&R WTPs, Wells R&R and New & Storage Tanks, WTP - Expansions and WTP - New) 3) Wastewater Treatment (New WRF Plants, R&R WRF Plants, WRF Expansions and WRF Large Improvements / Upgrades) 4) Sewer Collection (New Sewer Lines and R&R Sewer Lines) 5) Sewage Pump Stations (New Pump / Lift Stations, R&R Pump / Lift Stations, Resiliency) 6) Reclaim Water Distribution (New Reclaim Lines, R&R Reclaim Lines and Upgrades & Expansions) 7) Other Water Capital Projects (Facilities & Physical Security, Fleet, Miscellaneous and Technology Services) 8) Strategic & Growth (Water System Resiliency, Septic Tank Phase outs and Alternative Water Reclamation)	High	17-Dec-19	Please see Corporate Finance Data File in the Corporate Finance folder 31.2 in the VDR for details	23-Dec-19	2	Closed
18	American Water	Corporate Finance	Please provide the model referenced on page 93 of the management presentation that has the tab "Water"	High	17-Dec-19	Please see Corporate Finance Data File in the Corporate Finance folder 31.2 in the VDR for details	23-Dec-19	2	Closed
19	American Water	Accounting	Did any of the acquisitions that JEA made (ie, United Water's Northeast Florida assets) add to Gross (Net) CIAC balance of \$360mm (\$272mm)?	High	17-Dec-19			2	Open
20	American Water	Accounting	Please provide a detailed breakout of what exactly is included in the \$360mm Gross CIAC / \$272mm Net CIAC balance.	High	17-Dec-19			2	Open
21	American Water	Accounting	Please provide the backup / assumptions behind the CIAC adjustment, as shown on row 89 of the "Capex" tab of the <i>JEA ITN Respondent Financial Model</i>	High	17-Dec-19			2	Open

22	American Water	Corporate Finance	<p>Please provide a detailed break out of annual O&M projections by category that substantiates the projections in the JEA ITN Respondent Financial Model and Management Presentation page 95. Specifically, please provide the annual projections by the following categories (based on the <i>Water and Wastewater Systems Rollup O&M thru 8 2019</i> file that was provided in the VDR (Index # 22.3.6.1):</p> <ol style="list-style-type: none"> 1) Salaries Regular & Temp 2) Overtime 3) Employee Benefits 4) Supplies 5) Materials 6) Other Services & Charges 7) Water Treatment 8) Capitalized items (Salaries, Overtime, Benefits, Administrative Overhead, Admin Overhead - Supp HF) 	High	17-Dec-19	Please see Corporate Finance Data File in the Corporate Finance folder 31.2 in the VDR for details	23-Dec-19	2	Closed
23	American Water	Corporate Finance	<p>Please provide the detailed analysis of the potential cost savings initiatives that were outlined on pages 82 and 83 of the <i>JEA ITN Confidential Information Presentation</i>. Specifically:</p> <ol style="list-style-type: none"> 1) Frontline operational excellence 2) Digitalize frontline operations (wastewater treatment) 3) Digitalize frontline operations (water treatment) 4) Reduce auxiliary load 5) Demand management 6) Strategic sourcing 	High	17-Dec-19	Additional detail on cost savings initiatives can be found in pages 46-60 of the 2030 Strategy Document in the Corporate Finance folder 31.2 in the VDR.	20-Dec-19	2	Closed
24	American Water	Corporate Finance	<p>Please provide additional detail behind the W-S tab of VDR index # 8.4. The volumes are hardcoded and we would like to understand changes in customer counts or usage per customer. Specifically please provide the annual rates, growth and usage by customer type as delineated in the annual Disclosure Report for Water and Sewer System:</p> <p><u>Water</u></p> <ol style="list-style-type: none"> 1) Residential 2) Commercial & Industrial 3) Irrigation 4) Reuse <p><u>Wastewater</u></p> <ol style="list-style-type: none"> 1) Residential 2) Commercial & Industrial 	High	17-Dec-19			2	Open
25	American Water	Corporate Finance	Is a property tax surcharge included in the authorized revenue for the rate stabilization period? (Said another way, do you anticipate JEA W&W listing a property tax surcharge as a line item until they are able to factor it into rates?)	High	17-Dec-19	Yes property tax is reflected in authorized revenue (see row 118 on WS Rate Base Model tab of financial model).	23-Dec-19	2	Closed
26	American Water	General Operations	Material Contracts (Folder 4): Please identify which of the contracts listed on the material contracts spreadsheet provided in folders 4.21 and 4.24 of the dataroom are used in JEA's water or wastewater operations or relate to shared services.	High	17-Dec-19	All contracts listed in 4.24 are used in JEA's water or wastewater operations or relate to shared services with exception of contracts listed on following rows: 4, 14, 16, 17, 19, 21, 23, 24, 32, 36, 38, 42, 43, 44, 48, 50, 55, 57, 60, 63, 75; that apply to the electric system only.	23-Dec-19	2	Closed
27	American Water	General Operations	Litigation (Folder 5): Please identify which claims/disputes/litigation described in folder 5 of the dataroom relate to JEA's water or wastewater operations.	High	17-Dec-19			2	Open
28	American Water	Employees	Please identify which of the Collective Bargaining Agreements address bargaining units that only work on water assets, the electric assets or both.	High	17-Dec-19	None are 100% exclusive however LIUNA is primarily water and IBEW is heavily energy concentrated.	20-Dec-19	2	Closed

29	American Water	Employees	Please provide the number of employees/job positions under each Collective Bargaining Agreement associated with JEA's water and wastewater assets.	High	17-Dec-19	As of 12/8/19, Appointed = 40; IBEW = 16; JSA = 71; PEA = 21; AFSCME = 18; LIUNA = 335	20-Dec-19	2	Closed
30	American Water	Employees	Please further provide a breakdown of such water and wastewater employees that are using healthcare insurance personally versus family coverage.	High	17-Dec-19	confidential	20-Dec-19	2	Closed
31	American Water	Water System	Rights of First Refusal (ROFRS): Each of the Nassau County, St. Johns County, Florida Power & Light Company, and the Jacksonville Port Authority have rights of first refusal in the event JEA sells its facilities ("ROFRS"). To help us understand the potential financial significance of the ROFRs, please identify the assets, number of customers and applicable revenues related to each.	High	17-Dec-19	This is subject to current negotiations with the counties. We can ID assets (basically all facilities within either Nassau or St Johns Counties), but not price. SJC purchase price is estimated at \$325,032,418.57. Refer to File "Customer Count - Sales - Revenues by Tax Jurisdiction 2018 2019" for customer count and revenues for SJC and Nassau.	23-Dec-19	2	Closed
32	American Water	Accounting	Is there any CIAC related to sewer operations? If so, is that amount included in the \$272 million total?	High	17-Dec-19			2	Open
33	American Water	Accounting	Through 2016, how were amounts for contributed property, tap fees, and capacity fees recorded by JEA? Were amounts credited to revenues (and equity), with no liability recorded?	High	17-Dec-19			2	Open
34	American Water	Accounting	Does the \$272 million represent the gross amount of contributed property received, or is this amount net of any amortization that may have been recorded against original amounts for the contributed property?	Medium	17-Dec-19			2	Open
35	American Water	Water System	JEA serves water and/or sewer customers outside of the city limits, in St. John's, Nassau, and Clay Counties. a) Describe the general relationship that JEA has with customers residing outside the city. For example, are municipal leaders in these municipalities engaged in any official capacity in regard to JEA's water/sewer operations? Has there been any reaction from those communities regarding the proposed sale of the assets by Jacksonville?	Medium	17-Dec-19	JEA treats all customers, regardless of location, equally. No municipal leaders are engaged in JEA's operations in an official capacity. Nassau County does have an ex-officio representative to the JEA Board of Directors. Nassau and St. Johns Counties are in the process of reviewing their options as it relates to the ROFR.	20-Dec-19	2	Closed
36	American Water	Accounting	JEA includes \$51.3 million in "Water environmental projects" (ITN Reg. Report Table 10, page 16) that are "costs to be recovered from future revenues." Please explain the nature of these costs and their related accounting treatment.	Medium	17-Dec-19	Please see Accounting folder 31.1 in the VDR	20-Dec-19	2	Closed
37	American Water	Accounting	JEA includes \$51.4 million in "Unamortized deferred losses on refundings" among it deferred outflows of resources (ITN Reg. Report Table 10, page 17). Please explain the nature of this item and the related accounting treatment.	Medium	17-Dec-19	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 JEAs 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.	20-Dec-19	2	Closed
38	American Water	Water System	Among JEA's top 10 customers for the water system (ITN Confidential Information Presentation, p.28) are three entities engaged in real estate business activities. Do the amounts shown for each represent revenues from water usage charges? (American Homes for Rent LP, DR Horton, and Jacksonville Housing Authority)	Medium	17-Dec-19	Yes.	18-Dec-19	2	Closed
39	American Water	Corporate Finance	One of the core guidelines of JEA's strategy (ITN Confidential Information Presentation, p. 60) is to "assume a regulated rate base and corresponding revenue requirement." Can you provide a current calculation of JEA's view of revenue requirement, consistent with the stated strategy?	High	17-Dec-19	Please see Corporate Finance Data File in the Corporate Finance folder 31.2 in the VDR for details	23-Dec-19	2	Closed

40	American Water	Corporate Finance	JEA's capital program includes \$360 million (ITN CIP, p. 91) to support development of alternative water supplies that would increase system capacity to 40 MGD by 2035. Please explain the related footnote 2 (ITN CIP, p. 6) indicating that alternative water is to be provided at new or existing tariffs at a price equal to or less than the "applicable rate tariff".	High	17-Dec-19			2	Open
41	American Water	Corporate Finance	Please provide all assumptions and conditions that result in the increases to the all-in prices for the fiscal years 2020 through 2023	High	17-Dec-19	Please see Corporate Finance Data File in the Corporate Finance folder 31.2 in the VDR for details	23-Dec-19	2	Closed
42	American Water	Corporate Finance	Please identify for each year the amount that is considered base rates, the amount that is considered riders or trackers, and the amount that is considered franchise fees and public service taxes, if any.	High	17-Dec-19	The Proforma was derived by system yields (not class rates) See Corporate Finance File for details	23-Dec-19	2	Closed
43	American Water	Corporate Finance	Regarding the 3% Franchise Fee and the 10% Public Service Tax levied by the City of Jacksonville, is it the city's intention to continue to receive those fees and taxes after the transaction when retail rates will be regulated by the Florida Public Service Commission?	High	17-Dec-19			2	Open
44	American Water	Accounting	For utility plant balances, do amounts shown reflect inclusion of capitalized interest? Similarly, do they include capitalized internal project costs or overheads incurred? Or are such costs typically expensed (and not included in capital accounts)? What has JEA's policy been in regard to determining whether work is expensed or capitalized?	High	17-Dec-19			2	Open
45	American Water	Corporate Finance	Discuss year over year changes in Cap-Ex levels: FY17 vs FY16 (\$40m), FY 20 vs FY18, FY23 vs FY22 (down \$23m). Also, what is FY19 estimate?	Medium	17-Dec-19	For history see file named 7.9B Energy Historical FY14-FY18 12.18.19, For future CAPEX, see Corporate Finance file for details that supports the Financial Model	23-Dec-19	2	Closed
46	American Water	Corporate Finance	CAPEX tab row 129 shows an investment of \$44 million per year for ten years. Confirm this is for the 22k high-priority Septic Tank phase-outs listed on page 91 of the Presentation. Is this an estimate of \$20k per conversion?	Medium	17-Dec-19	Confirmed. See Corporate Finance File for details that supports the Financial Model	23-Dec-19	2	Closed
47	American Water	Corporate Finance	Program to replace septic tanks in Northside: current article details residents' position. To what extent is this program in the model projections? (cost estimates are \$35-\$45k per tank)	Low	17-Dec-19	Septic tank phase-out is not included in the model but JEA believes it to be a rate base opportunity to accelerate. As noted during the presentation, septic tanks have been an issue at various times since the consolidation of city and county governments in 1968. Priority has been placed on 22,000 units as a result of water quality and other issues. JEA recently partnered with the City of Jacksonville and has two projects either nearing construction or in engineering. Traditional gravity in these older areas is extremely expensive and JEA is therefore studying with its consulting engineer other options such as low pressure systems, on-site advanced treatment systems or distributed treatment facilities. The study includes cost:benefit work.	20-Dec-19	2	Closed
48	American Water	Corporate Finance	Is Christobel community (500 homes), are they in plan? Plans for 1,600 per year - approximately \$45 million or \$28k per conversion	Low	17-Dec-19	Biltmore C area is in construction, and the Beverly Hills area is in design. These two projects will exhaust current available funds for the program. JEA funds staff for administration, and the overall program is jointly funded by the City of Jacksonville and JEA.	20-Dec-19	2	Closed
49	American Water	Corporate Finance	What level of tap fees are included in the Model, please state the location in the model. There should be 2,200 new customers per year (\$44 million CAPEX divided by estimate of \$20k per conversion).	Low	17-Dec-19			2	Open
50	American Water	Corporate Finance	Please show the level of additional revenue per year for the new 2,200 customers for 2021-2030 in the model	Low	17-Dec-19	The Proforma was derived by system yields (not class rates) See Corporate Finance File for details	23-Dec-19	2	Closed
51	American Water	Corporate Finance	Please identify the amount per year and the row that Greenland Water Reclamation ("WRF") Facility capex is forecasted on in the tab CAPEX.	Low	17-Dec-19	Please see Corporate Finance Data File in the Corporate Finance folder 31.2 in the VDR for details	23-Dec-19	2	Closed

52	American Water	Corporate Finance	Please identify the amount per year and the row that Northwest Jacksonville WRF capex is forecasted on in the tab CAPEX. (row 130 of the CAPEX tab lists \$60 million per year for 2025-2030 for a total of \$360 million)	High	17-Dec-19	Please see Corporate Finance Data File in the Corporate Finance folder 31.2 in the VDR for details	23-Dec-19	2	Closed
53	American Water	Corporate Finance	Adding-on to question #46: Should this figure agree to the \$80 million for Greenland and \$290-\$325 million for Northwest (total \$370-\$405 million)	High	17-Dec-19	Please see Corporate Finance Data File in the Corporate Finance folder 31.2 in the VDR for details	23-Dec-19	2	Closed
54	American Water	Corporate Finance	Page 91 of the CIP has a section for Alternative Water Supply with \$815 million total capital. \$360 million is built into the Model, is row 130 of the CAPEX tab intended to include this item?	High	17-Dec-19	Yes. Please see Corporate Finance Data File in the Corporate Finance folder 31.2 in the VDR for details	23-Dec-19	2	Closed
55	American Water	Corporate Finance	Respondent Financial Model, 'Model Assumptions Tab', Row 633: what was the actual water usage for 2016-2019? Please provide support to the 2020-23 numbers, breakdown of usage by customer class with an explanation of the increase in usage year over year.	High	17-Dec-19	The Proforma was derived by system yields (not class rates). See Corporate Finance File for details that supports the Financial Model	23-Dec-19	2	Closed
56	American Water	Corporate Finance	Respondent Financial Model, 'Model Assumptions Tab', Row 643 what was the actual water usage for 2016-2019? Please provide support to the 2020-23 numbers, breakdown of usage by customer class with an explanation of the increase in usage year over year. Is the usage for the 2,200 septic conversions included?	High	17-Dec-19	The Proforma was derived by system yields (not class rates). See Corporate Finance File for details that supports the Financial Model	23-Dec-19	2	Closed
57	American Water	Water System	Explain the decline experienced in 2018 for both water and sewer sales. (Residential usage declined almost 4%, irrigation declined 16%)	High	17-Dec-19	This decline is almost entirely due to weather. FY2017 was an above average rainfall year, and FY18 was below average. National Weather Service Jacksonville reported almost 14 inches less precipitation in FY18 vs FY17 (56.39 inches vs 70.38 inches). This has a direct correlation on the irrigation usage, but also impacts residential as not all residential customers have either Reclaimed water or an Irrigation meter (so their irrigation usage shows up as normal residential usage).	20-Dec-19	2	Closed
58	American Water	Corporate Finance	Why does the financial model show usage increase year over year in the tab Model Assumptions when the latest data shows a decreasing usage amount?	High	17-Dec-19	Please see Corporate Finance Data File in the Corporate Finance folder 31.2 in the VDR for details	23-Dec-19	2	Closed
59	American Water	Water System	Tariff: 1. Base Rates and Riders (Sections 200, 300) Environmental Rider – What costs are included in the environmental rider? How often is this rider updated? Is it anticipated that municipal fees and taxes will still be levied by the relevant taxing authorities after the acquisition is complete?	Medium	17-Dec-19	The Environmental Charge is designed to recover from customers all costs of environmental remediation, environmental projects and compliance with new and existing environmental regulations. For Electric, the price has not been adjusted since FY07. For Water, the price has not been adjusted since updated since FY11.	23-Dec-19	2	Closed
60	American Water	Water System	Tariff: 1. Base Rates and Riders (Sections 200, 300) How does JEA define residential, commercial, industrial, and multi-family customers?	Medium	17-Dec-19			2	Open
61	American Water	Water System	Tariff: 1. Base Rates and Riders (Sections 200, 300) Given that JEA does not have a tariff for Public Fire service, how does JEA recover the costs of public fire service? Does JEA own fire hydrants in the cities it serves or are these the property of the cities?	Medium	17-Dec-19			2	Open
62	American Water	Water System	Tariff: 1. Base Rates and Riders (Sections 200, 300) Provide monthly water sales by customer class for the last five calendar years.	Medium	17-Dec-19			2	Open
63	American Water	Water System	Tariff: 2. Fees for Connection to and Maintenance of JEA Water and Sewer System (Section 100) Does JEA charge for any services related to this section of the tariff that are not listed in the tariff as a fee schedule?	Medium	17-Dec-19			2	Open

64	American Water	Water System	Tariff: 2. Fees for Connection to and Maintenance of JEA Water and Sewer System (Section 100) How much revenue is generated annually from the fees listed in this section of the tariff? Please identify separate for each fee type.	Medium	17-Dec-19	See other revenue tab in the Corporate Finance File for details that supports the Financial Model	23-Dec-19	2	Closed
65	American Water	Water System	Tariff: 3. Sewer Service Terms and Conditions (Section 400) Does JEA charge for any services related to this section of the tariff that are not listed in the tariff as a fee schedule?	Medium	17-Dec-19			2	Open
66	American Water	Water System	Tariff: 3. Sewer Service Terms and Conditions (Section 400) How much revenue is generated annually from the fees listed in this section of the tariff? Please identify separate for each fee type.	Medium	17-Dec-19			2	Open
67	American Water	Water System	Tariff: 4. Service Charges (Section 500) Does JEA charge for any services related to this section of the tariff that are not listed in the tariff as a fee schedule?	Medium	17-Dec-19			2	Open
68	American Water	Water System	Tariff: 4. Service Charges (Section 500) How much revenue is generated annually from the fees listed in this section of the tariff? Please identify separate for each fee type.	Medium	17-Dec-19			2	Open
69	American Water	Water System	Tariff: 5. Billing Issues (Section 600) Please identify standard payment terms for payment of bills (net 30 days, payment within 20 days of meter read, etc.)	Medium	17-Dec-19			2	Open
70	American Water	Water System	Tariff: 5. Billing Issues (Section 600) Does JEA charge late fees for late payments, and if so, what are the fees?	Low	17-Dec-19	Yes, 1.5%	23-Dec-19	2	Closed
71	American Water	Water System	Tariff: 5. Billing Issues (Section 600) JEA charges a \$14 fee for reconnection of service following disconnection for delinquency. Please define what constitutes delinquency	Low	17-Dec-19			2	Open
72	American Water	Water System	Provide support for FY20 depreciation amount (\$162 million) based on forecast cap-ex.	High	17-Dec-19			2	Open
73	American Water	Water System	Are the calculations in the Black & Veatch depreciation study consistent with JEA's current accounting? Are the results and underlying assumptions utilized in the JEA financial model provided?	High	17-Dec-19			2	Open
74	American Water	Water System	How are the 45-60 partners who help with low income programs allocated for water bills? Also, what will happen to this program post-transaction?	Medium	17-Dec-19			2	Open
75	American Water	Water System	Are the demand side pilot for customers program and two way meters program inclusive of the water system as well or just the electric system?	Medium	17-Dec-19			2	Open
76	American Water	Water System	How many truck rolls from billing errors relate to the water system?	Medium	17-Dec-19			2	Open
77	American Water	Corporate Finance	Is there a written policy that delineates how shared service expenses are allocated between water/wastewater and other parts of the business and on what basis? If so, can we please see that document?	High	17-Dec-19	Please see Corporate Finance folder 31.2 in the VDR.	20-Dec-19	2	Closed

78	American Water	Accounting	Can we see a breakdown of regulatory assets and liabilities for water/wastewater?	High	17-Dec-19	Please see Accounting folder 31.1 in the VDR.	20-Dec-19	2	Closed
79	American Water	Accounting	How are technology and information expenses and assets allocated between water/wastewater versus other parts of the business?	Medium	17-Dec-19			2	Open
80	American Water	Accounting	What lawsuits, insurance claims, and tax liabilities exist that are in theory allocable between water/wastewater and other parts of the business?	Medium	17-Dec-19			2	Open
81	American Water	Water System	Are water/wastewater employees on different retirement plans than other businesses? Are their retirement assets managed separately?	Medium	17-Dec-19	No.	18-Dec-19	2	Closed
82	American Water	Accounting	Please provide five years of monthly working capital balances (with detail) for the water/wastewater business.	Medium	17-Dec-19			2	Open
83	American Water	Organizational Structure	Does JEA have any partnership interests? Which of these relate to water/wastewater?	Medium	17-Dec-19			2	Open
84	American Water	Corporate Finance	Please provide a listing of outstanding letters of credit which may require replacement for W/WW, or provide partial support for W/WW.	Medium	17-Dec-19	None	20-Dec-19	2	Closed
85	American Water	Water System	Do the W/WW assets have detail that allows classification of them for protected/unprotected status or repairs versus normalization? If so, please furnish that detail.	Medium	17-Dec-19	Please clarify the question.	18-Dec-19	2	Closed
86	American Water	Accounting	How do you evaluate the adequacy of bad debt expense or uncollectible reserves?	Medium	17-Dec-19	Please see Accounting folder 31.1 in the VDR.	20-Dec-19	2	Closed
87	American Water	Accounting	Please provide details of all incurred but not reported liabilities, plus methodology of their assessment.	Medium	17-Dec-19	We do not have any unreported liabilities.	20-Dec-19	2	Closed
88	American Water	Water System	Please provide insurance plans details.	Medium	17-Dec-19			2	Open
89	American Water	Corporate Finance	Follow-up to Question #2: The response to #2 did not answer our question, please provide a complete answer / location of information.	High	17-Dec-19			2	Open
90	American Water	Corporate Finance	Follow-up to Question #7: Folder 8.4 only provides projected usage (which is largely available in the model), and does not provide specific assumptions behind the revenue forecast.	High	17-Dec-19			2	Open
91	American Water	Corporate Finance	Follow-up to Question #9: This was changed to Open as the document referenced does not answer the question. Please see a more detailed question in #22 to avoid any confusion in this regard.	High	17-Dec-19			2	Open
92	American Water	Employees	Follow-up to Question #10: This was changed to Open as the document referenced does not answer the question. Please see a more detailed question in #22 to avoid any confusion in this regard.	High	17-Dec-19			2	Open
93	American Water	Corporate Finance	Follow-up to Question #11: This was changed to Open. Folder 7.3 is not available in the financial model. Please grant access to this folder before marking closed.	High	17-Dec-19			2	Open
94	American Water	Accounting	Follow-up to Question #15: Status changed to "open" as the provided response does not sufficiently answer the question.	High	17-Dec-19			2	Open

95	American Water	Corporate Finance	Can we verify what, if any, M&A is included in the base financial forecast for W/WW?	High	17-Dec-19	None were included in the model.	18-Dec-19	2	Closed
96	American Water	Employees	Pension & 401k: 1.Actuarial reports, in particular, any information isolating the JEA Water results 2.Census file of all JEA Water pension participants (Actives, Terminated Vested, In Payment) 3.Any backup to the current value in the AW model (e.g., the \$187 million pension value)	Medium	17-Dec-19			2	Open
97	American Water	Employees	2020 Employee and Employer Costs for the active Health and Welfare Benefits	Medium	17-Dec-19	already provided - 2.14	20-Dec-19	2	Closed
98	American Water	General Operations	Are there applications and systems dedicated solely to Water? Of so, please list these systems.	Medium	17-Dec-19			2	Open
99	American Water	General Operations	For any shared systems, please list provide an application inventory to include application name, description, COTS or custom developed, SaaS or on premise, # of users, age of app, channels enabled (web, mobile, etc.), version, and any additional revlevant information.	Medium	17-Dec-19			2	Open
100	American Water	General Operations	Are there IT resources solely dedicated to water? If so, how many? If there are resources shared across business lines, what % of effort/time of the shared resources are focused on water? Please denote pictoriallywith the org chart.	Medium	17-Dec-19	We do not have dedicated resources to a business line.	20-Dec-19	2	Closed
101	American Water	General Operations	For any shared infrastructure and devices, please provide an inventory. Likewise, please provide an inventory of water related operational technology (OT) devices.	Medium	17-Dec-19			2	Open
102	American Water	General Operations	The applications inventory will cover some of this. However, specifically, please describe what systems is utilized for these key functions - Customer Information System (CIS), CRM, Customer Portal, Enterprise Asset Management (EAM), Work Management, Human Resources (HTR / Hire to Retire), Financial, Supply Chain, Operations, Operational Technologies, etc.	Medium	17-Dec-19			2	Open
103	American Water	General Operations	Please describe the applications integrations approach and associated tools or technologies.	Medium	17-Dec-19	JEA's integration portfolio has grown organically, driven by new project implementations or upgrades. In the current state environment, you will find: • Point-to-point integrations using dB links in Oracle database 11g, 12c • Point-to-point integrations with direct dB connections in Oracle 11g, 12c and MS SQL • SOAP service integrations leveraging Oracle SOA Suite and Service Bus • Point-to-point SOAP/REST services integrations directly connecting applications • Flat file integrations using Secure FTP file transfer • Some use of the Integrated SOA Gateway in eBusiness Suite R12.2.x Future state integrations will be governed by different approaches based upon the most common integration patterns, be they batch, pub/sub, or containerized services. One specific near-term focus will be the migration to Rest APIs and micro-services for application integrations, where applicable.	20-Dec-19	2	Closed
104	American Water	General Operations	Please provide systems architecture diagrams showing the major applications and their interfaces.	Medium	17-Dec-19	See JEA - System Touch Points document in General Operations folder 31.5 in the VDR.	20-Dec-19	2	Closed

105	American Water	General Operations	Please note your application licensing scenarios - are all enterprise wide or any water business specific.	Medium	17-Dec-19	JEA's application licensing scenarios run the gamut of models. Current application licensing portfolio includes: <ul style="list-style-type: none"> • named user licenses – typically for smaller footprint applications with limited user base • concurrent user licenses – larger, but limited, user bases • enterprise agreements – some based upon various metrics such as total operating budget, # of employees, etc... • subscription models – typically for SaaS solutions, as well as some on-premise applications • pay-as-you-go – for PaaS solutions including AWS 	20-Dec-19	2	Closed
106	American Water	General Operations	Please confirm any software license audit and/or any concerns over being in compliance.	Medium	17-Dec-19			2	Open
107	American Water	General Operations	Please describe your partnerships with external vendors - any managed services, staff augmentation, project based, etc. Please include any related to OT as well.	Medium	17-Dec-19	JEA has partnered with vendor WORKSPEND INC to be its Managed Services Provider for majority of its staff augmentation requirements. See row 8 of VDR 4.24.	23-Dec-19	2	Closed
108	American Water	General Operations	Please provide your Disaster Recovery Plan, together with documentation related to the most recent DR testing you performed, the results of that test, and the content and timing of the next planned DR tests.	Medium	17-Dec-19			2	Open
109	American Water	General Operations	Provide your current cybersecurity strategy and plan as presented to the Board or equivalent governing entity.	Medium	17-Dec-19			2	Open
110	American Water	General Operations	Please provide the reports of any 3rd party cybersecurity audits or assessments, executive summaries of penetration testing, etc. that have been performed in the last three years.	Medium	17-Dec-19			2	Open
111	American Water	General Operations	Have you had any cybersecurity incidents in the past two years and confirm any that were formally reported either internally or externally? If so please provide incident reports.	Medium	17-Dec-19			2	Open
112	American Water	General Operations	Please confirm all of the layered security items with any appliances, software or services deployed including: - Firewalls - Intrusion Detection/Intrusion Prevention, email gateways, web access filtering, web portal and perimeter, end point protection (anti-virus, malware, etc), incident monitoring and logging, vulnerability assessments and scanning, application security management - PII/PCI scanning and protection, data loss prevention, etc.	Medium	17-Dec-19			2	Open
113	American Water	General Operations	Please provide your IT general controls documentation and the results of the most recent operational effectiveness testing of these controls.	Medium	17-Dec-19			2	Open
114	American Water	General Operations	Please confirm the processes in place related to your IT Service Management framework.	Medium	17-Dec-19			2	Open
115	American Water	General Operations	Please describe what elements of the COBIT framework are implemented.	Medium	17-Dec-19	JEA's current state COBIT implementation includes the following aspects: <ul style="list-style-type: none"> • Technology management has received the basic education of the overall COBIT framework, including: <ul style="list-style-type: none"> o Process-specific BPMN diagrams; o Process-specific metrics; o Overall process flows and linkages; • The following COBIT processes have been implemented and are currently utilized: <ul style="list-style-type: none"> o Capacity Management o Enterprise Architecture o IT Security o Problem and Incident Management 	20-Dec-19	2	Closed

116	American Water	Customers	Provide customer call handling metrics (ASA, AHT, etc.) and confirm if there are any requirements for service levels with regulators	Medium	17-Dec-19			2	Open
117	American Water	Customers	Provide information on low income programs and use by JEA customers for water service	Medium	17-Dec-19			2	Open
118	American Water	Employees	Provide Breakout of Shared Services Model (Corporate) employees for Water/Wastewater	Medium	17-Dec-19	Please see Employees folder 31.7 in the VDR	20-Dec-19	2	Closed
119	American Water	Employees	Confirmation we have received all Employment agreements and change-in-control arrangements.	Medium	17-Dec-19	Yes.	18-Dec-19	2	Closed
120	American Water	Corporate Finance	Capex - The JEA Financial model vs.the JEA Detailed Capex Plan Fy19-FY30, dated 8/8/19 Forecast does not align. Total 10 yr Capex in Financial Model is \$3,040M, whereas Detailed 10 year plan in VDR is \$1,878 . The strategic management Initiatives (septic, alternative supply) are not included in the Detailed plan, if the initiatives were included both plans would still not align. Please clarify.	High	17-Dec-19	Please see Corporate Finance Data File in the Corporate Finance folder 31.2 in the VDR for details	23-Dec-19	2	Closed
121	American Water	Corporate Finance	Capex - Meters. The JEA financial Model includes \$418.1M for meters (new and replacement) for 10years. The Detailed Capex plan only includes \$100.1M. Please clarify.	High	17-Dec-19	Please see Corporate Finance Data File in the Corporate Finance folder 31.2 in the VDR for details	23-Dec-19	2	Closed
122	American Water	Employees	The spreadsheet in Folder 2.1.1 of the Data Room entitled "Current Employees 2018 2019" lists more than 38 individuals as "FLSA exempt," members of the JEA Supervisors Association, and also receiving "overtime" earnings in addition to "regular" earnings. Can JEA confirm whether these individuals are, in fact, classified as FLSA exempt and, if FLSA exempt, which exemption applies?	Medium	17-Dec-19	Yes, evaluation is based on job duties; six job classifications that are exempt.	20-Dec-19	2	Closed
123	American Water								
124	American Water	Employees	Please provide any actuarial reports for the pension plan specifically isolating the JEA Water results.	High	19-Dec-19			2	Open
125	American Water	Employees	Please provide any census files of all JEA Water pension participants (Actives, Terminated Vested, and In Payment).	High	19-Dec-19			2	Open
126	American Water	Employees	Please provide the backup to the \$187mm pension liability value in the ITN Respondent Financial model. (We understand that it is stripped out as a transaction adjustment).	High	19-Dec-19			2	Open
127	American Water	Employees	457(b) Deferred Contribution: Who are the Optional Employees in this plan? What is the criteria for eligibility? Who participants in this plan?	High	19-Dec-19			2	Open
128	American Water	Employees	401(a) Defined Contribution Plan: Who are the appointed employees? What qualifies them as appointed?	High	19-Dec-19			2	Open
129	American Water	Employees	What liabilities will an acquiring entity have for the St. Johns River Power Park System retirement plans?	High	19-Dec-19			2	Open

130	American Water	Employees	For Shared Services Employees, please provide a breakout for employees attributed to the Water business.	High	19-Dec-19	2	Open
131	American Water	Employees	OPEB Liability: Please provide any actuarial reports for the pension plan specifically isolating the JEA Water results.	High	19-Dec-19	2	Open
132	American Water	Employees	OPEB Liability: Please provide any census files of the JEA Water OPEB participants.	High	19-Dec-19	2	Open
133	American Water	Corporate Finance	Please provide any additional reports and supporting materials (e.g. including the McKinsey Report), which details the capex plan beyond the current 5 year capital plan.	High	19-Dec-19	2	Open
134	American Water	Corporate Finance	As discussed on the model negotiation call (on December 18), please provide the detailed, project-level capital plan that ties to the capex projections in the financial model.	High	19-Dec-19	2	Open
135	American Water	Corporate Finance	As discussed on the model negotiation call (on December 18), please provide the detailed opex budget by category, as well as the associated adjustments and quantified management initiatives for O&M from 2020 - 2023.	High	19-Dec-19	2	Open
136	American Water	Accounting	Please provide the property unit catalog used to determine which assets are capitalized vs. expensed.	High	19-Dec-19	2	Open
137	American Water	Corporate Finance	Please provide the numbers of customers associated with St. Johns County / Nassau County on a historical and projected basis.	High	19-Dec-19	2	Open
138	American Water	Social	Please provide JEA's community investments in 2019, 2018, and 2019.	High	19-Dec-19	2	Open
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