



JEA BOARD OF DIRECTORS WORKSHOP

Water, Sewer, and Electric Rates Recommendations & Capacity Fee Discussion

JEA Headquarters | 1st Floor | Room 120 A & B | 225 North Pearl Street, Jacksonville, FL 32202

April 14, 2026 | 1:00 p.m.

WELCOME

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

MG Orender, Chair

Safety Briefing

Brandon Edwards, Director, Security & Emergency Preparedness

ITEMS FOR BOARD CONSIDERATION

DELIVERING BUSINESS EXCELLENCE

Water and Sewer System

- Revenue Requirements
- Target Rate Revenues
- Rate Recommendations

Juli Crawford, Senior Vice President, Finance
Victor Blackshear, Director, Rates

Brief Break

Electric System

- Revenue Requirements
- Target Rate Revenues
- Rate Restructuring
- Rate Recommendations

Juli Crawford, Senior Vice President, Finance
Victor Blackshear, Director, Rates
Craig Brown, Project Manager, Financial Analysis & Rate Design, 1898 & Co.

Capacity Fees

Ted Phillips, Chief Financial Officer
Jody Brooks, Chief Administrative Officer

Waiver of Attorney/Client Privilege Request

Jody Brooks, Chief Administrative Officer

OTHER BUSINESS AND CLOSING CONSIDERATION

Announcements

- Capital Projects Committee Meeting – May 6, 2026
- Next Board Meeting – May 19, 2026

MG Orender, Chair

Adjournment

INFORMATIONAL MATERIAL

Appendix A: [Memorandum – Water, Sewer, and Electric Rates Recommendations](#)

Appendix B: [Memorandum – Capacity Fees](#)

Appendix C: [Memorandum – Waiver of Attorney/Client Privilege Request](#)



JEA[®]

Building Community

JEA BOARD OF DIRECTORS WORKSHOP

**WATER, SEWER, AND ELECTRIC RATES
RECOMMENDATIONS & CAPACITY FEE DISCUSSION**

A P R I L 1 4 , 2 0 2 6



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



April 14, 2026

Water & Sewer and Electric Rate Workshop

Juli Crawford, Senior Vice President, Financial Services

Victor Blackshear, Director of Rates



Agenda

- Water & Sewer System
 - Revenue Requirements
 - Target Rate Revenues
 - Rate Recommendations
- Brief Break
- Electric System
 - Revenue Requirements
 - Target Rate Revenues
 - Rate Restructuring
 - Rate Recommendations

Achieve Target Revenue

To close the gap between projected revenue requirements and rate revenue

Improve Rate Structure

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



Water & Sewer (W&S) System

Rate Proposals

Julie Crawford, Senior Vice President, Finance
Victor Blackshear, Director, Rates

Water & Sewer System

Revenue Requirements from the financial forecast



Revenue Requirements (Utility Basis per Pricing Policy)	FY26 Projections (\$ millions)	FY27 Projections (\$ millions)	Variances (\$ millions)
Operation & Maintenance Expenses	\$296.9	\$309.7	\$12.8
Depreciation Expense	\$218.8	\$220.7	\$1.9
Contribution To City	\$37.7	\$38.1	\$0.4
Other Non-Operating Expenses	\$5.4	\$5.8	\$0.4
Return for Reinvestment ¹	\$95.4	\$139.4	\$44.0
Gross Revenue Requirement \$M	\$654.2	\$713.7	\$59.5
Capacity/Extension Revenue	(\$60.0)	(\$65.0)	(\$5.0)
Other Revenue Sources	(\$30.6)	(\$30.9)	(\$0.3)
Net Revenue Requirement \$M	\$563.6	\$617.8	\$54.2

1. Additional funding needed to maintain the system's key financial metrics to ensure JEA's financial integrity.

Revenue requirements are partially offset by capacity fee revenues

Water & Sewer System



Proposed Rate Revenue Adjustments by Class to meet FY27 Revenue Requirements

FY2027	W&S System	Residential	Multifamily	Commercial	Irrigation
(\$Millions)	Total	Total	Total	Total	Total
Projected Sales	81.1	39.7	9.3	19.0	13.2
Projected Net Revenue Requirements	\$617.8	\$329.9	\$64.5	\$137.3	\$86.0
Projected Revenue at Current Rates	\$572.5	\$309.5	\$56.2	\$125.2	\$81.6
Projected Under/(Over) Collection (\$)	\$45.3	\$20.4	\$8.3	\$12.2	\$4.4
Projected Collection to Cost (%)	93%	94%	87%	91%	95%
Proposed Revenue Adjustment (%)	8%	6%	11%	11%	7%
Proposed Target Revenue	\$617.8	\$329.3	\$62.3	\$138.6	\$87.5
Adjusted Under/(Over) Collection (\$)	\$0.0	\$0.6	\$2.2	(\$1.2)	(\$1.5)
Adjusted Collection to Cost (%)	100%	100%	97%	101%	102%

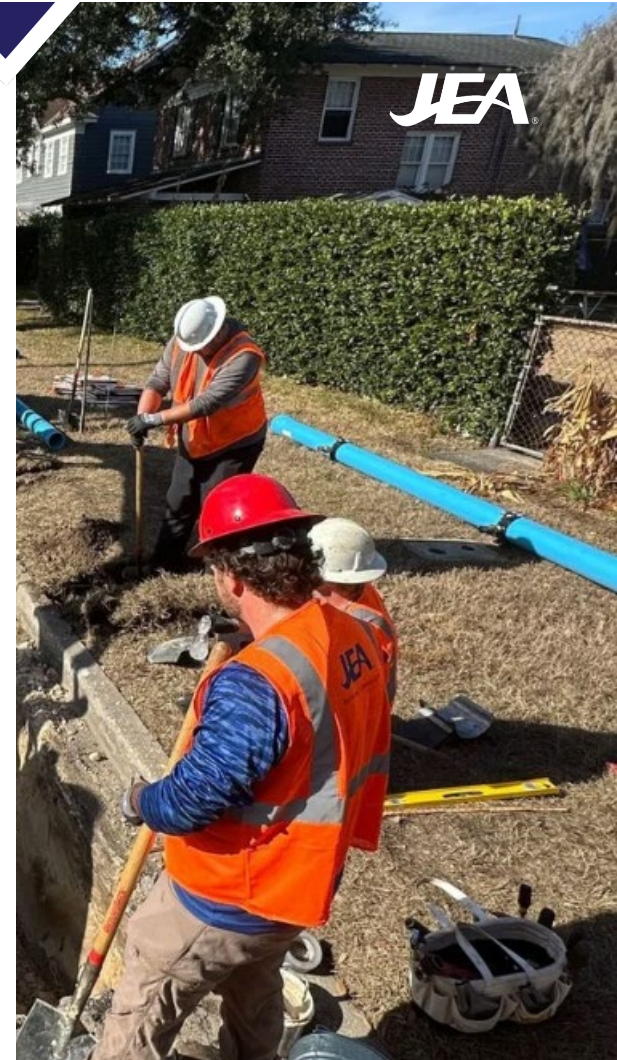
To close the gap, propose adjusting the overall rate revenues by 8%

Water & Sewer Rate Structure

Consist mainly of two rate components

Basic Monthly Charge (BMC): A fixed charge regardless of usage based on American Water Works Association scaling factors by meter size to recover 50% of average day costs as well as administrative costs such as customer service, billing and collection, and meter reading equally across all meters.

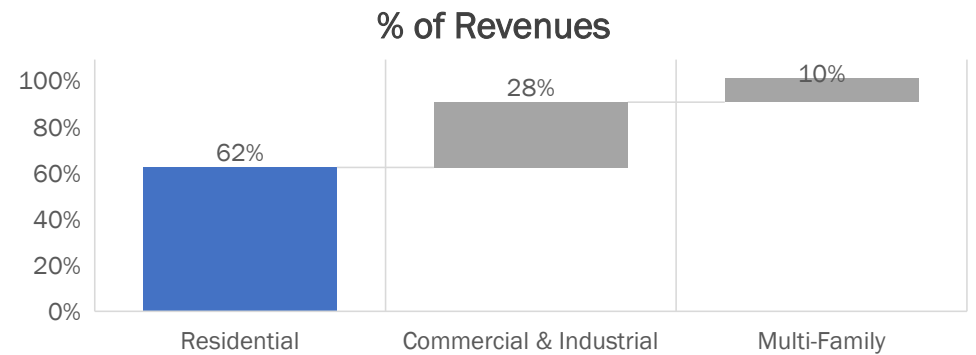
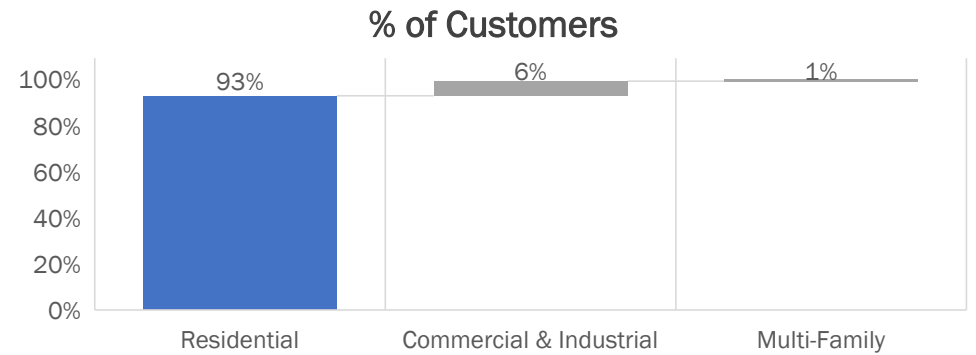
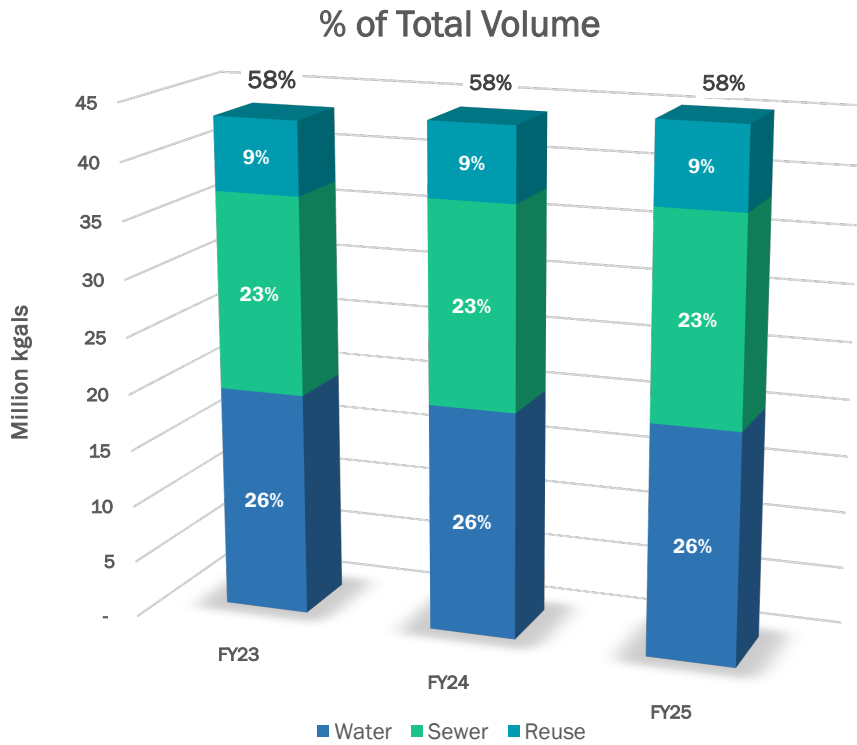
Volume Charge: A charge per usage (kgals) to recover the remaining cost to treat & deliver water to our customers as well as receive & treat the sewage from our customers every day.





Residential W&S Customer Overview

93% of Customers, 62% of Revenues, 58% of Total Volume



The residential rate class is the largest rate class

Residential W&S Rates



Water Basic Monthly Charges

Meter Size	Current Rate	New FY27 Rate	\$ Change
*5/8"	\$13.60	\$13.77	\$0.17
*3/4"	\$18.23	\$18.46	\$0.23
1"	\$27.48	\$27.83	\$0.35
1 1/2"	\$50.63	\$51.28	\$0.65
2"	\$78.40	\$79.40	\$1.00

58% of residential water customers use 3/4" meter size

Sewer Basic Monthly Charges

Meter Size	Current Rate	New FY27 Rate	\$ Change
*5/8"	\$17.03	\$17.03	\$0.00
*3/4"	\$23.37	\$23.37	\$0.00
1"	\$36.06	\$36.06	\$0.00
1 1/2"	\$67.77	\$67.77	\$0.00
2"	\$105.83	\$105.83	\$0.00

61% of residential sewer customers use 3/4" meter size

Water Volume Charges

*Volume (kgals)	Current Rate	New FY27 Rate	\$ Change per Kgal
1 - 4	\$1.34	\$1.50	\$0.16
5 - 8	\$2.99	\$3.35	\$0.36
9 - 15	\$5.13	\$5.75	\$0.62
>15	\$6.45	\$7.23	\$0.78

Sewer Volume Charges

Volume (kgals)	Current Rate	New FY27 Rate	\$ Change per kgal
All	\$5.17	\$5.82	\$0.65

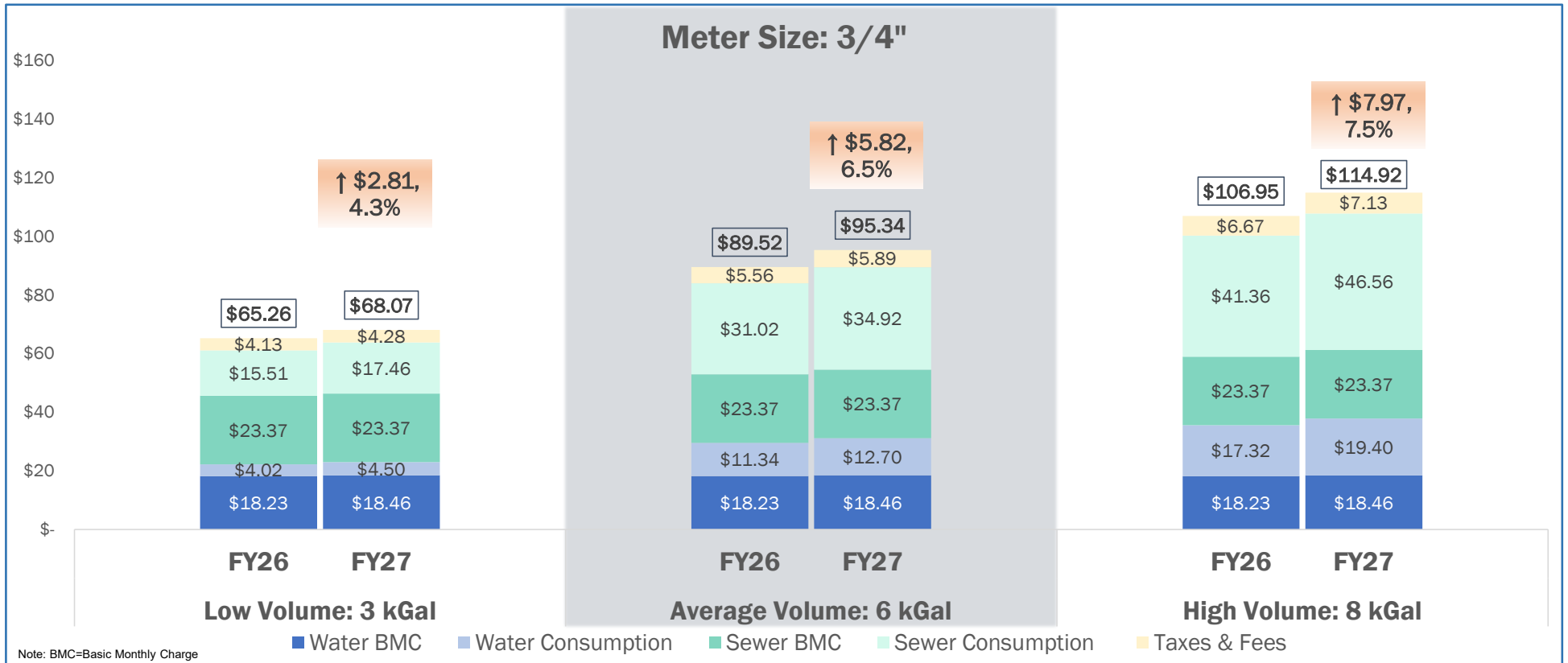
Note: *These rates also apply to Multifamily 5/8" & 3/4" meters

Water tiers are based on typical indoor domestic use and discretionary irrigation



Residential W&S Bill Impact Examples

~342,000 Residential Water & ~310,000 Residential Sewer Customers



Impact to residential bills will vary based on volume

Residential Irrigation Rates



Potable Irrigation Basic Monthly Charges

Meter Size	Current Rate	New FY27 Rate	\$ Change
5/8"	\$13.60	\$13.77	\$0.17
3/4"	\$18.23	\$18.46	\$0.23
1"	\$27.48	\$27.83	\$0.35
1 1/2"	\$50.63	\$51.28	\$0.65
2"	\$78.40	\$79.40	\$1.00

76% of residential customers use 3/4" meter size

Potable Irrigation Volume Charges

Volume (kgals)	Current Rate	New FY27 Rate	\$ Change per kgal
1 - 7	\$4.08	\$4.69	\$0.61
>7	\$6.13	\$7.05	\$0.92

Reclaim Irrigation Basic Monthly Charges

Meter Size	Current Rate	New FY27 Rate	\$ Change
5/8"	\$12.60	\$13.77	\$1.17
3/4"	\$18.90	\$18.46	(\$0.44)
1"	\$31.50	\$27.83	(\$3.67)
1 1/2"	\$63.00	\$51.28	(\$11.72)
2"	\$100.80	\$79.40	(\$21.40)

91% of residential customers use 3/4" meter size

Reclaim Irrigation Volume Charges

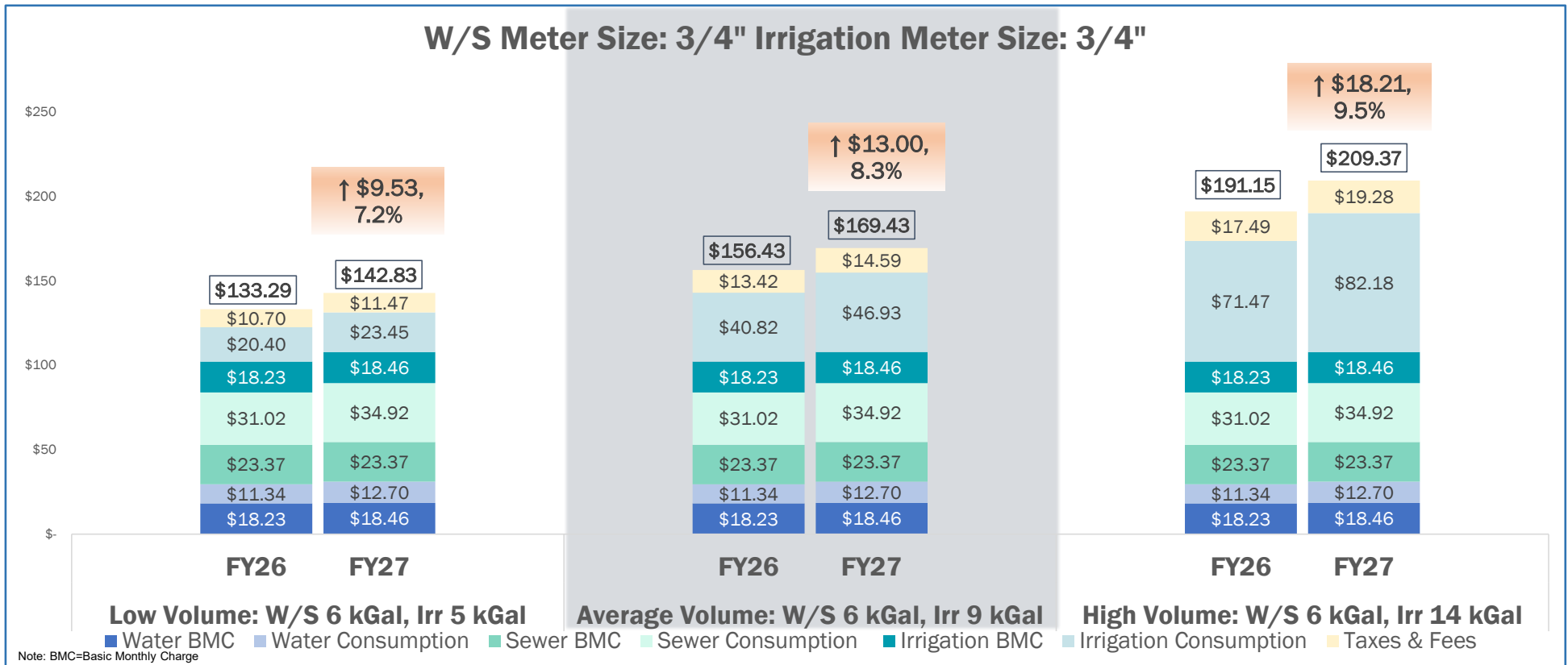
Volume (kgals)	Current Rate	New FY27 Rate	\$ Change per kgal
1 - 7	\$2.97	\$4.69	\$1.72
>7	\$5.97	\$7.05	\$1.08

Align reclaim with potable irrigation rates to advance water conservation efforts



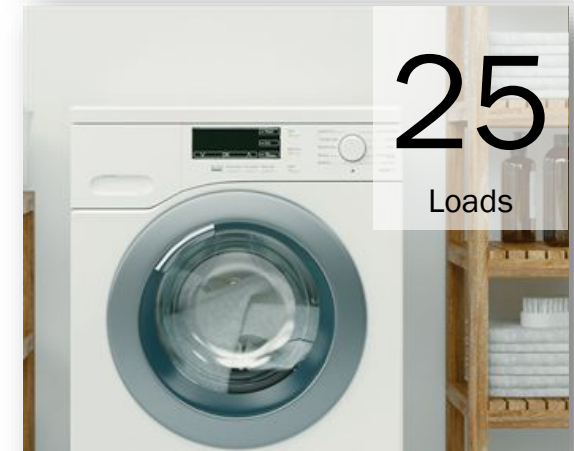
Residential W&S with Irrigation Bill Impact Examples

~33,000 Residential Potable Irrigation & ~22,000 Residential Reclaim Customers



Impact to residential bills will be higher based on irrigation volume

The Value of JEA's Residential Water Volume Charge



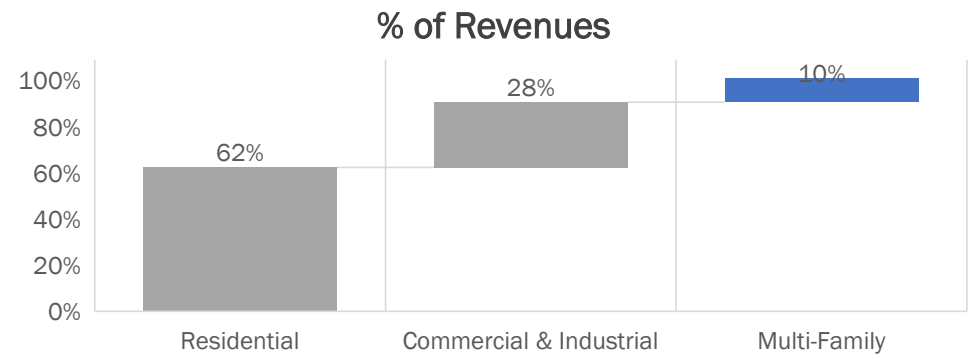
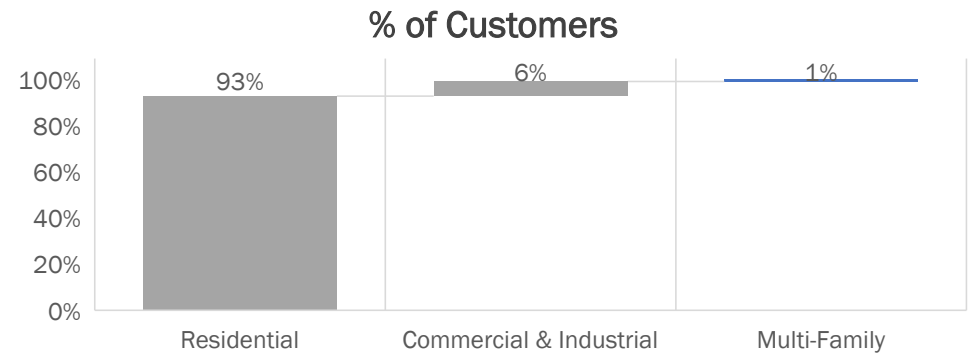
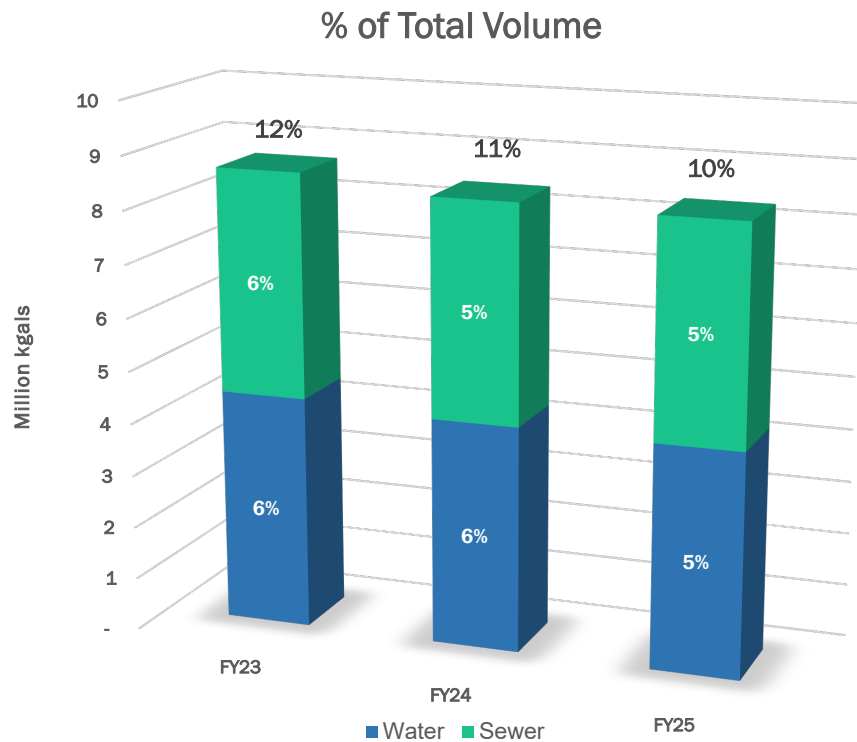
\$2.12 = 1,000 gallons of JEA Water

For less than the price of one bottled water at a convenience store, our customers can do any of these activities



Multi-Family W&S Customer Overview

1% of Customers, 10% of Revenues, 10% of Total Volume



The multi-family rate class services multi unit dwellings

Multi-Family W&S Rates



Water Basic Monthly Charges

*Meter Size	Current Rate	New FY27 Rate	\$ Change
1"	\$51.93	\$55.17	\$3.24
1 1/2"	\$99.48	\$105.72	\$6.24
2"	\$156.55	\$166.38	\$9.83
3"	\$337.26	\$358.47	\$21.21
4"	\$575.04	\$611.22	\$36.18
6"	\$1,288.39	\$1,369.48	\$81.09
8"	\$1,526.17	\$1,622.23	\$96.06
10"	\$3,999.08	\$4,250.85	\$251.76
12"	\$5,045.32	\$5,362.95	\$317.63

Sewer Basic Monthly Charges

*Meter Size	Current Rate	New FY27 Rate	\$ Change
1"	\$79.69	\$93.24	\$13.55
1 1/2"	\$155.01	\$181.36	\$26.35
2"	\$245.39	\$287.11	\$41.72
3"	\$531.60	\$621.97	\$90.37
4"	\$908.20	\$1,062.59	\$154.39
6"	\$2,037.98	\$2,384.43	\$346.46
8"	\$2,414.57	\$2,825.05	\$410.48
10"	\$6,331.15	\$7,407.44	\$1,076.29
12"	\$7,988.16	\$9,346.15	\$1,357.99

Water Volume Charges

*Volume (kgals)	Current Rate	New FY27 Rate	\$ Change per kal
All	\$2.47	\$2.58	\$0.11

Sewer Volume Charges

Volume (kgals)	Current Rate	New FY27 Rate	\$ Change per kgal
All	\$5.17	\$5.82	\$0.65

Note: *See Residential Rates for 5/8" & 3/4"

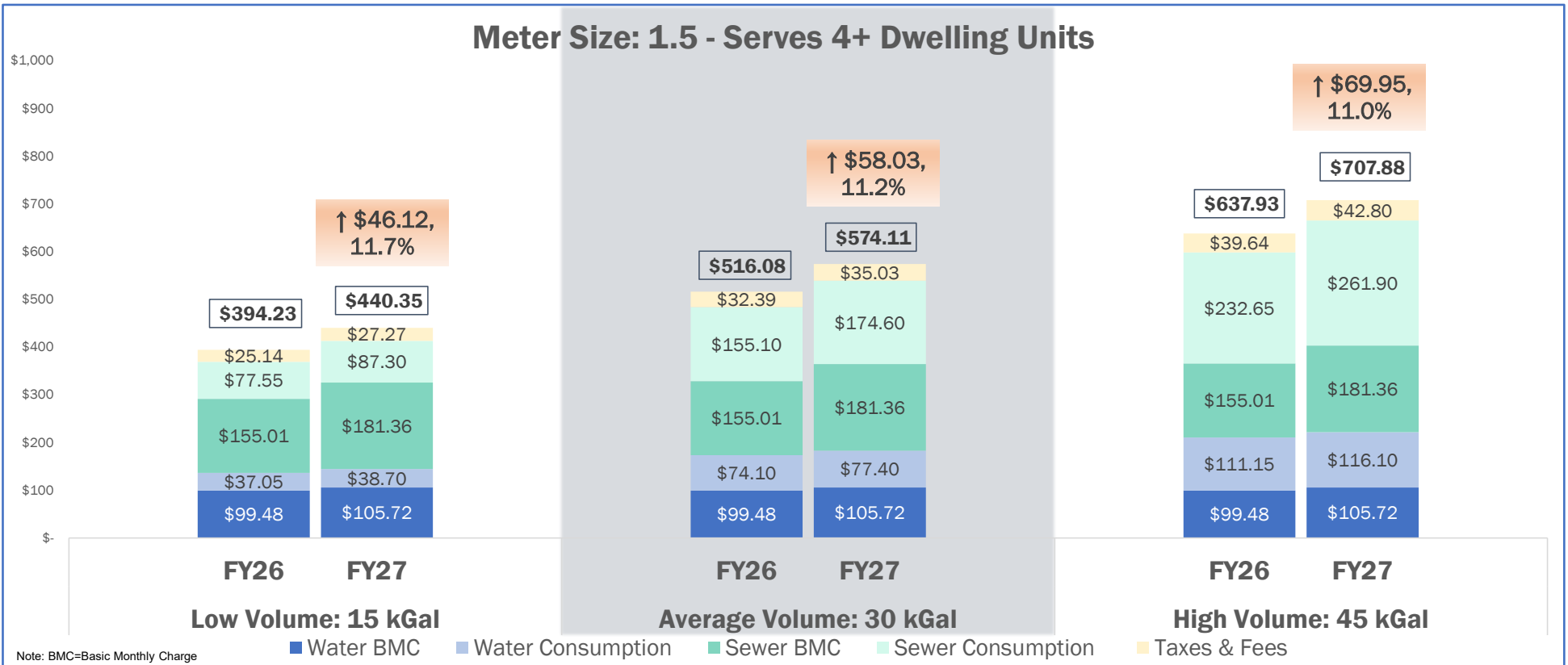
Approximately 90% of multi-family class is served by meters 2" or less



Multi-Family W&S Bill Impact Examples

~3,500 Multi-Family Water & ~3,300 Multi-Family Sewer Customers

Meter Size: 1.5 - Serves 4+ Dwelling Units



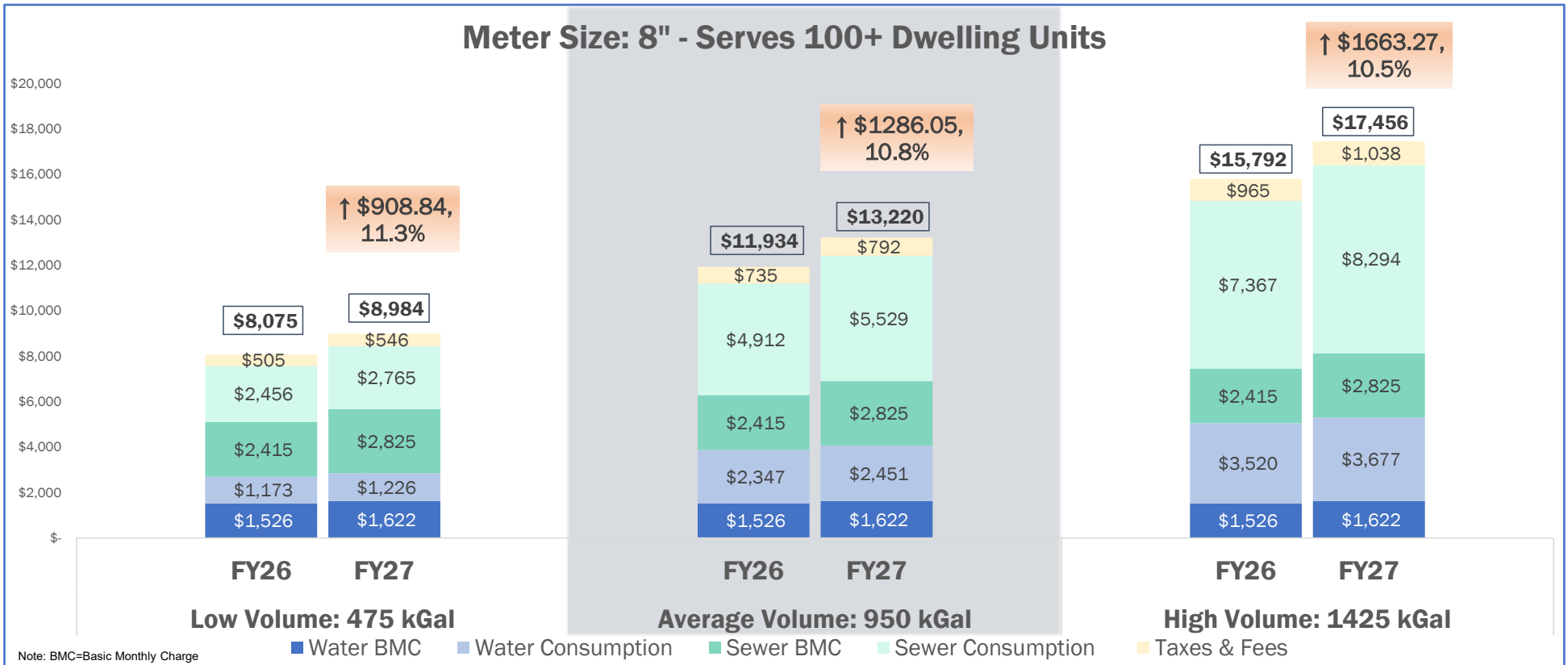
Impact to multi-family bills will vary based on volume and number of units



Multi-Family W&S Bill Impact Examples

~3,500 Multi-Family Water & ~3,300 Multi-Family Sewer Customers

Meter Size: 8" - Serves 100+ Dwelling Units

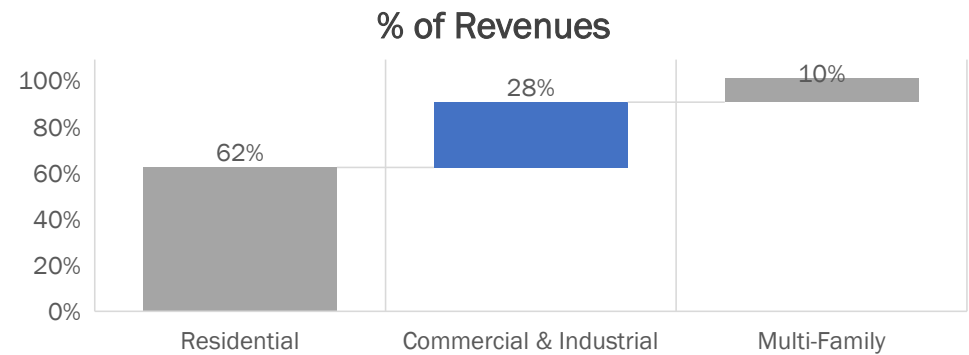
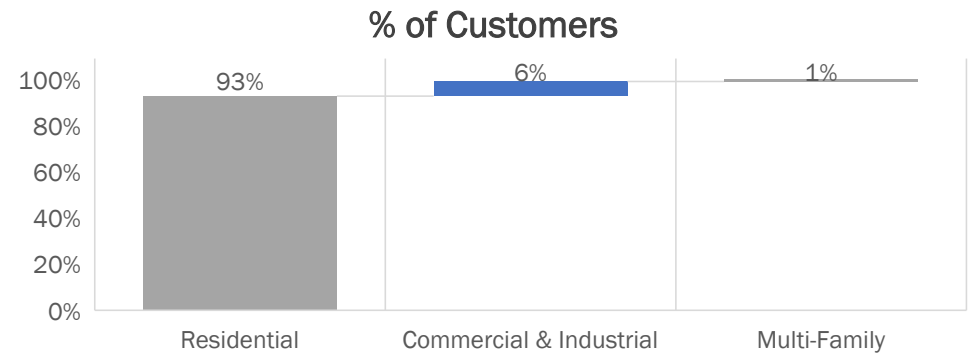
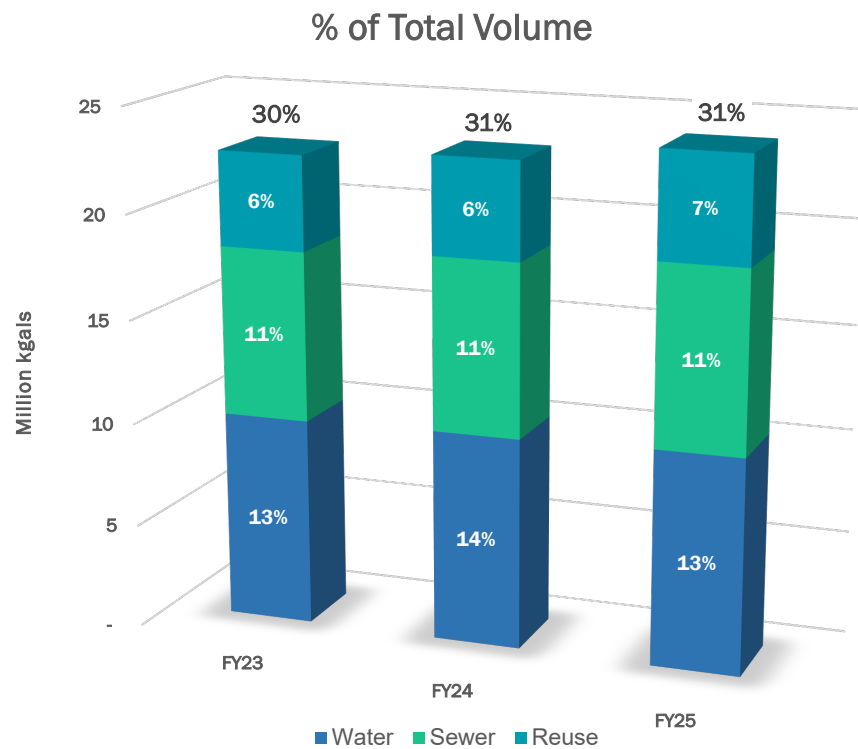


Impact to multi-family bills will vary based on volume and number of units



Commercial W&S Customer Overview

6% of Customers, 28% of Revenues, 31% of Total Volume



The commercial rate class services the business community



Commercial W&S Rates

Water Basic Monthly Charges

Meter Size	Current Rate	New FY27 Rate	\$ Change
5/8"	\$13.60	\$13.60	\$0.00
3/4"	\$18.23	\$18.23	\$0.00
1"	\$27.48	\$27.48	\$0.00
1 1/2"	\$50.63	\$50.63	\$0.00
2"	\$78.40	\$78.40	\$0.00
3"	\$166.35	\$166.35	\$0.00
4"	\$282.08	\$282.08	\$0.00
6"	\$629.25	\$629.25	\$0.00
8"	\$744.97	\$744.97	\$0.00
10"	\$1,948.50	\$1,948.50	\$0.00
12"	\$2,457.68	\$2,457.68	\$0.00

Water Volume Charges

Volume (kgals)	Current Rate	New FY27 Rate	\$ Change per kgal
All	\$3.06	\$3.36	\$0.30

Sewer Basic Monthly Charges

Meter Size	Current Rate	New FY27 Rate	\$ Change
5/8"	\$37.08	\$37.08	\$0.00
3/4"	\$53.43	\$53.43	\$0.00
1"	\$86.14	\$86.14	\$0.00
1 1/2"	\$167.90	\$167.90	\$0.00
2"	\$266.03	\$266.03	\$0.00
3"	\$576.74	\$576.74	\$0.00
4"	\$985.58	\$985.58	\$0.00
6"	\$2,212.09	\$2,212.09	\$0.00
8"	\$2,620.92	\$2,620.92	\$0.00
10"	\$6,872.82	\$6,872.82	\$0.00
12"	\$8,671.70	\$8,671.70	\$0.00
20"	\$12,163.62	\$16,267.21	\$4,103.59

Sewer Volume Charges

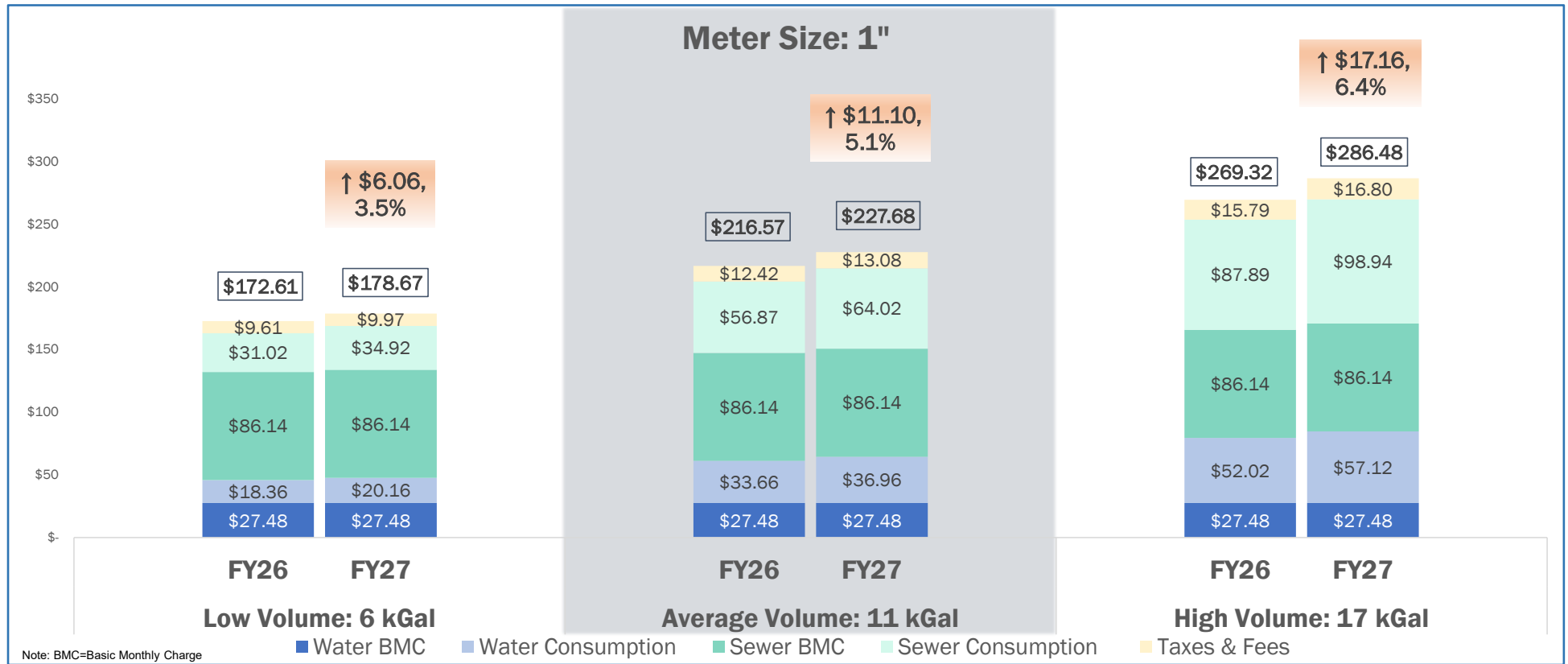
Volume (kgals)	Current Rate	New FY27 Rate	\$ Change per kgal
All	\$5.17	\$5.82	\$0.65

Approximately 25% of commercial customers use 1" meter size



Commercial W&S Bill Impact Examples

~20,000 Commercial Water & ~16,000 Commercial Sewer Customers

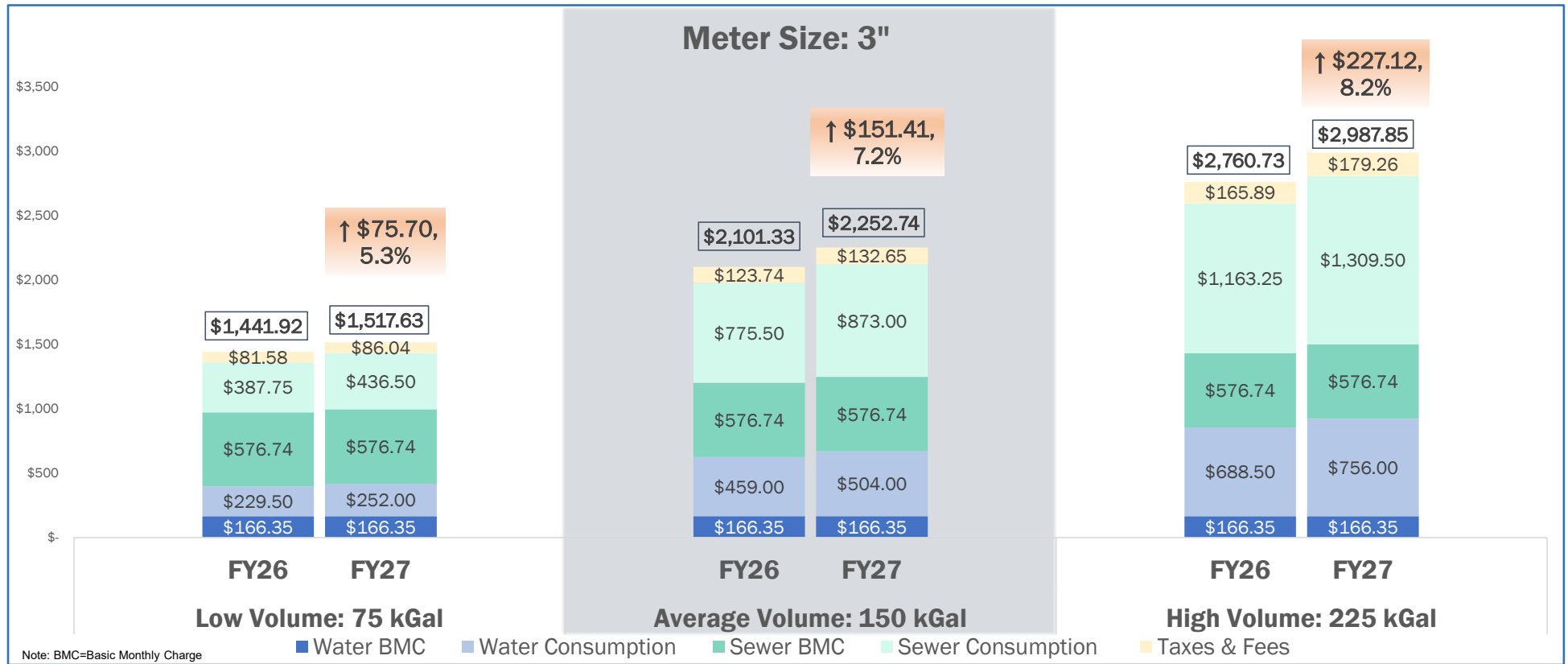


Impact to commercial bills will vary based on volume



Commercial W&S Bill Impact Examples

~20,000 Commercial Water & ~16,000 Commercial Sewer Customers



Impact to commercial bills will vary based on volume



Commercial Irrigation Rates

Potable Irrigation Basic Monthly Charges

Meter Size	Current Rate	New FY27 Rate	\$ Change
5/8"	\$13.60	\$13.60	\$0.00
3/4"	\$18.23	\$18.23	\$0.00
1"	\$27.48	\$27.48	\$0.00
1 1/2"	\$50.63	\$50.63	\$0.00
2"	\$78.40	\$78.40	\$0.00
3"	\$166.35	\$166.35	\$0.00
4"	\$282.08	\$282.08	\$0.00
6"	\$629.25	\$629.25	\$0.00
8"	\$744.97	\$744.97	\$0.00

32% of commercial irrigation customers use 1" meter size

Potable Irrigation Volume Charges

Volume (kgals)	Current Rate	New FY27 Rate	\$ Change per kgal
1 - 7	\$3.99	\$3.99	\$0.00
>7	\$5.36	\$5.36	\$0.00

Reclaim Irrigation Basic Monthly Charges

Meter Size	Current Rate	New FY27 Rate	\$ Change
5/8"	\$12.60	\$13.60	\$1.00
3/4"	\$18.90	\$18.23	(\$0.67)
1"	\$31.50	\$27.48	(\$4.02)
1 1/2"	\$63.00	\$50.63	(\$12.37)
2"	\$100.80	\$78.40	(\$22.40)
3"	\$201.60	\$166.35	(\$35.25)
4"	\$315.00	\$282.08	(\$32.92)
6"	\$630.00	\$629.25	(\$0.75)
8"	\$1,008.00	\$744.97	(\$263.03)

43% of commercial reclaim customers use 1" meter size

Reclaim Irrigation Volume Charges

Volume (kgals)	Current Rate	New FY27 Rate	\$ Change per kgal
1 - 7	\$3.81	\$3.99	\$0.18
>7	\$4.33	\$5.36	\$1.03

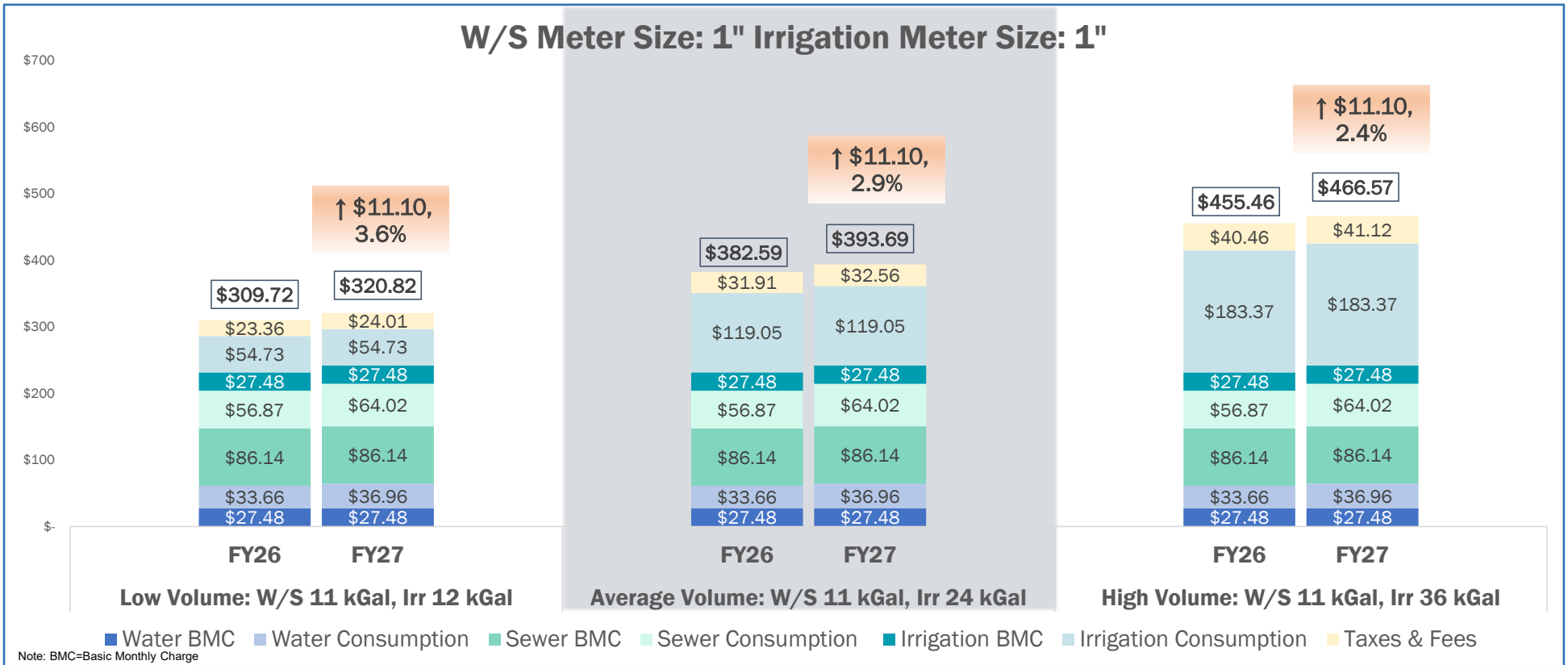
Align reclaim with potable irrigation rates to advance water conservation efforts



Commercial W&S Bill Impact Examples

~20,000 Commercial Water & ~16,000 Commercial Sewer Customers

W/S Meter Size: 1" Irrigation Meter Size: 1"



Impact to commercial bills will be higher based on irrigation volume



Additional W&S Rate Recommendations

Sewer Surcharge, Hauled Waste, Fire Protection, and Bulk Reclaim



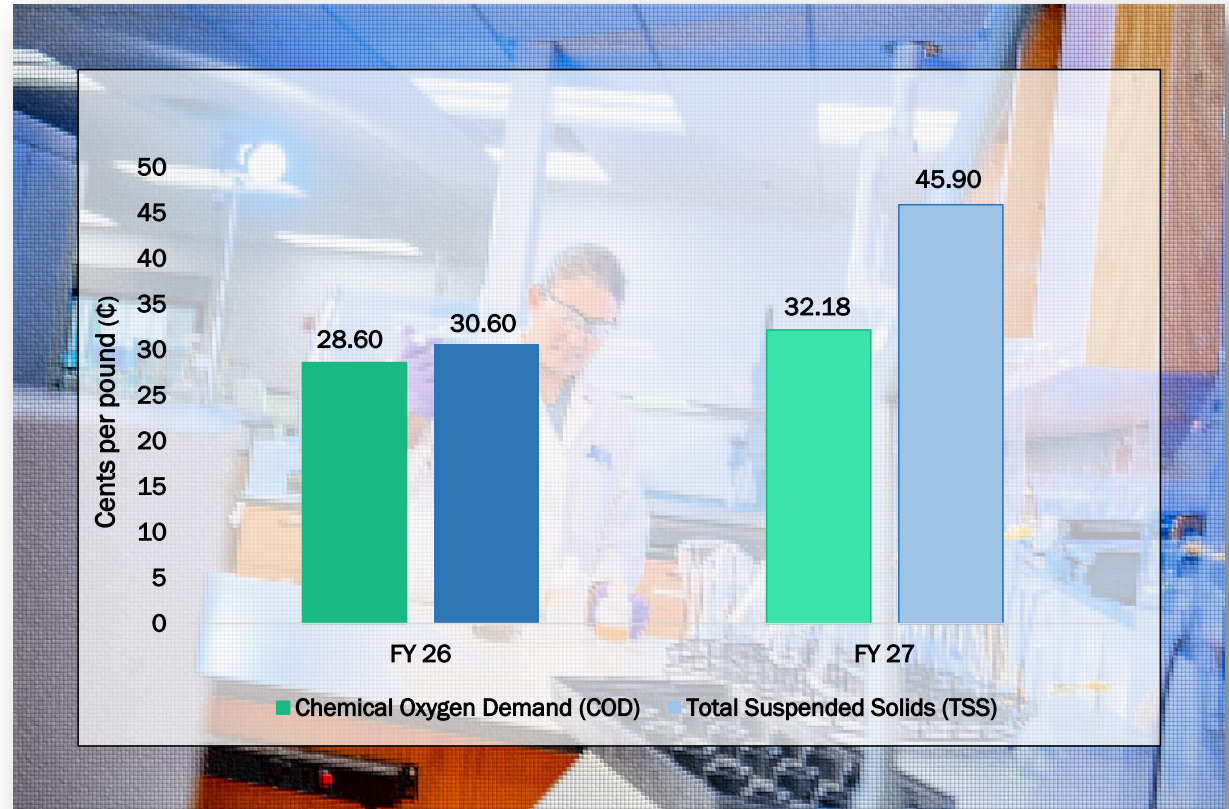
Sewer Surcharge Rates

Sewer surcharges are applied to monitored customers that have sewer strength that is higher than domestic strength.

- High Strength has been characterized by JEA as having over 650mg/L chemical oxygen demand (COD) or 300mg/L total suspended solids (TSS) nutrient levels.

Assigning a fee for sewer volumes containing strength higher than the domestic levels recovers JEA's cost of managing the treatment of this waste.

- ~20 of the ~110 accounts monitored for higher strength are industrial users
- FY25 Total Revenue \$4M

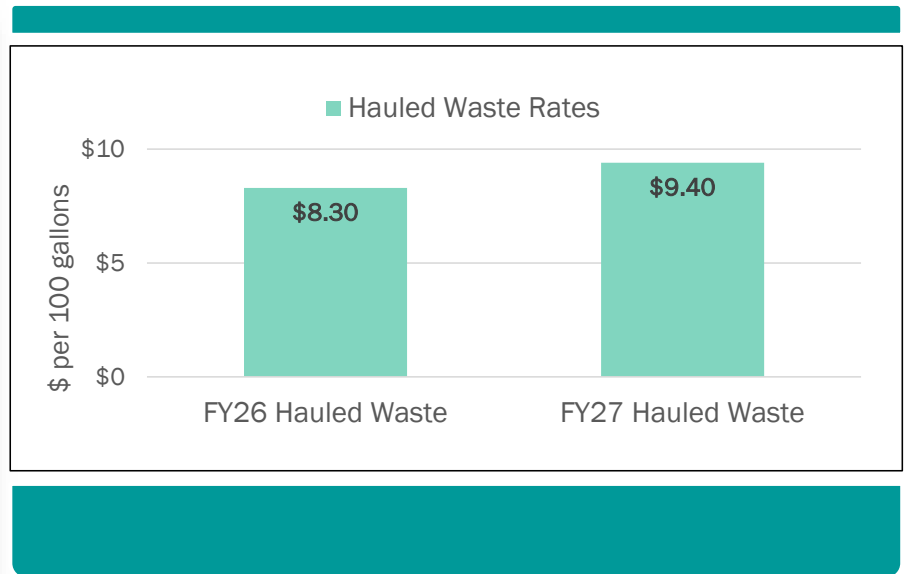


Recommendation will bring projected cost recovery to 69% (\$6.3M for FY27)

Scavenger and Leachate Hauled Waste Rates



Hauled waste from landfills known as leachate and other scavenger waste that deal with septic removal, stormwater management, plumbing, portable toilet hauling, as well as other environmental management activities around the community is delivered to JEA's Buckman Wastewater Treatment Facility. FY25 Total Revenue \$1.9M from 34 customers including COJ.



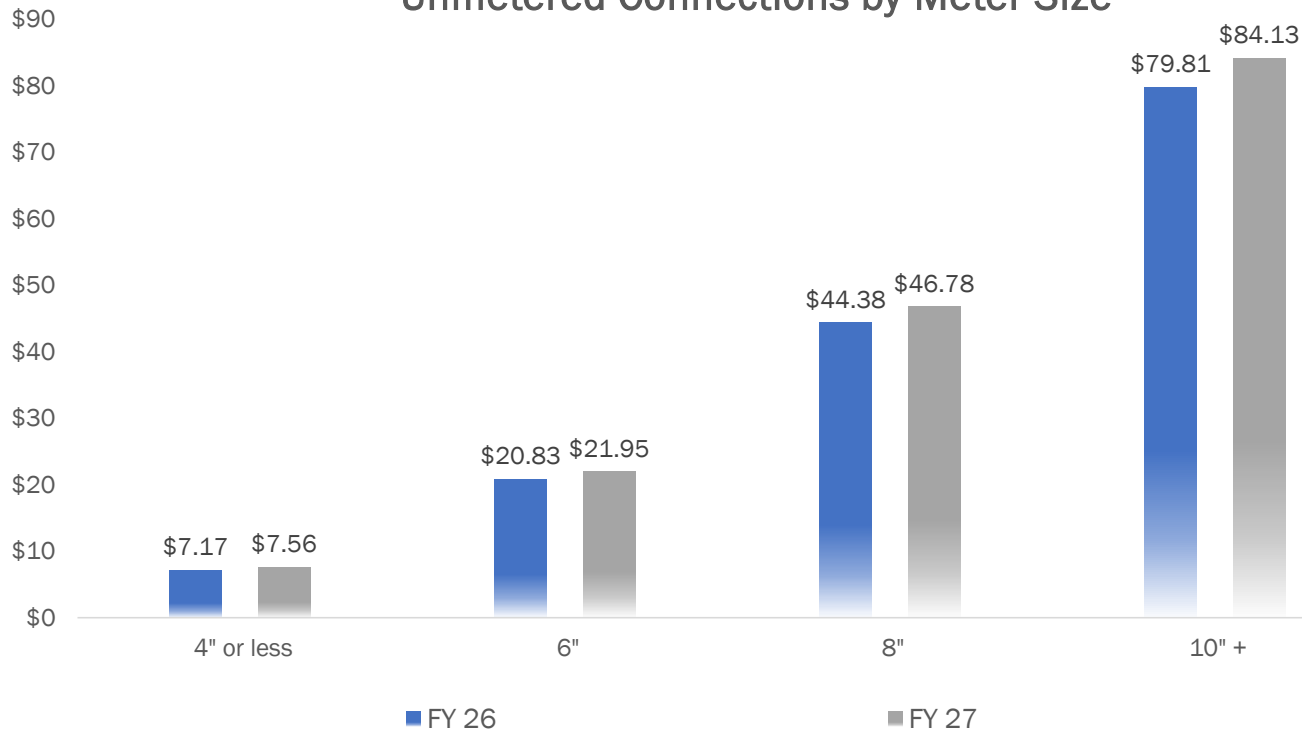
Recommendation will bring projected cost recovery to 100% (\$3.7M for FY27)



Fire Protection Flat Monthly Charges

FY25 Total Revenue \$1.3M from 3,600 customers

Unmetered Connections by Meter Size

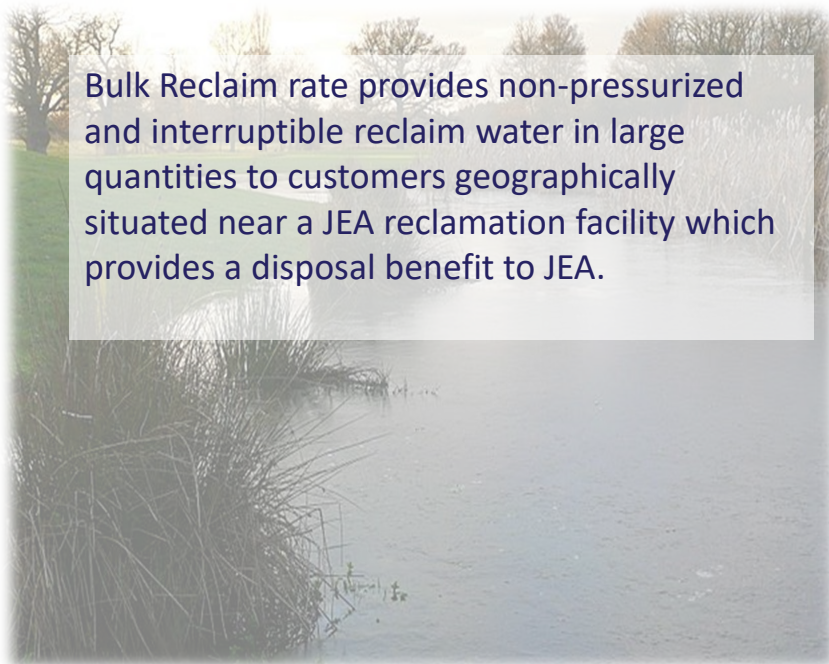


Recommendation will bring projected cost recovery to 100% (\$1.4M for FY27)

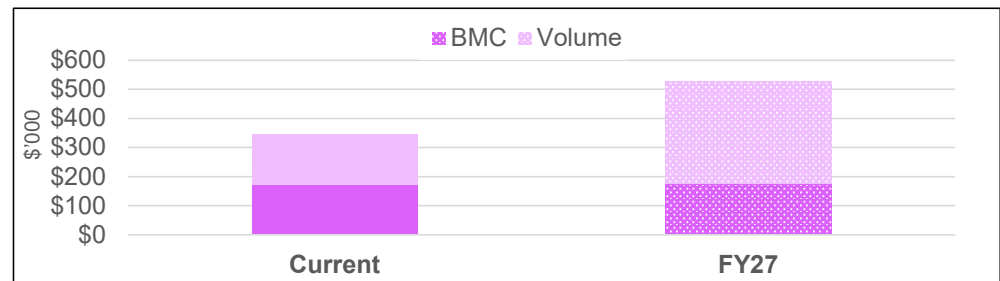
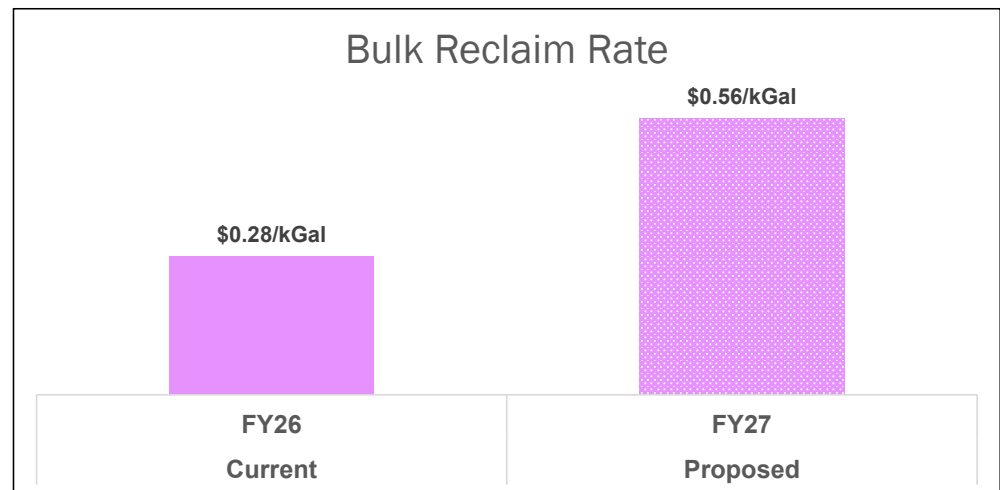


Bulk Reclaim Rates

FY25 Total Revenue \$0.2M from 20 customers



Bulk Reclaim rate provides non-pressurized and interruptible reclaim water in large quantities to customers geographically situated near a JEA reclamation facility which provides a disposal benefit to JEA.



Recommendation will bring projected cost recovery to 26% (\$0.5M for FY27)



Brief Break





Electric System

Rate Proposals

Julie Crawford, Senior Vice President, Finance

Victor Blackshear, Director, Rates

Craig Brown, Project Manager, Financial Analysis & Rate Design, 1898 & Co.

Electric System

Revenue Requirements from the financial forecast



Projected Revenue Requirements (Utility Basis per Pricing Policy)	FY26 Projections (\$ millions)	FY27 Projections (\$ millions)	Variances (\$ millions)
Operation & Maintenance Expenses	\$315.0	\$344.8	\$29.8
Non-Fuel Purchased Power (NFPP) Expense (Excluding Stabilization Fund Activity)	\$291.4	\$292.2	\$0.8
Depreciation Expense	\$236.0	\$229.5	(\$6.5)
Contribution To City	\$141.1	\$102.1	(\$39.0)
Other Non-Operating Expenses	\$2.1	\$2.3	\$0.2
Return for Reinvestment ¹	\$107.9	\$184.2	\$76.4
Gross Revenue Requirement \$M	\$1,093.5	\$1,155.3	\$61.7
Other Revenue Sources - Recurring	(\$43.8)	(\$44.2)	(\$0.4)
Stabilization Activity (includes NFPP & Environmental)	(\$87.2)	(\$60.0)	\$27.2
Net Revenue Requirement \$M	\$962.6	\$1,051.0	\$88.5

1. Additional funding needed to maintain the system's key financial metrics to ensure JEA's financial integrity.

Net revenue requirements do not include fuel cost



Electric System

Revised Base Revenue Adjustments by Class to Meet FY27 Revenue Requirements

FY2027 (\$Millions)	Total System	Residential	General Service	General Service Demand	GSLD (Including Int + Curt)*	Lighting	ISXLD*
Projected Sales (GWh)	12,876.5	5,876.0	1,414.6	2,924.1	2,284.3	56.6	321.0
Projected Net Revenue Requirements	\$1,051.0	\$660.5	\$117.0	\$151.6	\$97.6	\$14.6	\$9.8
Projected Revenue Under <u>Current</u> Rates	\$989.5	\$569.1	\$113.5	\$172.7	\$110.4	\$14.0	\$9.8
Projected Under/(Over) Collection (\$)	\$61.5	\$91.3	\$3.5	-\$21.1	-\$12.8	\$0.6	\$0.0
Projected Collection to Cost (%)	94.1%	86.2%	97.0%	113.9%	113.1%	96.0%	100.0%
Revised Revenue Adjustment (%)	6.2%	8.2%	8.2%	2.6%	1.4%	0.0%	0.0%
Revised Revenue Adjustment (\$)	\$61.5	\$46.3	\$9.1	\$4.5	\$1.6	\$0.0	\$0.0
Proposed Target Base Revenue	\$1,051.0	\$615.4	\$122.6	\$177.3	\$111.9	\$14.0	\$9.8
Adjusted Under/(Over) Collection (\$)	\$0.0	\$45.0	(\$5.6)	(\$25.7)	(\$14.3)	\$0.6	\$0.0
Adjusted Collection to Cost (%)	100.0%	93.2%	104.8%	116.9%	114.7%	96.0%	100.0%

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

Proposed adjustments have been refined based on the latest data

Electric Base Rate Structure

Consist mainly of two to three rate components

Basic Monthly Charge (BMC): A fixed charge to recover some of the administrative and general (A&G) costs associated with meter reading, billing, collections, customer service, and a portion of distribution costs.

Demand Charge: A usage charge per kW to recover some of the cost related to generation, transmission, and distribution.

Energy Charge: A usage charge per kWh to recover the remaining cost to produce and distribute electricity other than fuel.

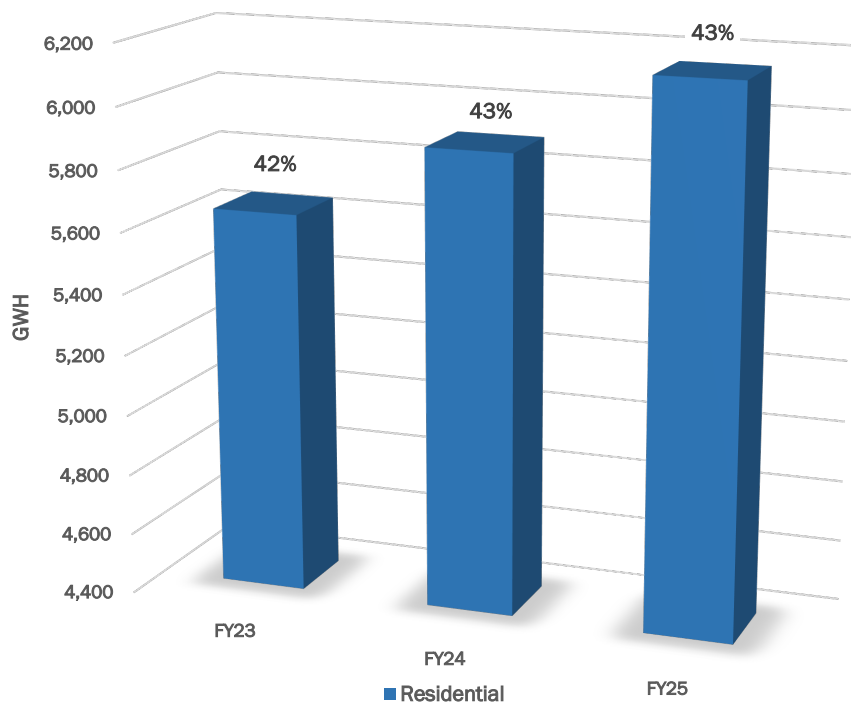




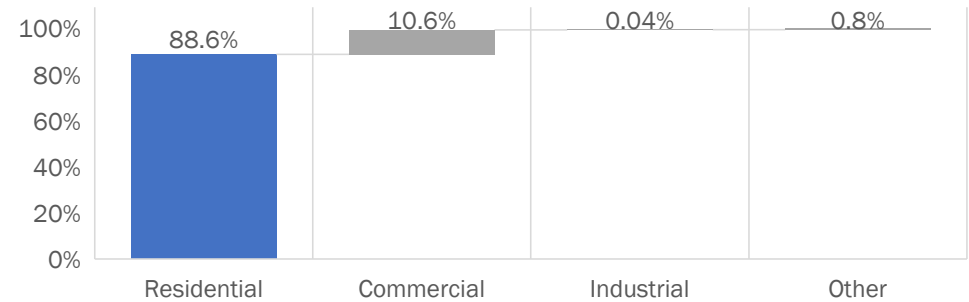
Residential Electric Customer Overview

88.6% of Customers, 53.7% of Revenues, 43% of Total Energy

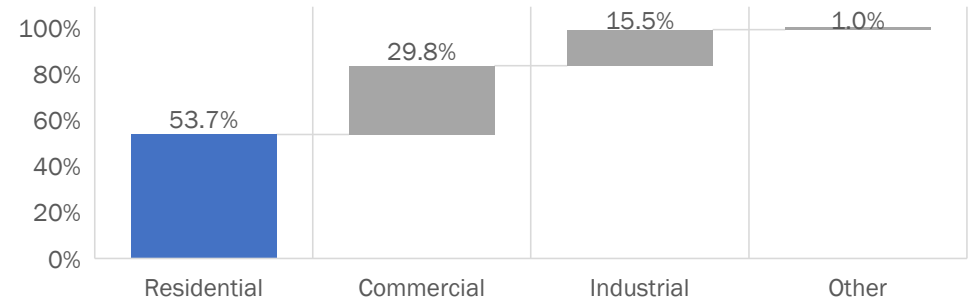
Residential Sales as a Percentage of Total Energy



% of Customers



% of Revenues



The residential rate class has the most customers of the rate classes

Residential Electric Rates

55% of Customer Bills Are At 1,000 kwh or Less Monthly

Residential Electric Rates			
	Current Rate	Proposed FY27 Rate	\$ Change
Basic Monthly Charge	\$19.25	\$21.00	\$1.75
Energy Charge Tier 1 (First 1,000 kWh)	\$0.07237	\$0.07815	\$0.00578
Energy Charge Tier 2 (> 1,000 kWh)	\$0.08987	\$0.09705	\$0.00718
Forecast Fuel Charge	\$0.04274	\$0.03823	(\$0.00451)

~482,200 Residential Customers



Residential Bill Segment Impacts

Consumption (kWh)	Current Bill	Proposed FY27 Bill	\$ Change	% Change
500	\$76.81	\$79.19	\$2.38	3.1%
750	\$105.58	\$108.29	\$2.71	2.6%
1,000	\$134.36	\$137.38	\$3.02	2.2%
1,250	\$163.14	\$166.48	\$3.34	2.0%
1,500	\$191.92	\$195.57	\$3.65	1.9%
2,000	\$249.47	\$253.76	\$4.29	1.7%
2,500	\$307.03	\$311.95	\$4.92	1.6%

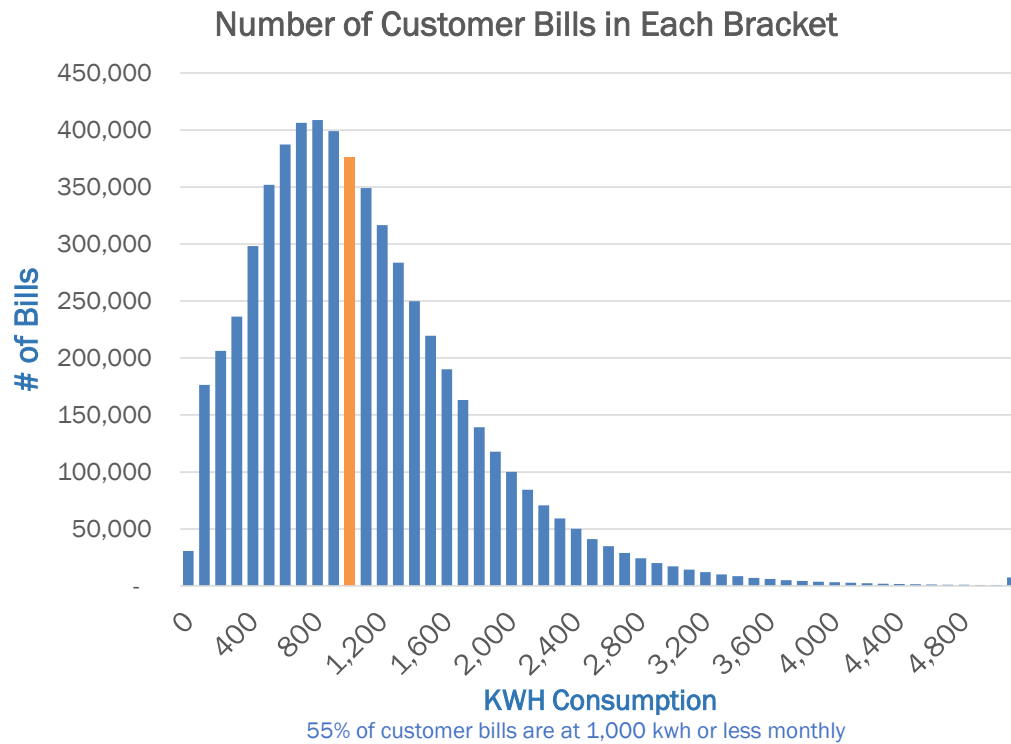
Includes fuel based on Mar 26 Fuel Rate Forecast

Recommendations projected to achieve additional rate revenue of ~\$46.3M in FY27



Residential Rates: Energy Tier Structure

An HVAC System Uses the Most Energy of Any Single Appliance or System



- 48% Heating & Cooling
- 22% Electrical Appliances & TV
- 18% Water Heating
- 8% Lighting
- 4% Cooking



*Source: www.eia.gov

Tiers are based on consumption from essential household appliances, lighting, and air conditioning

The Value of JEA's Residential Energy Charge

Recommending Tier 1: \$0.07815/kwh and Tier 2: \$0.09705/kwh



35
Hours

1,380
Hours

\$5.00
Latte

\$5.00 = 69 kwh of JEA Electricity

58
Hours

385
Hours

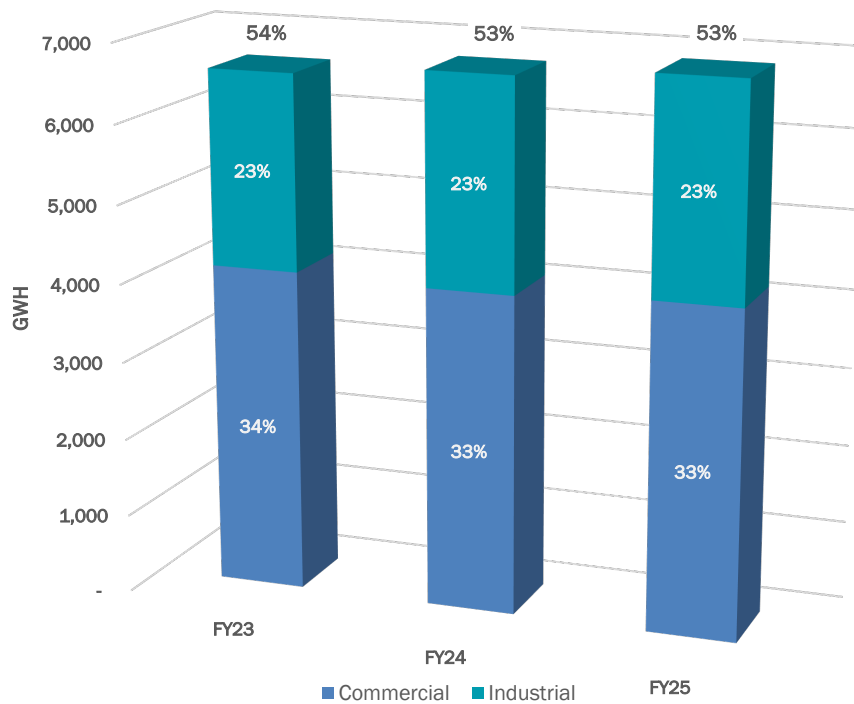
For a latte from a coffee shop, our customers can do any of these activities

Commercial and Industrial (C&I) Electric Customer Overview

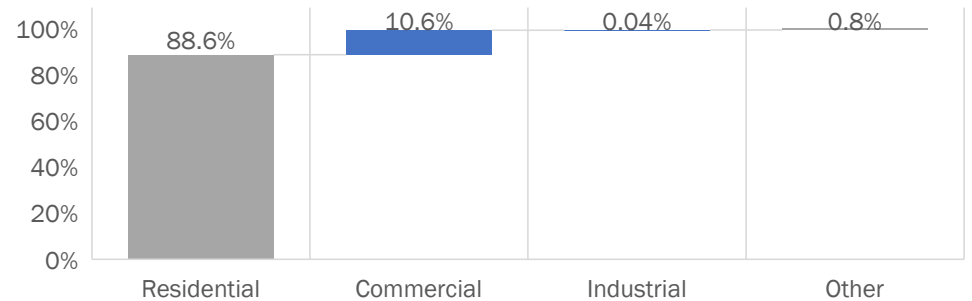


11% of Customers, 45% of Revenues, 53% of Total Energy

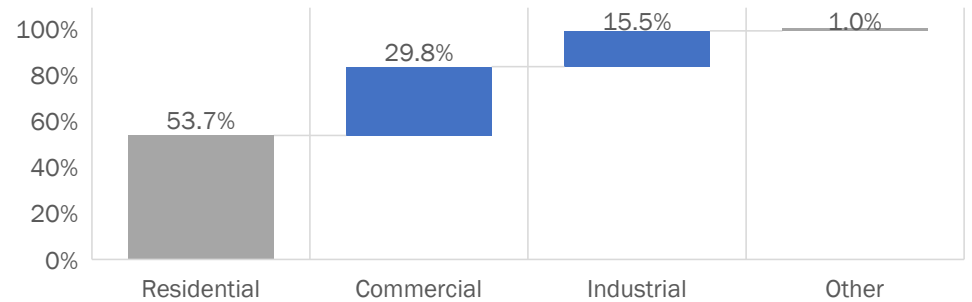
Commercial & Industrial Sales as a Percentage of Total Energy



% of Customers



% of Revenues



The commercial & industrial class services the business community

Small Commercial Electric Rates

Small Commercial Businesses With Less Than 75 kW Demand

General Service Electric Rates			
	Current Rate	Proposed FY27 Rate	\$ Change
Basic Monthly Charge	\$25.00	\$27.50	\$2.50
Energy Charge	\$0.06813	\$0.07355	\$0.00542
Forecast Fuel Charge	\$0.04274	\$0.03823	(\$0.00451)

~53,800 Small Commercial Customers



General Service Bill Segment Impacts

Consumption	Current Bill	Proposed FY27 Bill	\$ Change	% Change
1,500	\$191.31	\$195.17	\$3.86	2.0%
3,000	\$357.61	\$362.84	\$5.23	1.5%
6,000	\$690.22	\$698.18	\$7.96	1.2%
9,000	\$1,022.83	\$1,033.52	\$10.69	1.0%
12,000	\$1,355.44	\$1,368.86	\$13.42	1.0%
15,000	\$1,688.05	\$1,704.20	\$16.15	1.0%

Includes fuel based on Mar 26 Fuel Rate Forecast

Recommendations projected to achieve additional rate revenue of ~\$9.1M in FY27

Large Commercial Electric Rates

Large Commercial Businesses With Greater Than 75 kW
But Less Than 1,000 kW Demand

General Service Demand Electric Rates			
	Current Rate	Proposed FY27 Rate	\$ Change
Basic Monthly Charge	\$223.00	\$223.00	\$0.00
Energy Charge	\$0.03286	\$0.03392	\$0.00106
Demand Charge	\$8.40	\$8.67	\$0.27
Forecast Fuel Charge	\$0.04274	\$0.03823	(\$0.00451)

~3,900 Large Commercial Customers



General Service Demand Bill Segment Impacts					
Demand	Consumption	Current Bill	Proposed FY27 Bill	\$ Change	% Change
150	57,000	\$5,792.20	\$5,636.05	(\$156.15)	(2.7%)
200	76,000	\$7,648.60	\$7,440.40	(\$208.20)	(2.7%)
250	95,000	\$9,505.00	\$9,244.75	(\$260.25)	(2.7%)
300	114,000	\$11,361.40	\$11,049.10	(\$312.30)	(2.7%)
350	133,000	\$13,217.80	\$12,853.45	(\$364.35)	(2.8%)
400	152,000	\$15,074.20	\$14,657.80	(\$416.40)	(2.8%)

Includes fuel based on Mar 26 Fuel Rate Forecast

Recommendations projected to achieve additional rate revenue of ~\$4.5M in FY27

Industrial Electric Rates

Industrial Businesses With Greater Than 1,000 kW Demand

General Service Large Demand Electric Rates

	<i>Current Rate</i>	<i>Proposed FY27 Rate</i>	<i>\$ Change</i>
Basic Monthly Charge	\$925.00	\$1,000.00	\$75.00
Energy Charge	\$0.02898	\$0.02920	\$0.00022
Demand Charge	\$12.16	\$12.25	\$0.09
Forecast Fuel Charge	\$0.04274	\$0.03823	(\$0.00451)

~150 Large Commercial Customers



General Service Large Demand Bill Segment Impacts

Demand	Consumption	<i>Current Bill</i>	<i>Proposed FY27 Bill</i>	<i>\$ Change</i>	<i>% Change</i>
1,000	250,000	\$31,015.00	\$30,107.50	(\$907.50)	(2.9%)
1,000	500,000	\$48,945.00	\$46,965.00	(\$1,980.00)	(4.0%)
1,500	750,000	\$72,955.00	\$69,947.50	(\$3,007.50)	(4.1%)
2,000	1,000,000	\$96,965.00	\$92,930.00	(\$4,035.00)	(4.2%)
2,500	1,250,000	\$120,975.00	\$115,912.50	(\$5,062.50)	(4.2%)
3,000	1,500,000	\$144,985.00	\$138,895.00	(\$6,090.00)	(4.2%)

Includes fuel based on Mar 26 Fuel Rate Forecast

Recommendations projected to achieve additional rate revenue of ~\$1.6M in FY27



Time of Use Rate Study Summary

Craig Brown, Project Manager, Financial Analysis & Rate Design 1898 & Co.



Time of Use (TOU) Structure

~70 Commercial & Industrial Customers

Definition

Time-of-Use (TOU) Rates charge higher rates during on-peak hours and lower rates during off-peak hours, with the goal of aligning higher-rate periods with times of high system demand or high cost.

Study Background

1898 & Co. conducted a study to improve cost recovery for customers on the Time of Use rates. The study evaluated appropriate seasons and diurnal periods, along with new demand charges.



Time of Use (TOU) Rate Periods

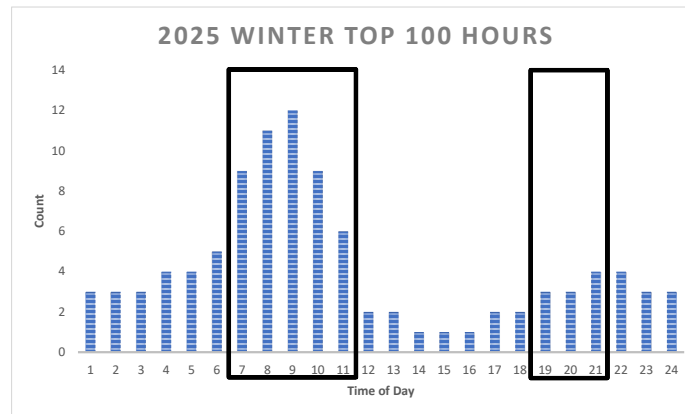
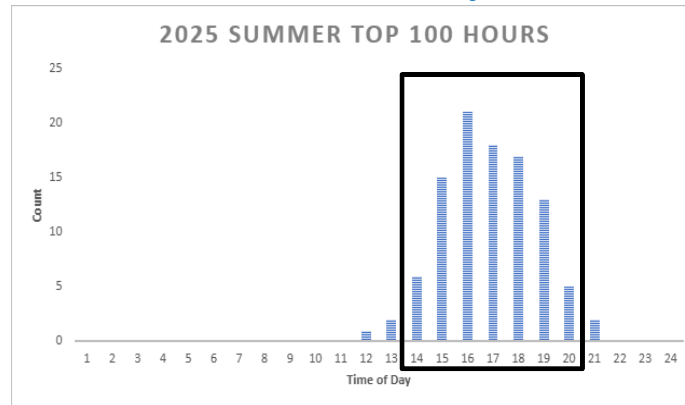
Time of Use Period Adjustment

Current TOU Periods

Summer:
 Months: April - October
 Time Periods: 12pm - 9pm

Winter:
 Months: November - March
 Time Periods: 6am - 10am
 & 6pm - 10pm

Excludes Weekends and Holidays



New TOU Periods

Summer:
 Months: April - October
 Time Periods: 1pm - 8pm

Winter:
 Months: November - March
 Time Periods: 6am - 10am
 & 6pm - 9pm

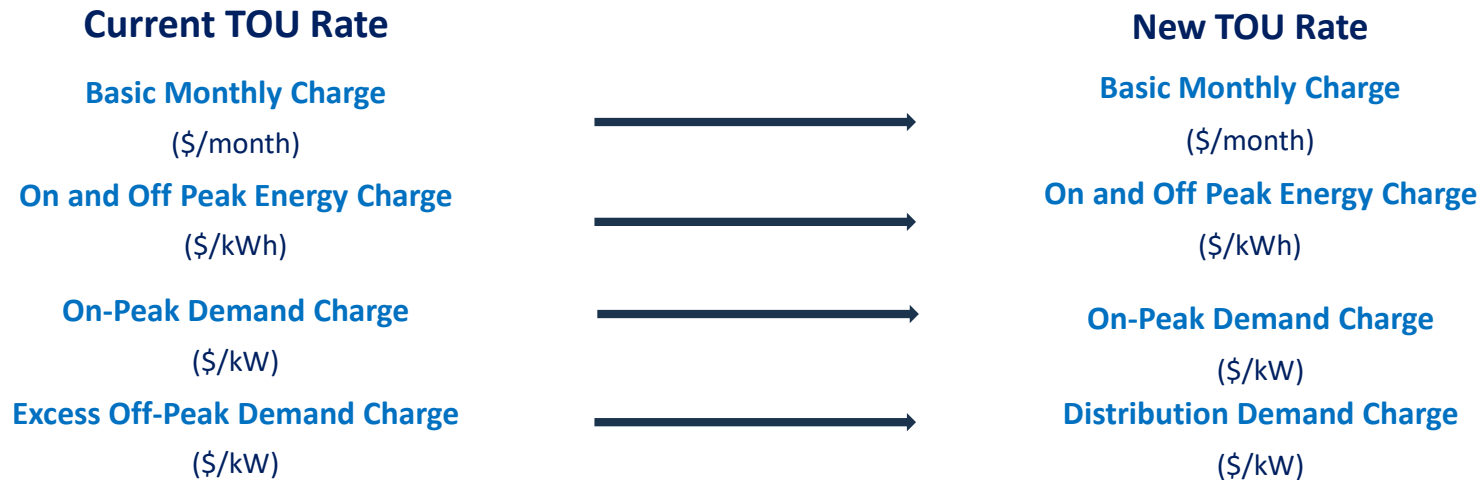
Includes Weekends and Holidays



Time of Use (TOU) Structure

Recommend Modifying the Rate

Propose updating the TOU periods to better align with the summer and winter peaking periods and replace the Excess Off-Peak Demand Charge with a Distribution Demand Charge for General Service Demand and General Service Large Demand customer.





Standby & Supplemental Service Rate Study Summary

Craig Brown, Project Manager, Financial Analysis & Rate Design 1898 & Co.

Standby and Supplemental Service (SS-1) Structure



<20 Commercial & Industrial Customers

Definition

JEA provides standby & supplemental electric service designed for customers with on-site generation who need backup (standby) and additional (supplemental) power.

Study Background

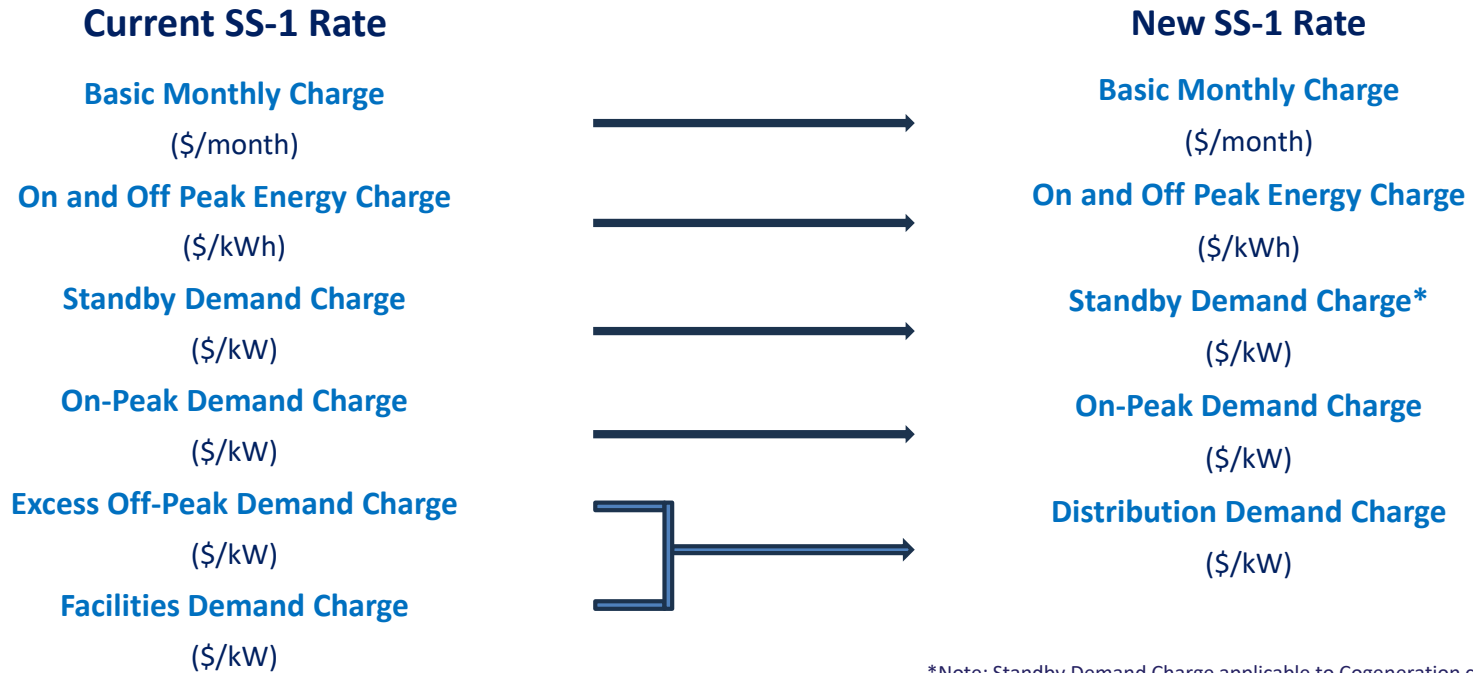
In 2025, 1898 & Co. conducted a study to simplify the rate structure based on the installed capacity of the cogenerator, plus all supplemental load.



Standby and Supplemental Service (SS-1) Structure

Recommend Simplifying the Rate

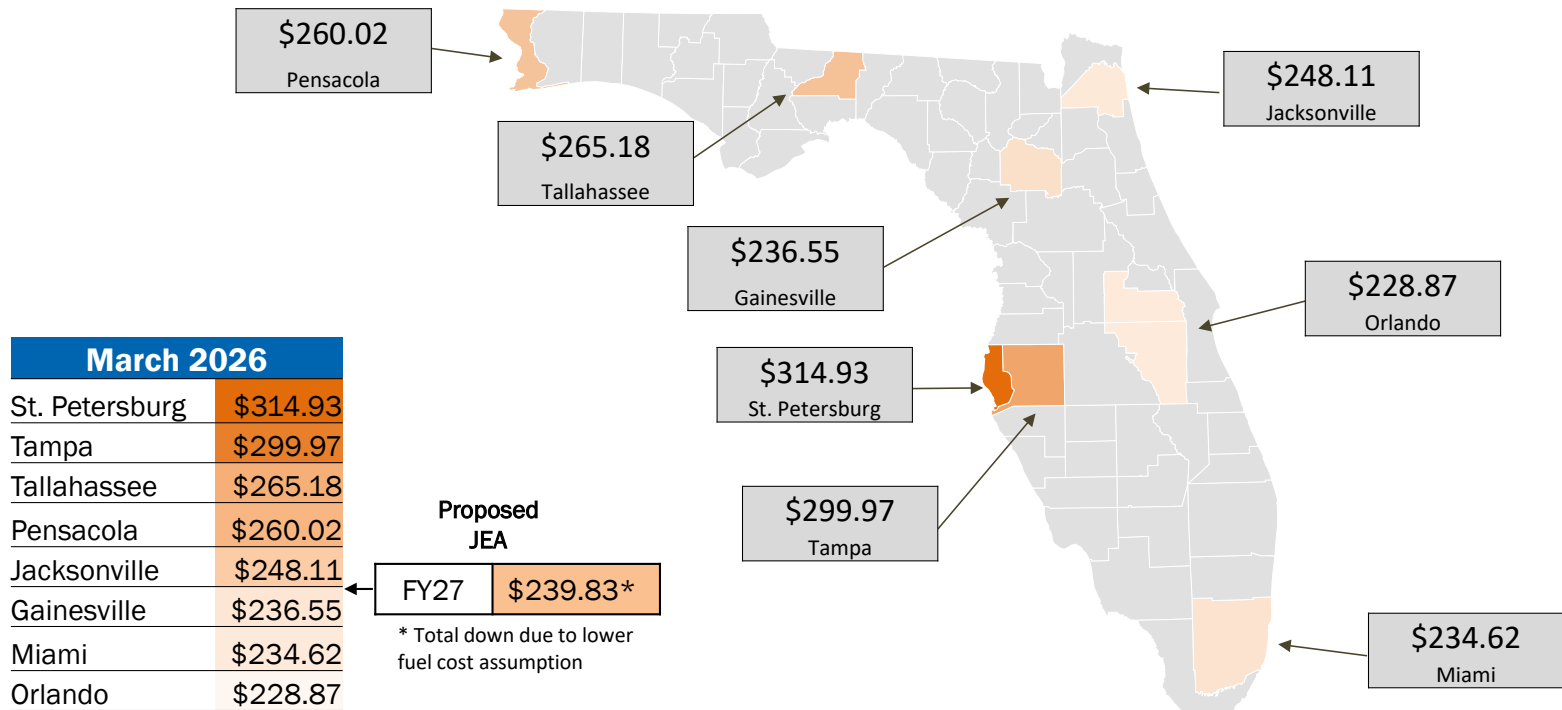
Propose bifurcating the SS-1 rate for customers with non-firm generation only to the new Time of Use rates and cogeneration customers with firm dispatchable generators be subject to standby service from JEA while still serving a portion of their load with JEA resources (supplemental load).



*Note: Standby Demand Charge applicable to Cogeneration customers only

FY27 Residential Rates – Electric, Water, & Sewer Combined Bill

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



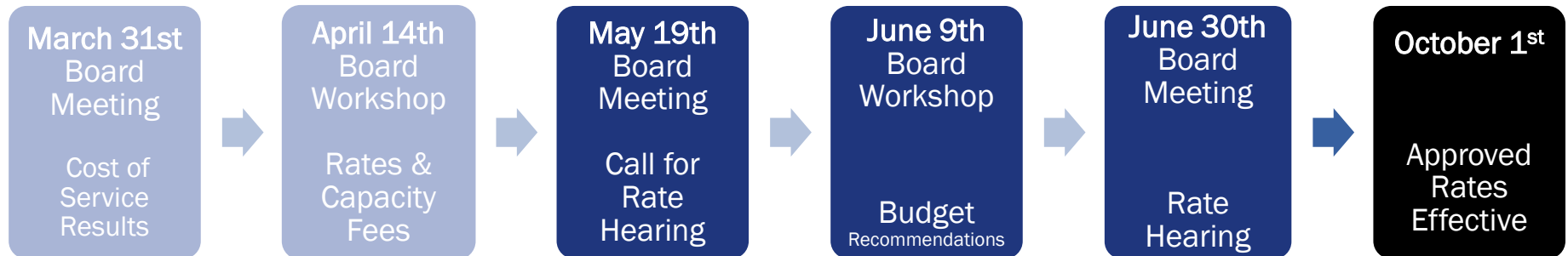
Powered by Bing
© GeoNames, Microsoft, TomTom

The combined JEA electric, water, and sewer residential bill remains low by comparison



Rate Hearing Path

For FY27 Approved Electric, Water, and Sewer Rates



Next Step: Call for Rate Hearing



Capacity Fees

Ted Phillips, Chief Financial Officer
Jody Brooks, Chief Administrative Officer

Agenda

Capacity Fee Background

- What are capacity fees
- What capacity fees are not
- How capacity fee are calculated
 - Unit cost in JEA tariff
 - Estimated usage and example
- Historically collected capacity fees

Current Discussion

- JEA rate tariff - additional charges
- Challenges with current JEA tariff
- Next steps





Capacity Fee Background

Ted Phillips, Chief Financial Officer



What Are Capacity Fees?

- Water and sewer capacity fees in Florida, often called "impact fees," "capital charges," or "system development charges," are one-time fees charged by utilities to developers or new customers to connect to the public water and wastewater systems.
- Capacity fees are a one-time charge collected when a new customer requests a new service.
- These fees are designed to fund capacity-related capital improvements—such as new treatment plants, and pumping stations—necessary for expanding infrastructure to accommodate growth, ensuring that new development pays for its impact on increased system demand.



What Capacity Fees Are Not

Not for Transmission Components

JEA collects Extension Growth Charges for capacity of transmission facilities which include:

1. Water mains providing transmission capacity to the distribution grid
2. Water re-pump stations
3. Remote storage facilities
4. Force mains providing transmission capacity to the collection system
5. Interceptor (trunk) gravity lines

Not for Monthly Usage

JEA collects Rates for service. The monthly service charges pay for:

1. Operational cost
2. Replacement of assets

How Capacity Fees Are Calculated

Capacity fees have two components:

Unit Cost: (\$/Gal) calculated through a Capacity Fee Study. Last study was completed in 2020, and JEA rates were adjusted in 2022-2023.

and

Estimated Usage: Average Daily Flow (ADF) in gallons per day (gpd) for the proposed use.





Unit Cost In JEA Tariff

Water (Potable and Irrigation)

The minimum charge for a new water connection shall be the greater of the charge per gallon of average daily water (gpd) as estimated and approved by JEA or the applicable plant capacity fee stated below.

Sewer

The minimum charge for a new sewer connection shall be the greater of the charge per gallon of average daily water as estimated and approved by JEA or the applicable plant capacity fee stated below

Plant Capacity Fees for Residential and Commercial

** Potable & reclaimed water considered the same for irrigation*

Effective Date	(04/01/23)
Charge per Gallon	
\$/gal	\$4.68
Water (without irrigation)	
¾"	\$1,170.00
1"	\$1,404.00
1 ½"	\$2,106.00
Water (with irrigation)	
¾"	\$936.00
1"	\$1,170.00
1 ½"	\$1,404.00
Irrigation	
¾"	\$1,053.00
1"	\$1,521.00
1 ½"	\$3,276.00

Plant Capacity Fees for Residential and Commercial

Effective Date	(04/01/23)
Charge per Gallon	
\$/gal	\$25.57
Sewer	
¾"	\$5,114.00
1"	\$6,392.50
1 ½"	\$7,671.00

Commercial customers' capacity fees are based on the greater of the cost shown in the table or the calculated fee



Estimated Usage

- JEA calculates the estimated usage based on the Florida Administrative Code, 62-6.008 F.A.C.
- In coordination with City of Jacksonville 2045 Comprehensive Plan, March 2024 (pages 7-8)
- JEA methodology is consistent with other utilities in Florida
- This is a one-time fee attached to the property

TABLE I *
For System Design

TYPE OF ESTABLISHMENT	ESTIMATED SEWAGE FLOWS PER DAY COMMERCIAL
Airports, bus terminals, train stations, port & dock facilities, Bathroom waste only	
(a) Per passenger.....	4
(b) Add per employee per 8 hour shift.....	15
Barber & beauty shops per service chair.....	75
Bowling alley bathroom waste only	
Per lane.....	50
Country club	
(a) Per resident.....	100

* Excerpt from Florida Administrative Code 62-6.008 Table 1



Hair Salon with 10 Service Chairs (10 x 75 = 750 ADF)

The capacity fee is the **Unit Cost** multiplied by The **Estimated Usage** ADF

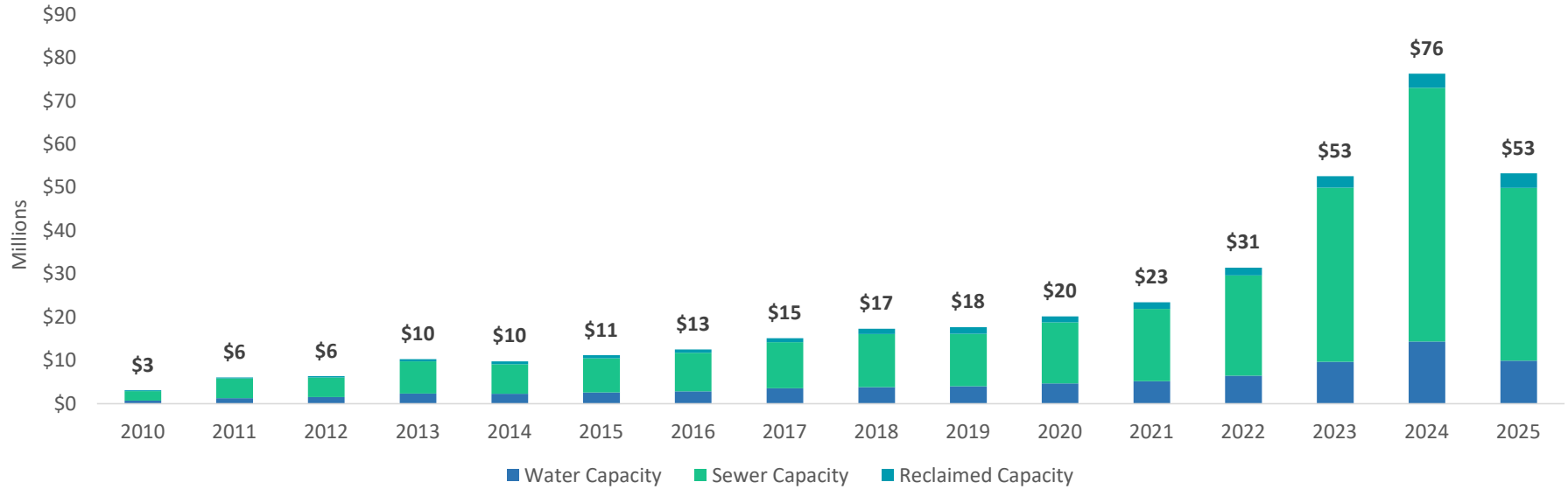
Potable Water \$4.68/Gal x 750 gal/day = \$3,510

Sewer \$25.57/Gal x 750 gal/day = \$19,178

Total Capacity Fee - \$22,688



Historically Collected Capacity Fees



Fee Increases 10/1/21, 4/1/22, 10/1/22, 4/1/23

Unit Cost (\$/Gal)	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Water	\$ 0.97	\$ 0.97	\$ 0.97	\$ 0.97	\$ 0.97	\$ 0.97	\$ 0.97	\$ 0.97	\$ 0.97	\$ 0.97	\$ 0.97	\$ 2.83	\$ 4.68	\$ 4.68	\$ 4.68	\$ 4.68
Sewer	\$ 3.64	\$ 3.64	\$ 3.64	\$ 3.64	\$ 3.64	\$ 3.64	\$ 3.64	\$ 3.64	\$ 3.64	\$ 3.64	\$ 3.64	\$ 14.60	\$ 20.08	\$ 25.57	\$ 25.57	\$ 25.57
Total	\$ 4.61	\$ 4.61	\$ 4.61	\$ 4.61	\$ 4.61	\$ 4.61	\$ 4.61	\$ 4.61	\$ 4.61	\$ 4.61	\$ 4.61	\$ 17.43	\$ 24.76	\$ 30.25	\$ 30.25	\$ 30.25



Current Capacity Fee Discussion

Jody Brooks, Chief Administrative Officer



JEA Rate Tariff – Additional Charges

- JEA collects capacity fees from all new connections based on the customer-provided usage calculations
- The current discussion focuses on “Additional Charges” in the JEA tariff
- For additional charges to apply:
 - Original estimate was erroneous, *or*
 - There must be an expansion or change in operation, *and a 20% increase in flow*
- The current challenge is when an existing customer expands behind a meter

g) Additional charge(s). If:

1. JEA shall determine that the estimated average daily flow(s) of a user made at the time of initial connection to JEA’s water and/or sewer system was erroneous, or that the description of the character of the waste in the application was **erroneous**; or
2. The use of the property served by JEA’s water and/or sewer system changes because of: the construction of new dwellings, commercial or industrial facilities; additions to existing dwellings, commercial or industrial facilities; **change in use from single family to multi-family residential**; or **increased, expanded or changed operations**:
 1. so as to increase the number of gallons of **sewage discharge by more than 20%** over the number of the unit values or gallons of discharge at the most recent of either the time of payment of the last sewer capacity charge or the date when customer’s sewer service provider was acquired by JEA; or
 2. so as to increase by more than 10% its COD or suspended solids loading measured in pounds a day; or
 3. so as to increase the number of gallons of **water usage by more than 20%** over the number of unit values or gallons of usage at the most recent of either the time of payment of the last water capacity charge or the date when customer’s water service provider was acquired by JEA.

Then an additional charge resulting from the erroneous estimates or change in property use shall be due and payable at the time JEA shall determine that an erroneous estimate was made or at the time of the change in property use, regardless of whether a water and/or sewer capacity charge was ever imposed or paid at the time of initial connection to the system. The additional charge shall be calculated according to the same prevailing rates as described in 105 and shall be based on flow or on the excess COD or suspended solids loading as applicable, over that on which the previous sewer capacity charge was based.



JEA Tariff Challenges

- 20% increase from what point?
 - Lack of reference documentation to verify capacity fees paid
 - Don't have hard copies of the applications (too old or pre-JEA)

- How far back is JEA allowed to go for back billing?
 - What is legally defensible for back billing
 - What is fair and equitable

- Each account that exceeds 20% must be investigated to determine the cause of the increase
 - Expanded or changed operations
 - Water leak
 - Faulty meter

- Additional complexities
 - Owners of the business may have changed since startup
 - Meter change out

Next Steps

- Establish fair and equitable policy for applying the current JEA tariff
- Legal review of policy
- Review and potential update of JEA tariff
- Presentation of revised policy to the Board
- Establish timeline for enacting policy and potential modification to the JEA tariff





Waiver of Attorney/Client Privilege Request

Jody Brooks, Chief Administrative Officer



Vickie Cavey, Managing Director/CEO, Kyle Schoettler, Director, W/WW Maintenance System Operations & Response, Cedric Barney, Utility Field Technician, Charles Mitchell, Utility Pipefitter Assistant, General Joseph DiSalvo, Board Member

Announcements

Capital Projects Committee Meeting – May 6, 2026

Board of Directors Meeting – May 19, 2026



JEA Board Agenda

MEMORANDUM



Water, Sewer, and Electric Rates Recommendations

Board Meeting Date: April 14, 2026

Outcome: INFORMATION ONLY ACTION FUTURE BOARD CONSIDERATION

If Action, Provide a Recommended Motion:

N/A

Consent Agenda Item: Yes No

Presenters: Juli Crawford, Senior Vice President, Finance
Victor Blackshear, Director, 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 price structures that recover costs from the appropriate customer classes based on the cost to serve each class utilizing the FY2027 projected revenue requirements presented to the Board on March 31, 2026.

JEA recommends rate and structure changes for FY2027 to better align revenue to specific customer class cost recoveries and to close the revenue gap for the FY2027 projected revenue requirements. The FY2027 rate recommendations is to be effective October 1, 2026.

Financial Impact: The Electric System is seeking to recover sufficient revenues to meet the projected costs for FY2027 through base rate adjustments. The projected rate revenues needed are approximately \$1.051 billion for FY2027.

The Water and Sewer System is seeking to recover sufficient revenues to meet the projected costs for FY2027 through base rate adjustments. The projected rate revenues needed are approximately \$618 million for FY2027.

Committee/Board Meeting/Workshop & Date Presented: Board of Directors Meeting - March 31, 2026

Appendix: N/A

JEA Board Agenda

MEMORANDUM



Capacity Fees

Board Meeting Date: April 14, 2026

Outcome:



INFORMATION ONLY



ACTION



FUTURE BOARD CONSIDERATION

If Action, Provide a Recommended Motion:

N/A

Consent Agenda Item:



Yes



No

Presenter:

Jody Brooks, Chief Administrative Officer

Chief:

Rob Zammataro, Chief Water Systems Officer

Strategic Focus Area:



DEVELOPING AN UNBEATABLE TEAM



DELIVERING BUSINESS EXCELLENCE



EARNING CUSTOMER LOYALTY

Background Information & Analysis:

Water and sewer capacity fees in Florida, also referred to as impact fees, capital charges, or system development charges, are one-time charges assessed by municipal utilities to developers and new customers connecting to public water and wastewater systems.

These fees are intended to fund capacity-related capital improvements, including treatment facilities, transmission, and pumping stations. The objective is to ensure that growth pays for the infrastructure necessary to serve increased system demand, rather than shifting those costs to existing customers.

Capacity fees are calculated based on two primary components:

- The unit cost, expressed in dollars per gallon
- The estimated demand, expressed in gallons per day

The unit cost is established through an approved Capacity Fee Study, most recently completed in 2020. Estimated demand is derived using guidance from the Florida Administrative Code, in coordination with the City of Jacksonville 2045 Comprehensive Plan.

While JEA consistently collects capacity fees from new connections, the assessment of additional fees for existing customers who expand usage behind the meter presents administrative and policy challenges.

Next steps include developing a clear and legally defensible policy framework, conducting a comprehensive legal review, and advancing a refined approach to capacity fee administration for Board consideration and implementation.

Financial Impact:

N/A

JEA Board Agenda

MEMORANDUM



Capacity Fees - Continued

Committee/Board Meeting/Workshop & Date Presented:

N/A

Appendix:

N/A

JEA Board Agenda

MEMORANDUM



Waiver of Attorney/Client Privilege Request

Board Meeting Date: April 14, 2026

Outcome: INFORMATION ONLY ACTION FUTURE BOARD CONSIDERATION

If Action, Provide a Recommended Motion:
N/A

Consent Agenda Item: Yes No

Presenter: Jody Brooks, Chief Administrative Officer

Chief: Jody Brooks, Chief Administrative Officer

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

Background Information & Analysis:
The Special Investigatory Committee (SIC) of the City Council has requested that JEA consider approving a waiver of attorney-client privilege to allow the disclosure of certain legal communications and materials from JEA's former Chief Legal Officer.

JEA is currently evaluating the request, including the scope of any potential waiver and the associated legal, operational, and governance implications.

No determination has been made at this time, and JEA continues to analyze the request before deciding whether and how to proceed.

Financial Impact: N/A

Committee/Board Meeting/Workshop & Date Presented:
N/A

Appendix:
N/A