

JEA
BOARD AGENDA

DATE: June 20, 2017

TIME: 12:00 PM

PLACE: JEA
21 West Church Street
19th Floor

I. WELCOME

- A. Call to Order
- B. Time of Reflection
- C. Pledge to Flag
- D. Adoption of the Agenda
- E. Safety Briefing
- F. Sunshine Law/Public Records Statement – Jody Brooks, Chief Legal Officer

II. PRESENTATIONS AND COMMENTS

- A. Comments from the Public
- B. Council Liaison's Comments – Greg Anderson
- C. Office of the Mayor Liaison's Comments – Dr. Johnny Gaffney
- D. Nassau County's Ex-Officio Representative's Comments – Mike Mullin
- E. 2017 J. D. Power Water Utility Residential Customer Satisfaction Results – Paul McElroy, Managing Director/CEO – 5 minutes – information

III. FOR BOARD CONSIDERATION

- A. Consent Agenda – The Consent Agenda consists of agenda items that require Board approval but are routine in nature, or have been discussed during previous public meetings of the Board. The Consent Agenda items require no explanation, discussion or presentation, and are approved by one motion and vote.
 - 1. Approval of Board Meeting Minutes May 16, 2017 – **action**
 - 2. Monthly JEA Financial Review & Statements – information
 - 3. Monthly JEA Operations Report – information

4. Monthly FY17 Communications & Engagement Calendar and Plan Update – information

B. Strategic Discussions/Action

1. Proposed FY2018 Operating and Capital Budgets – Melissa Dykes, Chief Financial Officer – 10 minutes – presentation/**action**
2. Downtown Campus Land Swap Agreement Between JEA and City of Jacksonville – Melissa Dykes, Chief Financial Officer – 10 minutes – presentation/**action**
3. JEA Hurricane Readiness – Ed Dendor, Director Emergency Preparedness & Business Continuity – 10 minutes – presentation/information
4. Monthly Operational and Financial Review – Paul McElroy, Managing Director/Chief Executive Officer – 10 minutes – presentation/information

C. Open Discussion

D. Other New Business

E. Old Business – none

IV. REPORTS

A. Managing Director/CEO’s Report

B. Chair’s Report

V. CLOSING CONSIDERATIONS

A. Announcements – Next Board Meeting July 18, 2017

B. Adjournment

Board Calendar	
Board Meetings:	12:00 PM – Third Tuesday of Every Month
<u>Committees</u>	
Finance & Audit Committee:	August 7, 2017 – 8:00 AM
Compensation Committee:	TBD
Government Affairs Committee:	TBD

-
- A. If you have a disability that requires reasonable accommodations to participate in the above meeting, please call **665-7550** by **8:30 AM** the day before the meeting and we will provide reasonable assistance for you.
 - B. If a person decides to appeal any decision made by the JEA Board with respect to any matter considered at this meeting, that person will need a record of the proceedings, and, for such purpose, needs to ensure that verbatim record of the proceedings is made, which record includes the evidence and testimony upon which the appeal is to be based.

I. F.
Sunshine Law/Public Records Statement

Florida's Government in the Sunshine Law
Office of General Counsel

This meeting is being held in compliance with Florida's Government in the Sunshine Law, §286.011, Florida Statutes, and shall be open to the public at all times. Official acts of the JEA Board may be conducted at this meeting that will be considered binding on the JEA. Reasonable notice has been provided and minutes of this meeting shall be taken and promptly recorded.

II. E.

2017 J. D. Power Water Utility Residential Customer Satisfaction Results

Residential Water Customer Satisfaction

2017 Final Results



2017 Residential Water Study Overview

>10K
Respondents



Online Interviews: 4 quarterly fielding period

- Wave 1: June 2016
 - Wave 2: September 2016
 - Wave 3: December 2016
 - Wave 4: March 2017
- Annual score is the average of the four quarterly fielding periods
 - Ratings on a 1-10 scale
 - Index scores on a maximum 1,000 point scale



87
Water Utilities



New
Quarterly Fielding



Four regional segments

- 87 water utilities in study
- Four regions:
 - Midwest
 - Northeast
 - South
 - West

Final Results Published:

May 16, 2017

Press Release:

May 17, 2017



2nd
Year of the Study

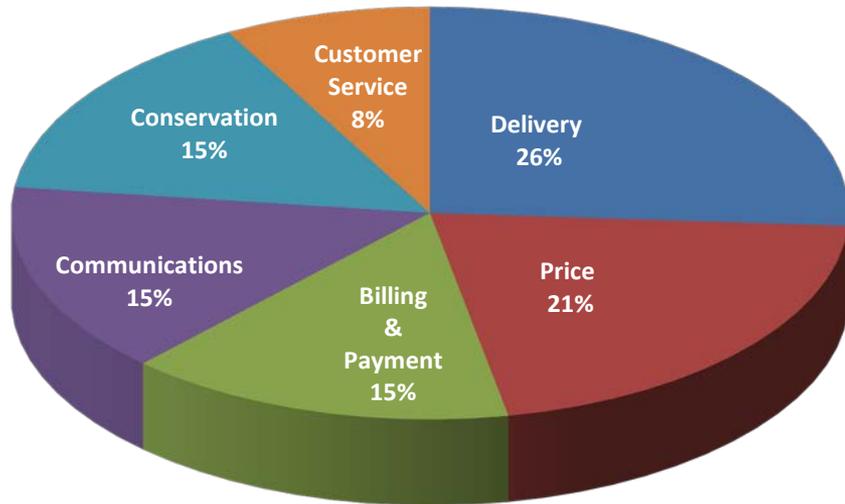


FY17 Customer Satisfaction Goal

Achieve 1st Quartile Ranking for JD Power Customer Satisfaction Index for Water Study

Overall Customer Satisfaction

FY16		Wave 1		Wave 2		Wave 3		Wave 4		FY17 YTD	
2Q	706	2Q	719	2Q	710	2Q	715	1Q	740	1Q	721



FY17 Water # of companies ranked: 87

1Q= 1st quartile 2Q= 2nd quartile 3Q = 3rd quartile 4Q = 4th quartile

Achieve 1st Quartile Ranking on All Drivers

Delivery

FY16		Wave 1		Wave 2		Wave 3		Wave 4		FY17 YTD	
3Q	737	3Q	767	3Q	741	3Q	719	3Q	745	3Q	743

Price

FY16		Wave 1		Wave 2		Wave 3		Wave 4		FY17 YTD	
3Q	626	3Q	645	2Q	648	2Q	664	2Q	705	2Q	665

Billing & Payment

FY16		Wave 1		Wave 2		Wave 3		Wave 4		FY17 YTD	
1Q	774	1Q	780	2Q	752	1Q	791	1Q	821	1Q	786

Communications

FY16		Wave 1		Wave 2		Wave 3		Wave 4		FY17 YTD	
1Q	692	1Q	675	1Q	681	1Q	692	1Q	716	1Q	691

Conservation

FY16		Wave 1		Wave 2		Wave 3		Wave 4		FY17 YTD	
2Q	677	2Q	708	1Q	702	1Q	694	1Q	722	1Q	706

Customer Service

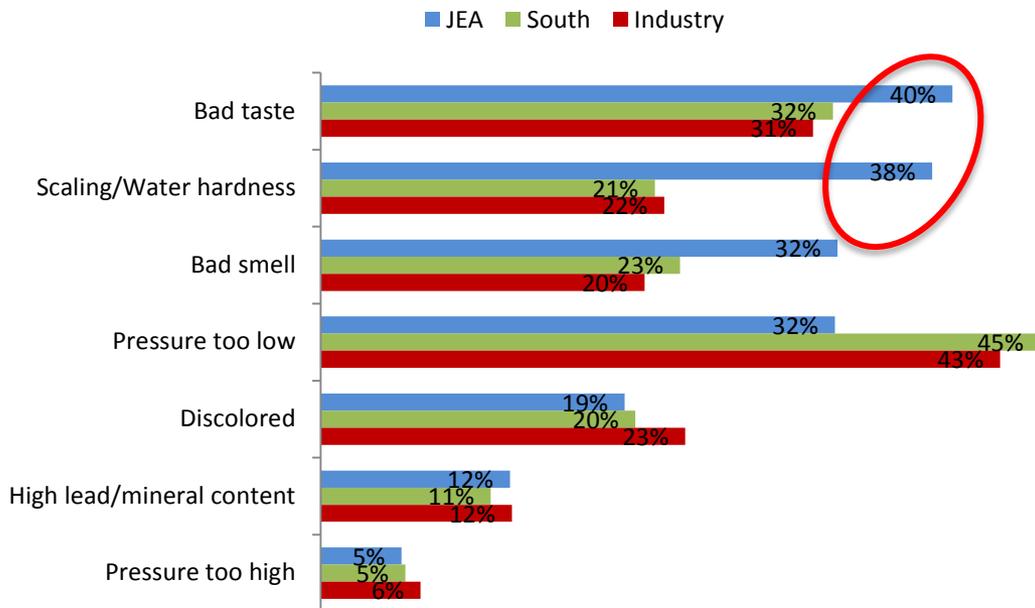
FY16		Wave 1		Wave 2		Wave 3		Wave 4		FY17 YTD	
1Q	816	1Q	816	2Q	789	2Q	780	2Q	849	2Q	805

2017 Residential Water Study Delivery Attribute

Delivery

26% of Model

- Reliability of water service
- Quality of water (e.g., taste, color, odor, hardness, etc.)
- Efforts to maintain the water infrastructure

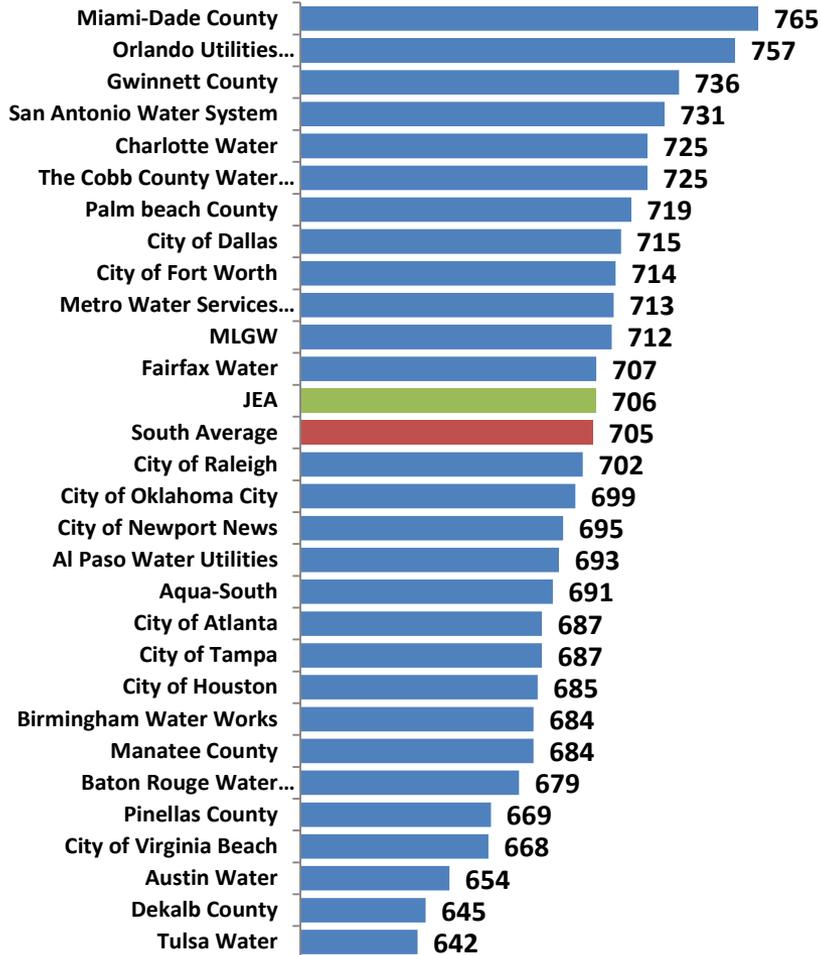


- 66% of JEA customers reported no Water Quality Issues - industry average at 68%
- Bad taste, Hardness, and Bad smell are the primary delivery issues
 - Currently evaluating actions for improvement
 - Optimized Flushing
 - Chlorine Balancing
 - Additional Aeration

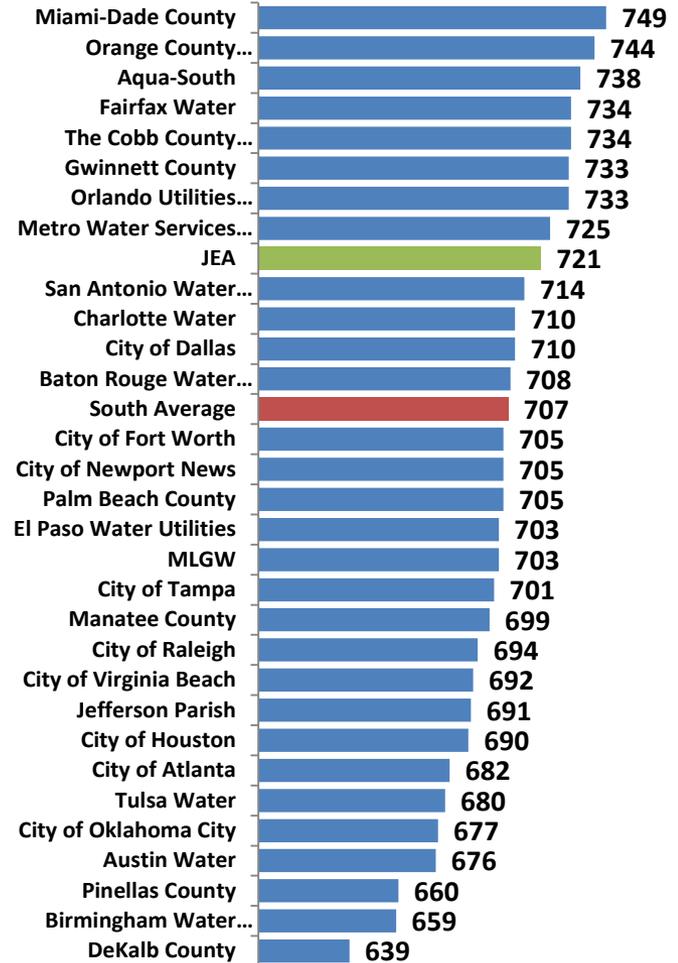


JDP Water Study Overall Results - South Segment

2016



2017



2017 Water Report: JD Power Customer Satisfaction Index

Top Quartile (1st)	Mean	Rank	2nd Quartile	Mean	Rank	3rd Quartile	Mean	Rank	Bottom Quartile (4th)	Mean	Rank
Miami-Dade County	749	1	Monroe County Water Authority	716	23	City of Phoenix	701	45	City Of Sacramento	687	66
Orange County Government Florida	744	2	Louisville Water	715	24	City of Tampa	701	45	Greater Cincinnati Water Works	685	67
Seattle Public Utilities	744	2	Missouri American Water	715	24	Regional Water Authority (Connecticut)	701	45	L. A. Dept. of Water & Power	685	67
Aqua-South	738	4	SFPUC	715	24	AVERAGE	701		Philadelphia Water Department	683	69
Fairfax Water	734	5	San Jose Water Company	715	24	Manatee County	699	48	City of Atlanta	682	70
The Cobb County Water System	734	5	New Jersey American Water	714	28	New York American Water	699	48	Milwaukee Water Works	682	70
Gwinnett County	733	7	San Antonio Water System	714	28	East Bay Municipal Utility District	698	50	Tulsa Water	680	72
Orlando Utilities Commission (OUC)	733	7	Portland Water Bureau	711	30	Anaheim Public Utilities	697	51	City of Columbus	677	73
NYC Environmental Protection	732	9	Charlotte Water	710	31	Citizens Energy Group	697	51	City of Oklahoma City	677	73
Saint Paul Regional Water Services	732	9	City of Dallas	710	31	DC Water	697	51	Austin Water	676	75
Boston Water and Sewer Commission	729	11	San Gabriel Valley Water Company	710	31	City of Raleigh	694	54	KC Water Services	674	76
California Water Service	729	11	Baton Rouge Water Company	708	34	Pennsylvania American Water	693	55	Suez (United Water)	671	77
Illinois American Water	728	13	California American Water	708	34	City of Virginia Beach	692	56	City of Fresno	668	78
Metro Water Services (Nashville)	725	14	Golden State Water Company	707	36	Tucson Water	692	56	City of San Diego	668	78
Indiana American Water	723	15	Aquarion Water Company	706	37	WSSC	692	56	Water Utility Authority (Albuquerque)	668	78
Eastern Municipal Water District	721	16	City of Fort Worth	705	38	Jefferson Parish	691	59	Pinellas County	660	81
JEA	721	16	City of Newport News	705	38	Aqua-Midwest	690	60	Birmingham Water Works	659	82
Colorado Springs Utilities	720	18	Palm Beach County	705	38	City of Houston	690	60	Detroit Water and Sewerage Dept	655	83
Metropolitan Utilities District (Omaha)	719	19	Long Beach Water Dept	704	41	Massachusetts Water Resources Authority	690	60	City of Chicago	653	84
Las Vegas Valley Water District	718	20	El Paso Water Utilities	703	42	Erie County Water Authority	689	63	City of Baltimore	642	85
Aqua-Northeast	717	21	MLGW	703	42	Board of Water Supply (Honolulu)	688	64	DeKalb County	639	86
Denver Water	717	21	Mesa Water Resources	703	42	Suffolk County	688	64	City of Cleveland	635	87

III. A. 1.

Approval of Board Meeting Minutes May 16, 2017

JEA
BOARD MINUTES
May 16, 2017

The JEA Board met in regular session on Tuesday, May 16, 2017, on the 19th Floor, 21 W. Church Street, Jacksonville, Florida. Present were Tom Petway, Kelly Flanagan, Husein Cumber, Frederick Newbill and Alan Howard. Delores Kesler attended telephonically.

Agenda Item I – Welcome

- A.** The meeting was **called to order** at 12:03 PM by Chair Pro Tem Petway.
- B.** A **Moment of Reflection** was observed by all.
- C.** The **Pledge of Allegiance** was led by Chair Pro Tem Petway.
- D.** **Adoption of Agenda** – The amended agenda was approved on **motion** by Mr. Newbill and second by Vice Chair Howard. Jody Brooks, Chief Legal Officer, noted agenda item III. B. 1. is listed on the board agenda incorrectly as information; therefore, will require the Board to take action.
- E.** The **Safety Briefing** was given by Paul McElroy, Managing Director/Chief Executive Officer.
- F.** **Sunshine Law/Public Records Statement** – Jody Brooks, Chief Legal Officer, stated this Board Meeting is being held in compliance with Florida’s Government in the Sunshine Law, §286.011. The complete statement can be found in section I. F. of the Board package.
- G.** **Nominating Committee** –

Board Chair Pro Tem Petway presented the new slate of officers as approved by the Nominating Committee at the April 20, 2017 meeting. On **motion** by Ms. Flanagan and second by Mr. Cumber, the Board approved the following new slate of officers: Alan Howard, Chair; Delores Kesler, Vice Chair; and Frederick Newbill, Secretary.

Mr. Tem Petway turned the gavel over to Chair Howard. Chair Howard extended his appreciation to the Board and pledged to support JEA in its mission to Deliver Business Excellence, Develop an Unbeatable Team, and Earn Customer Loyalty.

Agenda Item II – Presentations and Comments

- A.** **Comments from the Public** –
 - 1. Tom Larson, address is on file, addressed the Board regarding solar.
 - 2. Sarah Boren, address is on file, addressed the Board regarding solar.
- B.** **Council Liaison’s Comments** – Council Member Greg Anderson stated there is currently no significant legislative items related to JEA to be brought before City Council. Council Member Anderson added the City Council Leadership election will be held on May 23, 2017, with a transition of leaders to take place on July 1, 2017. Council Member Anderson thanked the Board for their service.
- C.** **Office of the Mayor Liaison’s Comments** – On behalf of the Mayor, Dr. Gaffney offered thanks to the Board for their continued service and extended congratulations to the new slate of officers.

- D. Nassau County’s Ex-Officio Representative’s Comments** – Mr. Mullin was not in attendance.
- E. Arbor Day Foundation Tree Line USA Award** – Kim Wheeler, Manager, T&D Preventative Maintenance, presented the Board with the Tree Line USA award and a framed article written by The Resident News titled “JEA Tree Trimming Crews Start Process in Historic District”. Ms. Wheeler introduced Joe Anderson, Forester, who provided the Board with information on JEA’s activities within the community.
- F. 2017 J. D. Power Electric Utility Residential Customer Satisfaction Results for Wave 3** – Richard Vento, Interim Chief Customer Officer presented JEA’s Overall Customer Satisfaction index score is at 757, placing JEA in the 1st Quartile. This score places JEA 20th nationally out of 138 utilities, fourth in the state of Florida and tied at third place in the South Mid-Size category. Year-to-date, JEA achieved 1st Quartile on all six drivers of customer satisfaction. Mr. Vento thanked Mike Brost, Vice President/General Manager, Electric Systems and his staff for keeping customers informed about outages. Paul McElroy, Managing Director/CEO, spoke with the Board regarding communication to customers, as well as thanked Richard Vento for his 34 years of service at JEA and stepping in as Interim Chief Customer Officer. Mr. McElroy welcomed Kerri Stewart as the incoming Chief Customer Officer.

Agenda Item V – For Board Consideration

- A. Consent Agenda** – used for items that require no explanation, discussion or presentation and are approved by one motion and vote. On **motion** by Mr. Cumber and second by Mr. Petway, items 1 through 3 on the Consent Agenda were unanimously approved and items 4 through 6 were received for information.
1. Approval of Board Meeting Minutes April 18, 2017 – approved
 2. Approval of Amended Board Meeting Minutes March 21, 2017 – approved
 3. Appointment of Teala Johnson to Civil Service Board – approved
 4. Monthly JEA Financial Review & Statements – received for information
 5. Monthly JEA Operations Report – received for information
 6. Monthly FY17 Communications & Engagement Calendar and Plan Update – received for information
- B. Strategic Discussions/Action**
- Board Chair Howard combined agenda items III. B. 1. and III. B. 2. and called upon Melissa Dykes, Chief Financial Officer and Mike Brost, Vice President/General Manager, Electric Systems. Melissa Dykes introduced Paul Dabbar, J.P. Morgan.*
1. St. Johns River Power Park (SJRPP) Shutdown and Termination Agreement – Melissa Dykes stated that at the March 21, 2017 meeting, the JEA Board was provided a term sheet reached between JEA and FPL for a January 2018 early shutdown of SJRPP. Ms. Dykes stated staff is providing at this time the definitive agreements that have been negotiated with FPL which codify the terms contained within the negotiated term sheets. These agreements include the Asset Transfer and Contract Termination Agreement, along with several other supporting agreements included at exhibits. Ms. Dykes reviewed the documents provided to the Board Members including a list of key transaction documents, and a comparison of the term sheet provided at the March 21, 2017 Board Meeting against terms in the final

definitive agreements. Jody Brooks, Chief Legal Officer, stated as part of the negotiating team, along with Latham & Watkins, LLP, she has reviewed and will form approve each document. Board action was deferred upon the completion of Mr. Dabbar's presentation under V. B. 2.

2. Valuation Opinion on St. Johns River Power Park (SJRPP) Shutdown and Termination Agreement – Melissa Dykes, Chief Financial Officer, introduced Paul Dabbar, Managing Director in the Global Mergers & Acquisitions Group, and Energy Mergers & Acquisitions at J.P. Morgan. Mr. Dabbar stated JEA engaged J.P. Morgan to act as the Company's financial advisor in connection with evaluating the transaction from a financial standpoint and providing requisite merger and acquisition advice for a transaction of this type. Mr. Dabbar reviewed J.P. Morgan's role, transaction overview and assessment, transaction summary to date, transaction rationale, and a valuation analysis for the various transaction benefits. Mr. Dabbar stated his overall conclusion is that this transaction is beneficial to JEA in that it lowers the overall expense profile, leading to lower revenue requirements, avoids a base rate increase, eliminates underutilized generation assets, increases stability in fuel stabilization account, reduces JEA's future environmental obligation. Mr. Dabbar provided a breakdown of the consideration JEA will receive from FPL. Mike Brost, Vice President/General Manager, Electric Systems, provided the Board Members with an overview of the transaction timeline. On **motion** by Mr. Cumber and second by Secretary Newbill, the Board authorized and approved executing the SJRPP Asset Transfer and Contract Termination Agreement and each of the agreements included as exhibits in substantively the same form as presented in this agenda item.
 3. Monthly Operational and Financial Review – Paul McElroy, Managing Director/Chief Executive Officer, presented the monthly review of JEA's operational and financial metrics for electric and water/wastewater services. This item was received for information.
- C. Open Discussion** – Mr. Petway reminded Board Members that the JEA Board still has an opening to be filled.
- D. Other New Business** – none
- E. Old Business** – none

Agenda Item IV – Reports

- A. Finance and Audit Committee Report** – Kelly Flanagan, Committee Chair reviewed the Finance and Audit Committee meeting held on May 8, 2017, bringing items to the Board for action and information.
1. Approval of Minutes – March 13, 2017 – received for information
 2. FY2018 Budget Presentation – Melissa Dykes, Chief Financial Officer, provided an overview of the FY2018 budget and budget process. Committee Chair Flanagan thanked Melissa Dykes and staff for their hard work.
 3. Quarterly Audit Services Update – received for information
 4. Identity Theft Protection Program Fair and Accurate Credit Transactions Act (FACTA) Annual Risk Assessment – received for information
 5. Ethics Officer Quarterly Report – received for information

6. Treasury
 - a. Electric System and Water and Sewer System Reserve Fund Quarterly Report – received for information
 - b. JEA Investment Policy – Revision to Investment Limitations – Melissa Dykes, Chief Financial Officer, presented a revision to Table 1 of the JEA Investment Policy to include the State of Florida Local Government Surplus Funds Trust Fund (“Florida Prime”) in Table 1. The addition of Florida Prime would provide improved portfolio diversification and day-to-day operations, providing for the opportunity to improve the investment portfolio yield. On **motion** by Mr. Petway and second by Mr. Cumber, the Board approved the revisions to Table 1 of the Investment Policy.
7. JEA Energy Market Risk Management Policy Report – received for information
8. Announcements –
 - a. Next Meeting, August 7, 2017, 8:00 – 10:00 AM
9. Committee Discussion Sessions
 - a. Ernst & Young – Committee Members met with Russ Jeans, Ernst & Young
 - b. Director, Audit Services – Committee Members met with Steve Tuten, Director Audit Services
 - c. Council Auditor’s Office representative was not present to meet with the Committee.
- B. Government and Legal Affairs Committee Report** – Alan Howard, Committee Chair, reviewed the Government and Legal Affairs Committee meeting held on May 11, 2017, bringing items to the Board for information.
 1. Approval of Minutes – December 13, 2016 – received for information
 2. Adoption of Recommended Government & Legal Affairs Committee Charter Changes and Associated Committee Name Change – On **motion** by Mr. Cumber and second by Vice Chair Kesler, the Board unanimously approved to modify the Government and Legal Affairs Committee Charter to include adding real estate policy matters and transactions requiring Board approval and to amend the Committee name to the Government, Legal and Real Estate Affairs Committee.
 3. 2016 Real Estate Purchases and Sales Summary – received for information
 4. Government Relations Local, State and Federal Update – received for information
 5. Litigation Update – received for information
 6. Other New Business – none
 7. Announcements –
 - a. Schedule Next Meeting as Appropriate

C. Managing Director/CEO's Report –

1. Mr. McElroy reviewed the Hurricane Preparedness exercises JEA conducted the week of May 1 – 5, 2017. For the first time, JEA and the City of Jacksonville jointly worked together to simulate and work through recovery efforts of the simulated storm.
2. As an update to the January 17, 2017 Board Meeting, Mr. McElroy reviewed staff is continuing to work through potential options for the JEA campus. Mr. McElroy stated JEA is working with the City of Jacksonville on potential transactions which will be brought before the Board at a later meeting.
3. Mr. McElroy provided an update on water supply planning and JEA's Consumptive Use Permit (CUP). Mr. McElroy stated JEA is seeing significantly more usage, but is addressing activities in the short, mid, and long term on both the demand and supply sides.
4. Mr. McElroy provided an update regarding Plant Vogtle. An update will be provided to Board Members within the next 30 days.
5. Board Members held discussions regarding septic tank phase out.
6. Mr. Petway highlighted the vacancy on the St. Johns River Water Management District Board of Directors.

D. Chair's Report –

1. Chair Howard stated he will work on a calendar for future Board Meetings and fill the Board Committee vacancies shortly. Chair Howard appointed Tom Petway as Chair, Government, Legal, and Real Estate Committee.
2. Chair Howard read a resolution honoring Ed Burr for his service as a Board Member and Board Chair from November 30, 2015 through March 21, 2017. On **motion** by Mr. Petway and second by Vice Chair Kesler, the resolution was approved.
3. Chair Howard read a resolution honoring Tom Petway for his service as Board Chair from November 30, 2015 through May 16, 2017. On **motion** by Secretary Newbill and second by Vice Chair Kesler, the resolution was approved.

Agenda Item V – Closing Considerations

A. Announcements – Next Board Meeting – June 20, 2017

B. Adjournment

With no further business claiming the attention of the Board, Chair Petway adjourned the meeting at 1:37 PM.

APPROVED BY:

SECRETARY

DATE: _____

Board Meeting recorded by:

Melissa M. Charleroy
Executive Assistant

III. A. 2.
Monthly JEA Financial Review & Statements

JEA Monthly Financial Summary

as of May 31, 2017

Board of Directors

June 20, 2017



Key Financial Metrics

Electric System	Year-to-Date		FY2017 Full Year		Result
	FY2017	FY2016	Forecast	Target	
Debt Service Coverage	2.5x	2.5x	2.5x	≥ 2.2x	✓
Days Liquidity	337	357	308	150 to 250 days ¹	✓
<i>Days Cash on Hand</i>	232	249	205		✓
Debt to Asset %	63%	67%	62%	53.5% ²	✓

Water and Sewer System	FY2017		FY2016		Result
	FY2017	FY2016	Forecast	Target	
Debt Service Coverage	2.9x	3.1x	2.7x	≥ 1.8x	✓
Days Liquidity	613	605	605	150 to 250 days ¹	✓
<i>Days Cash on Hand</i>	512	500	506		✓
Debt to Asset %	51%	53%	50%	49% ³	✓

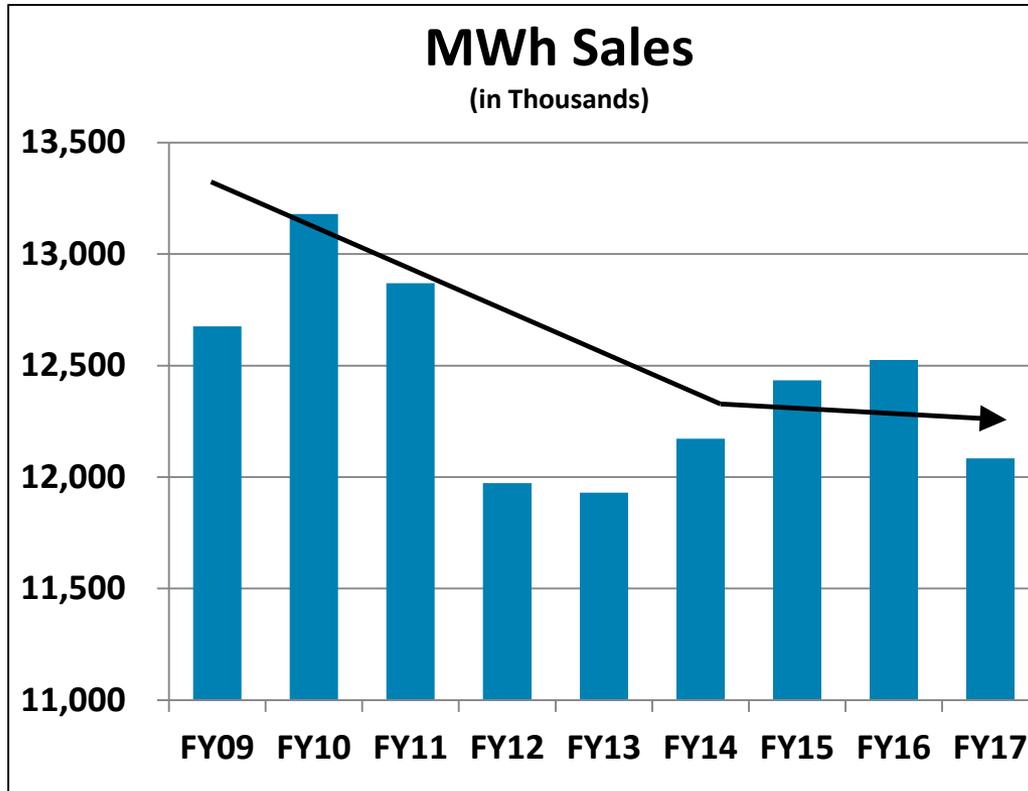


¹ Moody's Aa benchmark: 150 to 250 days

² Long-term target is 53.5%: per Moody's Sector In-Depth Report "Public Power Medians - Finances Hold Steady with Transition to Lower Carbon Environment", Sept. 2016

³ Long-term target is 49%: calculated peer group from Moody's 214 Aa rated public water-sewer utilities, Dec. 2016

Electric System: MWh Sales



Month	FY16	FY17	%
Oct	952,515	951,425	(0.1%)
Nov	923,705	863,238	(6.5%)
Dec	922,956	905,219	(1.9%)
Jan	1,049,897	932,807	(11.2%)
Feb	894,563	759,141	(15.1%)
Mar	893,954	914,242	2.3%
Apr	900,013	933,563	3.7%
May	1,089,555	1,084,832	(0.4%)
YTD	7,627,158	7,344,470	(3.7%)
Jun	1,231,251		
Jul	1,336,836		
Aug	1,254,240		
Sep	1,111,769		
Total/Forecast	12,561,253	12,084,468	

Unit Sales Driver: YTD MWh reduction due to moderate weather and decrease in FPU demand.

YTD Degree Days		
<u>30-yr. Avg.</u>	<u>FY16</u>	<u>FY17</u>
2,112	2,029	1,767

YTD Customer Accounts		
<u>FY16</u>	<u>FY17</u>	<u>%</u>
452,833	459,830	1.6%

Total System	(3.7%)
Residential	(2.6%)
Comm./Industrial	(1.9%)
Interruptible	(1.1%)
Wholesale (FPU)	(62.8%)



Electric System: Financial Results and Cost Metrics

(\$ in thousands)

Revenues	FY17 Forecast	FY16 Actual	FY17 Budget	FY17 vs FY16 (\$)	Variance (%)
Fuel Revenue	\$ 394,592 ¹	\$ 426,653 ²	\$ 449,776	\$ (32,061)	-7.5% ¹
Base Revenue	754,022 ¹	750,038	735,204	3,984	0.5%
Other Revenue	45,089	37,904	41,787	7,185	19.0%
Total Revenues	\$ 1,193,703	\$ 1,214,595	\$ 1,226,767	\$ (20,892)	-1.7%
		↑ \$-33M ↑			
Select Expenses					
Fuel Expense	\$ 443,850	\$ 397,280	\$ 411,903	\$ (46,570)	-11.7%
Fuel Fund Transfers	(49,259)	29,373	37,705	78,631	
O & M Expense	203,485	192,527	226,180	(10,958)	-5.7%
Non-fuel Purchased Power	79,420	87,426	83,394	8,005	9.2%
Net Revenues	\$ 516,657	\$ 496,092	\$ 454,939	\$ 20,564	4.1%
		↑ \$62M ↑			
Capital Expenditures	\$ 147,408	\$ 150,926	\$ 153,200 ³	\$ 3,518	2.3%
Debt Service	\$ 208,478 ⁴	\$ 171,506	\$ 179,654	\$ (36,792)	-21.6%

Electric Costs / MWh	Non-Fuel
Target	\$ 53.94
Forecast	<u>54.01</u>
Difference	\$ (0.07)

Fuel Fund (\$ in millions)	
Beginning Balance	\$ 180
Surplus/(Deficit)	<u>(49)</u>
Ending Balance	\$ 131



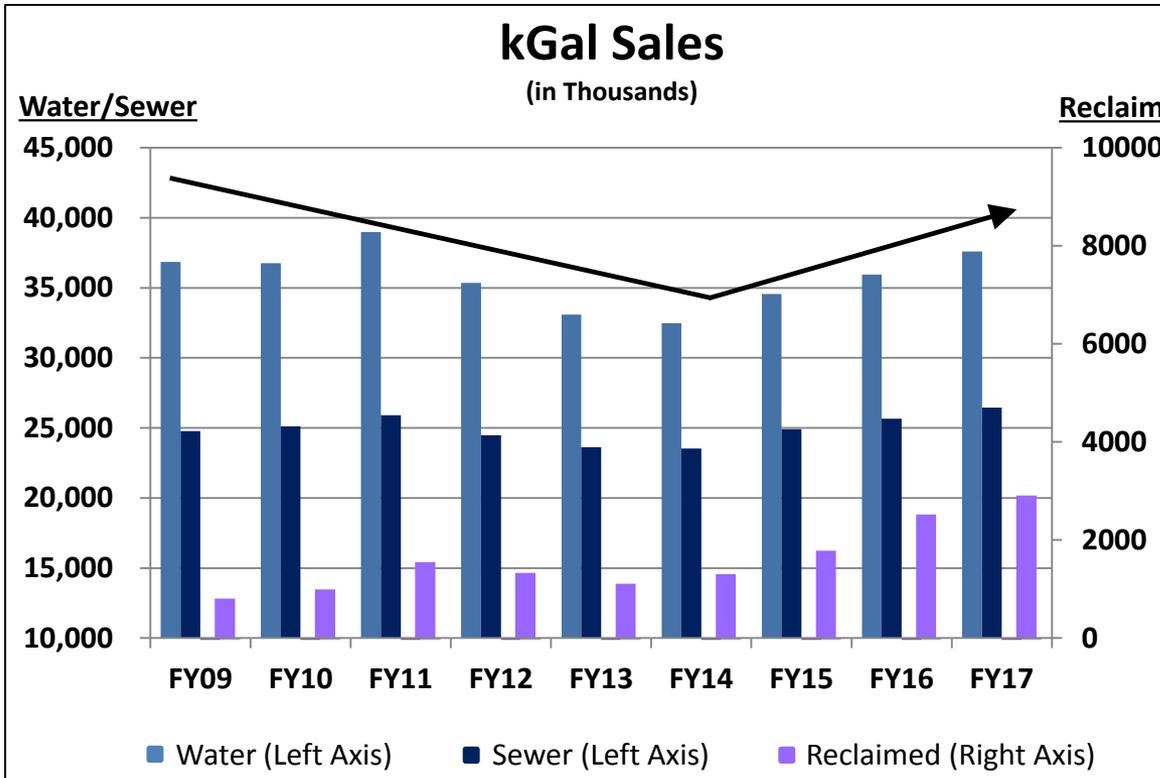
¹ Includes rate change in December 2016

² Net of \$57 million fuel credit and fuel rate reduction

³ Council approved limit for capital expenditures in FY17 is \$170 million

⁴ Includes additional \$40 million related to advanced debt refunding approved by Board in November 2016

Water and Sewer System: kGal Sales



Month	FY16	FY17	%
Oct	3,120	3,129	0.3%
Nov	2,641	3,068	16.2%
Dec	2,758	2,923	6.0%
Jan	2,527	2,768	9.6%
Feb	2,479	2,624	5.9%
Mar	2,825	3,168	12.1%
Apr	2,914	3,476	19.3%
May	3,523	3,736	6.1%
YTD	22,787	24,892	9.2%
Jun	3,290		
Jul	3,736		
Aug	3,451		
Sep	3,094		
Total/Forecast	36,358	37,608	

Unit Sales Driver: YTD rainfall up 9 inches; rain days down 16.
Irrigation for May YTD FY17 up 31% versus May YTD FY16.

YTD Customer Accounts			
	FY16	FY17	%
Water	334,230	342,220	2.4%
Sewer	258,607	265,318	2.6%
Reclaimed	7,708	9,624	24.9%

YTD Rainfall			
	30-Yr. Avg.	FY16	FY17
Inches	24	19	28
Days	59	57	41

Total System		9.2%
Residential		10.1%
Comm./Industrial		(0.1%)
Irrigation		30.9%

Water and Sewer System: Financial Results and Cost Metrics

(\$ in thousands)

Revenues	FY17 Forecast	FY16 Actual	FY17 Budget	FY17 vs FY16 (\$)	Variance (%)
Water & Sewer Revenues	\$ 417,865	\$ 409,889	\$ 394,430	\$ 7,976	1.9%
Other Revenue	38,355	40,070	33,792	(1,715)	-4.3%
Total Revenues	\$ 456,220	\$ 449,959	\$ 428,222	\$ 6,261	1.4%
Select Expenses					
O & M Expense	\$ 138,331	\$ 130,296	\$ 144,149	\$ (8,035)	-6.2%
Net Revenues	\$ 315,009	\$ 313,130	\$ 280,753	\$ 1,879	-0.1%
Capital Expenditures	\$ 185,000	\$ 147,363	\$ 205,000 ¹	\$ (37,637)	-25.5%
Debt Service	\$ 114,609	\$ 95,418	\$ 118,375	\$ (19,191)	-20.1%

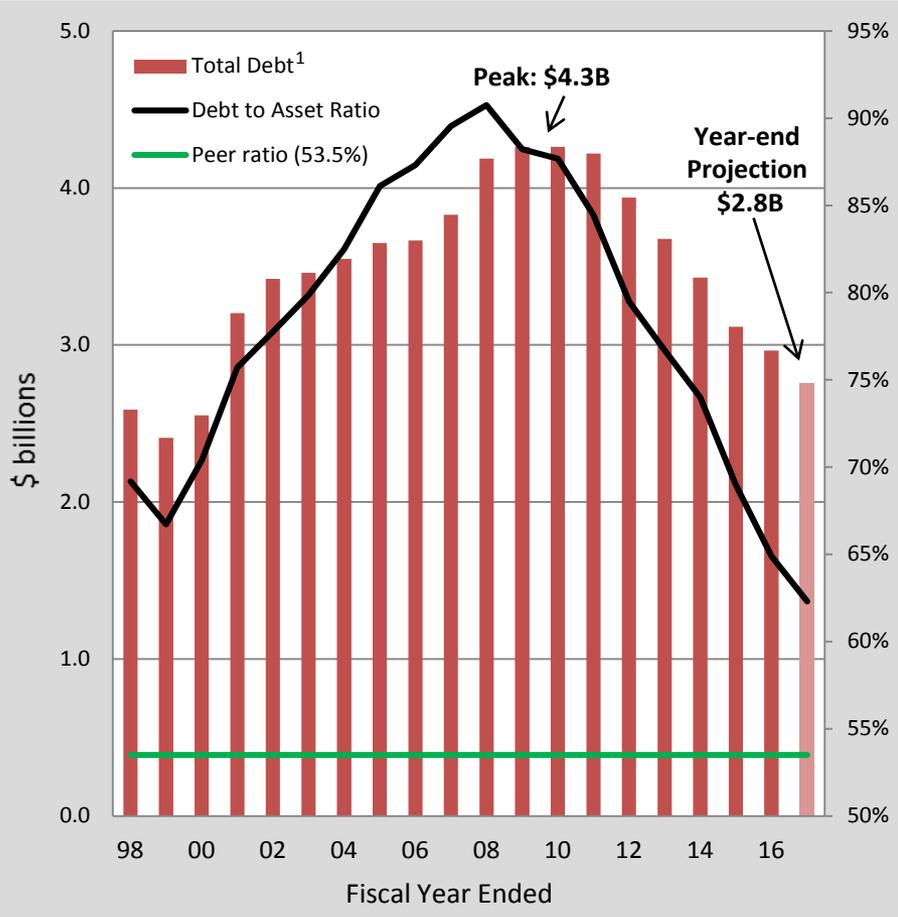
Cost / Kgal	Water	Sewer
Target	\$ 4.75	\$ 10.27
Forecast	4.49	9.37
Difference	\$ 0.26	\$ 0.90



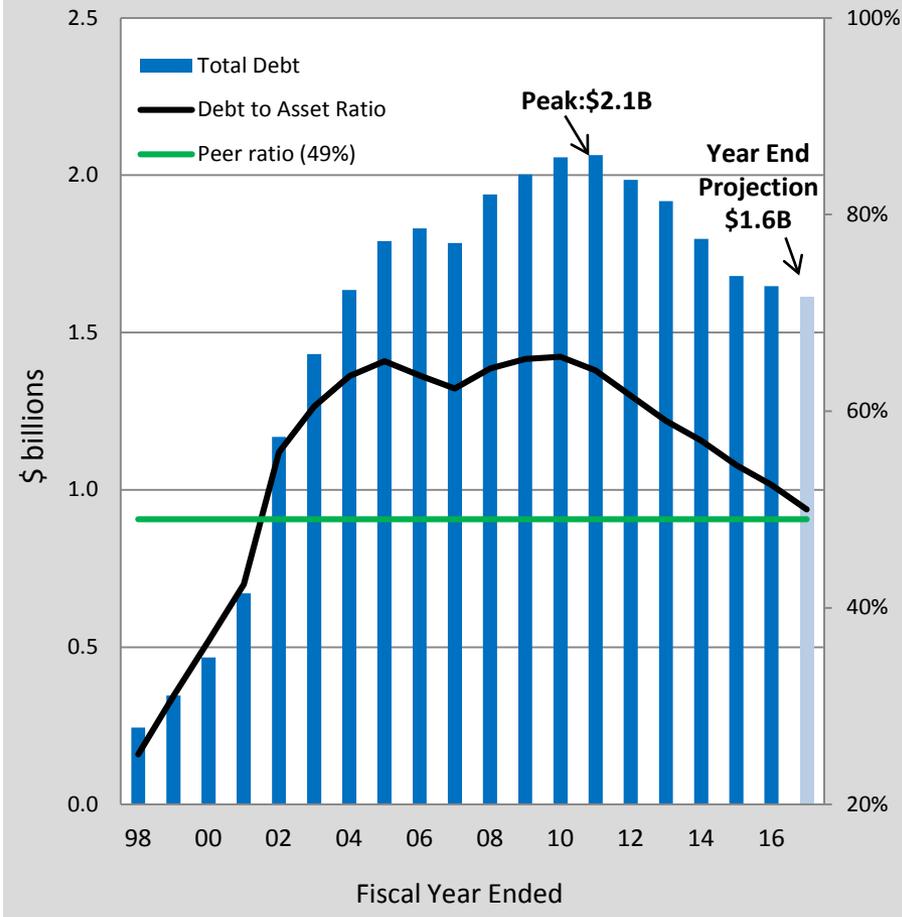
¹ Council approved limit for capital expenditures in FY17 is \$225.5 million

Debt and Debt to Asset Ratios

Electric System



Water and Sewer System

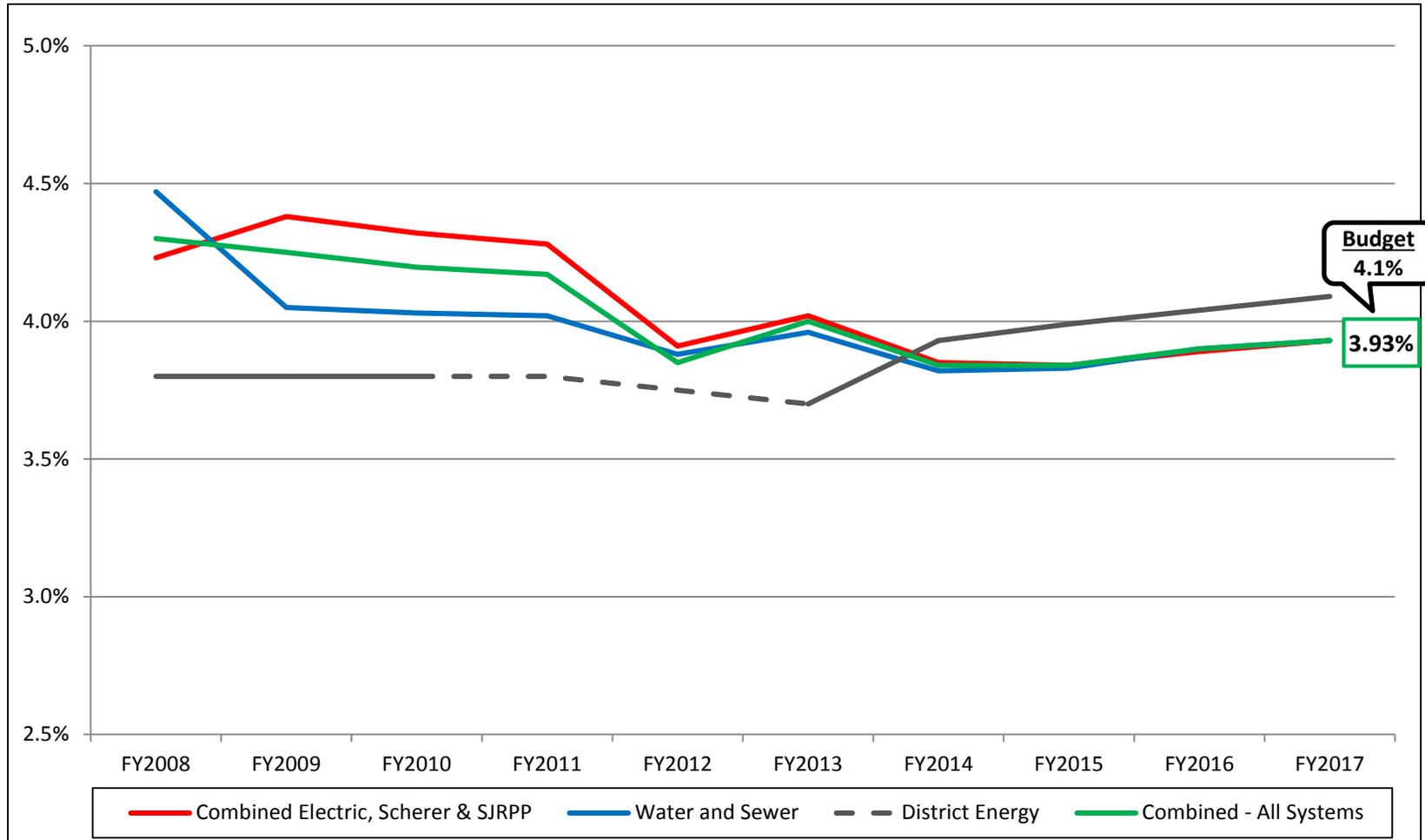


¹ Includes JEA, Scherer and SJRPP

² Per Moody's Special Comment, June 2014

³ As calculated from Moody's data for large Aa rated public water-sewer utilities

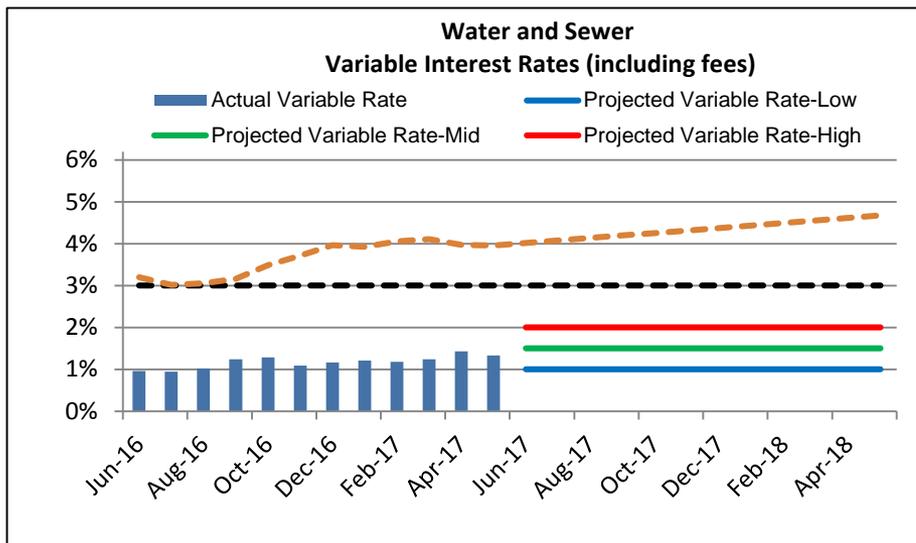
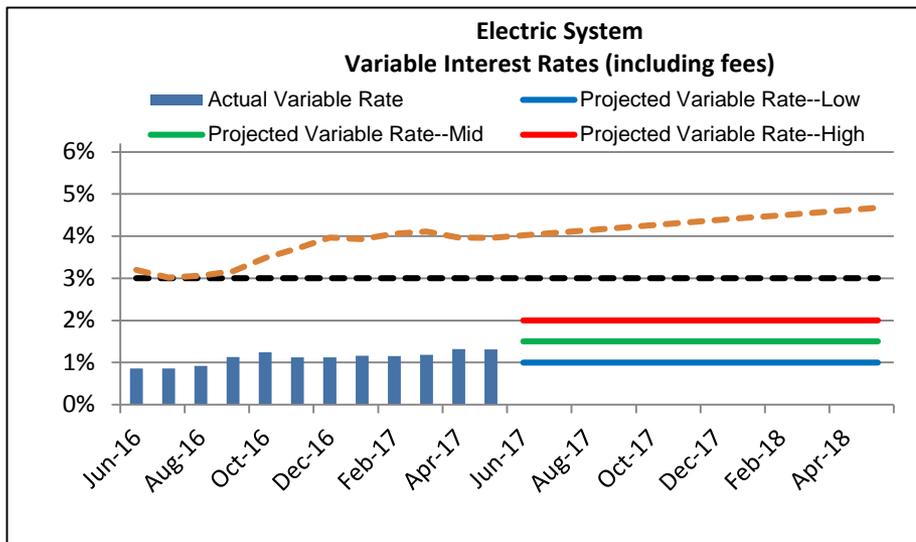
Combined Debt Outstanding: Weighted Average Interest Rates



- Fiscal year end interest rates are net of BABs subsidy, original issue premiums / discounts and includes variable debt liquidity / remarketing fees and interest rate swap payments.
- - - - During FY2008 – FY2013 DES was funded with variable rate debt at an average of 1 percent.



Variable Rate Debt Risk Analysis



Total variable rate debt of \$882 with \$527 swapped to fixed rate

Liquidity Facilities and Direct Purchase Bonds (DPBs)			
Bank	Moody's/S&P/Fitch	\$ (in millions)	%
Wells Fargo Bank N.A. (100% DPBs)	Aa2/AA-/AA	\$221	25
JP Morgan Chase Bank N.A.	Aa3/A+/AA-	199	24
Royal Bank of Canada	A1/AA-/AA	193	23
US Bank, N.A.	A1/AA-/AA	148	18
Sumitomo	A1/A/A	52	6
State Street Bank	Aa3/AA-/AA	31	4
Total		\$844	

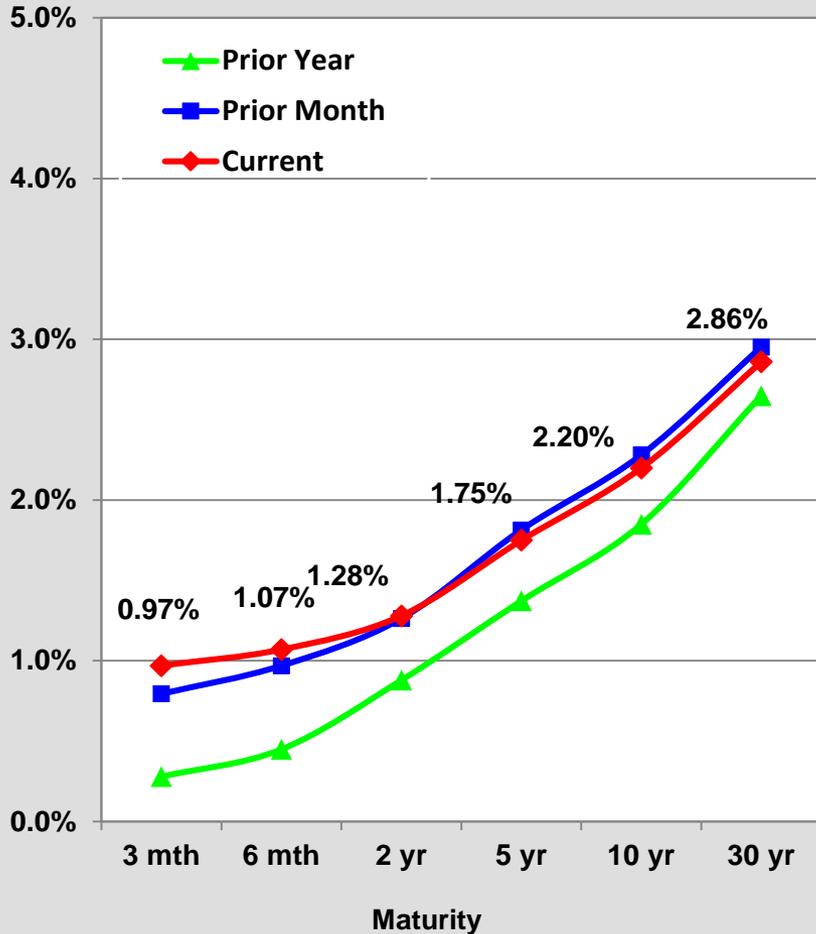
Swap Providers			
Bank	Moody's/S&P/Fitch	\$ (in millions)	%
Morgan Stanley Capital Services	A3/BBB+/A	\$180	34
Goldman Sachs Mitsui Marine Derivative Products	Aa2/AA-/NR	137	26
JP Morgan Chase Bank N.A.	Aa3/A+/AA-	125	24
Merrill Lynch	Baa1/BBB+/A	85	16
Total		\$527	

Items of Interest

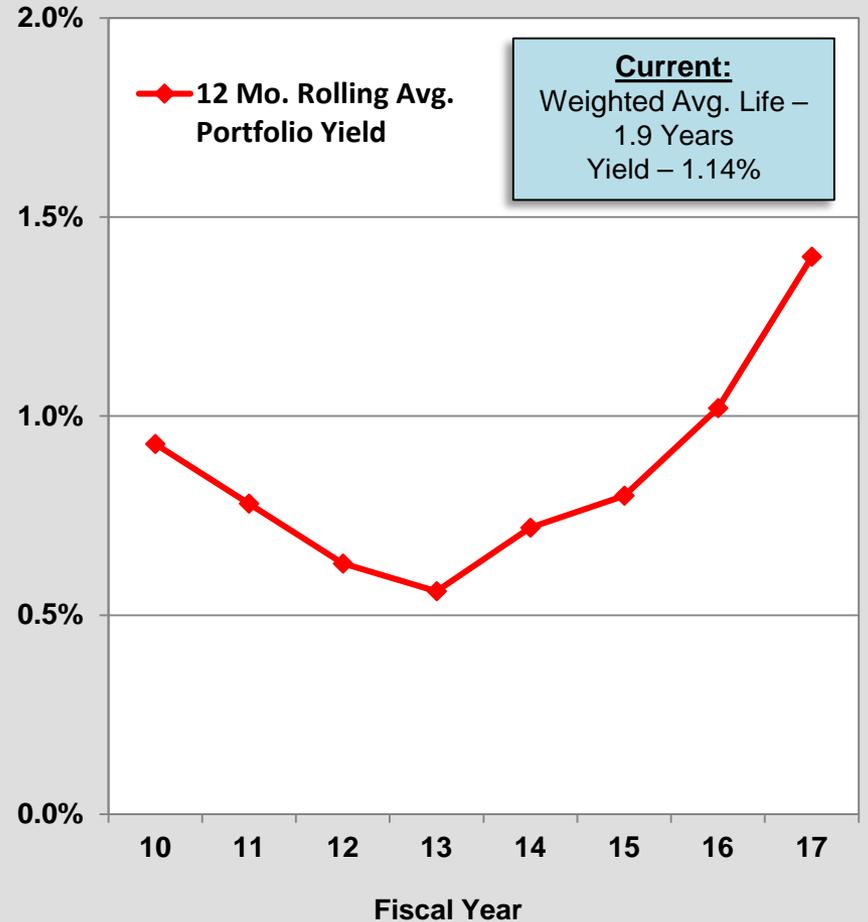
- Variable debt as a percentage of total debt:
 - Unhedged variable at 7% for Electric and 10% for Water and Sewer.
 - Hedged variable at 15% for Electric and 7% for Water and Sewer.
- Liquidity facilities / direct purchase bonds are with highly rated providers.
- No change in swap provider credit quality.
- JP Morgan liquidity facilities renewed in April 2017.
- US Bank liquidity facility renewals in Nov 2017.
- Variable rate reserve to mitigate risk of higher rates – \$50 million.
- Used \$12 million of variable rate reserve on Feb 2017 Electric defeasance.

Combined Investments Outstanding

U. S. Treasury Yield Curve



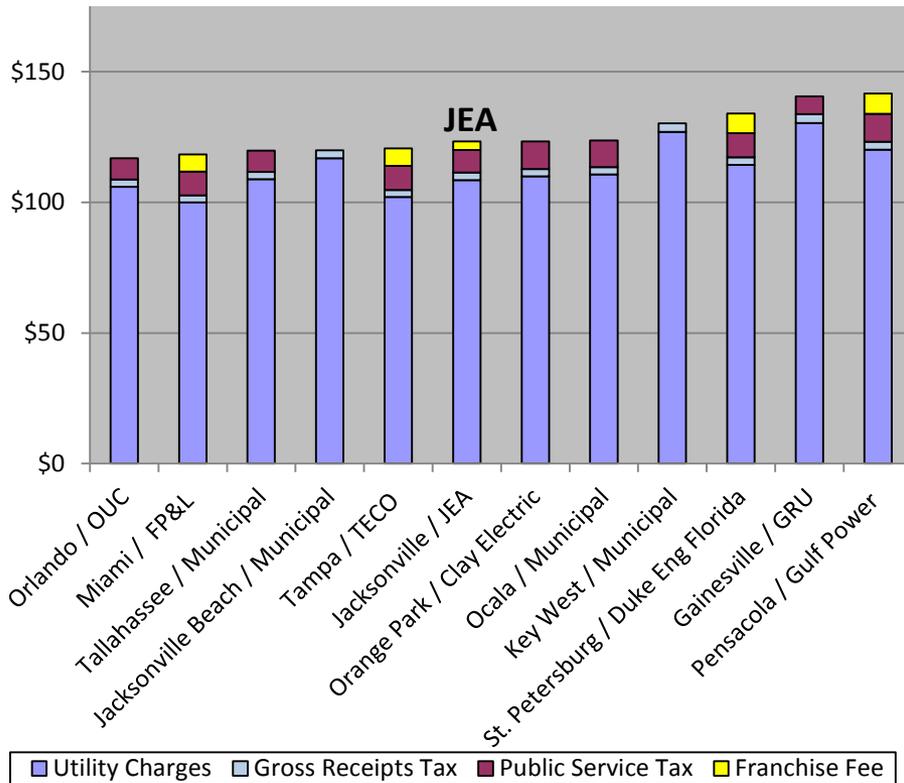
Investment Portfolio Yield



Florida Utilities Monthly Bill Comparison

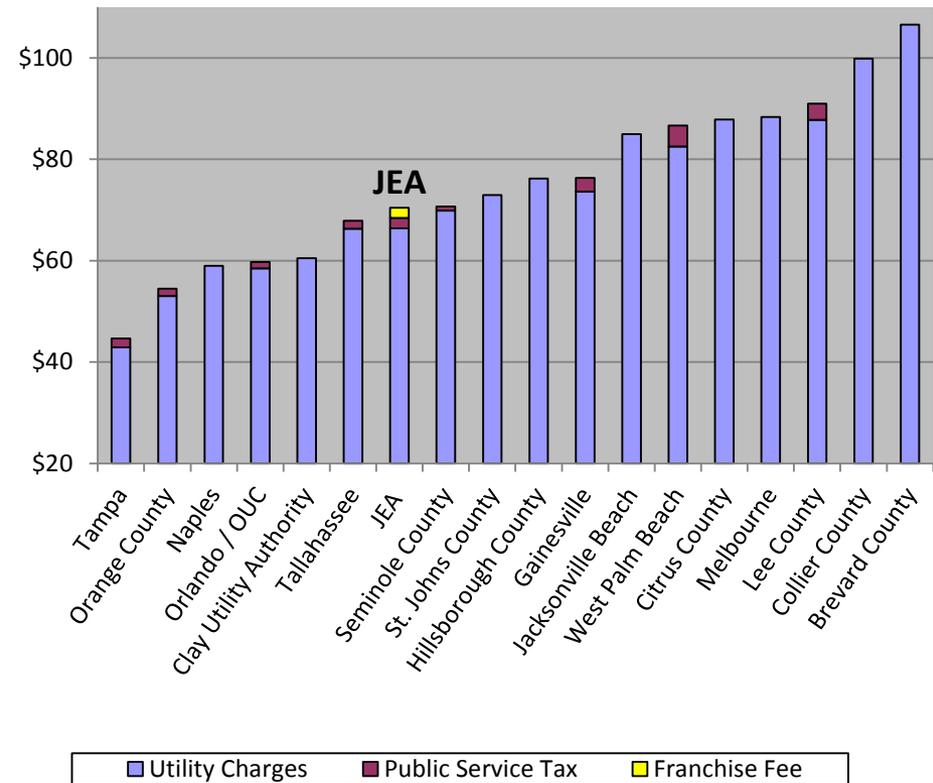
Monthly Residential Electric Bills

Consumption @ 1,000 kWh



Monthly Residential Water Bills

5/8" meter and 6 k/gals of Consumption





Monthly Financial Statements

May 2017



Monthly Financial Statements

May 2017

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Statements of Net Position

(in thousands - unaudited) May 2017 and 2016

	2017	2016
Assets		
Current assets:		
Cash and cash equivalents	\$ 266,042	\$ 190,819
Investments	261,630	329,322
Customer accounts receivable, net of allowance (\$1,937 in 2017 and \$4,198 in 2016)	181,360	183,925
Miscellaneous accounts receivable	25,065	26,313
Interest receivable	2,214	1,810
Inventories:		
Fuel inventory - Electric System	66,230	74,137
Fuel inventory - Plant Scherer	2,407	8,329
Materials and supplies - Water and Sewer	47,138	44,166
Materials and supplies - Electric System	20,069	19,697
Materials and supplies - Plant Scherer	1,975	2,102
Total current assets	<u>874,130</u>	<u>880,620</u>
Noncurrent assets:		
Restricted assets:		
Cash and cash equivalents	39,075	49,320
Investments	879,384	821,292
Accounts and interest receivable	3,763	3,106
Total restricted assets	<u>922,222</u>	<u>873,718</u>
Costs to be recovered from future revenues	457,576	452,133
Investment in The Energy Authority	6,174	6,384
Other assets	18,906	16,704
Total noncurrent assets	<u>1,404,878</u>	<u>1,348,939</u>
Capital assets:		
Land and easements	193,309	164,176
Plant in service	10,929,659	10,735,413
Less accumulated depreciation	(5,654,596)	(5,311,616)
Plant in service, net	<u>5,468,372</u>	<u>5,587,973</u>
Construction work in progress	339,978	273,670
Net capital assets	<u>5,808,350</u>	<u>5,861,643</u>
Total assets	<u>8,087,358</u>	<u>8,091,202</u>
Deferred outflows of resources		
Unamortized deferred losses on refundings	138,248	146,003
Accumulated decrease in fair value of interest hedging derivatives	119,614	167,867
Unrealized pension contributions and losses	137,010	83,970
Accumulated decrease in fair value of fuel hedging derivatives	167	2,904
Total deferred outflows of resources	<u>395,039</u>	<u>400,744</u>
Total assets and deferred outflows of resources	<u>\$ 8,482,397</u>	<u>\$ 8,491,946</u>

Statements of Net Position**(in thousands - unaudited) May 2017 and 2016**

	2017	2016
Liabilities		
Current liabilities:		
Accounts and accrued expenses payable	\$ 96,275	\$ 70,489
Customer deposits	56,824	55,950
City of Jacksonville payable	9,678	9,660
Compensated absences due within one year	3,528	4,534
State utility taxes payable	2,451	2,332
Total current liabilities	<u>168,756</u>	<u>142,965</u>
Current liabilities payable from restricted assets:		
Debt due within one year	229,095	181,525
Renewal and replacement reserve	79,728	79,427
Interest payable	28,722	30,138
Construction contracts and accounts payable	17,183	12,359
Total current liabilities payable from restricted assets	<u>354,728</u>	<u>303,449</u>
Noncurrent liabilities:		
Net pension liability	493,346	408,630
Compensated absences due after one year	26,187	24,573
Environmental liabilities	18,556	18,662
Other liabilities	4,731	5,366
Total noncurrent liabilities	<u>542,820</u>	<u>457,231</u>
Long-term debt:		
Bonds and commercial paper payable, less current portion	4,178,295	4,470,195
Unamortized premium, net	122,110	149,325
Fair value of debt management strategy instruments	119,614	167,867
Total long-term debt	<u>4,420,019</u>	<u>4,787,387</u>
Total liabilities	<u>5,486,323</u>	<u>5,691,032</u>
Deferred inflows of resources		
Revenues to be used for future costs	476,847	518,165
Unrealized pension gains	12,683	29,796
Total deferred inflows of resources	<u>489,530</u>	<u>547,961</u>
Net position		
Net investment in capital assets	1,652,277	1,433,578
Restricted	517,631	470,561
Unrestricted	336,636	348,814
Total net position	<u>2,506,544</u>	<u>2,252,953</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 8,482,397</u>	<u>\$ 8,491,946</u>

	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	\$ 144,288	\$ 39,692	\$ -	\$ 183,980	77,626	\$ 4,436	\$ 266,042
Investments	255,346	5,961	-	261,307	323	-	261,630
Customer accounts receivable, net of allowance (\$1,937)	141,440	-	-	141,440	39,618	302	181,360
Miscellaneous accounts receivable	20,487	22,758	(19,152)	24,093	972	-	25,065
Interest receivable	1,193	22	-	1,215	999	-	2,214
Inventories:							
Fuel inventory - Electric System	34,283	31,947	-	66,230	-	-	66,230
Fuel inventory - Plant Scherer	2,407	-	-	2,407	-	-	2,407
Materials and supplies - Water and Sewer	-	-	-	-	47,138	-	47,138
Materials and supplies - Electric System	-	20,069	-	20,069	-	-	20,069
Materials and supplies - Plant Scherer	1,975	-	-	1,975	-	-	1,975
Total current assets	601,419	120,449	(19,152)	702,716	166,676	4,738	874,130
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	196	36,190	-	36,386	152	2,537	39,075
Investments	317,720	212,565	-	530,285	349,099	-	879,384
Accounts and interest receivable	1,938	1,064	-	3,002	761	-	3,763
Total restricted assets	319,854	249,819	-	569,673	350,012	2,537	922,222
Costs to be recovered from future revenues	240,367	6,774	-	247,141	210,435	-	457,576
Investment in The Energy Authority	6,174	-	-	6,174	-	-	6,174
Other assets	12,193	-	-	12,193	6,709	4	18,906
Total noncurrent assets	578,588	256,593	-	835,181	567,156	2,541	1,404,878
Capital assets:							
Land and easements	123,521	6,660	-	130,181	60,077	3,051	193,309
Plant in service	5,232,661	1,338,449	-	6,571,110	4,303,309	55,240	10,929,659
Less accumulated depreciation	(2,806,294)	(865,218)	-	(3,671,512)	(1,959,786)	(23,298)	(5,654,596)
Plant in service, net	2,549,888	479,891	-	3,029,779	2,403,600	34,993	5,468,372
Construction work in progress	167,905	10,296	-	178,201	160,473	1,304	339,978
Net capital assets	2,717,793	490,187	-	3,207,980	2,564,073	36,297	5,808,350
Total assets	3,897,800	867,229	(19,152)	4,745,877	3,297,905	43,576	8,087,358
Deferred outflows of resources							
Unamortized deferred losses on refundings	81,032	12,333	-	93,365	44,677	206	138,248
Accumulated decrease in fair value of interest hedging derivatives	97,781	-	-	97,781	21,833	-	119,614
Unrealized pension contributions and losses	77,673	11,731	-	89,404	47,606	-	137,010
Accumulated decrease in fair value of fuel hedging derivatives	167	-	-	167	-	-	167
Total deferred outflows of resources	256,653	24,064	-	280,717	114,116	206	395,039
Total assets and deferred outflows of resources	\$ 4,154,453	\$ 891,293	\$ (19,152)	\$ 5,026,594	\$ 3,412,021	\$ 43,782	\$ 8,482,397

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Liabilities							
Current liabilities:							
Accounts and accrued expenses payable	\$ 67,499	\$ 20,078	\$ (5,141)	\$ 82,436	\$ 13,822	\$ 17	\$ 96,275
Customer deposits	42,022	-	-	42,022	14,802	-	56,824
City of Jacksonville payable	7,689	-	-	7,689	1,989	-	9,678
Compensated absences due within one year	2,025	660	-	2,685	811	32	3,528
State utility taxes payable	2,451	-	-	2,451	-	-	2,451
Total current liabilities	121,686	20,738	(5,141)	137,283	31,424	49	168,756
Current liabilities payable from restricted assets:							
Debt due within one year	135,105	41,330	-	176,435	51,020	1,640	229,095
Renewal and replacement reserve	-	79,728	-	79,728	-	-	79,728
Interest payable	14,505	3,191	-	17,696	10,796	230	28,722
Construction contracts and accounts payable	2,829	15,599	(14,011)	4,417	12,173	593	17,183
Total current liabilities payable from restricted assets	152,439	139,848	(14,011)	278,276	73,989	2,463	354,728
Noncurrent liabilities:							
Net pension liability	297,819	12,993	-	310,812	182,534	-	493,346
Compensated absences due after one year	17,509	1,774	-	19,283	6,904	-	26,187
Environmental liabilities	18,556	-	-	18,556	-	-	18,556
Other liabilities	3,427	-	-	3,427	1,304	-	4,731
Total noncurrent liabilities	337,311	14,767	-	352,078	190,742	-	542,820
Long-term debt:							
Bonds and commercial paper payable, less current portion	2,171,305	408,885	-	2,580,190	1,561,620	36,485	4,178,295
Unamortized premium (discount), net	60,697	13,065	-	73,762	48,388	(40)	122,110
Fair value of debt management strategy instruments	97,781	-	-	97,781	21,833	-	119,614
Total long-term debt	2,329,783	421,950	-	2,751,733	1,631,841	36,445	4,420,019
Total liabilities	2,941,219	597,303	(19,152)	3,519,370	1,927,996	38,957	5,486,323
Deferred inflows of resources							
Revenues to be used for future costs	301,494	151,627	-	453,121	23,726	-	476,847
Unrealized pension gains	6,545	2,126	-	8,671	4,012	-	12,683
Total deferred inflows of resources	308,039	153,753	-	461,792	27,738	-	489,530
Net position							
Net investment in capital assets	465,268	18,771	-	484,039	1,170,413	(2,175)	1,652,277
Restricted	239,916	23,529	14,011	277,456	237,869	2,306	517,631
Unrestricted	200,011	97,937	(14,011)	283,937	48,005	4,694	336,636
Total net position	905,195	140,237	-	1,045,432	1,456,287	4,825	2,506,544
Total liabilities, deferred inflows of resources, and net position	\$ 4,154,453	\$ 891,293	\$ (19,152)	\$ 5,026,594	\$ 3,412,021	\$ 43,782	\$ 8,482,397

**Combining Statement of Net Position
(in thousands - unaudited) May 2016**

	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	\$ 104,939	\$ 21,615	\$ -	\$ 126,554	\$ 60,152	\$ 4,113	\$ 190,819
Investments	322,401	6,921	-	329,322	-	-	329,322
Customer accounts receivable, net of allowance (\$4,198)	145,981	-	-	145,981	37,543	401	183,925
Miscellaneous accounts receivable	17,721	19,670	(11,853)	25,538	775	-	26,313
Interest receivable	960	25	-	985	825	-	1,810
Inventories:							
Fuel inventory - Electric System	29,877	44,260	-	74,137	-	-	74,137
Fuel inventory - Plant Scherer	8,329	-	-	8,329	-	-	8,329
Materials and supplies - Water and Sewer	-	-	-	-	44,166	-	44,166
Materials and supplies - Electric System	-	19,697	-	19,697	-	-	19,697
Materials and supplies - Plant Scherer	2,102	-	-	2,102	-	-	2,102
Total current assets	632,310	112,188	(11,853)	732,645	143,461	4,514	880,620
Noncurrent assets:							
Restricted assets:							
Cash and cash equivalents	37	33,106	-	33,143	12,761	3,416	49,320
Investments	293,179	214,379	-	507,558	313,734	-	821,292
Accounts and interest receivable	1,024	1,281	-	2,305	801	-	3,106
Total restricted assets	294,240	248,766	-	543,006	327,296	3,416	873,718
Costs to be recovered from future revenues	228,425	6,747	-	235,172	216,961	-	452,133
Investment in The Energy Authority	6,384	-	-	6,384	-	-	6,384
Other assets	9,659	-	-	9,659	7,045	-	16,704
Total noncurrent assets	538,708	255,513	-	794,221	551,302	3,416	1,348,939
Capital assets:							
Land and easements	95,177	6,660	-	101,837	59,288	3,051	164,176
Plant in service	5,142,008	1,347,433	-	6,489,441	4,192,310	53,662	10,735,413
Less accumulated depreciation	(2,623,151)	(831,055)	-	(3,454,206)	(1,836,358)	(21,052)	(5,311,616)
Plant in service, net	2,614,034	523,038	-	3,137,072	2,415,240	35,661	5,587,973
Construction work in progress	129,558	16,144	-	145,702	127,339	629	273,670
Capital assets, net	2,743,592	539,182	-	3,282,774	2,542,579	36,290	5,861,643
Total assets	3,914,610	906,883	(11,853)	4,809,640	3,237,342	44,220	8,091,202
Deferred outflows of resources							
Unamortized deferred losses on refundings	81,641	16,888	-	98,529	47,260	214	146,003
Accumulated decrease in fair value of interest hedging derivatives	135,571	-	-	135,571	32,296	-	167,867
Unrealized pension contributions and losses	48,712	4,115	-	52,827	31,143	-	83,970
Accumulated decrease in fair value of fuel hedging derivatives	2,904	-	-	2,904	-	-	2,904
Total deferred outflows of resources	268,828	21,003	-	289,831	110,699	214	400,744
Total assets and deferred outflows of resources	\$ 4,183,438	\$ 927,886	\$ (11,853)	\$ 5,099,471	\$ 3,348,041	\$ 44,434	\$ 8,491,946

**Combining Statement of Net Position
(in thousands - unaudited) May 2016**

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Liabilities							
Current liabilities:							
Accounts and accrued expenses payable	\$ 52,483	\$ 6,391	\$ (543)	\$ 58,331	\$ 12,152	\$ 6	\$ 70,489
Customer deposits	41,869	-	-	41,869	14,081	-	55,950
City of Jacksonville payable	7,643	-	-	7,643	2,017	-	9,660
Compensated absences due within one year	1,824	1,486	-	3,310	1,217	7	4,534
State utility taxes payable	2,332	-	-	2,332	-	-	2,332
Total current liabilities	106,151	7,877	(543)	113,485	29,467	13	142,965
Current liabilities payable from restricted assets:							
Debt due within one year	102,240	43,785	-	146,025	33,875	1,625	181,525
Renewal and replacement reserve	-	79,427	-	79,427	-	-	79,427
Interest payable	15,452	3,553	-	19,005	10,900	233	30,138
Construction contracts and accounts payable	5,298	13,083	(11,310)	7,071	5,236	52	12,359
Total current liabilities payable from restricted assets	122,990	139,848	(11,310)	251,528	50,011	1,910	303,449
Noncurrent liabilities:							
Net pension liability	246,724	4,163	-	250,887	157,743	-	408,630
Compensated absences due after one year	17,106	1,097	-	18,203	6,328	42	24,573
Environmental liabilities	18,662	-	-	18,662	-	-	18,662
Other liabilities	3,440	-	-	3,440	1,926	-	5,366
Total noncurrent liabilities	285,932	5,260	-	291,192	165,997	42	457,231
Long-term debt:							
Bonds and commercial paper payable, less current portion	2,369,215	450,215	-	2,819,430	1,612,640	38,125	4,470,195
Unamortized premium (discount), net	73,479	19,325	-	92,804	56,566	(45)	149,325
Fair value of debt management strategy instruments	135,571	-	-	135,571	32,296	-	167,867
Total long-term debt	2,578,265	469,540	-	3,047,805	1,701,502	38,080	4,787,387
Total liabilities	3,093,338	622,525	(11,853)	3,704,010	1,946,977	40,045	5,691,032
Deferred inflows of resources							
Revenues to be used for future costs	330,276	163,527	-	493,803	24,362	-	518,165
Unrealized pension gains	16,446	2,835	-	19,281	10,515	-	29,796
Total deferred inflows of resources	346,722	166,362	-	513,084	34,877	-	547,961
Net position							
Net investment in capital assets	308,118	8,130	-	316,248	1,120,583	(3,253)	1,433,578
Restricted	213,355	27,655	11,310	252,320	215,058	3,183	470,561
Unrestricted	221,905	103,214	(11,310)	313,809	30,546	4,459	348,814
Total net position	743,378	138,999	-	882,377	1,366,187	4,389	2,252,953
Total liabilities, deferred inflows of resources, and net position	\$ 4,183,438	\$ 927,886	\$ (11,853)	\$ 5,099,471	\$ 3,348,041	\$ 44,434	\$ 8,491,946

JEA
Schedule of Cash and Investments
(in thousands - unaudited) May 2017

	Electric System and Bulk Power Supply	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Unrestricted cash and investments						
Operations	\$ 70,427	\$ 22,903	\$ 93,330	\$ 39,420	\$ 1,699	\$ 134,449
Rate stabilization:						
Fuel	154,056	-	154,056	-	-	154,056
Debt management	29,884	-	29,884	20,290	2,737	52,911
Environmental	34,047	-	34,047	3,437	-	37,484
Purchased Power	28,985	-	28,985	-	-	28,985
DSM/Conservation	3,215	-	3,215	-	-	3,215
Total rate stabilization funds	250,187	-	250,187	23,727	2,737	276,651
Customer deposits	41,888	-	41,888	14,802	-	56,690
General reserve	-	22,750	22,750	-	-	22,750
Self insurance reserve funds:						
Self funded health plan	8,576	-	8,576	-	-	8,576
Property insurance reserve	10,000	-	10,000	-	-	10,000
Total self insurance reserve funds	18,576	-	18,576	-	-	18,576
Environmental liability reserve	18,556	-	18,556	-	-	18,556
Total unrestricted cash and investments	\$ 399,634	\$ 45,653	\$ 445,287	\$ 77,949	\$ 4,436	\$ 527,672
Restricted assets						
Renewal and replacement funds	\$ 156,465	\$ 79,572	\$ 236,037	\$ 194,083	\$ 1,213	\$ 431,333
Debt service reserve account	65,433	139,397	204,830	107,488	-	312,318
Debt service funds	95,716	28,002	123,718	44,560	1,324	169,602
Environmental funds	-	-	-	1,031	-	1,031
Construction funds	196	-	196	152	-	348
Subtotal	317,810	246,971	564,781	347,314	2,537	914,632
Unrealized holding gain (loss) on investments	106	(3,855)	(3,749)	1,937	-	(1,812)
Other funds	-	5,639	5,639	-	-	5,639
Total restricted cash and investments	\$ 317,916	\$ 248,755	\$ 566,671	\$ 349,251	\$ 2,537	\$ 918,459

JEA
Schedule of Cash and Investments
(in thousands - unaudited) May 2016

	Electric System and Bulk Power Supply	SJRPP System	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Total JEA
Unrestricted cash and investments						
Operations	\$ 73,317	\$ 10,714	\$ 84,031	\$ 21,709	\$ 1,376	\$ 107,116
Rate stabilization:						
Fuel	161,965	-	161,965	-	-	161,965
Debt management	42,126	-	42,126	20,290	2,737	65,153
Environmental	27,739	-	27,739	4,072	-	31,811
Purchased Power	36,457	-	36,457	-	-	36,457
DSM/Conservation	2,849	-	2,849	-	-	2,849
Total rate stabilization funds	271,136	-	271,136	24,362	2,737	298,235
Customer deposits	41,693	-	41,693	14,081	-	55,774
General reserve	-	17,822	17,822	-	-	17,822
Self insurance reserve funds:						
Self funded health plan	12,532	-	12,532	-	-	12,532
Property insurance reserve	10,000	-	10,000	-	-	10,000
Total self insurance reserve funds	22,532	-	22,532	-	-	22,532
Environmental liability reserve	18,662	-	18,662	-	-	18,662
Total unrestricted cash and investments	\$ 427,340	\$ 28,536	\$ 455,876	\$ 60,152	\$ 4,113	\$ 520,141
Restricted assets						
Renewal and replacement funds	\$ 141,239	\$ 79,326	\$ 220,565	\$ 179,090	\$ 2,100	\$ 401,755
Debt service reserve account	65,433	136,951	202,384	108,086	-	310,470
Debt service funds	82,415	29,597	112,012	33,127	1,316	146,455
Construction funds	-	-	-	681	-	681
Environmental funds	-	-	-	458	-	458
Subtotal	289,087	245,874	534,961	321,442	3,416	859,819
Unrealized holding gain (loss) on investments	4,092	(1,249)	2,843	5,053	-	7,896
Other funds	37	2,860	2,897	-	-	2,897
Total restricted cash and investments	\$ 293,216	\$ 247,485	\$ 540,701	\$ 326,495	\$ 3,416	\$ 870,612

JEA
Regulatory Accounting Balances
(in thousands - unaudited) May 2017

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DESCRIPTION	Electric System and Bulk Power	SJRPP System	Total Electric	Water and Sewer	Total JEA
	Supply System		Enterprise Fund	Enterprise Fund	
Unfunded pension costs	226,691	3,388	230,079	138,940	369,019
Water environmental projects	-	-	-	71,260	71,260
Scherer	11,063	-	11,063	-	11,063
Debt issue costs	2,613	3,386	5,999	235	6,234
Costs to be recovered from future revenues	240,367	6,774	247,141	210,435	457,576
SJRPP and Scherer	42,731	151,627	194,358	-	194,358
Fuel stabilization	154,056	-	154,056	-	154,056
Debt management stabilization	29,884	-	29,884	20,290	50,174
Environmental	34,047	-	34,047	3,436	37,483
Nonfuel purchased power	28,985	-	28,985	-	28,985
Self-insurance medical reserve	8,576	-	8,576	-	8,576
Customer benefit stabilization	3,215	-	3,215	-	3,215
Revenues to be used for future costs	301,494	151,627	453,121	\$ 23,726	476,847

JEA
Regulatory Accounting Balances
(in thousands - unaudited) May 2016

DESCRIPTION	Electric System and Bulk Power	SJRPP System	Total Electric	Water and Sewer	Total JEA
	Supply System		Enterprise Fund	Enterprise Fund	
Unfunded pension costs	214,133	2,883	217,016	136,905	353,921
Water environmental projects	-	-	-	79,811	79,811
Scherer	12,040	-	12,040	-	12,040
Debt issue costs	2,252	3,864	6,116	245	6,361
Costs to be recovered from future revenues	228,425	6,747	235,172	216,961	452,133
SJRPP and Scherer	46,608	163,527	210,135	-	210,135
Fuel stabilization	161,966	-	161,966	-	161,966
Debt management stabilization	42,126	-	42,126	20,290	62,416
Environmental	27,739	-	27,739	4,072	31,811
Nonfuel purchased power	36,457	-	36,457	-	36,457
Self-insurance medical reserve	12,532	-	12,532	-	12,532
Customer benefit stabilization	2,848	-	2,848	-	2,848
Revenues to be used for future costs	330,276	163,527	493,803	\$ 24,362	518,165

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

	Month		Year-To-Date	
	May		May	
	2017	2016	2017	2016
Operating revenues				
Electric - base	\$ 72,873	\$ 68,929	\$ 505,694	\$ 485,551
Electric - fuel and purchased power	53,365	39,148	345,632	303,688
Water and sewer	39,543	37,096	286,086	265,312
District energy system	697	713	5,448	5,328
Other	4,891	2,600	23,948	21,086
Total operating revenues	171,369	148,486	1,166,808	1,080,965
Operating expenses				
Operations and maintenance:				
Fuel	44,536	28,695	276,276	239,075
Purchased power	6,967	8,323	48,725	41,307
Maintenance and other operating expenses	35,220	32,575	250,166	250,327
Depreciation	33,185	31,274	255,172	253,335
State utility and franchise taxes	5,844	5,478	43,235	42,962
Recognition of deferred costs and revenues, net	(596)	(426)	(2,313)	(5,079)
Total operating expenses	125,156	105,919	871,261	821,927
Operating income	46,213	42,567	295,547	259,038
Nonoperating revenues (expenses)				
Interest on debt	(13,398)	(13,578)	(111,257)	(109,227)
Investment income	1,391	950	11,315	8,983
Debt management strategy	(1,292)	(1,499)	(11,092)	(12,845)
Net increase (decrease) in fair value of investments	-	-	(8,340)	1,996
Allowance for funds used during construction	901	810	7,780	5,513
Other nonoperating income, net	158	602	3,224	6,812
Earnings from The Energy Authority	522	926	4,543	2,881
Other interest, net	(6)	(6)	(309)	(303)
Total nonoperating expenses, net	(11,724)	(11,795)	(104,136)	(96,190)
Income before contributions	34,489	30,772	191,411	162,848
Contributions (to) from				
General Fund, City of Jacksonville, Florida	(9,651)	(9,515)	(77,215)	(91,125)
Developers and other	6,106	3,456	45,516	39,254
Reduction of plant cost through contributions	(3,924)	(1,278)	(30,093)	(24,933)
Total contributions	(7,469)	(7,337)	(61,792)	(76,804)
Change in net position	27,020	23,435	129,619	86,044
Net position, beginning of period	2,479,524	2,229,518	2,376,925	2,166,909
Net position, end of period	\$ 2,506,544	\$ 2,252,953	\$ 2,506,544	\$ 2,252,953

Combining Statement of Revenues, Expenses and Changes in Net Position
(in thousands - unaudited) for the month ended May 2017

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	\$ 73,155	\$ -	\$ -	\$ 73,155	\$ -	\$ -	\$ (282)	\$ 72,873
Electric - fuel and purchased power	41,774	27,103	(14,454)	54,423	-	-	(1,058)	53,365
Water and sewer	-	-	-	-	39,559	-	(16)	39,543
District energy system	-	-	-	-	-	697	-	697
Other	4,228	-	-	4,228	852	-	(189)	4,891
Total operating revenues	119,157	27,103	(14,454)	131,806	40,411	697	(1,545)	171,369
Operating expenses								
Operations and maintenance:								
Fuel	25,608	18,928	-	44,536	-	-	-	44,536
Purchased power	21,421	-	(14,454)	6,967	-	-	-	6,967
Maintenance and other operating expenses	20,306	3,475	-	23,781	12,656	328	(1,545)	35,220
Depreciation	17,657	3,563	-	21,220	11,766	199	-	33,185
State utility and franchise taxes	4,858	-	-	4,858	986	-	-	5,844
Recognition of deferred costs and revenues, net	(279)	(1,002)	-	(1,281)	685	-	-	(596)
Total operating expenses	89,571	24,964	(14,454)	100,081	26,093	527	(1,545)	125,156
Operating income	29,586	2,139	-	31,725	14,318	170	-	46,213
Nonoperating revenues (expenses)								
Interest on debt	(6,368)	(2,006)	-	(8,374)	(4,908)	(116)	-	(13,398)
Investment income	688	308	-	996	391	4	-	1,391
Debt management strategy	(1,058)	-	-	(1,058)	(234)	-	-	(1,292)
Allowance for funds used during construction	496	-	-	496	402	3	-	901
Other nonoperating income, net	367	32	-	399	(241)	-	-	158
Earnings from The Energy Authority	522	-	-	522	-	-	-	522
Other interest, net	(6)	-	-	(6)	-	-	-	(6)
Total nonoperating expenses, net	(5,359)	(1,666)	-	(7,025)	(4,590)	(109)	-	(11,724)
Income before contributions	24,227	473	-	24,700	9,728	61	-	34,489
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(7,689)	-	-	(7,689)	(1,962)	-	-	(9,651)
Developers and other	51	-	-	51	6,055	-	-	6,106
Reduction of plant cost through contributions	(51)	-	-	(51)	(3,873)	-	-	(3,924)
Total contributions	(7,689)	-	-	(7,689)	220	-	-	(7,469)
Change in net position	16,538	473	-	17,011	9,948	61	-	27,020
Net position, beginning of period	888,657	139,764	-	1,028,421	1,446,339	4,764	-	2,479,524
Net position, end of period	\$ 905,195	\$ 140,237	\$ -	\$ 1,045,432	\$ 1,456,287	\$ 4,825	\$ -	\$ 2,506,544

Combining Statement of Revenues, Expenses and Changes in Net Position
(in thousands - unaudited) for the month ended May 2016

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	\$ 69,220	\$ -	\$ -	\$ 69,220	\$ -	\$ -	\$ (291)	\$ 68,929
Electric - fuel and purchased power	31,627	17,189	(8,577)	40,239	-	-	(1,091)	39,148
Water and sewer	-	-	-	-	37,177	-	(81)	37,096
District energy system	-	-	-	-	-	713	-	713
Other	1,964	-	-	1,964	816	-	(180)	2,600
Total operating revenues	102,811	17,189	(8,577)	111,423	37,993	713	(1,643)	148,486
Operating expenses								
Operations and maintenance:								
Fuel	20,506	8,189	-	28,695	-	-	-	28,695
Purchased power	16,900	-	(8,577)	8,323	-	-	-	8,323
Maintenance and other operating expenses	19,550	3,960	-	23,510	10,356	352	(1,643)	32,575
Depreciation	15,671	3,563	-	19,234	11,849	191	-	31,274
State utility and franchise taxes	4,602	-	-	4,602	876	-	-	5,478
Recognition of deferred costs and revenues, net	(218)	(970)	-	(1,188)	762	-	-	(426)
Total operating expenses	77,011	14,742	(8,577)	83,176	23,843	543	(1,643)	105,919
Operating income	25,800	2,447	-	28,247	14,150	170	-	42,567
Nonoperating revenues (expenses)								
Interest on debt	(6,422)	(2,211)	-	(8,633)	(4,827)	(118)	-	(13,578)
Investment income	377	350	-	727	221	2	-	950
Debt management strategy	(1,197)	-	-	(1,197)	(302)	-	-	(1,499)
Allowance for funds used during construction	400	-	-	400	409	1	-	810
Other nonoperating income, net	357	34	-	391	211	-	-	602
Earnings from The Energy Authority	926	-	-	926	-	-	-	926
Other interest, net	(6)	-	-	(6)	-	-	-	(6)
Total nonoperating expenses, net	(5,565)	(1,827)	-	(7,392)	(4,288)	(115)	-	(11,795)
Income before contributions	20,235	620	-	20,855	9,862	55	-	30,772
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(7,643)	-	-	(7,643)	(1,872)	-	-	(9,515)
Developers and other	-	-	-	-	3,456	-	-	3,456
Reduction of plant cost through contributions	-	-	-	-	(1,278)	-	-	(1,278)
Total contributions	(7,643)	-	-	(7,643)	306	-	-	(7,337)
Change in net position	12,592	620	-	13,212	10,168	55	-	23,435
Net position, beginning of period	730,786	138,379	-	869,165	1,356,019	4,334	-	2,229,518
Net position, end of period	\$ 743,378	\$ 138,999	\$ -	\$ 882,377	\$ 1,366,187	\$ 4,389	\$ -	\$ 2,252,953

Combining Statement of Revenues, Expenses and Changes in Net Position
(in thousands - unaudited) for the eight months ended May 2017

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	\$ 507,923	\$ -	\$ -	\$ 507,923	\$ -	\$ -	\$ (2,229)	\$ 505,694
Electric - fuel and purchased power	272,633	169,225	(87,842)	354,016	-	-	(8,384)	345,632
Water and sewer	-	-	-	-	286,278	-	(192)	286,086
District energy system	-	-	-	-	-	5,448	-	5,448
Other	19,138	-	-	19,138	6,328	-	(1,518)	23,948
Total operating revenues	799,694	169,225	(87,842)	881,077	292,606	5,448	(12,323)	1,166,808
Operating expenses								
Operations and maintenance:								
Fuel	176,550	99,726	-	276,276	-	-	-	276,276
Purchased power	136,567	-	(87,842)	48,725	-	-	-	48,725
Maintenance and other operating expenses	137,919	32,047	-	169,966	89,803	2,720	(12,323)	250,166
Depreciation	130,248	28,503	-	158,751	94,850	1,571	-	255,172
State utility and franchise taxes	36,274	-	-	36,274	6,961	-	-	43,235
Recognition of deferred costs and revenues, net	(2,230)	(8,022)	-	(10,252)	7,939	-	-	(2,313)
Total operating expenses	615,328	152,254	(87,842)	679,740	199,553	4,291	(12,323)	871,261
Operating income	184,366	16,971	-	201,337	93,053	1,157	-	295,547
Nonoperating revenues (expenses)								
Interest on debt	(54,667)	(16,053)	-	(70,720)	(39,607)	(930)	-	(111,257)
Investment income	4,604	2,602	-	7,206	4,088	21	-	11,315
Debt management strategy	(8,869)	-	-	(8,869)	(2,223)	-	-	(11,092)
Net decrease in fair value of investments	(2,838)	(2,345)	-	(5,183)	(3,157)	-	-	(8,340)
Allowance for funds used during construction	4,475	-	-	4,475	3,296	9	-	7,780
Other nonoperating income, net	2,864	260	-	3,124	100	-	-	3,224
Earnings from The Energy Authority	4,543	-	-	4,543	-	-	-	4,543
Other interest, net	(277)	-	-	(277)	(32)	-	-	(309)
Total nonoperating expenses, net	(50,165)	(15,536)	-	(65,701)	(37,535)	(900)	-	(104,136)
Income before contributions	134,201	1,435	-	135,636	55,518	257	-	191,411
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(61,514)	-	-	(61,514)	(15,701)	-	-	(77,215)
Developers and other	842	-	-	842	44,674	-	-	45,516
Reduction of plant cost through contributions	(842)	-	-	(842)	(29,251)	-	-	(30,093)
Total contributions	(61,514)	-	-	(61,514)	(278)	-	-	(61,792)
Change in net position	72,687	1,435	-	74,122	55,240	257	-	129,619
Net position, beginning of year	832,508	138,802	-	971,310	1,401,047	4,568	-	2,376,925
Net position, end of period	\$ 905,195	\$ 140,237	\$ -	\$ 1,045,432	\$ 1,456,287	\$ 4,825	\$ -	\$ 2,506,544

Combining Statement of Revenues, Expenses and Changes in Net Position
(in thousands - unaudited) for the eight months ended May 2016

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating revenues								
Electric - base	\$ 487,621	\$ -	\$ -	\$ 487,621	\$ -	\$ -	\$ (2,070)	\$ 485,551
Electric - fuel and purchased power	236,380	146,345	(71,248)	311,477	-	-	(7,789)	303,688
Water and sewer	-	-	-	-	265,728	-	(416)	265,312
District energy	-	-	-	-	-	5,328	-	5,328
Other	16,208	-	-	16,208	6,320	-	(1,442)	21,086
Total operating revenues	740,209	146,345	(71,248)	815,306	272,048	5,328	(11,717)	1,080,965
Operating expenses								
Operations and maintenance:								
Fuel	159,879	79,196	-	239,075	-	-	-	239,075
Purchased power	112,555	-	(71,248)	41,307	-	-	-	41,307
Maintenance and other operating expenses	144,967	26,793	-	171,760	87,472	2,812	(11,717)	250,327
Depreciation	128,311	28,503	-	156,814	94,994	1,527	-	253,335
State utility and franchise taxes	36,320	-	-	36,320	6,642	-	-	42,962
Recognition of deferred costs and revenues, net	(1,744)	(7,868)	-	(9,612)	4,533	-	-	(5,079)
Total operating expenses	580,288	126,624	(71,248)	635,664	193,641	4,339	(11,717)	821,927
Operating income	159,921	19,721	-	179,642	78,407	989	-	259,038
Nonoperating revenues (expenses)								
Interest on debt	(51,853)	(17,691)	-	(69,544)	(38,742)	(941)	-	(109,227)
Investment income	4,178	2,657	-	6,835	2,134	14	-	8,983
Debt management strategy	(10,037)	-	-	(10,037)	(2,808)	-	-	(12,845)
Net increase in fair value of investments	858	44	-	902	1,094	-	-	1,996
Allowance for funds used during construction	2,714	-	-	2,714	2,789	10	-	5,513
Other nonoperating income, net	2,885	273	-	3,158	3,654	-	-	6,812
Earnings from The Energy Authority	2,881	-	-	2,881	-	-	-	2,881
Other interest, net	(257)	-	-	(257)	(46)	-	-	(303)
Total nonoperating expenses, net	(48,631)	(14,717)	-	(63,348)	(31,925)	(917)	-	(96,190)
Income before contributions	111,290	5,004	-	116,294	46,482	72	-	162,848
Contributions (to) from								
General Fund, City of Jacksonville, Florida	(73,147)	-	-	(73,147)	(17,978)	-	-	(91,125)
Developers and other	-	-	-	-	39,254	-	-	39,254
Reduction of plant cost through contributions	-	-	-	-	(24,933)	-	-	(24,933)
Total contributions	(73,147)	-	-	(73,147)	(3,657)	-	-	(76,804)
Change in net position	38,143	5,004	-	43,147	42,825	72	-	86,044
Net position, beginning of year	705,235	133,995	-	839,230	1,323,362	4,317	-	2,166,909
Net position, end of period	\$ 743,378	\$ 138,999	\$ -	\$ 882,377	\$ 1,366,187	\$ 4,389	\$ -	\$ 2,252,953

Statement of Cash Flows
(in thousands - unaudited)

	Year-To-Date	
	May	
	2017	2016
Operating activities		
Receipts from customers	\$ 1,141,376	\$ 1,122,499
Payments to suppliers	(482,805)	(474,711)
Payments to employees	(163,555)	(160,849)
Other operating activities	22,759	26,370
Net cash provided by operating activities	<u>517,775</u>	<u>513,309</u>
Noncapital and related financing activities		
Contribution to General Fund, City of Jacksonville, Florida	(77,091)	(90,810)
Build America Bonds subsidies	3,587	3,626
Payment from the City of Jacksonville, Florida	-	37
Net cash used in noncapital financing activities	<u>(73,504)</u>	<u>(87,147)</u>
Capital and related financing activities		
Repayment of debt principal	(181,525)	(187,500)
Defeasance of debt	(153,210)	-
Acquisition and construction of capital assets	(210,158)	(179,544)
Interest paid on debt	(183,778)	(188,526)
Proceeds from issuance of debt, net	90,405	3,000
Developer and other contributions	15,424	14,321
Other capital financing activities	(6,398)	845
Net cash used in capital and related financing activities	<u>(629,240)</u>	<u>(537,404)</u>
Investing activities		
Purchase of investments	(1,232,228)	(1,359,276)
Proceeds from sale and maturities of investments	1,110,564	1,062,020
Investment income	10,309	8,575
Distributions from The Energy Authority	4,518	3,988
Net cash used in investing activities	<u>(106,837)</u>	<u>(284,693)</u>
Net change in cash and cash equivalents	(291,806)	(395,935)
Cash and cash equivalents, beginning of year	596,923	636,074
Cash and cash equivalents, end of period	<u>\$ 305,117</u>	<u>\$ 240,139</u>
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 295,547	\$ 259,038
Adjustments:		
Depreciation and amortization	256,072	256,050
Recognition of deferred costs and revenues, net	(2,313)	(5,079)
Other nonoperating income, net	(1,105)	1,951
Changes in noncash assets and noncash liabilities:		
Accounts receivable	30,521	38,839
Accounts receivable, restricted	(83)	3,333
Inventories	(20,017)	(18,855)
Other assets	(2,206)	(1,452)
Accounts and expenses payable	4,910	(30,749)
Liabilities payable, restricted	(6,848)	(10,446)
Other noncurrent liabilities and deferred inflows	(36,703)	20,679
Net cash provided by operating activities	<u>\$ 517,775</u>	<u>\$ 513,309</u>
Noncash activity		
Contribution of capital assets from developers	\$ 30,093	\$ 24,933
Unrealized losses on fair value of investments, net	\$ (8,340)	\$ 1,996

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating activities								
Receipts from customers	\$ 778,181	\$ 164,050	\$ (81,511)	\$ 860,720	\$ 286,174	\$ 5,287	\$ (10,805)	\$ 1,141,376
Payments to suppliers	(385,290)	(128,747)	81,511	(432,526)	(60,083)	(2,519)	12,323	(482,805)
Payments to employees	(104,850)	(20,047)	-	(124,897)	(38,303)	(355)	-	(163,555)
Other operating activities	18,978	-	-	18,978	5,299	-	(1,518)	22,759
Net cash provided by operating activities	307,019	15,256	-	322,275	193,087	2,413	-	517,775
Noncapital and related financing activities								
Contribution to General Fund, City of Jacksonville, Florida	(61,468)	-	-	(61,468)	(15,623)	-	-	(77,091)
Build America Bonds subsidies	2,142	195	-	2,337	1,250	-	-	3,587
Net cash used in noncapital financing activities	(59,326)	195	-	(59,131)	(14,373)	-	-	(73,504)
Capital and related financing activities								
Repayment of debt principal	(102,240)	(43,785)	-	(146,025)	(33,875)	(1,625)	-	(181,525)
Defeasance of debt	(153,210)	-	-	(153,210)	-	-	-	(153,210)
Acquisition and construction of capital assets	(103,110)	-	-	(103,110)	(106,061)	(987)	-	(210,158)
Interest paid on debt	(95,407)	(20,227)	-	(115,634)	(66,754)	(1,390)	-	(183,778)
Proceeds from issuance of debt, net	90,405	-	-	90,405	-	-	-	90,405
Developer and other contributions	-	-	-	-	15,424	-	-	15,424
Other capital financing activities	(5,815)	-	-	(5,815)	(583)	-	-	(6,398)
Net cash used in capital and related financing activities	(369,377)	(64,012)	-	(433,389)	(191,849)	(4,002)	-	(629,240)
Investing activities								
Purchase of investments	(464,689)	(400,668)	-	(865,357)	(366,871)	-	-	(1,232,228)
Proceeds from sale and maturities of investments	426,853	392,839	-	819,692	290,872	-	-	1,110,564
Investment income	4,263	2,251	-	6,514	3,774	21	-	10,309
Distributions from The Energy Authority	4,518	-	-	4,518	-	-	-	4,518
Net cash provided by (used in) investing activities	(29,055)	(5,578)	-	(34,633)	(72,225)	21	-	(106,837)
Net change in cash and cash equivalents	(150,739)	(54,139)	-	(204,878)	(85,360)	(1,568)	-	(291,806)
Cash and cash equivalents, beginning of year	295,223	130,021	-	425,244	163,138	8,541	-	596,923
Cash and cash equivalents, end of period	\$ 144,484	\$ 75,882	\$ -	\$ 220,366	\$ 77,778	\$ 6,973	\$ -	\$ 305,117
Reconciliation of operating income to net cash provided by operating activities								
Operating income	\$ 184,366	\$ 16,971	\$ -	\$ 201,337	\$ 93,053	\$ 1,157	\$ -	\$ 295,547
Adjustments:								
Depreciation and amortization	130,248	28,503	-	158,751	95,750	1,571	-	256,072
Recognition of deferred costs and revenues, net	(2,230)	(8,022)	-	(10,252)	7,939	-	-	(2,313)
Other nonoperating income, net	12	-	-	12	(1,117)	-	-	(1,105)
Changes in noncash assets and noncash liabilities:								
Accounts receivable	37,568	(5,045)	-	32,523	(1,841)	(161)	-	30,521
Accounts receivable, restricted	(170)	-	-	(170)	87	-	-	(83)
Inventories	(67)	(17,641)	-	(17,708)	(2,309)	-	-	(20,017)
Other assets	(2,027)	-	-	(2,027)	(175)	(4)	-	(2,206)
Accounts and expenses payable	(1,452)	6,686	-	5,234	(214)	(110)	-	4,910
Liabilities payable, restricted	-	(6,848)	-	(6,848)	-	-	-	(6,848)
Other noncurrent liabilities and deferred inflows	(39,229)	652	-	(38,577)	1,914	(40)	-	(36,703)
Net cash provided by operating activities	\$ 307,019	\$ 15,256	\$ -	\$ 322,275	\$ 193,087	\$ 2,413	\$ -	\$ 517,775
Noncash activity								
Contribution of capital assets from developers	\$ 842	\$ -	\$ -	\$ 842	\$ 29,251	\$ -	\$ -	\$ 30,093
Unrealized losses on fair value of investments, net	\$ (2,838)	\$ (2,345)	\$ -	\$ (5,183)	\$ (3,157)	\$ -	\$ -	\$ (8,340)

	Electric System and Bulk Power Supply System	SJRPP System	Elimination of Intercompany transactions	Total Electric Enterprise Fund	Water and Sewer Enterprise Fund	District Energy System Fund	Eliminations	Total JEA
Operating activities								
Receipts from customers	\$ 778,166	\$ 147,196	\$ (65,420)	\$ 859,942	\$ 266,940	\$ 5,892	\$ (10,275)	\$ 1,122,499
Payments to suppliers	(364,641)	(131,517)	65,420	(430,738)	(53,179)	(2,511)	11,717	(474,711)
Payments to employees	(105,286)	(16,478)	-	(121,764)	(38,752)	(333)	-	(160,849)
Other operating activities	17,894	-	-	17,894	9,918	-	(1,442)	26,370
Net cash provided by operating activities	326,133	(799)	-	325,334	184,927	3,048	-	513,309
Noncapital and related financing activities								
Contribution to General Fund, City of Jacksonville, Florida	(73,013)	-	-	(73,013)	(17,797)	-	-	(90,810)
Build America Bonds subsidies	2,170	205	-	2,375	1,251	-	-	3,626
Payment from the City of Jacksonville, Florida	37	-	-	37	-	-	-	37
Net cash used in noncapital financing activities	(70,806)	205	-	(70,601)	(16,546)	-	-	(87,147)
Capital and related financing activities								
Repayment of debt principal	(98,765)	(50,945)	-	(149,710)	(36,180)	(1,610)	-	(187,500)
Acquisition and construction of capital assets	(94,532)	-	-	(94,532)	(84,219)	(793)	-	(179,544)
Interest paid on debt	(98,054)	(22,094)	-	(120,148)	(66,974)	(1,404)	-	(188,526)
Proceeds from issuance of debt, net	-	-	-	-	3,000	-	-	3,000
Developer and other contributions	-	-	-	-	14,321	-	-	14,321
Other capital financing activities	519	-	-	519	326	-	-	845
Net cash used in capital and related financing activities	(290,832)	(73,039)	-	(363,871)	(169,726)	(3,807)	-	(537,404)
Investing activities								
Purchase of investments	(736,877)	(292,748)	-	(1,029,625)	(329,651)	-	-	(1,359,276)
Proceeds from sale and maturities of investments	553,085	278,795	-	831,880	230,140	-	-	1,062,020
Investment income	4,206	2,389	-	6,595	1,966	14	-	8,575
Distributions from The Energy Authority	3,988	-	-	3,988	-	-	-	3,988
Net cash provided by (used in) investing activities	(175,598)	(11,564)	-	(187,162)	(97,545)	14	-	(284,693)
Net change in cash and cash equivalents	(211,103)	(85,197)	-	(296,300)	(98,890)	(745)	-	(395,935)
Cash and cash equivalents, beginning of year	316,079	139,918	-	455,997	171,803	8,274	-	636,074
Cash and cash equivalents, end of period	\$ 104,976	\$ 54,721	\$ -	\$ 159,697	\$ 72,913	\$ 7,529	\$ -	\$ 240,139
Reconciliation of operating income to net cash provided by (used in) operating activities								
Operating income	\$ 159,921	\$ 19,721	\$ -	\$ 179,642	\$ 78,407	\$ 989	\$ -	\$ 259,038
Adjustments:								
Depreciation and amortization	128,311	28,503	-	156,814	97,709	1,527	-	256,050
Recognition of deferred costs and revenues, net	(1,744)	(7,868)	-	(9,612)	4,533	-	-	(5,079)
Other nonoperating income, net	(36)	-	-	(36)	1,987	-	-	1,951
Changes in noncash assets and noncash liabilities:								
Accounts receivable	40,215	919	-	41,134	(2,859)	564	-	38,839
Accounts receivable, restricted	1,722	-	-	1,722	1,611	-	-	3,333
Inventories	(1,904)	(15,552)	-	(17,456)	(1,399)	-	-	(18,855)
Other assets	(1,265)	-	-	(1,265)	(187)	-	-	(1,452)
Accounts and expenses payable	(17,351)	(15,844)	-	(33,195)	2,463	(17)	-	(30,749)
Liabilities payable, restricted	-	(10,446)	-	(10,446)	-	-	-	(10,446)
Other noncurrent liabilities and deferred inflows	18,264	(232)	-	18,032	2,662	(15)	-	20,679
Net cash provided by operating activities	\$ 326,133	\$ (799)	\$ -	\$ 325,334	\$ 184,927	\$ 3,048	\$ -	\$ 513,309
Noncash activity								
Contribution of capital assets from developers	\$ -	\$ -	\$ -	\$ -	\$ 24,933	\$ -	\$ -	\$ 24,933
Unrealized losses on fair value of investments, net	\$ 858	\$ 44	\$ -	\$ 902	\$ 1,094	\$ -	\$ -	\$ 1,996

Electric System and Plant Scherer

Changes in Debt Service, R & R and Construction Funds

(in thousands - unaudited) for the eight months ended May 2017 and May 2016

	May 2017			May 2016		
	Debt service funds	Renewal and replacement funds	Construction funds	Debt service funds	Renewal and replacement funds	Construction funds
Beginning balance	\$ 210,066	\$ 193,947	\$ -	\$ 211,749	\$ 148,458	\$ 4
Additions:						
Debt issuance:						
Bonds	-	-	430	-	105	-
Transfer from:						
Revenue fund	136,168	104,465	-	122,877	84,667	-
R & R fund	-	-	-	-	-	2
Proceeds from property sales	-	283	-	-	535	-
Total additions	136,168	104,748	430	122,877	85,307	2
Deductions:						
Interest/principal payments from sinking fund:	185,085	-	-	182,764	-	-
Increase in utility plant	-	96,006	-	-	80,318	2
Decrease in accounts payable	-	7,086	-	-	11,182	4
Transfer to:						
Revenue fund	-	37,200	-	4,014	-	-
Construction fund	-	-	-	-	2	-
Debt issue costs and discounts	-	-	234	-	-	-
Total deductions	185,085	140,292	234	186,778	91,502	6
Ending balance	\$ 161,149	\$ 158,403	\$ 196	\$ 147,848	\$ 142,263	\$ -
Renewal and replacement fund:						
Cash & investments		\$ 156,465			\$ 141,239	
Accounts / notes receivable:						
Accounts receivable		1,890			922	
Street light & other customer loans		48			102	
		<u>\$ 158,403</u>			<u>\$ 142,263</u>	
Construction fund:						
Generation projects			\$ 157			\$ -
T&D and other capital projects			39			-
			<u>\$ 196</u>			<u>\$ -</u>

JEA
Water and Sewer System
Changes in Debt Service, R & R and Construction Funds
(in thousands - unaudited) for the eight months ended May 2017 and May 2016

	May 2017				May 2016			
	Debt service funds	Renewal and replacement funds	Construction funds	Environmental funds	Debt service funds	Renewal and replacement funds	Construction funds	Environmental funds
Beginning balance	\$ 173,496	\$ 179,513	\$ 152	\$ 2,659	\$ 176,569	\$ 149,130	\$ 664	\$ -
Additions:								
Debt issuance:								
Bonds	-	-	-	-	-	70	-	-
Transfer from:								
Revenue fund	76,437	96,592	-	-	64,431	94,095	-	-
Proceeds from property sales	-	(134)	-	-	-	326	-	-
Contribution in aid of construction	-	15,424	-	-	-	14,321	-	-
Increase in accounts payable	-	-	-	-	-	-	-	458
Total additions	<u>76,437</u>	<u>111,882</u>	<u>-</u>	<u>-</u>	<u>64,431</u>	<u>108,812</u>	<u>-</u>	<u>458</u>
Deductions:								
Increase in utility plant	-	82,355	-	-	-	65,641	(42)	-
Interest/principal payments from sinking fund:	97,287	-	-	-	99,023	-	-	-
Transfer to:								
Revenue fund	598	-	-	-	764	-	-	-
Decrease in accounts payable	-	14,945	-	1,628	-	13,170	25	-
Total deductions	<u>97,885</u>	<u>97,300</u>	<u>-</u>	<u>1,628</u>	<u>99,787</u>	<u>78,811</u>	<u>(17)</u>	<u>-</u>
Ending balance	<u>\$ 152,048</u>	<u>\$ 194,095</u>	<u>\$ 152</u>	<u>\$ 1,031</u>	<u>\$ 141,213</u>	<u>\$ 179,131</u>	<u>\$ 681</u>	<u>\$ 458</u>

Recap:

Renewal and replacement fund:

Cash & investments

\$ 194,083

\$ 179,090

Accounts / notes receivable:

Accounts receivable

-

21

Notes receivable

12

20

\$ 194,095

\$ 179,131

Construction fund:

Project funds

\$ 152

\$ 681

\$ 152

\$ 681

Environmental fund

Cash & investments

\$ 1,031

\$ 458

\$ 1,031

\$ 458

Electric System	Month				Prior Year Month	
	ANNUAL BUDGET 2016-17	BUDGET 2016-17	ACTUAL 2016-17	Variance %	ACTUAL 2015-16	Variance %
Budget vs. Actual May 2017 and 2016						
Fuel Related Revenues & Expenses						
Fuel Rate Revenues	\$ 472,264,680	\$ 40,394,000	\$ 34,992,362	-13.37%	\$ 39,709,893	-11.88%
Fuel Expense and Purchased Power:						
Fuel Expense - Electric System	274,434,887	20,778,959	22,620,648		18,908,103	
Fuel Expense - SJRPP	95,027,760	9,803,000	11,305,896		4,845,773	
Other Purchased Power	64,152,465	5,462,863	7,154,105		7,224,745	
Subtotal Energy Expense	433,615,112	36,044,822	41,080,649	-13.97%	30,978,621	-32.61%
Transfer to (from) Rate Stabilization, Net	37,705,038	-	(6,092,556)		8,667,702	
Fuel Related Uncollectibles	944,530	78,711	4,269		63,570	
Total	472,264,680	36,123,533	34,992,362	3.13%	39,709,893	11.88%
Fuel Balance	-	4,270,467	-		-	
Nonfuel Related Revenues						
Base Rate Revenues	762,971,975	65,258,934	67,524,128		64,060,962	
Conservation Charge Revenue	1,000,000	85,525	37,141		30,717	
Environmental Charge Revenue	7,942,200	679,317	664,760		668,590	
Investment Income	4,631,588	385,966	683,642		374,089	
Natural Gas Revenue Pass Through	7,188,723	599,060	36,459		15,377	
Other Revenues	86,824,233	2,497,215	4,534,837		2,276,354	
Total	870,558,719	69,506,017	73,480,967	5.72%	67,426,089	8.98%
Nonfuel Related Expenses						
Non-Fuel O&M	213,238,053	15,246,922	16,976,205		15,151,821	
DSM / Conservation O&M	8,081,200	712,530	433,330		552,691	
Environmental O&M	2,077,500	173,125	2,858		173,273	
Rate Stabilization - DSM	(571,200)	(47,600)	101,860		(45,550)	
Rate Stabilization - Environmental	5,864,700	488,725	661,902		495,317	
Natural Gas Expense Pass Through	6,880,298	577,551	44,399		28,903	
Debt Principal - Electric System	89,955,000	7,496,250	12,775,325		8,016,250	
Debt Interest - Electric System	100,943,917	8,411,993	7,661,157		8,074,579	
Bond Buy-Back Principal - Electric System	95,807,360	-	-		-	
R&R - Electric System	62,198,300	5,183,192	5,183,192		5,197,867	
Operating Capital Outlay	107,801,700	16,000,000	16,000,000		-	
City Contribution Expense	92,270,692	7,689,224	7,689,224		7,643,348	
Taxes & Uncollectibles	1,749,583	145,799	25,538		117,952	
Emergency Reserve	867,320	-	-		-	
<i>Nonfuel Purchased Power:</i>						
* SJRPP D/S Principal	26,496,875	2,208,073	2,208,073		2,331,563	
* SJRPP D/S Interest	16,193,308	1,349,442	1,317,009		1,430,297	
** Other Non-Fuel Purchased Power	40,704,113	3,392,010	3,175,512		4,845,481	
Total Nonfuel Expenses	870,558,719	69,027,236	74,255,584	-7.57%	54,013,792	-37.48%
Non-Fuel Balance	-	478,781	(774,617)		13,412,297	
Total Balance	-	4,749,248	(774,617)		13,412,297	
Total Revenues	1,342,823,399	109,900,017	108,473,329	-1.30%	107,135,982	1.25%
Total Expenses	1,342,823,399	105,150,769	109,247,946	-3.90%	93,723,685	-16.56%
KWH Sold - Territorial	13,020,000,000	1,113,633,691	1,084,831,000	-2.59%	1,089,555,000	-0.43%
KWH Sold - Off System	-	-	17,020,000		26,895,000	
	13,020,000,000	1,113,633,691	1,101,851,000	-1.06%	1,116,450,000	-1.31%

* Gross debt service

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

Electric System	Year-To-Date				Prior Year-To-Date	
	ANNUAL BUDGET 2016-17	BUDGET 2016-17	ACTUAL 2016-17	Variance %	ACTUAL 2015-16	Variance %
Budget vs. Actual May 2017 and 2016						
Fuel Related Revenues & Expenses						
Fuel Rate Revenues	\$ 472,264,680	\$ 291,759,670	\$ 242,553,459	-16.87%	\$ 246,863,275	-1.75%
Fuel Expense and Purchased Power:						
Fuel Expense - Electric System	274,434,887	177,893,201	152,069,855		143,551,068	
Fuel Expense - SJRPP	95,027,760	55,384,360	60,222,672		44,381,527	
Other Purchased Power	64,152,465	34,286,533	56,306,308		47,272,159	
Subtotal Energy Expense	433,615,112	267,564,094	268,598,835	-0.39%	235,204,754	-14.20%
Transfer to (from) Rate Stabilization, Net	37,705,038	-	(26,059,154)		11,222,587	
Fuel Related Uncollectibles	944,530	629,686	13,778		435,934	
Total	472,264,680	268,193,780	242,553,459	9.56%	246,863,275	1.75%
Fuel Balance	-	23,565,890	-		-	
Nonfuel Related Revenues						
Base Rate Revenues	762,971,975	471,355,283	453,961,185		450,761,588	
Conservation Charge Revenue	1,000,000	617,765	223,090		292,402	
Environmental Charge Revenue	7,942,200	4,906,599	4,502,973		4,674,483	
Investment Income	4,631,588	3,087,725	4,581,700		4,148,455	
Natural Gas Revenue Pass Through	7,188,723	4,792,482	326,031		106,066	
Other Revenues	86,824,233	76,835,374	83,109,766		18,751,429	
Total	870,558,719	561,595,228	546,704,745	-2.65%	478,734,423	14.20%
Nonfuel Related Expenses						
Non-Fuel O&M	213,238,053	143,496,083	120,887,637		119,387,366	
DSM / Conservation O&M	8,081,200	5,418,743	4,165,668		4,116,279	
Environmental O&M	2,077,500	1,385,000	430,652		365,725	
Rate Stabilization - DSM	(571,200)	(380,800)	(300,094)		(37,894)	
Rate Stabilization - Environmental	5,864,700	3,909,800	4,072,321		4,308,757	
Natural Gas Expense Pass Through	6,880,298	4,590,219	409,055		210,246	
Debt Principal - Electric System	89,955,000	59,970,000	78,798,700		64,130,000	
Debt Interest - Electric System	100,943,917	67,295,945	63,392,492		65,536,182	
Bond Buy-Back Principal - Electric System	95,807,360	56,857,658	69,099,658		-	
Rate Stabilization - Debt Management	-	-	(12,242,000)		-	
R&R - Electric System	62,198,300	41,465,533	41,465,533		41,582,933	
Operating Capital Outlay	107,801,700	63,000,000	63,000,000		43,084,420	
City Contribution Expense	92,270,692	61,513,795	61,513,795		61,146,788	
Taxes & Uncollectibles	1,749,583	1,166,389	174,088		950,451	
Interlocal Agreements	-	-	-		12,000,000	
Emergency Reserve	867,320	-	-		-	
<i>Nonfuel Purchased Power:</i>						
* SJRPP D/S Principal	26,496,875	17,664,583	17,664,593		18,652,500	
* SJRPP D/S Interest	16,193,308	10,795,539	10,536,073		11,398,708	
** Other Non-Fuel Purchased Power	40,704,113	27,136,075	23,421,505		29,183,784	
Total Nonfuel Expenses	870,558,719	565,284,562	546,489,676	3.32%	476,016,245	-14.80%
Non-Fuel Balance	-	(3,689,334)	215,069		2,718,178	
Total Balance	-	19,876,556	215,069		2,718,178	
Total Revenues	1,342,823,399	853,354,898	789,258,204	-7.51%	725,597,698	8.77%
Total Expenses	1,342,823,399	833,478,342	789,043,135	5.33%	722,879,520	-9.15%
KWH Sold - Territorial	13,020,000,000	8,043,605,506	7,344,467,342	-8.69%	7,627,158,000	-3.71%
KWH Sold - Off System	-	-	119,514,000		45,589,000	
	13,020,000,000	8,043,605,506	7,463,981,342	-7.21%	7,672,747,000	-2.72%

* Gross debt service

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

Water and Sewer System

Budget vs. Actual May 2017 and 2016	Month				Prior Year Month	
	ANNUAL BUDGET 2016-17	BUDGET 2016-17	ACTUAL 2016-17	Variance %	ACTUAL 2015-16	Variance %
REVENUES						
Water & Sewer Revenues	\$ 405,586,412	\$ 36,568,964	\$ 39,517,689		\$ 36,876,533	
Capacity & Extension Fees	19,000,000	1,583,333	2,168,313		2,178,616	
Capital Contributions	-	-	14,879		-	
Investment Income	3,152,787	262,732	383,129		217,493	
Other Income	11,638,859	672,989	617,991		1,030,238	
Total	439,378,058	39,088,018	42,702,001	9.25%	40,302,880	5.95%
EXPENSES						
O & M Expenses	144,148,527	11,420,402	12,352,054		10,147,933	
Debt Principal - Water & Sewer	51,020,000	4,251,667	4,251,667		2,822,916	
Debt Interest - Water & Sewer	71,552,849	5,962,737	5,595,861		5,616,329	
Rate Stabilization - Environmental	-	-	895,754		502,246	
R&R - Water & Sewer	22,766,900	1,897,242	1,897,242		1,735,450	
Operating Capital Outlay	92,347,055	12,712,602	12,712,602		13,712,602	
Operating Capital Outlay - Capacity/Extension	19,000,000	1,583,333	2,168,313		2,178,616	
Operating Capital Outlay - Contributions	-	-	14,879		-	
Operating Capital Outlay - Environmental	12,858,706	1,071,559	684,375		778,703	
City Contribution Expense	23,552,258	1,962,688	1,962,688		1,872,280	
Uncollectibles & Fees	844,390	70,366	49,303		57,000	
Interlocal Agreements	287,373	-	-		-	
Emergency Reserve	1,000,000	-	-		-	
Total Expenses	439,378,058	40,932,596	42,584,738	-4.04%	39,424,075	-8.02%
Total Balance	\$ -	\$ (1,844,578)	\$ 117,263		\$ 878,805	
Sales kgals						
Water	36,750,000	3,569,157	3,735,864	4.67%	3,523,068	6.04%
Sewer	27,867,000	2,636,279	2,854,361	8.27%	2,625,700	8.71%
Total	64,617,000	6,205,436	6,590,225	6.20%	6,148,768	7.18%

Budget vs. Actual May 2017 and 2016	Year-To-Date				Prior Year to Date	
	ANNUAL BUDGET 2016-17	BUDGET 2016-17	ACTUAL 2016-17	Variance %	ACTUAL 2015-16	Variance %
REVENUES						
Water & Sewer Revenues	\$ 405,586,412	\$ 266,081,907	\$ 281,165,296		\$ 263,589,828	
Capacity & Extension Fees	19,000,000	12,666,667	15,403,694		13,942,329	
Capital Contributions	-	-	19,839		378,795	
Investment Income	3,152,787	2,101,858	4,056,293		2,106,067	
Other Income	11,638,859	7,972,403	7,572,113		10,039,543	
Total	439,378,058	288,822,835	308,217,235	6.71%	290,056,562	6.26%
EXPENSES						
O & M Expenses	144,148,527	95,031,781	88,914,554		84,391,931	
Debt Principal - Water & Sewer	51,020,000	34,013,333	34,013,333		22,583,331	
Debt Interest - Water & Sewer	71,552,849	47,701,900	45,464,314		45,451,746	
Rate Stabilization - Environmental	-	-	1,737,753		3,754,343	
R&R - Water & Sewer	22,766,900	15,177,933	15,177,933		13,883,600	
Operating Capital Outlay	92,347,055	81,327,955	81,327,955		80,122,952	
Operating Capital Outlay - Capacity/Extension	19,000,000	12,666,667	15,403,694		13,942,329	
Operating Capital Outlay - Contributions	-	-	19,839		378,795	
Operating Capital Outlay - Environmental	12,858,706	8,572,471	7,938,571		4,620,912	
City Contribution Expense	23,552,258	15,701,505	15,701,505		14,978,238	
Uncollectibles & Fees	844,390	562,927	106,026		432,847	
Interlocal Agreements	287,373	287,373	287,373		3,000,000	
Emergency Reserve	1,000,000	-	-		-	
Total Expenses	439,378,058	311,043,845	306,092,850	1.59%	287,541,024	-6.45%
Total Balance	\$ -	\$ (22,221,010)	\$ 2,124,385		\$ 2,515,538	
Sales kgals						
Water	36,750,000	23,747,968	24,892,128	4.82%	22,787,521	9.24%
Sewer	27,867,000	17,987,486	19,983,365	11.10%	18,172,230	9.97%
Total	64,617,000	41,735,454	44,875,493	7.52%	40,959,751	9.56%

Budget vs. Actual May 2017 and 2016	Month				Prior Year Month	
	ANNUAL BUDGET 2016-17	BUDGET 2016-17	ACTUAL 2016-17	Variance %	ACTUAL 2015-16	Variance %
REVENUES						
Revenues	\$ 9,247,921	\$ 701,157	\$ 697,782		\$ 713,156	
Investment Income	-	-	3,919		1,740	
Total	9,247,921	701,157	701,701	0.08%	714,896	-1.85%
EXPENSES						
O & M Expenses	5,252,918	419,200	351,127		350,964	
Debt Principal - DES	1,640,000	136,667	136,667		135,417	
Debt Interest - DES	1,382,454	115,205	115,204		116,582	
R&R - DES	437,650	36,471	36,471		36,596	
Operating Capital Outlay	534,899	-	-		-	
Total Expenses	9,247,921	707,543	639,469	9.62%	639,559	0.01%
Total Balance	\$ -	\$ (6,386)	\$ 62,232		\$ 75,337	

Budget vs. Actual May 2017 and 2016	Year-To-Date				Prior-Year-To-Date	
	ANNUAL BUDGET 2016-17	BUDGET 2016-17	ACTUAL 2016-17	Variance %	ACTUAL 2015-16	Variance %
REVENUES						
Revenues	\$ 9,247,921	\$ 5,625,750	\$ 5,448,323		\$ 5,327,905	
Investment Income	-	-	20,879		14,175	
Total	9,247,921	5,625,750	5,469,202	-2.78%	5,342,080	2.38%
EXPENSES						
O & M Expenses	5,252,918	3,051,724	2,735,705		2,823,951	
Debt Principal - DES	1,640,000	1,093,333	1,093,333		1,083,333	
Debt Interest - DES	1,382,454	921,636	921,636		932,653	
R&R - DES	437,650	291,767	291,767		292,767	
Operating Capital Outlay	534,899	-	-		-	
Total Expenses	9,247,921	5,358,460	5,042,441	5.90%	5,132,704	1.76%
Total Balance	\$ -	\$ 267,290	\$ 426,761		\$ 209,376	

Electric System
Schedule of Debt Service Coverage
(in thousands - unaudited)

	Month		Year-to-Date	
	May		May	
	2017	2016	2017	2016
Revenues				
Electric	\$ 108,650	\$ 109,450	\$ 740,612	\$ 737,951
Investment income (1)	567	277	3,662	2,061
Earnings from The Energy Authority	522	926	4,543	2,881
Other, net (2)	4,236	1,959	19,144	16,200
Plus: amount paid from the rate stabilization fund into the revenue fund	7,476	1,067	50,727	62,267
Less: amount paid from the revenue fund into the rate stabilization fund	(1,197)	(9,670)	(10,783)	(76,217)
Total revenues	120,254	104,009	807,905	745,143
Operating expenses (3)				
Fuel	22,621	18,919	152,070	143,562
Purchased power (4)	27,317	22,753	180,443	156,440
Other operation and maintenance	18,244	16,208	125,287	124,863
State utility taxes and franchise fees	4,760	4,513	35,497	35,537
Total operating expenses	72,942	62,393	493,297	460,402
Net revenues	\$ 47,312	\$ 41,616	\$ 314,608	\$ 284,741
Debt service	\$ 5,974	\$ 6,674	\$ 47,668	\$ 52,556
Less: investment income on sinking fund	(121)	(100)	(942)	(2,117)
Less: Build America Bonds subsidy	(127)	(126)	(1,011)	(1,012)
Debt service requirement	\$ 5,726	\$ 6,448	\$ 45,715	\$ 49,427
Senior debt service coverage (5), (min 1.20x)	8.26 x	6.45 x	6.88 x	5.76 x
Net revenues (from above)	\$ 47,312	\$ 41,616	\$ 314,608	\$ 284,741
Debt service requirement (from above)	\$ 5,726	\$ 6,448	\$ 45,715	\$ 49,427
Plus: aggregate subordinated debt service on outstanding subordinated bonds	13,399	8,220	84,283	65,504
Less: Build American Bonds subsidy	(173)	(174)	(1,380)	(1,390)
Total debt service requirement and aggregate subordinated debt service	\$ 18,952	\$ 14,494	\$ 128,618	\$ 113,541
Senior and subordinated debt service coverage (6), (min 1.15x)	2.50 x	2.87 x	2.45 x	2.51 x
Fixed charge coverage (7)	1.89 x	2.02 x	1.76 x	1.67 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 the 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 Systems are reflected as a purchased power expense on these schedules. These schedules do not include revenues of the 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. Minimum annual coverage is 1.20x.

(6) Net revenues divided by total debt service requirement and aggregate subordinated debt service. Minimum annual coverage is 1.15x.

(7) Net revenues plus JEA's share of SJRPP's and Bulk Power Supply System's debt service less city contribution divided by the sum of the adjusted debt service requirement and JEA's share of SJRPP's and Bulk Power Supply System's debt service.

JEA

Bulk Power Supply System
Schedule of Debt Service Coverage
(in thousands - unaudited)

	Month		Year-to-Date	
	May		May	
	2017	2016	2017	2016
Revenues				
JEA	\$ 5,896	\$ 5,853	\$ 43,876	\$ 43,884
Investment Income	9	10	85	85
Total revenues	5,905	5,863	43,961	43,969
Operating expenses (1)				
Fuel	2,987	1,587	24,480	16,317
Other operations and maintenance	1,220	2,418	9,813	13,473
Total operating expenses	4,207	4,005	34,293	29,790
Net revenues	\$ 1,698	\$ 1,858	\$ 9,668	\$ 14,179
Aggregate debt service	\$ 807	\$ 897	\$ 6,453	\$ 7,172
Less: Build America Bonds subsidy	(58)	(61)	(466)	(491)
Aggregate debt service	\$ 749	\$ 836	\$ 5,987	\$ 6,681
Debt service coverage (2)	2.27 x	2.22 x	1.61 x	2.12 x

(1) Excludes all current expenses paid or accrued to the extent that such expenses are to be paid from revenues.

(2) Net revenues divided by aggregate debt service. Minimum annual coverage is 1.15x.

**St. Johns River Power Park System
Schedule of Debt Service Coverage - 1st Resolution
(in thousands - unaudited)**

	Month May		Year-to-Date May	
	2017	2016	2017	2016
Revenues				
JEA	\$ 13,408	\$ 7,530	\$ 82,677	\$ 66,246
FPL	12,649	8,612	81,383	75,097
Investment income	292	335	2,443	2,528
Total revenues	26,349	16,477	166,503	143,871
Operating expenses (1)				
Fuel	18,929	8,189	99,726	79,196
Other operations and maintenance	2,980	3,417	28,086	22,449
Total operating expenses	21,909	11,606	127,812	101,645
Net revenues	\$ 4,440	\$ 4,871	\$ 38,691	\$ 42,226
Aggregate debt service	\$ 3,960	\$ 4,345	\$ 31,680	\$ 34,750
Debt service coverage (2)	1.12 x	1.12 x	1.22 x	1.22 x

(1) Excludes depreciation and recognition of deferred costs and revenues, net

(2) Net revenues divided by aggregate debt service. Semiannual minimum coverage is 1.25x.

**St. Johns River Power Park System
Schedule of Debt Service Coverage - 2nd Resolution
(in thousands - unaudited)**

	Month May		Year-to-Date May	
	2017	2016	2017	2016
Revenues				
JEA	\$ 1,047	\$ 1,047	\$ 9,379	\$ 9,349
Investment income	15	15	159	129
Total revenues	1,062	1,062	9,538	9,478
Operating expenses	-	-	-	-
Net revenues	\$ 1,062	\$ 1,062	\$ 9,538	\$ 9,478
Aggregate debt service	\$ 1,079	\$ 1,081	\$ 8,634	\$ 8,605
Less: Build America Bonds subsidy	(32)	(34)	(260)	(274)
Aggregate debt service	\$ 1,047	\$ 1,047	\$ 8,374	\$ 8,331
Debt service coverage (1)	1.01 x	1.01 x	1.14 x	1.14 x

(1) Effective July 14, 2014, the St. Johns River Power Park System Second Revenue Bond Resolution was amended to exclude from revenues the subsidy related to Build America Bonds.

(2) Excludes all current expenses paid or accrued to the extent that such expenses are to be paid from revenues under the 1st resolution

(3) Effective July 14, 2014, the St. Johns River Power Park System Second Revenue Bond Resolution was amended to exclude from interest in aggregate debt service the subsidy related to Build America Bonds.

(4) Net revenues divided by aggregate debt service. Semiannual minimum coverage is 1.15x.

(5) Had the Build America Bonds subsidy not been excluded from revenues and not been excluded from interest in aggregate debt service, current year-to-date debt service coverage would have been 1.15x.

**Water and Sewer
Schedule of Debt Service Coverage
(in thousands - unaudited)**

	Month May		Year-to-Date May	
	2017	2016	2017	2016
Revenues				
Water	\$ 17,045	\$ 15,698	\$ 116,892	\$ 108,190
Water capacity fees (1)	818	740	5,523	4,957
Sewer	23,409	21,998	171,123	161,610
Sewer capacity fees (1)	1,350	1,438	9,881	8,985
Investment Income	391	221	4,088	2,134
Other (2)	852	818	6,328	8,344
Plus: amounts paid from the rate stabilization fund into the revenue fund	1,455	1,498	14,137	10,486
Less: amounts paid from the revenue fund into the rate stabilization fund	(2,350)	(2,017)	(15,874)	(14,558)
Total revenues	42,970	40,394	312,098	290,148
Operating expenses				
Operations and maintenance (3)	13,642	11,232	96,764	94,114
Total operating expenses	13,642	11,232	96,764	94,114
Net revenues	\$ 29,328	\$ 29,162	\$ 215,334	\$ 196,034
Aggregate debt service	\$ 8,150	\$ 7,127	\$ 65,099	\$ 56,772
Less: Build America Bonds subsidy	(208)	(209)	(1,666)	(1,668)
Aggregate debt service	\$ 7,942	\$ 6,918	\$ 63,433	\$ 55,104
Senior debt service coverage (4), (min 1.25x)	3.69 x	4.22 x	3.39 x	3.56 x
Net revenues (from above)	\$ 29,328	\$ 29,162	\$ 215,334	\$ 196,034
Aggregate debt service (from above)	\$ 7,942	\$ 6,918	\$ 63,433	\$ 55,104
Plus: aggregate subordinated debt service on outstanding subordinated debt	1,474	1,060	11,715	8,301
Total aggregate debt service and aggregate subordinated debt service	\$ 9,416	\$ 7,978	\$ 75,148	\$ 63,405
Senior and subordinated debt service coverage (5)	3.11 x	3.66 x	2.87 x	3.09 x
Fixed charge coverage	2.91 x	3.42 x	2.66 x	2.81 x

- (1) Effective October 1, 2001, the Water and Sewer Bond Resolution was amended to include capacity fees in total revenues. Had such capacity fees not been included in the calculation for the year-to-date periods ending May 2017 and 2016, then the debt service coverage would have been 2.66x and 2.87x.
- (2) Excludes the Build America Bonds subsidy.
- (3) Excludes depreciation and recognition of deferred costs and revenues, net.
- (4) Net revenues divided by aggregate debt service. Minimum annual coverage is 1.25x.
- (5) Net revenues divided by total aggregate debt service and aggregate subordinated debt service. Minimum annual coverage is either 1.00x aggregate debt service and aggregate subordinated debt service (excluding capacity charges) or the sum of 1.00x aggregate debt service and 1.20x aggregate subordinated debt service (including capacity charges). Based on the first requirement, minimum annual coverage is 2.66x and 2.87x. Based on the second requirement, net revenues must exceed 100% of aggregate debt service and 120% of aggregate subordinated debt service, or \$77,491 and \$65,065 for the year-to-date periods ending May 2017 and 2016.

**District Energy System
Schedule of Debt Service Coverage
(in thousands - unaudited)**

	Month May		Year-to-Date May	
	2017	2016	2017	2016
Revenues				
Service revenues	\$ 697	\$ 713	\$ 5,448	\$ 5,328
Investment income	4	2	21	14
Total revenues	701	715	5,469	5,342
Operating expenses (1)				
Operations and maintenance	328	352	2,720	2,812
Total operating expenses	328	352	2,720	2,812
Net revenues	\$ 373	\$ 363	\$ 2,749	\$ 2,530
Aggregate debt service (2)	\$ 252	\$ 252	\$ 2,015	\$ 2,016
Debt service coverage (3) (min 1.15x)	1.48 x	1.44 x	1.36 x	1.25 x

- (1) Excludes depreciation.
- (2) On June 19, 2013, the closing date of the District Energy System Refunding Revenue Bonds, 2013 Series A, the 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. Minimum annual coverage is 1.15x.

Electric System, St. Johns River Power Park System and Scherer
Principal Amount of Debt Outstanding and Average Interest Rates
May 2017

Issue/Average Coupon Rate	Interest Rates	Principal Payment Dates	Par Amount Principal Outstanding	Current Portion of Long-Term Debt
Electric System - Fixed Rate Bonds				
Series Three 2004 A	5.000%	2039	\$ 5,000	\$ -
Series Three 2005 B	4.750%	2033	100,000	-
Series Three 2009 C	5.000%	2017	3,355,000	3,355,000
Series Three 2009 D	6.056%	2033-2044	45,955,000	-
Series Three 2010 A	4.000%	2017-2020	14,980,000	4,915,000
Series Three 2010 C	4.000 - 4.500%	2021-2031	8,975,000	-
Series Three 2010 D	4.000 - 5.000%	2017-2038	79,470,000	4,635,000
Series Three 2010 E	5.350 - 5.482%	2028-2040	34,255,000	-
Series Three 2012A	4.000 - 4.500%	2023-2033	60,750,000	-
Series Three 2012B	2.000 - 5.000%	2017-2039	128,250,000	615,000
Series Three 2013A	2.500 - 5.000%	2017-2026	93,815,000	8,625,000
Series Three 2013B	1.875 - 5.000%	2021-2038	7,500,000	-
Series Three 2013C	4.000 - 5.000%	2017-2030	28,685,000	2,460,000
Series Three 2014A	2.600 - 5.000%	2017-2034	32,305,000	2,050,000
Series Three 2015A	2.500 - 5.000%	2017-2041	79,495,000	140,000
Series Three 2015B	3.000 - 5.000%	2017-2031	36,005,000	6,480,000
Series Three 2017A	5.000%	2019	18,670,000	-
Total Fixed Rate Senior Bonds			672,570,000	33,275,000
2009 Series A	5.625%	2029-2032	21,140,000	-
2009 Series D	5.000%	2017-2018	23,925,000	12,265,000
2009 Series E	4.000%	2017-2018	2,215,000	1,920,000
2009 Series F	4.625 - 6.406%	2017-2034	64,670,000	1,000,000
2009 Series G	4.000 - 5.000%	2018-2021	16,090,000	-
2010 Series A	3.000%	2017	710,000	710,000
2010 Series B	3.000 - 5.000%	2017-2024	7,535,000	900,000
2010 Series C	3.125 - 4.000%	2020-2027	4,385,000	-
2010 Series D	3.500 - 5.582%	2017-2027	45,575,000	1,450,000
2012 Series A	3.000 - 5.000%	2017-2033	88,500,000	4,590,000
2012 Series B	2.250 - 5.000%	2017-2037	93,750,000	3,970,000
2013 Series A	2.500 - 5.000%	2017-2030	54,110,000	295,000
2013 Series B	2.500 - 5.000%	2017-2026	25,385,000	2,625,000
2013 Series C	1.375 - 5.000%	2017-2038	80,390,000	2,060,000
2013 Series D	2.625 - 5.250%	2017-2035	124,025,000	10,390,000
2014 Series A	4.000 - 5.000%	2017-2039	206,105,000	11,210,000
2017 Series A	2.000 - 5.000%	2017-2019	71,735,000	39,945,000
Total Fixed Rate Subordinated Bonds			930,245,000	93,330,000
Total Fixed Rate Electric System Bonds/4.619%			1,602,815,000	126,605,000
Electric System - Variable Rate Bonds				
	Current Interest Rates (1)			
Series Three 2008 A	0.810%	2027-2036	51,680,000	-
Series Three 2008 B-1	1.210%	2017-2040	60,395,000	375,000
Series Three 2008 B-2	0.810%	2025-2040	41,900,000	-
Series Three 2008 B-3	0.810%	2024-2036	37,000,000	-
Series Three 2008 B-4	1.210%	2017-2036	49,810,000	400,000
Series Three 2008 C-1	0.823%	2024-2034	44,145,000	-
Series Three 2008 C-2	0.823%	2024-2034	43,900,000	-
Series Three 2008 C-3	0.960%	2030-2038	25,000,000	-
Series Three 2008 D-1	1.210%	2017-2036	111,420,000	2,520,000
Total Variable Rate Senior Bonds			465,250,000	3,295,000
Series 2000 A	0.832%	2021-2035	30,965,000	-
Series 2000 F-1	0.939%	2026-2030	37,200,000	-
Series 2000 F-2	0.916%	2026-2030	24,800,000	-
Series 2008 D	0.707%	2024-2038	39,455,000	-
Total Variable Rate Subordinated Bonds			132,420,000	-
Total Variable Rate Bonds			597,670,000	3,295,000
Total Electric System Bonds			2,200,485,000	129,900,000
St. Johns River Power Park - Fixed Rate Bonds				
Issue 2 Series 17	4.700%	2019	100,000	-
Issue 2 Series 18	4.500%	2018	50,000	-
Issue 2 Series 19	4.600%	2017	100,000	100,000
Issue 2 Series 20	4.500%	2021	100,000	-
Issue 2 Series 21	5.000%	2021	5,000	-
Issue 2 Series 22	4.000%	2019	5,000	-
Issue 2 Series 23	3.000 - 5.000%	2017-2021	64,910,000	23,205,000
Issue 2 Series 24	4.000%	2017-2021	29,625,000	16,350,000
Issue 2 Series 25	3.000%	2021	45,000	-
Issue 2 Series 26	2.000 - 5.000%	2019-2021	65,970,000	-
Issue 2 Series 27	1.888 - 2.505%	2019-2021	7,025,000	-
Issue 3 Series 1	4.500%	2037	100,000	-
Issue 3 Series 2	5.000%	2034-2037	29,370,000	-
Issue 3 Series 4	4.200 - 5.450%	2017-2028	24,085,000	1,675,000
Issue 3 Series 6	2.375 - 5.000%	2019-2037	91,330,000	-
Issue 3 Series 7	2.000 - 5.000%	2019-2033	79,500,000	-
Issue 3 Series 8	2.000 - 5.000%	2019-2039	57,895,000	-
Total Fixed Rate St. Johns River Power Park Bonds/4.094%			450,215,000	41,330,000
Bulk Power Supply System, Scherer 4 Project - Fixed Rate Bonds				
Series 2010A	4.250 - 5.920%	2017-2030	39,875,000	2,475,000
Series 2014A	2.000 - 5.000%	2017-2038	66,050,000	2,730,000
Total Fixed Rate Bulk Power Supply System Bonds/4.302%			105,925,000	5,205,000
Weighted Average Cost(2) / Total Outstanding Debt		3.431%	\$ 2,756,625,000	\$ 176,435,000

(1) Current month interest rate excluding variable debt fees.

(2) Weighted Average Cost of debt is net of BABs subsidy, original issue premiums/discounts and excludes variable debt liquidity/restructuring fees and interest rate swap payments.

	Electric System	Power Park	Issue Three
• Remaining New Money Authorization	\$ 465,160,992	\$ 103,865,000	
• Remaining Senior Refunding Authorization	\$ 1,220,932,381	\$ 250,810,000	
• Remaining Subordinated Refunding Authorization	\$ 820,643,000	n/a	

Water and Sewer System

Principal Amount of Debt Outstanding and Average Interest Rates

May 2017

Issue/Average Coupon Rate	Interest Rates	Principal Payment Dates	Par Amount Principal Outstanding	Current Portion of Long-Term Debt
Fixed Rate Bonds				
2009 Series B	3.750 - 5.000%	2017-2019	\$ 25,565,000	\$ 7,270,000
2010 Series A	6.210 - 6.310%	2026-2044	83,115,000	-
2010 Series B	4.500 - 5.700%	2017-2025	15,570,000	1,730,000
2010 Series C	5.000%	2020	9,545,000	-
2010 Series D	4.000 - 5.000%	2017-2039	101,850,000	4,125,000
2010 Series E	4.000 - 5.000%	2021-2039	60,990,000	-
2010 Series F	3.200 - 5.887%	2017-2040	45,520,000	1,245,000
2012 Series A	3.000 - 5.000%	2017-2041	317,935,000	1,535,000
2012 Series B	2.000 - 5.000%	2017-2041	130,085,000	1,725,000
2013 Series A	4.000 - 5.000%	2017-2027	89,740,000	10,950,000
2013 Series B	1.882%	2017	3,830,000	3,830,000
2014 Series A	2.000 - 5.000%	2017-2040	284,595,000	4,420,000
Total Fixed Rate Senior Bonds			1,168,340,000	36,830,000
2010 Series A	5.000%	2017-2022	13,150,000	2,525,000
2010 Series B	3.000 - 5.000%	2020-2025	12,770,000	-
2012 Series A	3.000 - 4.000%	2021-2033	20,320,000	-
2012 Series B	3.250 - 5.000%	2030-2043	41,640,000	-
2013 Series A	2.125 - 5.000%	2017-2029	72,250,000	5,410,000
Total Fixed Rate Subordinated Bonds			160,130,000	7,935,000
Total Fixed Rate Bonds/4.622%			1,328,470,000	44,765,000
Variable Rate Bonds				
	Current Interest Rates (1)			
2006 Series B - CPI Bonds	3.468% (2)	2017-2022	34,625,000	4,255,000
2008 Series A-2	0.826%	2028-2042	51,820,000	-
2008 Series B	0.817%	2023-2041	85,290,000	-
Total Variable Rate Senior Bonds			171,735,000	4,255,000
2008 Series A-1	0.707%	2017-2038	52,950,000	2,000,000
2008 Series A-2	0.827%	2030-2038	25,600,000	-
2008 Series B-1	0.819%	2030-2036	30,885,000	-
Total Variable Rate Subordinated Bonds			109,435,000	2,000,000
Total Variable Rate Bonds			281,170,000	6,255,000
Other Obligations				
Revolving Credit Agreement	2.033%	2018	3,000,000	-
Total Other Obligations			3,000,000	-
Weighted Average Cost(3) / Total Outstanding Debt		3.695%	\$ 1,612,640,000	\$ 51,020,000

(1) Current month interest rate excluding variable debt fees.

(2) Designated swap obligation. The rate shown is the weighted average of the variable CPI Index rates for the 6 month re-set period.

(3) Weighted Average Cost of debt is net of BABs subsidy, original issue premiums/discounts and excludes variable debt liquidity/restructuring fees and interest rate swap payments.

• Remaining New Money Authorization	\$ 218,078,023
• Remaining Refunding Authorization	\$ 1,231,973,942

JEA

District Energy System

Principal Amount of Debt Outstanding and Average Interest Rates

May 2017

Issue/Average Coupon	Interest Rates	Principal Payment Dates	Par Amount Principal Outstanding	Current Portion of Long-Term Debt
Fixed Rate Bonds				
2013 Series A/4.036%	1.425 - 4.538%	2017-2034	\$ 38,125,000	\$ 1,640,000
Weighted Average Cost(1) / Total Outstanding Debt		4.092%	\$ 38,125,000	\$ 1,640,000

(1) Weighted Average Cost of debt is net of original issue premiums/discounts.

• Remaining New Money Authorization	\$ 54,321,245
• Remaining Refunding Authorization	\$ 106,670,000

JEA
INVESTMENT PORTFOLIO REPORT
May 2017
All Funds

INVESTMENT	BOOK VALUE	YIELD	% OF TOTAL	LAST MONTH	6 MONTH AVERAGE
* Treasuries	\$ 16,296,298	0.70%	1.12%	1.15%	1.10%
Agencies					
Federal Farm Credit Bank	206,081,190	1.16%	14.21%	15.20%	14.09%
Federal Home Loan Bank	417,106,240	1.17%	28.76%	29.90%	27.62%
Total	623,187,430	1.16%	42.97%	45.10%	41.72%
Municipal Bonds	307,121,326	2.02%	21.18%	21.94%	19.98%
Commercial Paper	310,635,462	1.08%	21.42%	19.26%	20.31%
U.S. Treasury Money Market Funds (1)	36,290,423	0.67%	2.50%	3.15%	2.91%
Agency Money Market Funds (2)	6,925,000	0.69%	0.48%	0.49%	3.37%
PFM Money Market Fund	70,000,000	1.03%	4.83%	4.93%	4.80%
Florida Prime Fund	20,000,000	1.16%	1.38%	0.00%	0.23%
Wells Fargo Bank Accounts (3)					
Electric, Scherer	36,311,809	0.56%	2.50%	2.23%	2.72%
SJRPP	20,593,556	0.56%	1.42%	1.56%	1.45%
Water & Sewer, DES	2,932,628	0.56%	0.20%	0.21%	1.41%
Total Portfolio	\$1,450,293,932	1.29%	100.00%	100.00%	100.00%

* Backed by Full Faith and Credit of U. S. Government

Weighted Avg. Annual Yield for May 2017, Excluding Bank & Money Market Funds: 1.35%

Weighted Avg. Annual Yield for May 2017, Including Bank & Money Market Funds: 1.29%

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

(1) Morgan Stanley Treasury Fund; Fidelity Treasury Fund; Federated Treasury Fund

(2) Morgan Stanley Government Fund

(3) Month-end bank balances

**JEA
Interest Rate Swap Position Report
April 2017**

JEA Debt Management Swaps Variable to Fixed

ID	Dealer	Effective Date	Termination Date	Electric System Allocation	Water/Sewer Allocation	Fixed Rate	Floating Rate (1)	Spread	Rate Cap	Index
1	Goldman Sachs	9/18/2003	9/18/2033	\$ 84,800,000	\$ -	3.717	0.668	3.049	n/a	68% 1 mth Libor
3	Morgan Stanley	1/27/2005	10/1/2039	82,575,000	-	4.351	0.899	3.451	n/a	SIFMA
4	JPMorgan	1/27/2005	10/1/2035	86,000,000	-	3.661	0.668	2.993	n/a	68% 1 mth Libor
6	JPMorgan	1/27/2005	10/1/2037	39,175,000	-	3.716	0.668	3.048	n/a	68% 1 mth Libor
7	Morgan Stanley	10/31/2006	10/1/2022	-	34,625,000	4.012	3.468	0.544	n/a	CPI
8	Morgan Stanley	1/31/2007	10/1/2031	62,980,000	-	3.907	0.899	3.008	n/a	SIFMA
9	Merrill Lynch	3/8/2007	10/1/2041	-	85,290,000	3.895	0.899	2.996	n/a	SIFMA
10	Goldman Sachs	1/31/2008	10/1/2036	51,680,000	-	3.836	0.899	2.937	n/a	SIFMA
Total				<u>\$ 407,210,000</u>	<u>\$ 119,915,000</u>	Wtd Avg Spread		2.914		

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

	Month			Year-To-Date		
	2017	2016	Variance	2017	2016	Variance
Water						
<i>Revenues (000's omitted):</i>						
Residential	\$ 8,930	\$ 8,158	9.46%	\$ 61,724	\$ 57,590	7.18%
Commercial and industrial	3,862	3,907	-1.15%	30,568	30,439	0.42%
Irrigation	4,273	3,656	16.88%	24,643	20,334	21.19%
Total water revenues	17,065	15,721	8.55%	116,935	108,363	7.91%
Less: rate stabilization environmental	(1,462)	(1,234)	18.48%	(9,599)	(8,590)	11.75%
Less: allowance for doubtful accounts	(20)	(23)	-13.04%	(43)	(173)	-75.14%
Net water revenues	\$ 15,583	\$ 14,464	7.74%	\$ 107,293	\$ 99,600	7.72%
<i>Kgal sales (000s omitted)</i>						
Residential	1,843,311	1,699,901	8.44%	11,898,118	10,805,414	10.11%
Commercial and industrial	1,082,152	1,139,673	-5.05%	8,692,174	8,696,330	-0.05%
Irrigation	810,401	683,494	18.57%	4,301,836	3,285,777	30.92%
Total kgal sales	3,735,864	3,523,068	6.04%	24,892,128	22,787,521	9.24%
<i>Number of accounts (1):</i>						
Residential	279,840	273,065	2.48%	277,664	270,933	2.48%
Commercial and industrial	25,473	24,824	2.61%	25,375	24,477	3.67%
Irrigation	36,907	36,341	1.56%	36,639	36,181	1.27%
Total average accounts	342,220	334,230	2.39%	339,678	331,591	2.44%
<i>Residential averages:</i>						
Revenue per account - \$	31.91	29.88	6.79%	222.30	212.56	4.58%
Kgals per account	6.59	6.23	5.78%	42.85	39.88	7.45%
Revenue per kgals - \$	4.84	4.80	0.83%	5.19	5.33	-2.63%
Sewer						
<i>Revenues (000's omitted):</i>						
Residential	\$ 13,338	\$ 12,512	6.60%	\$ 93,697	\$ 87,533	7.04%
Commercial and industrial	8,620	8,484	1.60%	68,984	68,591	0.57%
Total sewer revenues	21,958	20,996	4.58%	162,681	156,124	4.20%
Less: rate stabilization environmental	567	715	-20.70%	7,862	4,518	74.02%
Less: allowance for doubtful accounts	(30)	(34)	-11.76%	(64)	(260)	-75.38%
Net sewer revenues	22,495	21,677	3.77%	170,479	160,382	6.30%
<i>Kgal sales (000s omitted)</i>						
Residential	1,580,524	1,435,414	10.11%	10,262,453	9,243,051	11.03%
Commercial and industrial	925,768	910,725	1.65%	7,500,405	7,425,346	1.01%
Total kgal sales	2,506,292	2,346,139	6.83%	17,762,858	16,668,397	6.57%
<i>Number of accounts (1):</i>						
Residential	247,155	240,621	2.72%	245,059	238,566	2.72%
Commercial and industrial	18,163	17,986	0.98%	18,118	17,935	1.02%
Total average accounts	265,318	258,607	2.60%	263,177	256,501	2.60%
<i>Residential averages:</i>						
Revenue per account - \$	53.97	52.00	3.79%	382.34	366.91	4.21%
kgals per account	6.39	5.97	7.04%	41.88	38.74	8.11%
Revenue per kgals - \$	8.44	8.72	-3.21%	9.13	9.47	-3.59%
Reuse						
<i>Revenues (000's omitted):</i>						
Reuse revenues	\$ 1,481	\$ 1,036	42.95%	\$ 8,506	\$ 5,746	48.03%
<i>Kgal sales (000s omitted)</i>						
Kgal sales (000s omitted)	348,069	279,561	24.51%	2,220,507	1,503,833	47.66%
<i>Number of accounts (1):</i>						
Reuse accounts	9,624	7,708	24.86%	9,062	7,190	26.04%
Rainfall						
	Diff in inches			Diff in inches		
Normal	2.48	2.48		24.40	24.40	
Actual	8.65	2.29	6.36	27.68	19.14	8.54
Rain Days	10	5		41	57	

(1) The year-to-date column represents a fiscal year-to-date average.

	Month			Year-To-Date						
	2017	May	2016	Variance	2017	May	2016	Variance		
Generated power:										
Steam:										
<i>Fuel oil</i>										
Fuel expense	\$	-	\$	-	\$	101,111	\$	2,722,252	-96.29%	
Barrels #6 oil consumed		-		-		747		25,588	-97.08%	
\$/ per barrel consumed					\$	135.36		106.39	27.23%	
kWh oil generated (1)		-		-		376,100		14,404,324	-97.39%	
Cost per MWh - oil					\$	268.84		188.99	42.25%	
<i>Natural gas units #1-3</i>										
Gas expense - variable	\$	7,656,267	\$	5,320,826	43.89%	\$	22,749,557	\$	22,339,009	1.84%
MMBTU's consumed		2,089,350		2,562,825	-18.47%		6,733,442		9,743,537	-30.89%
\$/ per MMBTU consumed	\$	3.66	\$	2.08	76.50%	\$	3.38	\$	2.29	47.36%
kWh - gas generated (1)		196,816,002		242,240,520	-18.75%		617,645,732		920,201,161	-32.88%
Cost per MWh - gas	\$	38.90	\$	21.97	77.10%	\$	36.83	\$	24.28	51.72%
Cost per MWh - gas & oil - steam	\$	38.90	\$	21.97	77.10%	\$	36.97	\$	26.81	37.89%
<i>Coal</i>										
Coal expense	\$	522,900	\$	2,606,611	-79.94%	\$	7,968,473	\$	16,539,053	-51.82%
kWh generated		14,270,744		135,220,487	-89.45%		271,154,570		760,640,493	-64.35%
Cost per MWh - coal	\$	36.64	\$	19.28	90.08%	\$	29.39	\$	21.74	35.15%
<i>Pet coke and limestone</i>										
Expense	\$	1,356,212	\$	3,981,699	-65.94%	\$	16,586,428	\$	27,606,928	-39.92%
kWh generated		35,117,290		230,361,139	-84.76%		492,708,896		1,346,533,881	-63.41%
Cost per MWh - pet coke and limestone	\$	38.62	\$	17.28	123.43%	\$	33.66	\$	20.50	64.20%
Cost per MWh - coal & petcoke - steam	\$	38.05	\$	18.02	111.13%	\$	32.15	\$	20.95	53.44%
Combustion turbine:										
<i>Fuel oil</i>										
Fuel expense	\$	46,833	\$	97,572	-52.00%	\$	546,783	\$	413,688	32.17%
Barrels #2 oil consumed		238		116	105.17%		4,477		2,507	78.58%
\$/ per barrel consumed	\$	196.78	\$	841.14	-76.61%	\$	122.13	\$	165.01	-25.99%
kWh - oil generated		64,259		362,189	-82.26%		1,457,517		705,640	106.55%
Cost per MWh - oil	\$	728.82	\$	269.40	170.54%	\$	375.15	\$	586.26	-36.01%
<i>Natural gas (includes landfill)</i>										
Gas expense Kennedy & landfill - variable	\$	86,597	\$	31,531	174.64%	\$	746,321	\$	531,375	40.45%
MMBTU's consumed		23,603		26,060	-9.43%		225,524		233,669	-3.49%
\$/ per MMBTU consumed	\$	3.67	\$	1.21	203.23%	\$	3.31	\$	2.27	45.52%
kWh - gas generated (1)		1,620,357		1,909,858	-15.16%		16,866,144		17,642,400	-4.40%
Cost per MWh - gas	\$	53.44	\$	16.51	223.71%	\$	44.25	\$	30.12	46.92%
Gas expense BB simple - variable	\$	478,379	\$	83,468	473.13%	\$	1,398,294	\$	1,035,697	35.01%
MMBTU's consumed		154,528		119,925	28.85%		418,894		532,102	-21.28%
\$/ per MMBTU consumed	\$	3.10	\$	0.70	344.79%	\$	3.34	\$	1.95	71.50%
kWh - gas generated (1)		13,817,558		9,579,490	44.24%		38,278,642		44,600,995	-14.18%
Cost per MWh - gas simple	\$	34.62	\$	8.71	297.34%	\$	36.53	\$	23.22	57.31%
Gas expense BB combined - variable	\$	6,896,026	\$	854,042	707.46%	\$	58,621,469	\$	26,552,382	120.78%
MMBTU's consumed		2,248,085		430,426	422.29%		18,328,152		11,532,026	58.93%
\$/ per MMBTU consumed	\$	3.07	\$	1.98	54.60%	\$	3.20	\$	2.30	38.91%
kWh - gas generated (1)		320,512,720		56,330,096	468.99%		2,646,688,401		1,678,347,788	57.70%
Cost per MWh - gas combined	\$	21.52	\$	15.16	41.91%	\$	22.15	\$	15.82	40.00%
Gas expense GEC simple - variable	\$	817,954	\$	570,546	43.36%	\$	3,385,565	\$	4,914,254	-31.11%
MMBTU's consumed		313,135		352,101	-11.07%		1,195,670		2,578,511	-53.63%
\$/ per MMBTU consumed	\$	2.61	\$	1.62	61.20%	\$	2.83	\$	1.91	48.57%
kWh - gas generated		23,879,964		31,972,958	-25.31%		104,817,063		230,471,567	-54.52%
Cost per MWh - gas simple	\$	34.25	\$	17.84	91.95%	\$	32.30	\$	21.32	51.48%
Cost per MWh - gas & oil ct	\$	23.13	\$	16.35	41.52%	\$	23.04	\$	16.96	35.82%
Natural gas expense - fixed	\$	3,270,179	\$	2,467,385	32.54%	\$	24,412,735	\$	19,630,848	24.36%
Total generated power:										
Fuels expense	\$	21,131,347	\$	16,013,680	31.96%	\$	136,516,736	\$	122,285,486	11.64%
kWh generated		606,098,894		707,976,737	-14.39%		4,189,993,065		5,013,548,249	-16.43%
Cost per MWh	\$	34.86	\$	22.62	54.14%	\$	32.58	\$	24.39	33.58%

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

Cost of fuels

Fuel oil #6	\$	-	\$	-	\$	101,111	\$	2,722,252
Natural gas units #1-3 with landfill - variable		7,656,267		5,320,826		22,749,557		22,339,009
Coal		522,900		2,606,611		7,968,473		16,539,053
Petcoke		1,356,212		3,981,699		16,586,428		27,606,928
Fuel oil #2		46,833		97,572		546,783		413,688
Natural gas - simple cycle (BB & GEC) - variable		1,382,930		685,545		5,530,180		6,481,326
Natural gas - combined (BB) - variable		6,896,026		854,042		58,621,469		26,552,382
Natural gas - fixed		3,270,179		2,467,385		24,412,735		19,630,848
Total	\$	21,131,347	\$	16,013,680		136,516,736	\$	122,285,486

	Month			Year-To-Date		
	2017	May 2016	Variance	2017	May 2016	Variance
Production Statistics (Continued)						
Purchased power:						
<i>Plant Scherer</i>						
Purchases	\$ 5,148,191	\$ 5,018,166	2.59%	\$ 37,889,437	\$ 37,203,316	1.84%
kWh purchased	116,783,000	62,104,000	88.04%	924,291,000	603,782,000	53.08%
Cost per MWh	\$ 44.08	\$ 80.80	-45.44%	\$ 40.99	\$ 61.62	-33.47%
<i>TEA & other</i>						
Purchases	\$ 6,965,815	\$ 8,322,322	-16.30%	\$ 48,724,966	\$ 41,306,797	17.96%
kWh purchased	141,048,879	244,884,287	-42.40%	1,055,756,712	1,169,495,465	-9.73%
Cost per MWh	\$ 49.39	\$ 33.98	45.32%	\$ 46.15	\$ 35.32	30.67%
<i>SJRPP</i>						
Purchases	\$ 14,454,263	\$ 8,577,310	68.52%	\$ 87,841,646	\$ 71,247,922	23.29%
kWh purchased	279,724,000	127,706,000	119.04%	1,525,522,000	1,161,613,000	31.33%
Cost per MWh	\$ 51.67	\$ 67.16	-23.06%	\$ 57.58	\$ 61.34	-6.12%
Total purchased power:						
Purchases	\$ 26,568,269	\$ 21,917,798	21.22%	\$ 174,456,049	\$ 149,758,035	16.49%
kWh purchased	537,555,879	434,694,287	23.66%	3,505,569,712	2,934,890,465	19.44%
Cost per MWh	\$ 49.42	\$ 50.42	-1.98%	\$ 49.77	\$ 51.03	-2.47%
Subtotal - generated and purchased power:	\$ 47,699,616	\$ 37,931,478	25.75%	\$ 310,972,785	\$ 272,043,521	14.31%
Fuel interchange sales	(689,361)	(635,017)	8.56%	(4,020,647)	(1,128,081)	256.41%
Earnings of The Energy Authority	(516,445)	(925,689)	-44.21%	(2,856,307)	(2,880,783)	-0.85%
EPA Allowance Purchases	-	-		233,775	-	
Realized and Unrealized (Gains) Losses	-	457,800	-100.00%	301,200	3,262,800	-90.77%
Fuel procurement and handling	781,049	758,928	2.91%	7,331,023	6,958,110	5.36%
By product reuse	708,253	1,687,889	-58.04%	7,687,123	11,054,865	-30.46%
Total generated and net purchased power:						
Cost, net	47,983,112	39,275,389	22.17%	319,648,952	289,310,432	10.49%
kWh generated and purchased	1,143,654,773	1,142,671,024	0.09%	7,695,562,777	7,948,438,714	-3.18%
Cost per MWh	\$ 41.96	\$ 34.37	22.07%	\$ 41.54	\$ 36.40	14.12%
Reconciliation:						
Generated and purchased power per above	\$ 47,983,112	\$ 41.96		\$ 319,648,952	\$ 41.54	
SJRPP operating expenses:						
SJRPP O & M	(1,852,150)	(1.62)		(17,461,480)	(2.27)	
SJRPP debt service	(3,167,831)	(2.77)		(25,132,197)	(3.27)	
SJRPP R & R	1,871,613	1.64		14,974,702	1.95	
SCHERER operating expenses:						
Scherer power production	(649,637)	(0.57)		(5,417,917)	(0.70)	
Scherer R & R	(940,587)	(0.82)		(3,596,291)	(0.47)	
Scherer transmission	(471,518)	(0.41)		(3,617,563)	(0.47)	
Scherer taxes	(98,280)	(0.09)		(777,067)	(0.10)	
Florida and other capacity	(643,867)	(0.56)		(4,606,883)	(0.60)	
MEAG	(950,207)	(0.83)		(5,415,420)	(0.70)	
Rounding	1	0.00		(1)	(0.00)	
	\$ 41,080,649	\$ 35.92		\$ 268,598,835	\$ 34.90	

	Month		Year-to-Date	
	2017	2016	2017	2016
MWh sales				
JEA	279,724	127,706	1,525,522	1,161,613
FPL saleback	188,085	88,204	998,008	912,516
FPL direct portion	116,952	53,977	630,883	518,532
Total MWh sales	<u>584,761</u>	<u>269,887</u>	<u>3,154,413</u>	<u>2,592,661</u>
Fuel costs	\$ 11,318,343	\$ 4,849,467	\$ 60,274,398	\$ 44,412,836
(Includes fuel handling expenses)				
Less interest credits: inventory bank	(12,987)	(3,610)	(58,712)	(31,958)
Plus (less): true-up interest	540	(84)	6,986	649
Total	<u>11,305,896</u>	<u>4,845,773</u>	<u>60,222,672</u>	<u>44,381,527</u>
Cost per MWh	\$ 40.42	\$ 37.94	\$ 39.48	\$ 38.21
Operating and maintenance expenses	1,854,066	2,128,857	17,508,555	13,937,153
Less: operations bank interest	(1,917)	(1,184)	(10,939)	(5,025)
Less: annual variable o & m true-up	-	-	(36,136)	3,039
Total	<u>1,852,149</u>	<u>2,127,673</u>	<u>17,461,480</u>	<u>13,935,167</u>
Cost per MWh	\$ 6.62	\$ 16.66	\$ 11.45	\$ 12.00
Debt service contribution				
Principal	2,208,073	2,331,562	17,664,593	18,652,500
Interest	1,349,442	1,464,487	10,795,539	11,629,913
Less credits:				
Reserve Issue 2	(194,803)	(274,819)	(1,642,229)	(2,046,851)
Reserve Issue 3	(13,186)	(13,219)	(106,621)	(109,889)
Debt service Issue 2	(4,559)	(1,061)	(30,127)	(10,566)
Debt service Issue 3	-	-	(6,698)	(3,058)
Bond proceeds COB	(3,474)	-	(57,569)	(2,137)
General reserve Issue 2	(11,608)	(4,665)	(104,735)	(11,400)
General reserve Issue 3	(1,962)	(1,845)	(45,653)	(16,549)
Build America Bonds subsidy	(32,433)	(34,190)	(259,465)	(273,522)
Inventory carrying costs	(65,721)	(68,116)	(542,343)	(492,923)
Total	<u>3,229,769</u>	<u>3,398,134</u>	<u>25,664,692</u>	<u>27,315,518</u>
Cost per MWh	\$ 11.55	\$ 26.61	\$ 16.82	\$ 23.52
R & R contribution	309,387	339,343	2,475,094	2,714,745
Less: interest credit	(61,938)	(48,613)	(532,496)	(416,814)
Less: cumulative capital recovery amount	(2,181,000)	(2,085,000)	(17,449,796)	(16,682,221)
Total	<u>(1,933,551)</u>	<u>(1,794,270)</u>	<u>(15,507,198)</u>	<u>(14,384,290)</u>
Cost per MWh	\$ (6.91)	\$ (14.05)	\$ (10.17)	\$ (12.38)
Debt service coverage	-	-	4,215,000	4,347,000
Transfer to JEA	-	-	(4,215,000)	(4,347,000)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cost per MWh	\$ -	\$ -	\$ -	\$ -
Total	<u>\$ 14,454,263</u>	<u>\$ 8,577,310</u>	<u>\$ 87,841,646</u>	<u>\$ 71,247,922</u>
kWh purchased	279,724,000	127,706,000	1,525,522,000	1,161,613,000
Cost per MWh	\$ 51.67	\$ 67.16	\$ 57.58	\$ 61.34

III. A. 3.
Monthly JEA Operations Report

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III. A. 3.
[6/20/2017](#)

Board of Directors Meeting June 20, 2017



FY2016

- RIR = 1.82
- # of Recordables = 38
- May YTD Recordables = 21

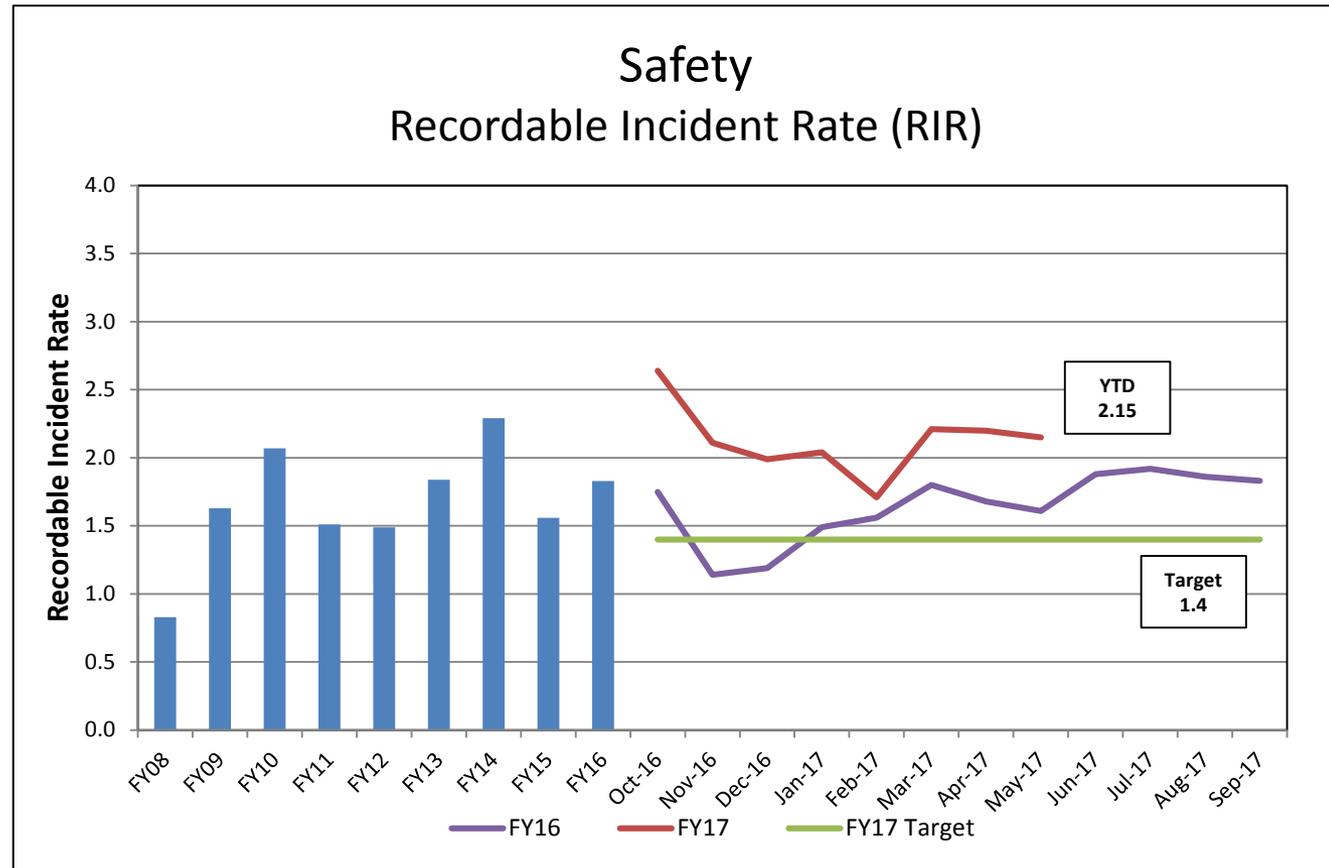
FY2017

- May Recordables = 1
- May YTD Recordables = 30
- 9 (30%) was lost time
 - Electric Systems = 16
 - Water/WW Systems = 11
 - Customer Relationships = 1
- Continuing to “Plan for Zero”
- Increased focus on:
 - Complacency
 - Hand/Finger
 - 0-5 Year Employees
 - PPE Use
 - Strains, Sprains, Slip/Trip/Fall
 - Repeat Occurrences

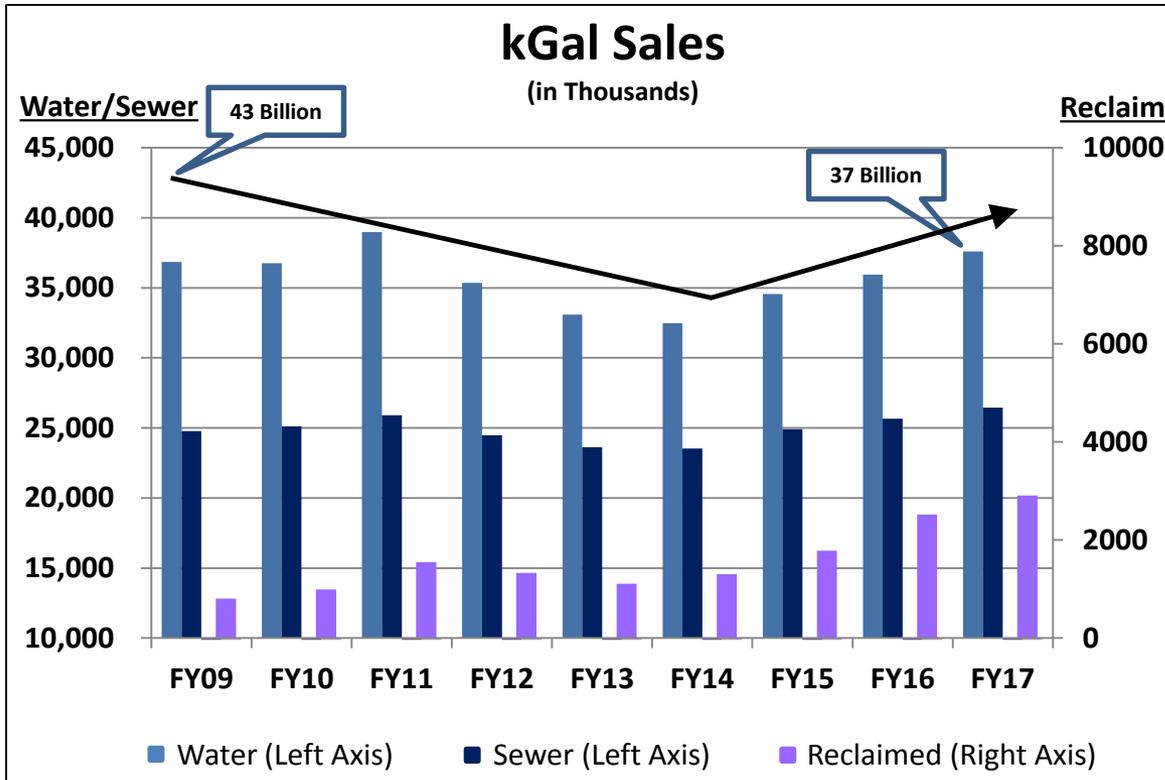
Industry Benchmark*

Average Municipal Utility RIR is 6.3
Average LPPC RIR is 3.7

Units	FY2017 YTD	FY2017 Target	FY2016	FY2015
RIR	2.15	1.4	1.82	1.56



Water and Sewer System: kGal Sales



Month	FY16	FY17	%
Oct	3,120	3,129	0.3%
Nov	2,641	3,068	16.2%
Dec	2,758	2,923	6.0%
Jan	2,527	2,768	9.6%
Feb	2,479	2,624	5.9%
Mar	2,825	3,168	12.1%
Apr	2,914	3,476	19.3%
May	3,523	3,736	6.1%
YTD	22,787	24,892	9.2%
Jun	3,290		
Jul	3,736		
Aug	3,451		
Sep	3,094		
Total/Forecast	36,358	37,608	

Unit Sales Driver: YTD rainfall up 9 inches; rain days down 16
Irrigation for May YTD FY17 up 31% versus May YTD FY16

YTD Customer Accounts			
	FY16	FY17	%
Water	334,230	342,220	2.4%
Sewer	258,607	265,318	2.6%
Reclaimed	7,708	9,624	24.9%

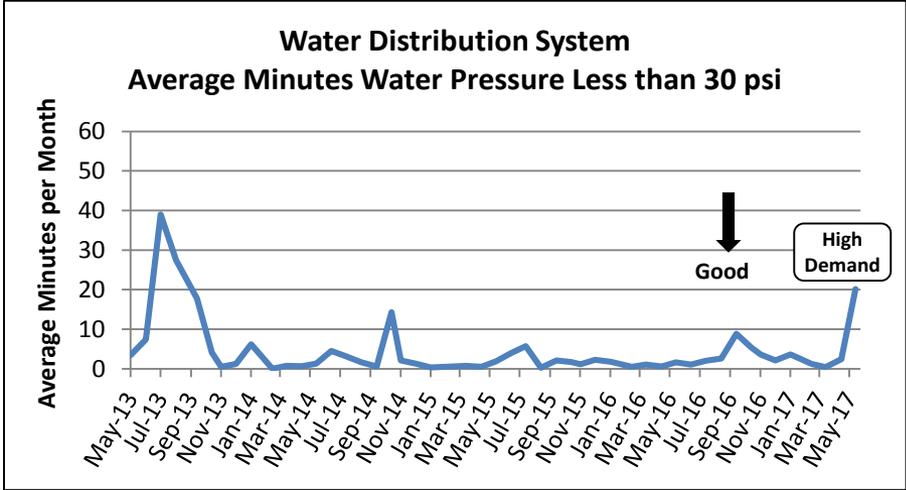
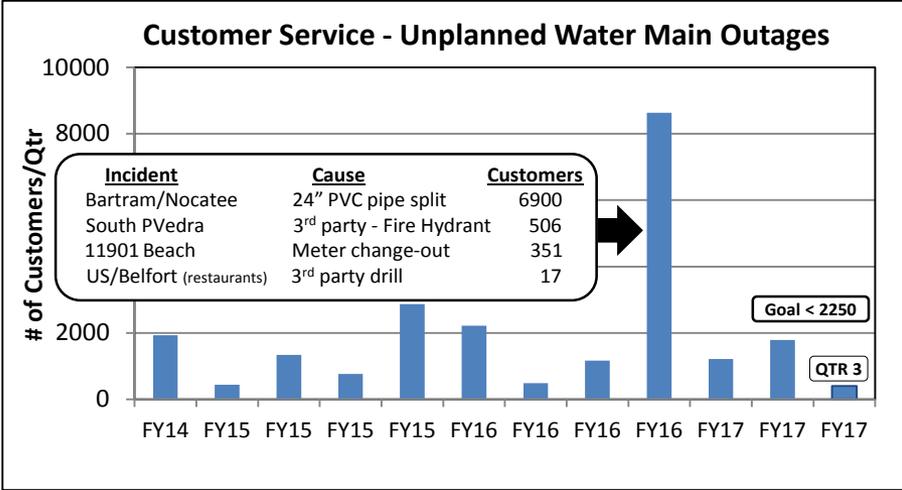
YTD Rainfall			
	30-Yr. Avg.	FY16	FY17
Inches	24	19	28
Days	59	57	41

Total System		9.2%
Residential		10.1%
Comm./Industrial		(0.1%)
Irrigation		30.9%

Customer Reliability

Water and Wastewater System

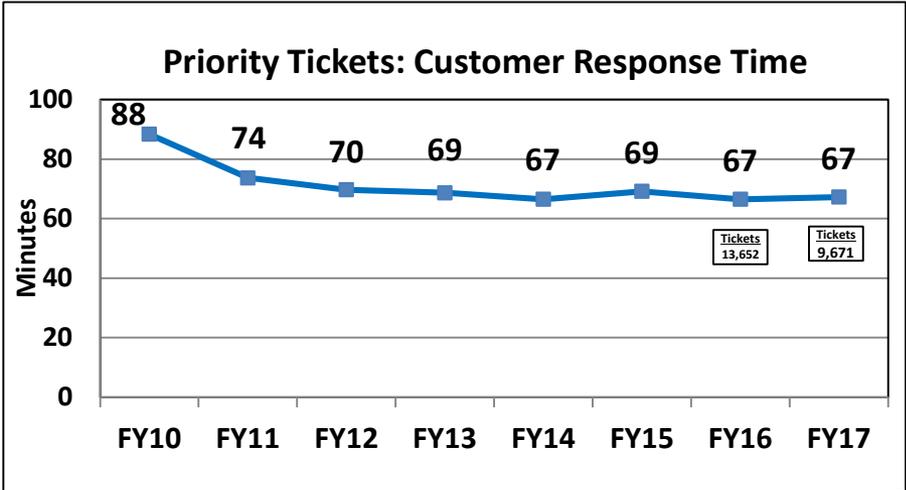
Water Grid Performance	Metric	FY2017 YTD	FY2017 Target	FY2016	FY2015
Water Main Outages	# of Customers per Year	3,402	9,000	12,735	5,629



Unplanned Water Outages
of Customers Affected by Unplanned Outages has increased due to 3rd Party Damages

Water Pressure (minutes per month < 30 psi)
Measured by 110 pressure monitoring stations in the distribution system. Pressure must be greater than 20 psi, and is expected to be greater than 50 psi.

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

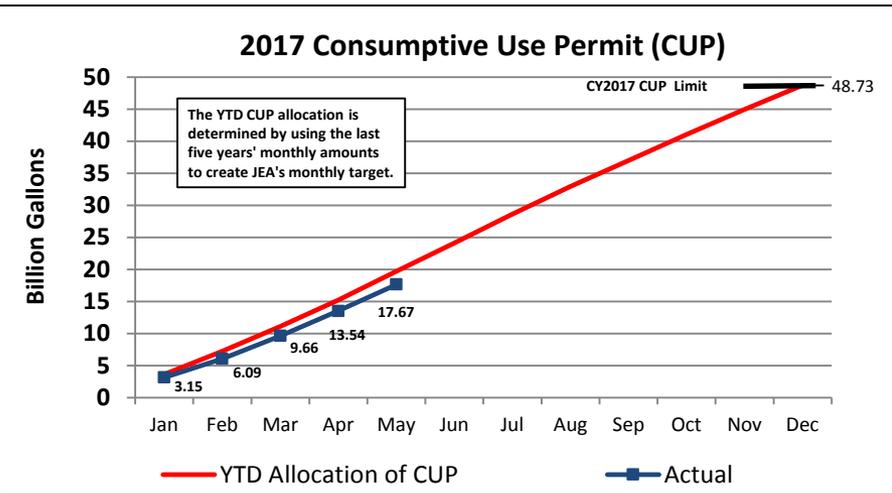


*Aligned with the PSC Rule for Electric Reliability Reporting, the Operational Metrics will exclude the impact of all service interruptions associated with a storm named by the National Hurricane Center.

Environmental Compliance

Water System – Consumptive Use Permit (CUP)

Compliance	Metric – CY Basis	FY2017	2017 Target	2016	2015
Water	CUP Limits (MGD)	117	133 limit	112 (131 limit)	107 (131 limit)
South Grid	Wellfield Allocation (MGD)	50.70	< 50.23 limit	52.95 (<50.23 limit)	47.50 (<50.23 limit)
Reclaim	Usage (MGD)	20	15	16	13



CUP Condition 44: South Grid Wellfield Allocation Limits

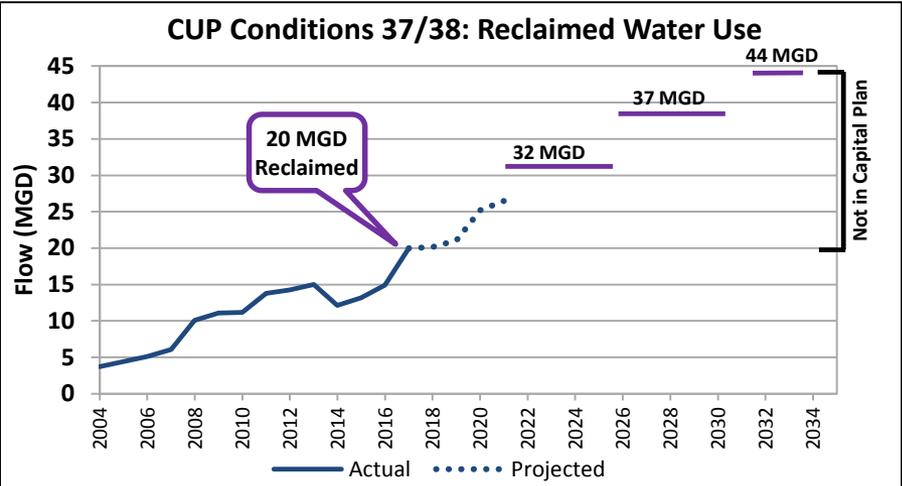
Critical Wellfields	Actuals					YTD	Post Sep -14 Limit
	2013	2014	2015	2016	2017		
Deerwood III	6.96	7.01	6.67	7.88	8.01	7.00	
Ridenour	5.97	6.39	6.66	7.64	6.68	6.85	
Oakridge	8.78	6.23	4.99	5.79	5.01	5.65	
Greenland	---	1.53	4.27	4.16	4.09	4.53	
Brierwood	5.58	4.53	2.84	3.36	3.40	3.02	
Subtotal	27.29	25.69	25.43	28.83	27.20	27.05	
Other Wellfields	22.21	20.92	22.07	24.12	23.51	23.18	
Total South Grid	49.50	46.61	47.50	52.95	50.70	50.23	
Total System MGD	100	104	107	112	117	131	

St. Johns River Water Management District CUP

Condition 12: YTD average daily flow is 12% below CY limit of 133 MGD

Condition 44: South Grid Wellfields were 6% above the base limit in FY16, yet have annual operational flexibility of 20% above allocation limits. FY17 is 1% above the limit.

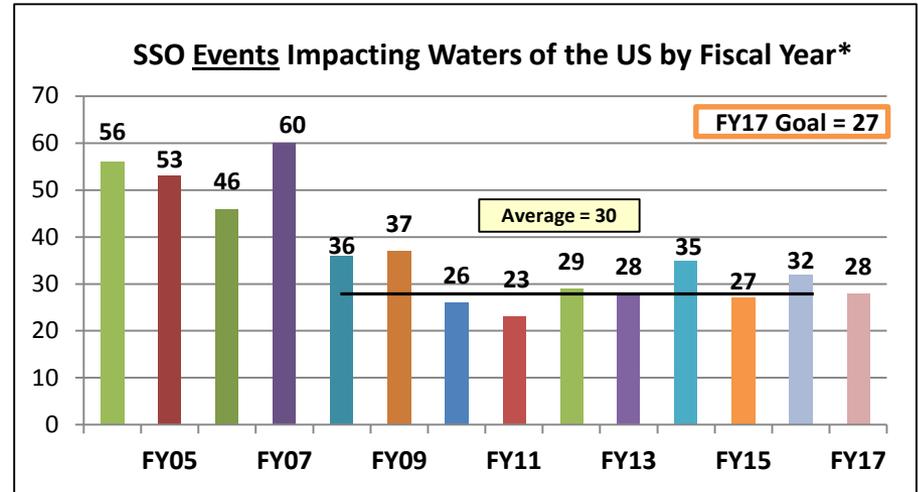
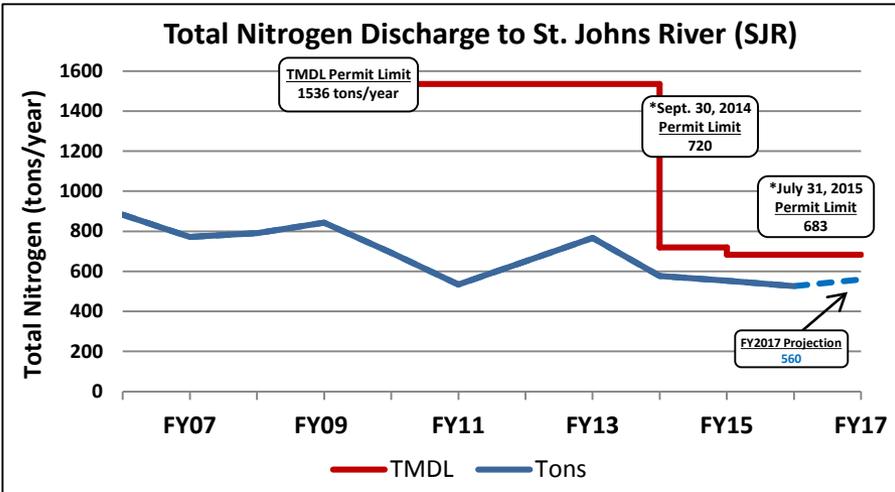
Conditions 37/38: Use of reclaimed water “to the maximum extent technologically, economically, and environmentally feasible”. The annual CUP limit continues to increase beginning in FY21 if 32 MGD is achieved.



Environmental Compliance

Wastewater System

Compliance	Metric	FY2017 YTD	FY2017 Target	FY2016	FY2015
Sewer	Nitrogen (N) Tons – FY basis	363	550	527 (TMDL of 683*)	553 (TMDL of 683*)

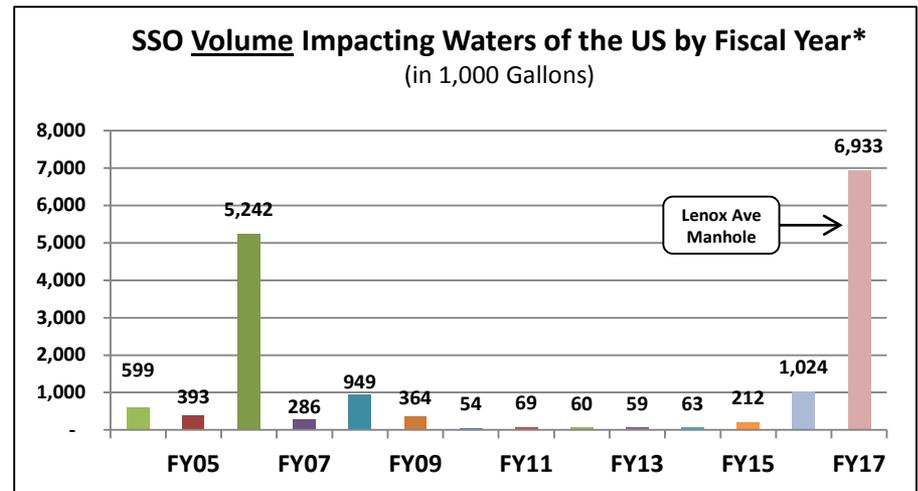


Nitrogen Discharge to St. Johns River

Florida Department of Environmental Protection (FDEP) has reduced the Total Maximum Daily Load (TMDL) to 683 tons with Water Quality Trading Credits allocated to the COJ

Sanitary Sewer Overflows (SSOs to US Waters)

FY08 - FY16 SSO's averaged 30 per year. Twenty-Eight (28) SSO's year-to-date impacting US Waters excluding events occurring during Hurricane Matthew.



*Aligned with the PSC Rule for Electric Reliability Reporting, the Operational Metrics will exclude the impact of all service interruptions associated with a storm named by the National Hurricane Center.

Water and Sewer System: Financial Results and Cost Metrics

(\$ in thousands)

Revenues	FY17 Forecast	FY16 Actual	FY17 Budget	FY17 vs FY16 (\$)	Variance (%)
Water & Sewer Revenues	\$ 417,865	\$ 409,889	\$ 394,430	\$ 7,976	1.9%
Other Revenue	38,355	40,070	33,792	(1,715)	-4.3%
Total Revenues	\$ 456,220 ①	\$ 449,959	\$ 428,222	\$ 6,261	1.4%
Select Expenses					
O & M Expense	\$ 138,331 ②	\$ 130,296	\$ 144,149	\$ (8,035)	-6.2%
Net Revenues	\$ 315,009	\$ 313,130	\$ 280,753	\$ 1,879	-0.1%
Capital Expenditures	\$ 185,000 ③	\$ 147,363	\$ 205,000 ¹	\$ (37,637)	-25.5%
Debt Service	\$ 114,609	\$ 95,418	\$ 118,375	\$ (19,191)	-20.1%

Cost / Kgal	Water	Sewer
Target	\$ 4.75	\$ 10.27
Forecast	<u>4.49</u>	<u>9.37</u>
Difference	\$ 0.26	\$ 0.90

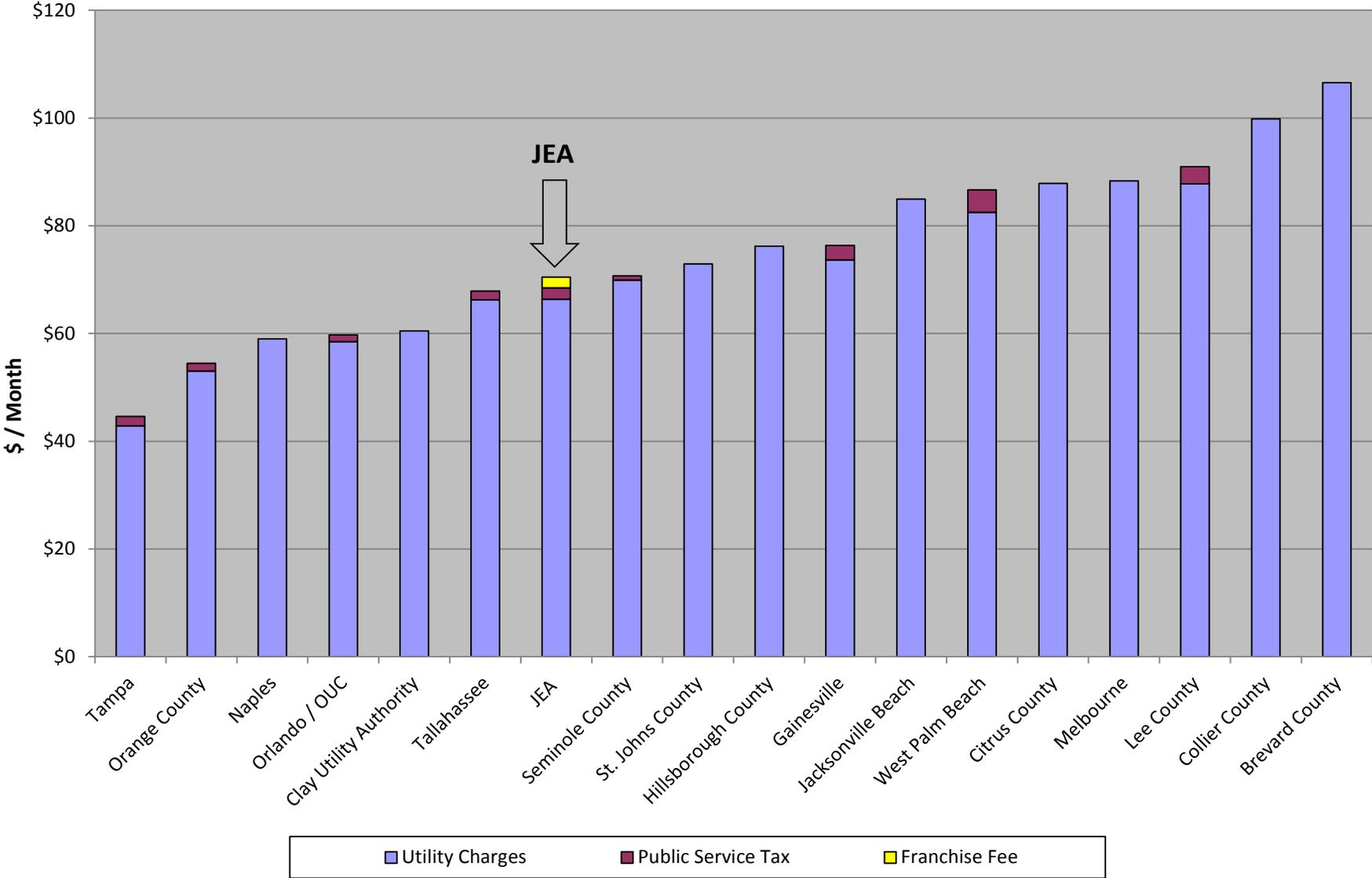
Metrics	FY17 Forecast
Coverage:	2.7x
Days Liquidity/Cash:	605 / 506
Debt/Asset:	50% (3% lower)
Total Debt:	\$1.6B (\$34M lower)



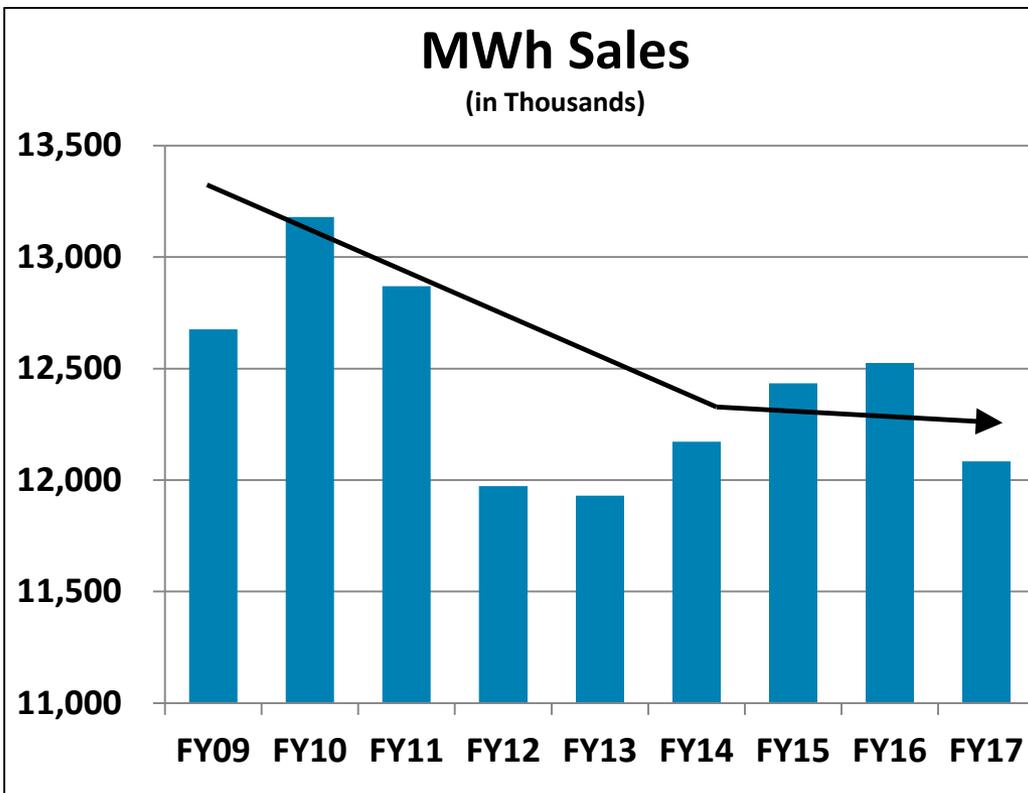
¹ Council approved limit for capital expenditures in FY17 is \$225.5 million

Water & Sewer Rates in Florida

Residential Service with a 5/8" meter and 6 kgals of Consumption
 Residential Rates as of June 2017



Electric System: MWh Sales



Month	FY16	FY17	%
Oct	952,515	951,425	(0.1%)
Nov	923,705	863,238	(6.5%)
Dec	922,956	905,219	(1.9%)
Jan	1,049,897	932,807	(11.2%)
Feb	894,563	759,141	(15.1%)
Mar	893,954	914,242	2.3%
Apr	900,013	933,563	3.7%
May	1,089,555	1,084,832	(0.4%)
YTD	7,627,158	7,344,470	(3.7%)
Jun	1,231,251		
Jul	1,336,836		
Aug	1,254,240		
Sep	1,111,769		
Total/Forecast	12,561,253	12,084,468	

Unit Sales Driver: YTD MWh reduction due to moderate weather and decrease in FPU demand

YTD Degree Days		
<u>30-yr. Avg.</u>	<u>FY16</u>	<u>FY17</u>
2,112	2,029	1,767

YTD Customer Accounts		
<u>FY16</u>	<u>FY17</u>	<u>%</u>
452,833	459,830	1.6%

Total System	(3.7%)
Residential	(2.6%)
Comm./Industrial	(1.9%)
Interruptible	(1.1%)
Wholesale (FPU)	(62.8%)



FY 2017 Performing Objectives

Electric Systems Reliability Metrics

T&D Grid Performance	Metric	FY2017 YTD	FY2017 Target	FY2016	FY2015
Customer Outage Frequency*	# of Outages per Year	1.41	1.8	1.4	1.8
Electric Outage Duration*	# of Minutes out per Year	85	80	71	99
Transmission Line Faults	# of Faults per 100 miles	1.3	2.5	0.7	2.8
CEMI ₅ *	% Customers > 5 outages per yr	0.6	1.5	1.4	2.1

Electric Service Reliability

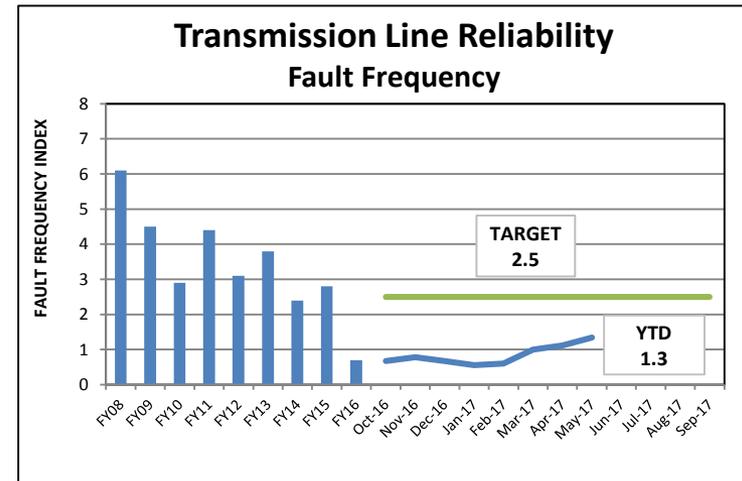
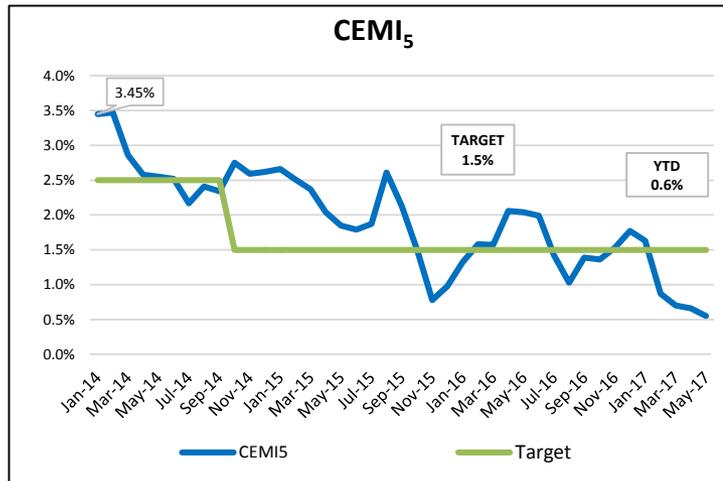
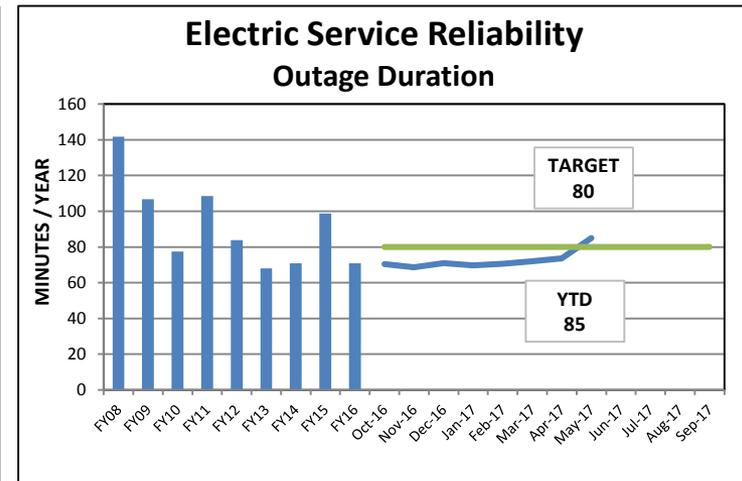
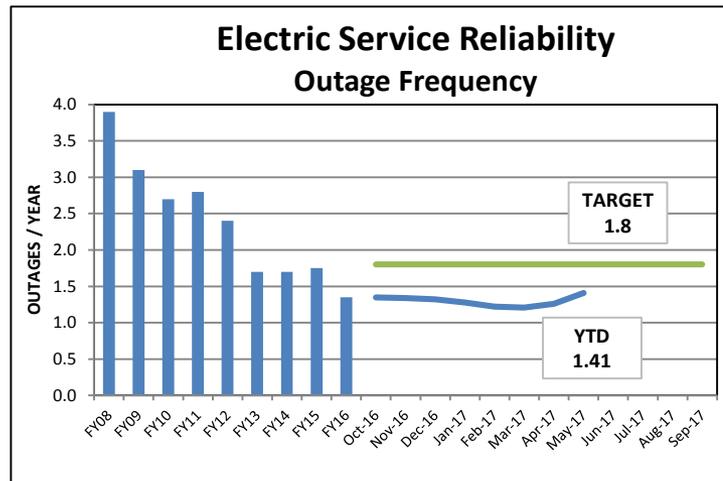
- Outage frequency and duration have been reduced significantly over the last 8 years; running flat this year and near the FY2017 targets.
- The typical JEA customer sees 1.41 outages per year and a total outage duration of 85 minutes
- Excellent improvement trend for CEMI₅. 2,533 (.55%) of our customers have experienced more than 5 outages in the past 12 months

Transmission Line Reliability

- Overall downward trend over the last eight years
- YTD (1.3) running below the FY17 target

Other Operational Metrics

- Continue showing favorable trends over time



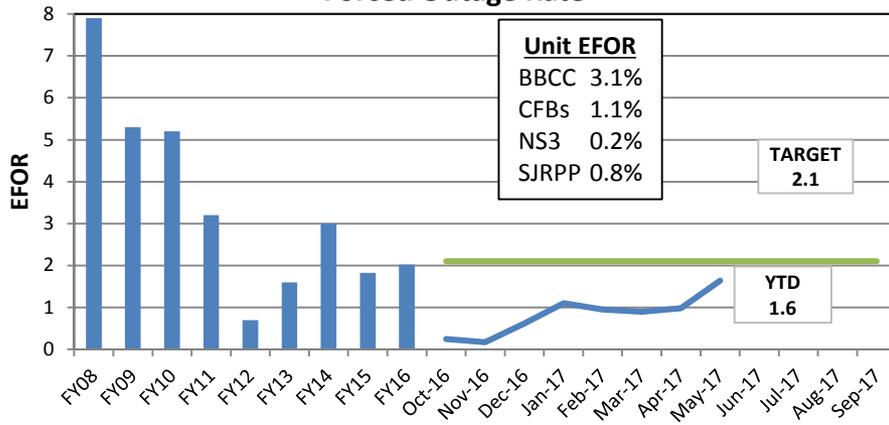
*Aligned with the PSC Rule for Electric Reliability Reporting, the Operational Metrics will exclude the impact of all service interruptions associated with a storm named by the National Hurricane Center.

JEA FY 2017 Performing Objectives

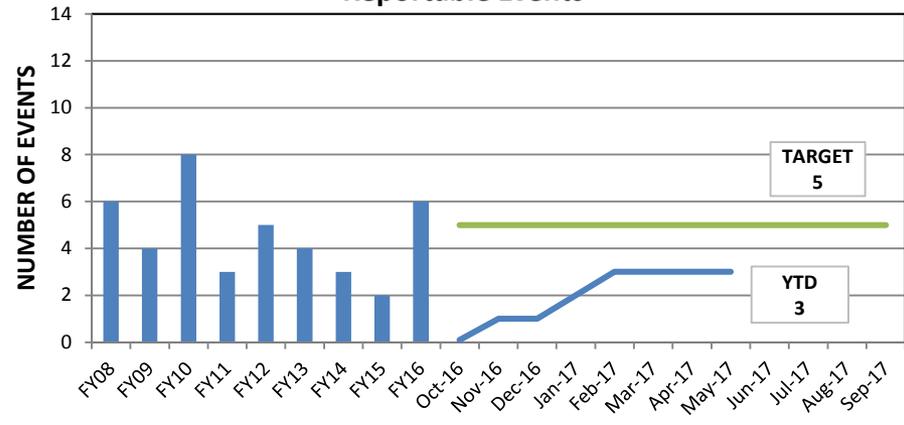
Electric Systems Reliability Metrics

Generating Plant Performance	Metric	FY2017 YTD	FY2017 Target	FY2016	FY2015
Generation Fleet Reliability	Forced Outages Rate	1.6	2.1	2.0	1.8
Environmental Compliance	Permit Exceedances	3	5	6	2

JEA Fleet Reliability Forced Outage Rate



Environmental Compliance Reportable Events



Generating Fleet Reliability

- The JEA fleet Forced Outage Rate is in line with prior 6-year performance and better than FY2017 target.
- Successful outage completed this FY on steam units at Northside, SJRPP, along with the Combined Cycle Unit at Brandy Branch.
- High unit reliability contributes to lower fuel and non-fuel expenses.

Environmental Compliance

- Excellent environmental performance in prior years. No air permit exceedances occurred in FY16 or FY17 to date.
- We have experienced 3 reportable events during FY2017.
- JEA remains actively engaged in and preparing for all new and emerging environmental regulations.

Electric System: Financial Results and Cost Metrics

(\$ in thousands)

Revenues	FY17 Forecast	FY16 Actual	FY17 Budget	FY17 vs FY16 (\$)	Variance (%)
Fuel Revenue	\$ 394,592 ¹	\$ 426,653 ²	\$ 449,776	\$ (32,061)	-7.5% ¹
Base Revenue	754,022 ¹	750,038	735,204	3,984	0.5%
Other Revenue	45,089	37,904	41,787	7,185	19.0%
Total Revenues	\$ 1,193,703	\$ 1,214,595	\$ 1,226,767	\$ (20,892)	-1.7%
		↑ \$-33M ↑			
Select Expenses					
Fuel Expense	\$ 443,850	\$ 397,280	\$ 411,903	\$ (46,570)	-11.7%
Fuel Fund Transfers	(49,259)	29,373	37,705	78,631	
O & M Expense	203,485	192,527	226,180	(10,958)	-5.7%
Non-fuel Purchased Power	79,420	87,426	83,394	8,005	9.2%
Net Revenues	\$ 516,657	\$ 496,092	\$ 454,939	\$ 20,564	4.1%
		↑ \$62M ↑			
Capital Expenditures	\$ 147,408	\$ 150,926	\$ 153,200 ³	\$ 3,518	2.3%
Debt Service	\$ 208,478 ⁴	\$ 171,506	\$ 179,654	\$ (36,792)	-21.6%

Electric Costs / MWh	Non-Fuel
Target	\$ 53.94
Forecast	<u>54.01</u>
Difference	\$ (0.07)

Fuel Fund (\$ in millions)	
Beginning Balance	\$ 180
Surplus/(Deficit)	<u>(49)</u>
Ending Balance	\$ 131

Financial Metrics	FY17 Forecast
Coverage:	2.5x
Days Liquidity/Cash:	308 / 205
Debt/Asset:	62% (3% lower)
Total Debt:	\$2.8B (\$146M lower)



¹ Includes rate change in December 2016

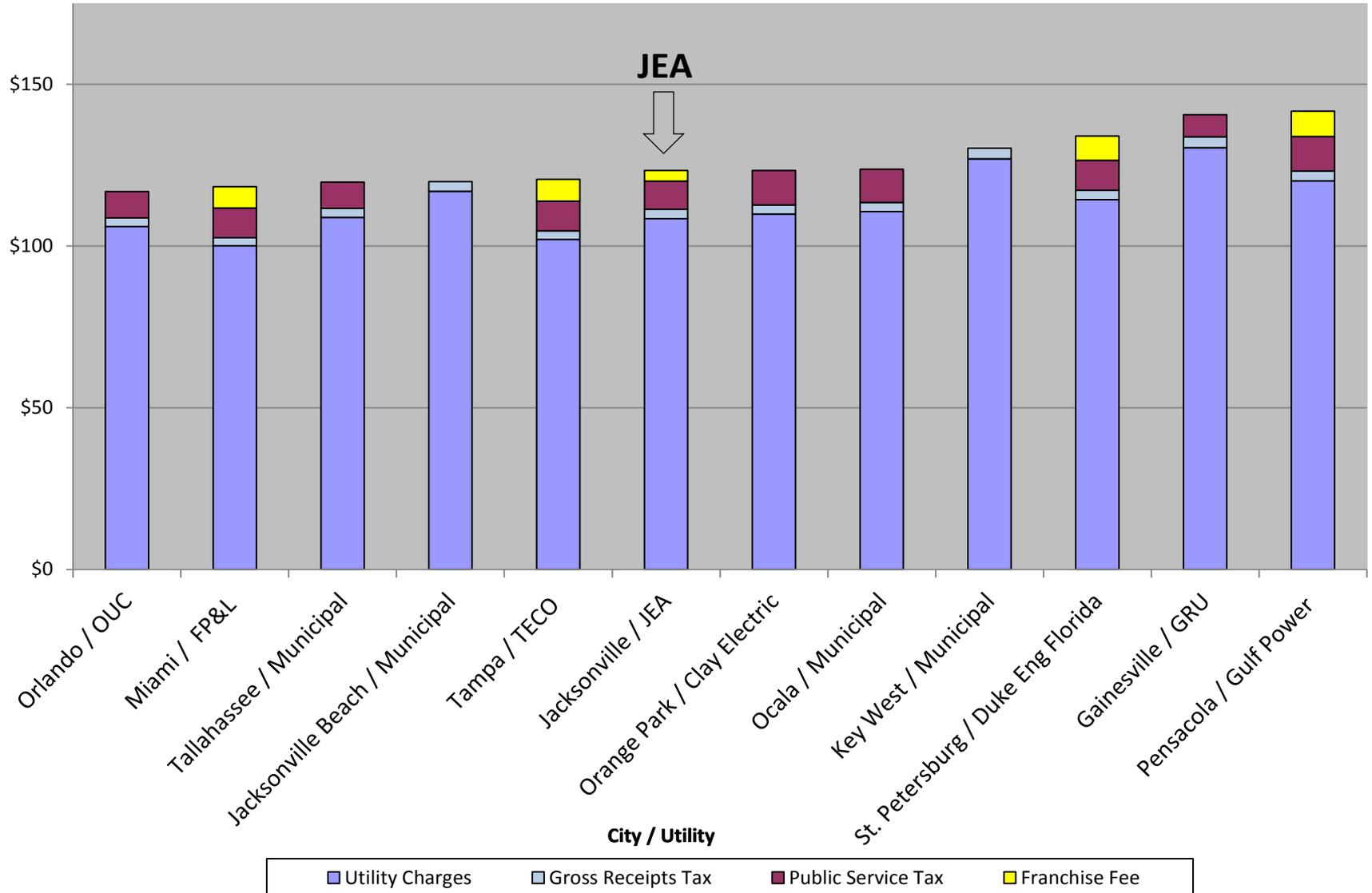
² Net of \$57 million fuel credit and fuel rate reduction

³ Council approved limit for capital expenditures in FY17 is \$170 million

⁴ Includes additional \$40 million related to advanced debt refunding approved by Board in November 2016

Florida Utilities Monthly Residential Electric Bill Comparison

(Consumption @ 1,000 kWh)
Residential Rates as of June 2017



Customer Experience

Date: June 2017



FY17 Customer Satisfaction Goal

Achieve 1st Quartile Ranking for JD Power Customer Satisfaction Index for both Residential and Business Studies

Residential (R)

FY15	FY16	Wave 1	Wave 2	Wave 3	Wave 4	FY17
1Q 692	2Q 703	1Q 749	1Q 782	2Q 739		1Q 757

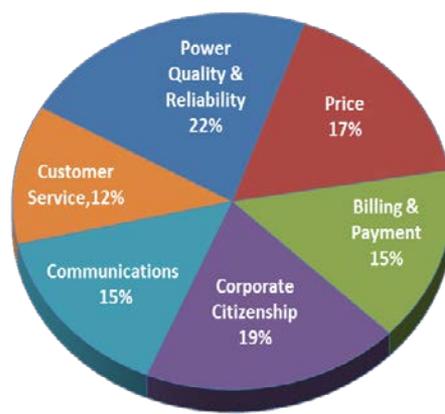
Business (B)

FY15	FY16	Wave 1	Wave 2	FY17
1Q 705	1Q 754	1Q 788	2Q 772	1Q 780

Residential



Business



FY17 Residential # of companies ranked: 138
 FY17 Business # of companies ranked: 86

1Q= 1st quartile 2Q= 2nd quartile 3Q = 3rd quartile 4Q = 4th quartile

Achieve 1st Quartile Ranking on All Drivers

Be Easy to Do Business With

Customer Service

	FY16		Wave 1		Wave 2		Wave 3		Wave 4		FY17	
R	1Q	782	1Q	808	1Q	840	2Q	800			1Q	818
B	1Q	782	2Q	817	1Q	841					1Q	829

Power Quality & Reliability

	FY16		Wave 1		Wave 2		Wave 3		Wave 4		FY17	
R	2Q	749	2Q	791	1Q	827	2Q	781			1Q	800
B	1Q	794	1Q	826	2Q	807					1Q	816

Empower Customers to Make Informed Decisions

Billing & Payment

	FY16		Wave 1		Wave 2		Wave 3		Wave 4		FY17	
R	1Q	763	1Q	818	1Q	827	2Q	797			1Q	814
B	1Q	785	1Q	806	2Q	801					2Q	803

Communication

	FY16		Wave 1		Wave 2		Wave 3		Wave 4		FY17	
R	1Q	665	1Q	713	1Q	751	1Q	705			1Q	723
B	1Q	721	1Q	766	1Q	748					1Q	757

Price

	FY16		Wave 1		Wave 2		Wave 3		Wave 4		FY17	
R	2Q	630	2Q	671	1Q	721	2Q	675			1Q	689
B	1Q	701	1Q	744	2Q	726					1Q	735

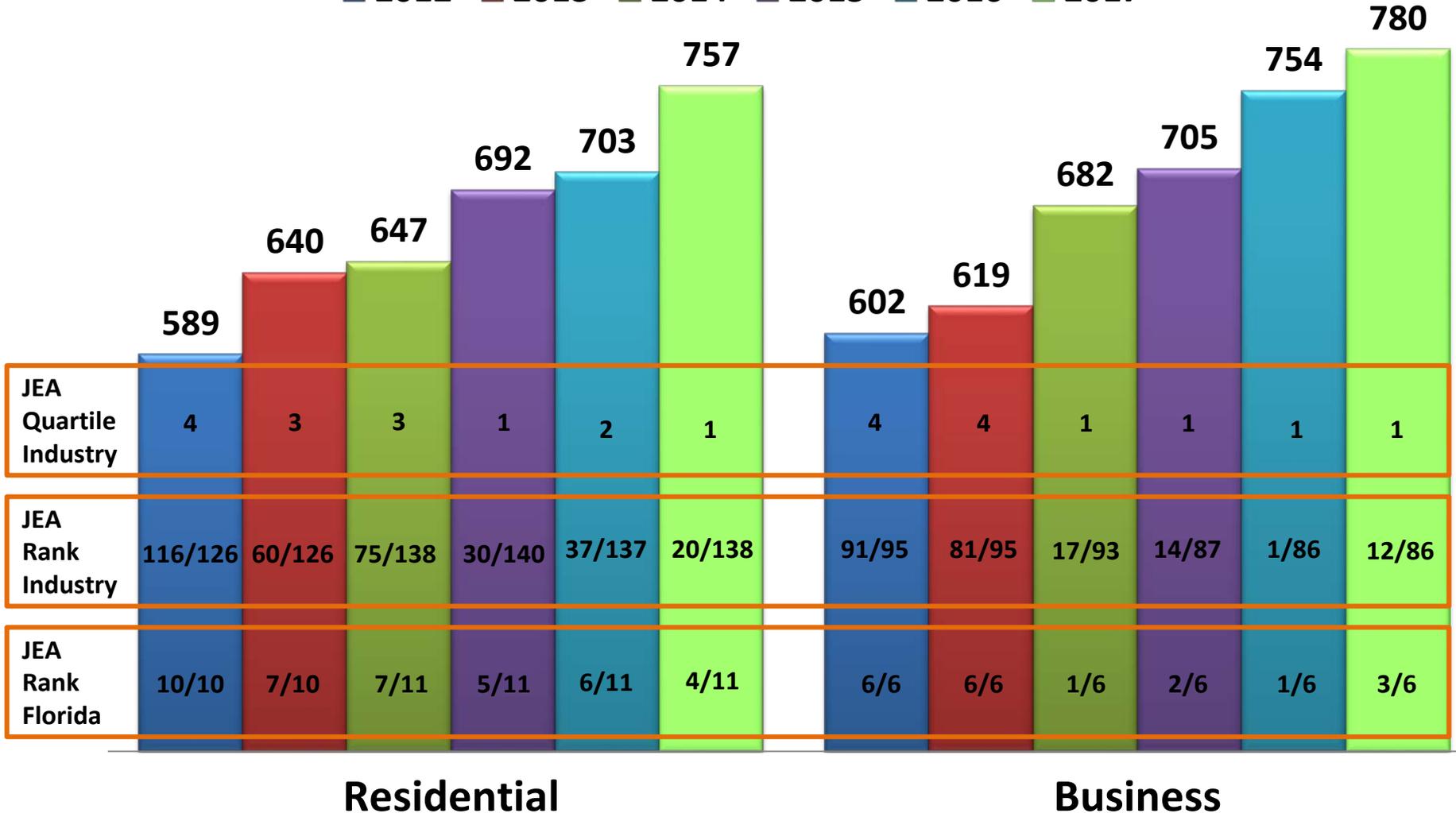
Demonstrate Community Responsibility

Corporate Citizenship

	FY16		Wave 1		Wave 2		Wave 3		Wave 4		FY17	
R	2Q	645	2Q	685	1Q	725	2Q	681			1Q	697
B	1Q	731	1Q	758	2Q	738					1Q	748

Customer Satisfaction Index Scores

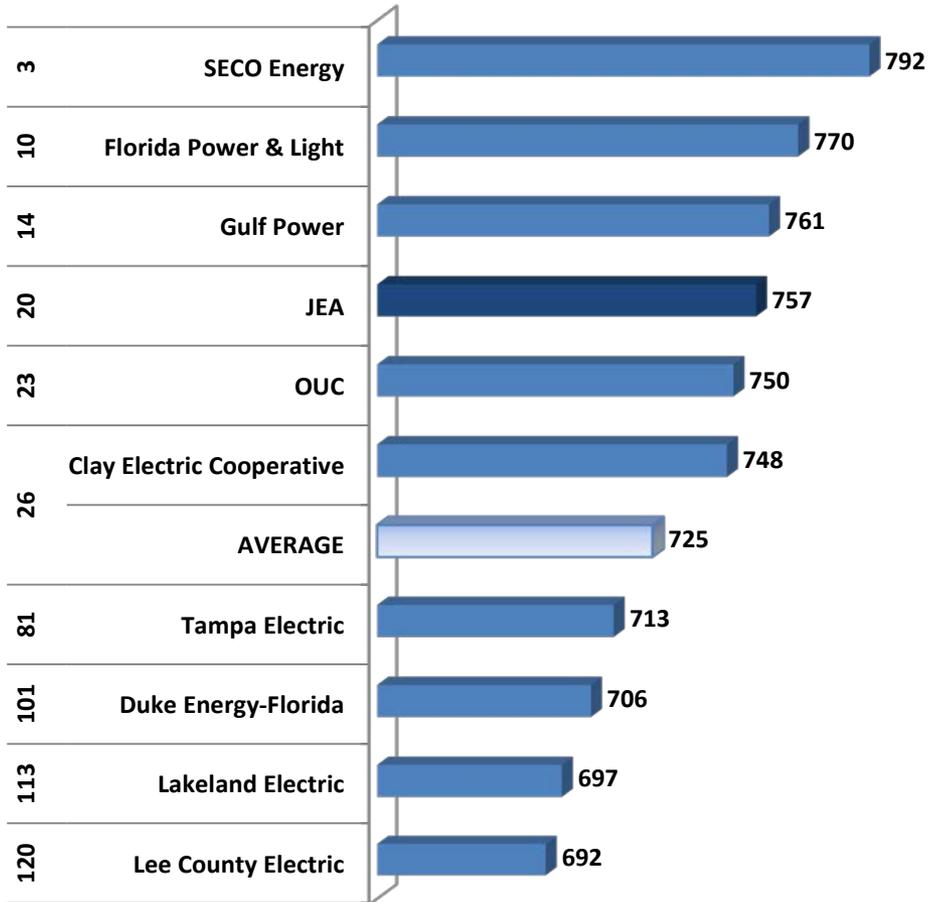
■ 2012 ■ 2013 ■ 2014 ■ 2015 ■ 2016 ■ 2017*



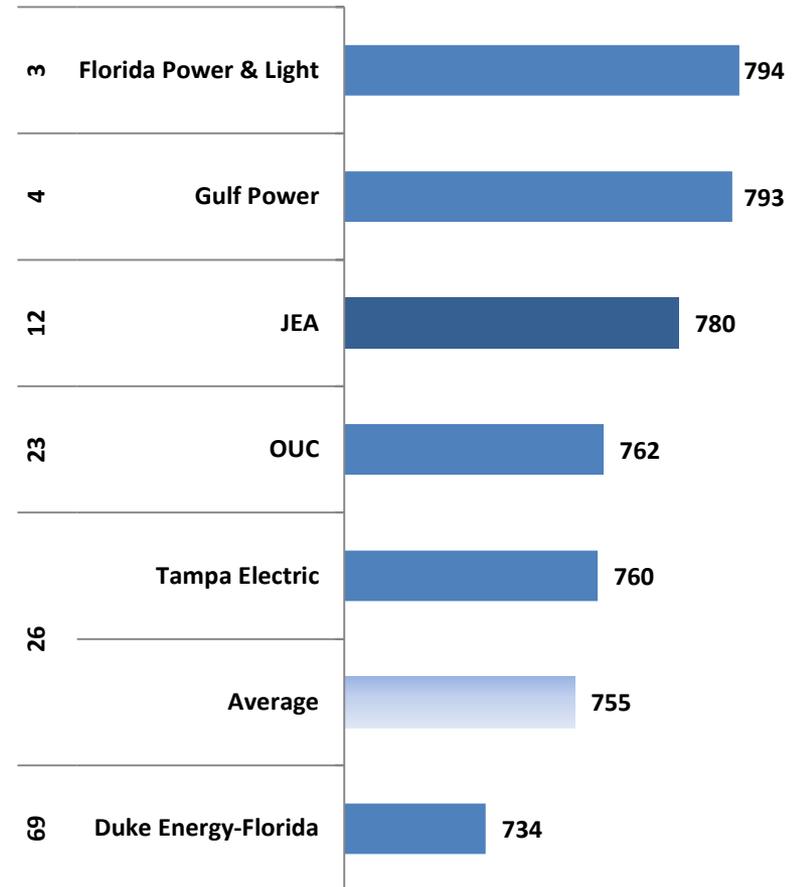
* Note: 2017 Wave 3 Residential and 2017 Final Business (now named CY2016)

Customer Satisfaction Index Scores – Florida Utilities

Residential FY17 YTD



Business CY16/ FY17



Note: 2017 Wave 3 YTD

Easy to do Business With

Providing multiple contact channels allows the customer to interact with JEA in a way that's easiest for them.

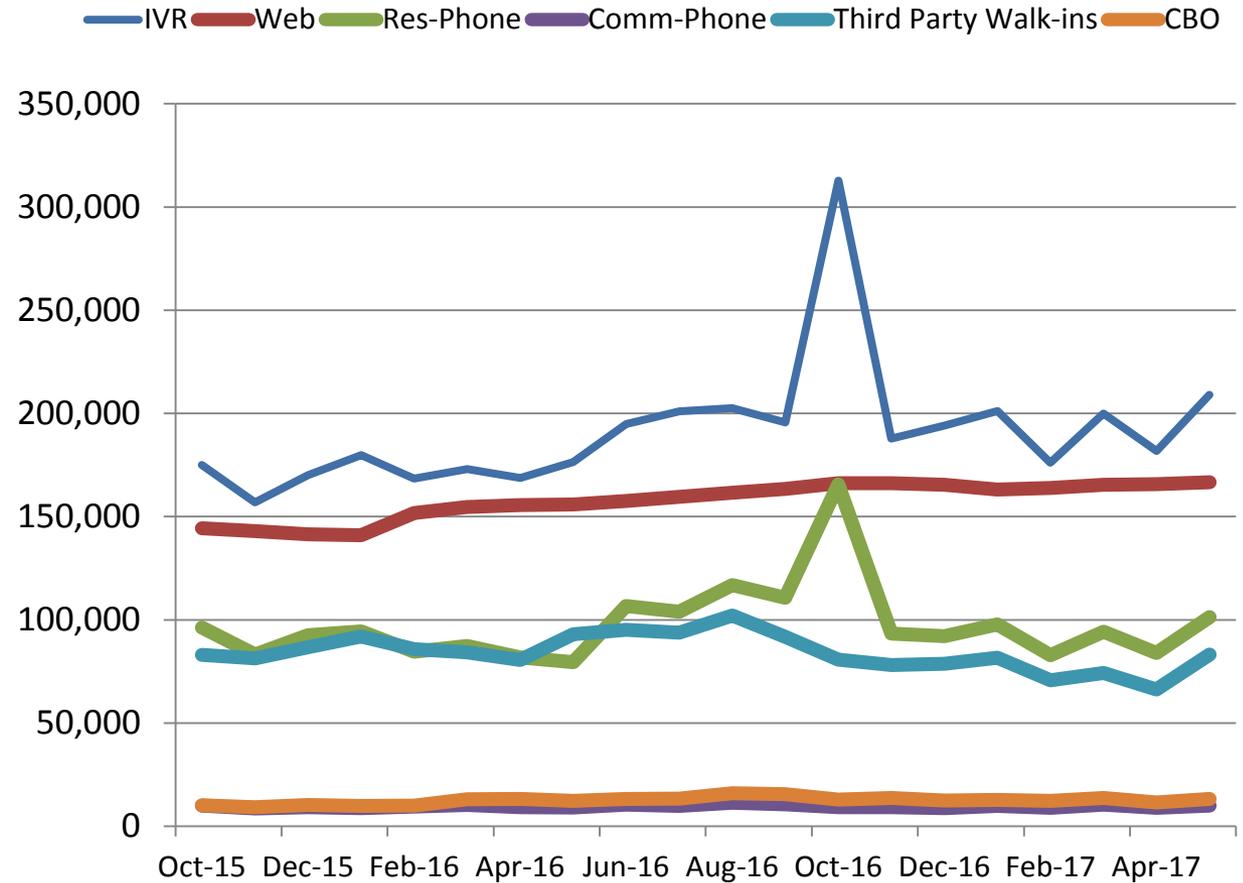
Customer Satisfaction Rating: 8s-10s by Channel - JDP

	JEA FY16	JEA FY17	Industry FY17
Phone - CCC	57.0%	76.4%	70.7%
IVR	79.6%	80.2%	73.3%
Web	64.6%	80.2%	70.5%

Note: FY17 Wave 3 YTD



Transactional Volume



Customer Service Easy to do Business With

Accurately addressing a customer's needs the first time produces a positive customer experience

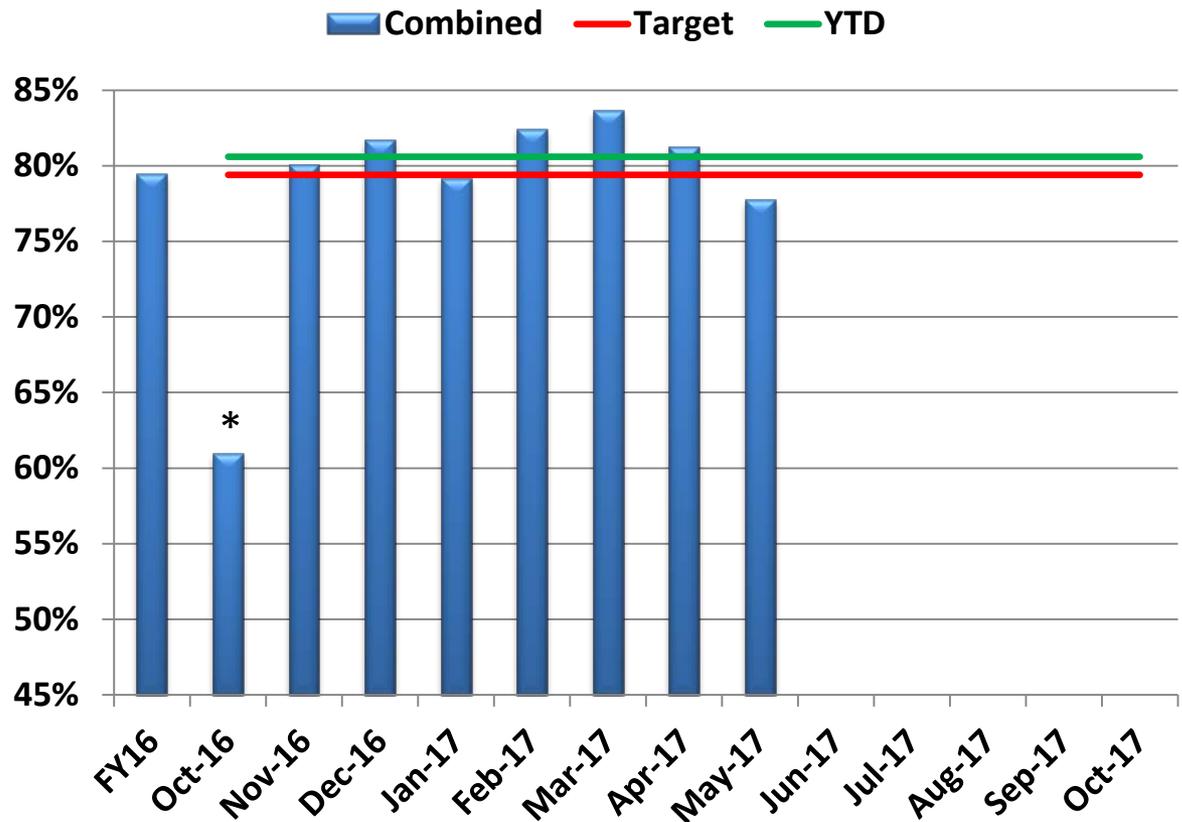
FY2017 YTD Transactional Study

Residential CC	79.3%
Branches	82.4%
Commercial CC	80.8%
IVR	79.8%
jea.com	82.0%
Overall	80.6%

JD Power FCR

	JEA FY16	JEA FY17	Industry FY17
Res CC/IVR	74.8%	70.2%	72.2%
Jea.com	77.7%	71.0%	72.4%
Bus CC/IVR	71.4%	82.1%	71.3%

First Contact Resolution Branches, Call Centers, and jea.com



* October decline result of Hurricane Mathew

Note: FY17 Wave 3 YTD



Power Quality & Reliability Easy to do Business With

Customers are more satisfied when receiving additional information when reporting an outage and when given updates when power is restored

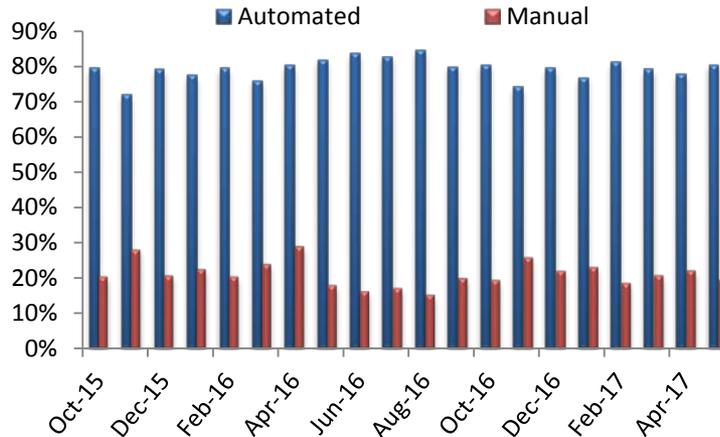
JD Power
“Keeping you informed about outage”

Score	JEA FY16	JEA FY17	Ind FY17
8 – 10	37.9%	58.2%	47.6%
< 5	20.0%	12.1%	15.7%

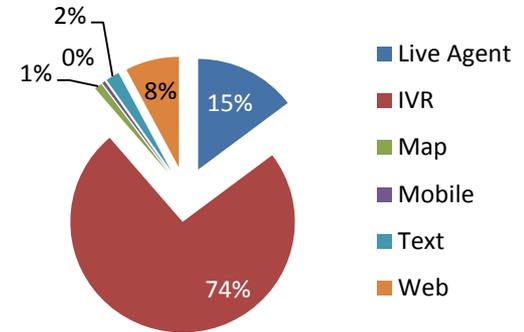
Outage Information Points

	FY16	FY17
JEA	2.3	2.6
Industry	2.1	2.3

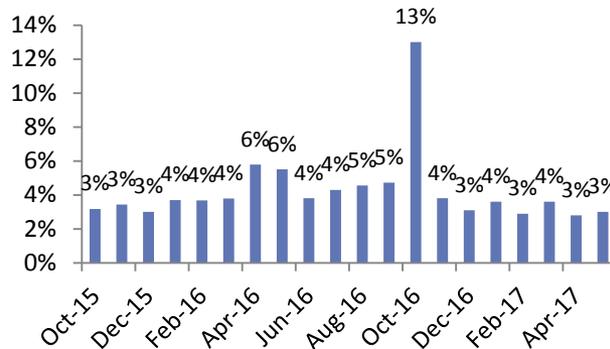
Outage Reporting



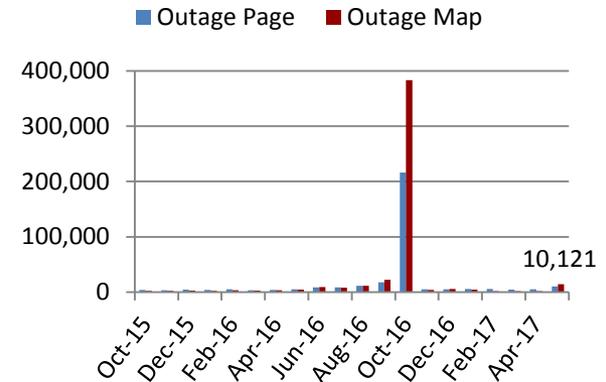
Outage Reporting by Channel



% Customers Receiving Outage Updates



jea.com Outage Page Volume



Note: FY17 Wave 3 YTD

Empowering Customers to Make Informed Decisions

Customer Solution Participation	FY17 Goal*	FY17 YTD
e-Billing Participation	97,982	88,914
Levelized Bill Participation	25,592	20,679
AutoPay Participation	41,800	38,200
JEA MyWay Participation	19,418	16,423



The JEA Smart Home AutoPay Giveaway campaign in effect from April through end of May. We will be giving away a Google Home and Smart Lighting Starter kit to three lucky Customers who signed-up during the campaign.

	FY17 YTD	Industry Benchmark*
e-Bill	21.1%	18.5%
Budget Bill	5.0%	9.0%
Auto Pay	9.1%	13.0%
*2015 IOU Benchmark Average		



*FY17 goals modified to reflect shift in resource priorities.

Empowering Customers to Make Informed Decisions

Communicating with customers is a key driver of satisfaction and impacts all drivers.

JDP Frequency of Received Communication

FY17 YTD

Not enough	5%
Just right	86%
Too much	10%

JDP Comm Awareness

Residential

FY13	48.8%
FY14	51.9%
FY15	54.6%
FY16	54.4%
FY17 YTD	60.4%

Commercial

FY13	53.4%
FY14	55.7%
FY15	68.7%
FY16	55.4%
FY17 YTD	64.2%



**JEA SolarSmart:
Solar Power. For Everyone.**

JEA SolarSmart: Solar Power. For Everyone.

Bill Mackey has been waiting for June to get here.

About eight months ago he read a newspaper story about an upcoming new solar offering at JEA. Mackey is so interested in solar he tracked down the program's manager and learned that JEA SolarSmart would launch June 1, 2017. Mackey can't wait to participate.

Here's how JEA SolarSmart will work: JEA customers can choose how much of their energy—from 1 to 100 percent—they want to come from a number of new solar farms within JEA's service territory. JEA SolarSmart customers will then receive a separate Fuel Cost refund depending on their percentage chosen. They'll also see a separate JEA SolarSmart charge on their bill. This charge will pay for their solar energy and be based on their solar percentage selection. (To see a bill example go to jea.com/solarsmart.)

Mackey wants either 50 to 100 percent of his energy usage to come from JEA's solar farms. He's okay with paying a little more each month because he believes in solar power and he knows he's being billed "at cost" for the amount of solar energy he's using.

"I've thought about putting solar panels on my house, but it's not so cheap as it is getting it from a solar farm," said Mackey, a retired software engineer. "Plus my roof isn't southern facing for optimal exposure. So JEA SolarSmart is perfect for me."

Assuming Mackey uses 3,000 kWh of energy a month, and he chooses to have 50 percent of his energy come from the new solar farms, the EPA says he will save about 4.6 tons of carbon dioxide emissions from being released into the atmosphere every year. If he elects 100 percent, he'll see a savings of about 9.2 tons a year.

"It's well worth it," said Mackey, adding, "I'm pretty proud of JEA for doing this. I hope they do more."

To learn more about JEA SolarSmart or to sign up for the program go to jea.com/solarsmart. Every JEA customer who elects to receive a portion of their energy from JEA SolarSmart will receive a certificate of recognition and a sticker that says you are "Proud to Support JEA SolarSmart."

How Much Will Your Bill Go Up with JEA SolarSmart?

JEA Power Supply Mix
If you use 3,000 kWh of electricity a month, the electric portion of your bill is \$123.35 and your power supply mix looks like this:

Renewable Energy	1%
Coal	49%
Nuclear	47%
Other	3%

50% JEA SolarSmart
If you choose to have 50 percent (50 kWh) of the electric portion of your bill come from JEA SolarSmart, your electric bill would be \$125.87 and your power supply mix would look like this:

Renewable Energy	1%
Coal	48%
Nuclear	47%
Other	3%
JEA SolarSmart	1%

20% JEA SolarSmart
If you choose to have 20 percent (200 kWh) of the electric portion of your bill come from JEA SolarSmart, your electric bill would be \$132.24 and your power supply mix would look like this:

Renewable Energy	1%
Coal	46%
Nuclear	47%
Other	3%
JEA SolarSmart	2%

50% JEA SolarSmart
If you choose to have 50 percent of the electric portion of your bill (500 kWh) come from JEA SolarSmart, your electric bill would be \$140.00 and your power supply mix would look like this:

Renewable Energy	1%
Coal	45%
Nuclear	47%
Other	3%
JEA SolarSmart	4%

ELECTRIC RELIABILITY
JEA has wrapped up The Robotic Electric Connection Project. The project improves reliability for Subdividers residents and businesses by upgrading and standardizing the electric equipment that serves the town.

COMMUNITY INVESTMENT
JEA employees are practicing for a big intramural basketball tournament to raise money for the annual Community Day. Our Game Day Champions. Last year a team of employees and volunteers won, but this year a team from the water department hopes to succeed them. Fundraising target: \$15,000. All for CMC!

ELECTRIC SAFETY
Home generators can kill JEA because if they are not hooked-up correctly. We made a video to show you how to use them safely. Watch it at jea.com/generatorsafety.

Protecting The Environment
The best way to avoid household mosquito-borne illness is by preventing standing water. The EPA registered repellents, protective clothing, and dump any standing water. More at epl.net/mosquito.

Communication Channels
FY17
Volume: 168,652,541

- e-Com (jea.com, email, social) 37,454,456
- Paid Media (Radio, TV, Print) 122,067,203
- Community Engagement (Events, Workshops) 469,482
- Other Communication (Bill Inserts, Brochures, 8,661,400)

Storm Preparation Tips from JEA
Before the storm, we encourage you to take steps now to ensure you and your family are prepared should a hurricane or other natural disaster strike...

Empowering Customers to Make Informed Decisions

JEA Employee Volunteer Participation

JEA Ambassadors are engaging customers throughout our community in a greatly expanded way.

FY17 Activities:

- Speakers Bureau—78
- Facility Tours—45
- Community Events—101
- Educational Partnership Activities—25



Our Volunteerism

Learn about how JEA gives back to the community, through our Ambassador program, employee volunteers, employee giving, and partnerships with...



Ruth-Ann Moody
Office Support Associate
T and D Maintenance



32 JEA Ambassadors participated in the Junior Achievement School Take Over at Greenland Pines Elementary and spent the day teaching about our City, Region and Nation based on financial literacy and entrepreneurialship.



JEA Ambassadors participated in the Caregiver Expo; providing information to those customers who provide care to customers who cannot care for themselves.

Giving back to our community through volunteering is foundational as a community-owned utility

FY17 Total Volunteers—526

May — 82 Volunteers

- Aging True Cathedral Café
- Make a Wish “Walk for Wishes”
- Habijax Home Build
- Habijax “Women’s Build Day”
- American Cancer Society Relay for Life
- Sulzbacher Center
- Catty Shack Wildlife Sanctuary
- Rethreaded
- Jacksonville Jazz Festival
- Five Star Veterans Center
- Feeding NE Florida Food Bank

June — Volunteer Events

- Miracle on Ashley Street – June 2
- First Coast Kids Triathlon – June 2 – 4
- City Rescue Mission – June 8
- Aging True – June 15
- NE Florida Food Bank – June 23
- City Rescue Mission – June 23



In Our Community

Learn about how JEA gives back to the community, through our Ambassador program, employee volunteers, employee giving, and partnerships with...



JEA Ambassador Program

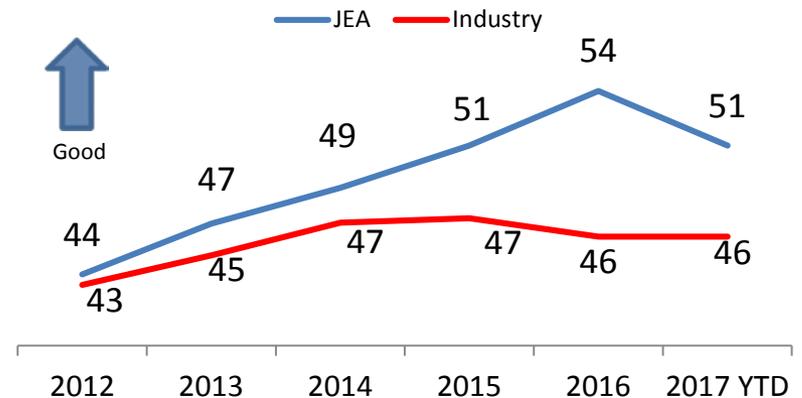
Demonstrating Community Responsibility

DSM Programs & Participation	FY17 Goal	FY17 YTD
Tracker Participation (Entering Site)	110,000	66,126
Invest Smart	395	428
Shop Smart	77,678	81,088
Neighborhood Energy Efficiency	1,262	792
Electric Vehicle Rebates	75	57

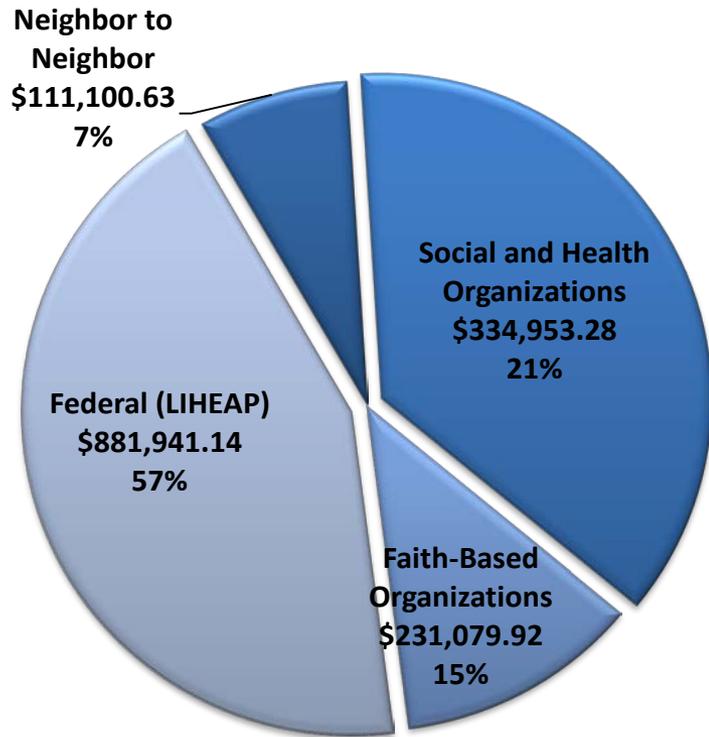
Customer Solutions Highlights for June

- On June 8th, there will be a ribbon-cutting ceremony to celebrate the first Community Solar Field at Montgomery.
- The SolarSmart program launched on June 1st and four customers signed up by June 5.
- JEA customers who want to subscribe to the new SolarSmart program can enroll now through the Customer Service Center.
- Auto-enroll on JEA.com will be available soon.

Familiarity with Utility Energy Efficiency or Conservation Programs (%)

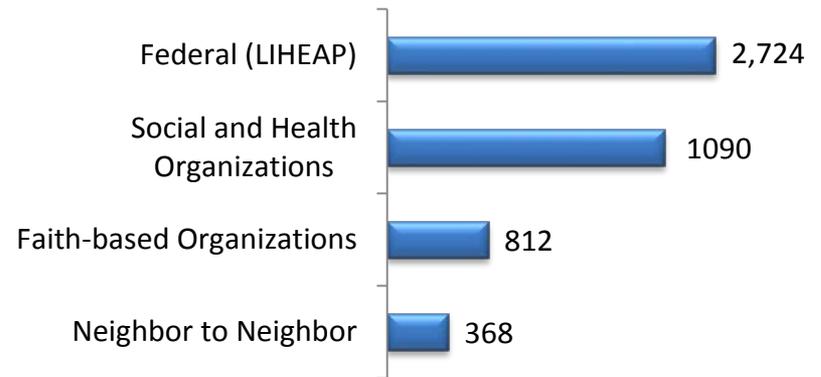


Demonstrating Community Responsibility



25 agencies provided utility payments on behalf of 544 JEA customers in May 2017 totaling **\$165,588.63**

Customers Receiving Agency Assistance YTD



Agency & Federal Customer Assistance
FY 17 YTD
\$1,559,075

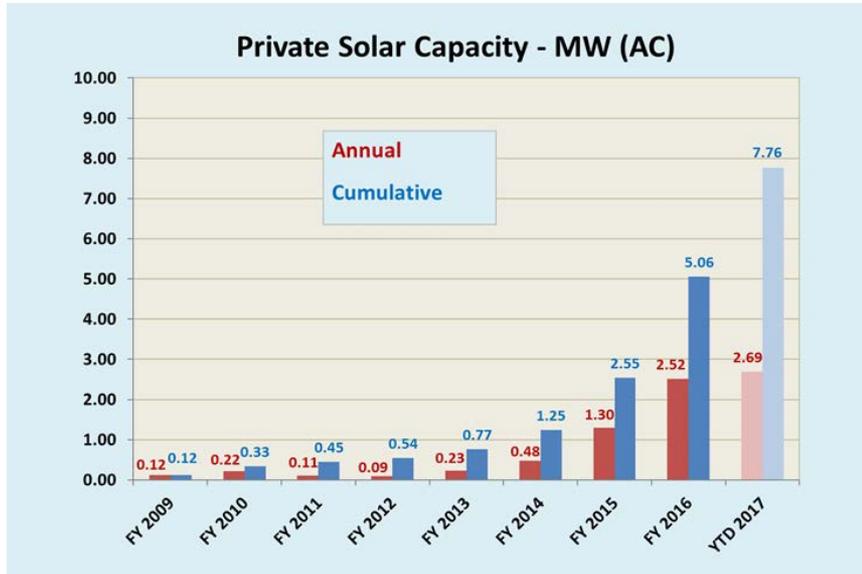
Number of Customers Receiving Agency & Federal Utility Assistance
FY 17 YTD
4,994



Private Solar Program Status (Net-Metered Solar)

10MW Policy Limit for Private Solar To Be Reached by October

- The installation rate of private solar on the JEA system is growing
- Private solar capacity added in May was 0.23 MW, YTD 2.69 MW. Total aggregate capacity is 7.76 MW. At the current adoption rate the 10 MW cap may be reached by October.
- The annualized subsidy for the current 7.76 MW of installed private city is \$717,000 annually
- The table below reflects the current and future subsidy levels associated with private Solar:



	Current MW	10 MW Policy Limit	Each Future MW
Energy Subsidy	\$377,000	\$500,000	\$50,000
Capacity Subsidy	\$262,000	\$330,000	\$33,000
Taxes & Fees Subsidy	\$78,000	\$98,000	\$9,800
Subsidy Total	\$717,000	\$928,000	\$92,800
Subsidy 20-yr NPV	\$9,357,647	\$12,100,000	\$1,210,000



III. A. 4.

Monthly FY17 Communications & Engagement Calendar and Plan Update

JEA Community Engagement Calendar - May - July 2017
(Events highlighted in blue are either JEA corporate or partner events)

	A	B	C	D	E	F
1	Date	Event/Activity	Location	Time	Type	Opportunity for Public to Attend or Participate
2	May-17					
3	5/2/2017	JEA Power Pals	North Shore Elem.	10am	Ambassador Instructor	No
4	5/2/2017	Tulsa Welding - Facility Tour	Solar Frm	1pm	Ambassador Facility Tour	No
5	5/3/2017	JEA Power Pals	Henry Kite Elem.	9am	Ambassador Instructor	NO
6	5/4/2017	FL Foresters Annual Meeting	St Johns	11am	Ambassador Speaker	No
7	5/4/2017	First Coast News Night Shift	Buckman WTF Tour	11am	Ambassador Facility Tour	No
8	5/6/2017	Jax Aqua Fest	MOSH	10am - 4pm	Ambassador Event	Yes
9	5/9/2017	JEA Power Pals	North Shore Elem.	10am	Ambassador Instructor	No
10	5/8/2017	SW CPAC	Laney Wiley Senior Center	6pm	Ambassador Event	Yes
11	5/8/2017	Jax Beach Elem. Career Fair	Jax Beach	10am	Ambassador Speaker	No
12	5/9/2017	Brandy Branch Tour	Brandy Branch Facility Tour	10am	Ambassador Facility Tour	No
13	5/10/2017	JEA Power Pals	Henry Kite Elem.	9am	Ambassador Instructor	No
14	5/10/2017	Chaffee Trail Elem. Career Fair	11400 Sam Caruso Way	8:30am	Ambassador Event	No
15	5/10/2017	Biscayne Elem. Career Fair	12230 Biscayne Blvd.	9am	Ambassador Event	No
16	5/11/2017	JEA Power Pals	Tiger Academy	9am	Ambassador Instructor	No
17	5/11/2017	NW CPAC	The Legends Center	6pm	Ambassador Event	Yes
18	5/12/2017	Mental Health Conference	Edward Waters College	9:30am	Ambassador Event	Yes
19	5/12/2017	Bryan Jennings Elem Career Fair		8:30am	Ambassador Event	No
20	5/12/2017	Chimney Lakes Elem. Career Fair	9353 Staples Mill Dr.	9:30am	Ambassador Speaker	No
21	5/13/2017	Q&A With JEA	WOKV	11am	Ambassador Speaker	Yes
22	5/13/2017	Caregiver Expo	Hyatt Riverfront	10am	Ambassador Event	Yes
23	5/14/2017	Girl Scout Evaluations	St Johns Town Center	10am	Ambassador Speaker	No
24	5/16/2017	JEA Power Pals	North Shore Elem.	10am	Ambassasor Instructor	No
25	5/17/2017	JEA Power Pals	Henry Kite Elem.	9am	Ambassador Instructor	No
26	5/17/2017	Springfield Lab Tour	Main St Lab	10am	Ambassador Facility Tour	No

JEA Community Engagement Calendar - May - July 2017
(Events highlighted in blue are either JEA corporate or partner events)

	A	B	C	D	E	F
27	5/17/2017	Senior Day at JEA	JEA Business Office	10am	Ambassador Event	Yes
28	5/18/2017	JEA Power Pals	Tiger Academy	9am	Ambassador Instructor	No
29	5/18/2017	Arlington Heights STEM Night	1520 Sprinkle Dr.	6pm	Ambassador Event	Yes
30	5/18/2017	San Mateo Elem Career Fair		8am - 2pm	Ambassador Event	No
31	5/19/2017	Young Women of Color Empowerment Conference	Douglas Anderson School of the Arts	8:30am - 10:30am	Ambassador Speaker	No
32	5/19/2017	Young Women of Color Empowerment Conference	Douglas Anderson School of the Arts	8:30am - 3:30pm	Ambassador Event	No
33	5/19/2017	Junior Achievement School Take Over	Greenland Pines Elem.	8am - 2pm	Ambassador Instructor	No
34	5/19/2017	Ruth Upson Elem. Career Day	1090 Dancy St	8:30am	Ambassador Event	No
35	5/19/2017	Rufus E Payne Elem. Career Day	6725 Hema St	8:30am	Ambassador Event	No
36	5/20/2017	FL STEM Expo	River City Science Academy	11am - 3pm	Ambassador Event	Yes
37	5/22 - 23/2017	Gardens & Arts Festival	Jax Zoo	10am - 4pm	Ambassador Event	Yes
38	5/22/2017	Sheffield Elem. Career Fair				
39	5/22/2017	Junior Achievement School Take Over	Oceanway Elem.	9am - 12pm	Ambassador Instructor	No
40	5/23/2017	Lone Star High Career Day	8050-1 Lone Star Rd.	9am	Ambassador Event	No
41	5/23/2017	Storm Preparedness Summit	WJCT	10am	Ambassador Speaker	Yes
42	5/23/2017	JEA Power Pals	North Shore Elem.	10am	Ambassador Instructor	No
43	5/24/2017	JEA Power Pals	Henry Kite Elem.	9am	Ambassador Instructor	No
44	5/25/2017	Bartram Springs Career Fair	14799 Batram Parkway	8:30am	Ambassador Event	No
45	5/25/2017	Junior Achievement School Take Over	Venetia Elem.	9am	Ambassador Instructor	No
46	5/25/2017	JEA Power Pals	Tiger Academy	9am	Ambassador Instructor	No

JEA Community Engagement Calendar - May - July 2017
(Events highlighted in blue are either JEA corporate or partner events)

	A	B	C	D	E	F
47	5/26/2017	John E Ford Career Day	1137 Cleveland St	9am	Ambassador Event	No
48	5/26/2017	Kings Trail Elem. 1-Hour Power Pal	7401 Old Kings Rd.	12pm	Ambassador Instructor	No
49	5/26/2017	Tiger Academy Career Day	6079 Bagley Rd	8am - 2pm	Ambassador Event	No
50	5/31/2017	Jeff Davis Career Day	7050 Melvin Rd.	9am	Ambassador Event	No
51	5/31/2017	Garden City Elem. Career Fair	Dunn Ave.	9am	Ambassador Event	No
52	5/31/2017	National Senior Health Conf	Brook s YMCA	10:30am	Ambassador Event	Yes
53	Jun-17					
54	6/1/2017	JEA Power Pals	Tiger Academy	9am	Ambassador Instructor	No
55	6/6/2017	Lego Robotics Summer Camp	Stanton College Prep High	12pm	Ambassador Speaker	No
56	6/7/2017	Tote Maritime Safety Fair	10550 Derrwod Parkway	10am	Ambassador Event	Yes
57	6/16/2017	Men's Health Fair	Lincoln Villas Senior Center	10am	Ambassador Event	Yes
58	6/21/2017	St Andrews Presbyterian Church	6317 103rd St	6pm	Ambassador Speaker	Yes
59	6/21/2017	JEA Youth Energy Academy	NGS	8:30am - 4pm	Ambassasor Instructor	Yes
60	6/23/2017	Jr. Engineering STEM Conference	UNF	8am - 2pm	Ambassador Event	Yes
61	6/23/2017	Shiva Robotics Academy	7044 Beach Blvd	10am	Ambassador Speaker	No
62	6/24/2017	Shiva Robotics Academy	Main St Lab	10am	Ambassador Facility Tour	No
63						
64						
65	Jul-17					
66	7/20/2017	Kid City USA	Main St Lab	10am	Ambassador Facility Tour	No
67						
68						
69						
70						
71						



FY17 Communications & Community Engagement Overview and May/June Update

Overview: Each month we update the board on communications and community engagement activities for the previous and current months. The purpose is to keep you informed about these activities so that you are knowledgeable about JEA's efforts to keep our customers informed, to assist them in the management of their utility services and to be a good corporate citizen.

Communications: In May, our JEA Smart Home AutoPay Giveaway continued. During the campaign, all JEA customers who enrolled in JEA AutoPay from April 1st – May 31st, 2017 were automatically entered into our JEA Smart Home AutoPay Giveaway for their chance to win a Google Home and Smart Lighting Starter Kit. We also launched Phase II of our OneWater campaign in the month of May. This campaign focuses on water conservation and encourages all JEA customers to try to use 10% less water each month to protect our water supply now and in the future. On May 25th we partnered with the Five Star Veterans Center, a center for homeless veterans, to assist with landscaping, organizing, and painting. On June 1st we opened enrollment and began promotion for the new JEA SolarSmart program. Within the first two days, we enrolled four customers in the program, one opting to receive 100% of their energy from JEA SolarSmart. Otherwise, we continued all key messages identified by J.D. Power as critical to customers. All paid and owned messaging is supported by social media, using Twitter, Facebook, LinkedIn, Google+ and YouTube to provide additional timely, relevant information.

Community Engagement: JEA employees are actively involved in our community engagement efforts. JEA Ambassadors participate in activities where we have an opportunity to help customers manage their utility services and/or to educate customers about how JEA provides critical utility services to our community. These employees are trained and certified ahead of time to help JEA deliver on our mission. On the other hand, JEA Volunteers go out into the community to assist nonprofits accomplish their goals by offering their time and talents to help the nonprofit deliver their mission. Volunteers do not have to have any special training or talent; they just have a caring heart.

In May, Ambassadors were requested by several groups including: Douglas Anderson for their Young Women in STEM Empowerment Conference, numerous school Career Fairs and the Storm Preparedness Summit. Ambassadors conducted several facility tours including Tulsa Welding School and UNF Students. Ambassadors participated in a number of community events including the Caregiver Expo, STEM Expo and the Jax Aqua Fest.

Below, 32 JEA Ambassadors participated in the Junior Achievement School Take Over at Greenland Pines Elementary and spent the day teaching 3rd – 5th graders about our City, Region and Nation based on financial literacy and entrepreneurship.



In May, JEA volunteers came out in support of the Aging True Cathedral Café, Make a Wish “Walk for Wishes”, Habijax Home Build, Habijax “Women’s Build Day”, American Cancer Society Relay for Life, Sulzbacher Center, Catty Shack Wildlife Sanctuary, Rethreaded, Jacksonville Jazz Festival, Five Star Veterans Center, and Feeding NE Florida Food Bank.



Habijax Home Build



Catty Shack Wildlife Preserve



City Rescue Mission

As a community-owned utility, JEA employees take a great pride in the Ambassador and Volunteer programs and these programs go a long way to tangibly demonstrate to customers and the community the incredible “Heart of JEA.”

Communications Contacts* Generated Year to Date	168,652,541
• Number of Paid Communications Contacts (Radio, Television, Out of Home, Online, Print)	122,067,203
• Number of Other Communications Contacts (Bill Insert, Bill Envelop, Brochure, etc.)	8,661,400
• Number of E-communications Contacts (jea.com Visitors, Email, Social Media, Videos)	37,454,456
• Number of Community Engagement Communications Contacts (Events, Public Speaking, Presentations, Training, Workshops, etc.)	469,482

*Communications Contacts are the opportunities we have to communication information to our customers.

III. B. 1.

Proposed FY2018 Operating and Capital Budgets



Building Community

AGENDA ITEM SUMMARY

June 1, 2017

SUBJECT:	PROPOSED FY2018 OPERATING AND CAPITAL BUDGETS
-----------------	------------------------------------------------------

Purpose:	<input type="checkbox"/> Information Only	<input checked="" type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
-----------------	-------------------------------------------	-----------------------------------------------------	-------------------------------------------

Issue: JEA must submit its proposed budget to the City Council by July 1 each year.

Significance: High: The budget is the plan and basis for appropriating revenues and expenses, as well as capital expenditures and debt financing.

Effect: The budget affects customers and the City of Jacksonville and is integral to JEA's strategic planning, financial performance, and resulting metrics.

Cost or Benefit: \$1.8 billion operating and \$445 million capital.

Recommended Board action: Staff recommends the Board approve the proposed FY2018 operating and capital budgets, authorize staff to transmit to the City Council, approve JEA's share of SJRPP and Plant Scherer operating and capital budgets, and authorize the Managing Director/CEO to make minor modifications within the total approved amounts, if necessary.

For additional information, contact: Melissa Dykes

Submitted by: PEM/ MHD/ DRJ

MISSION Energizing our community through high-value energy and water solutions.	VISION JEA is a premier service provider, valued asset and vital partner in advancing our community.	VALUES <ul style="list-style-type: none">• Safety• Service• Growth?• Accountability• Integrity
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Commitments to Action

- 1 Earn Customer Loyalty**
- 2 Deliver Business Excellence**
- 3 Develop an Unbeatable Team**



INTER-OFFICE MEMORANDUM

June 1, 2017

SUBJECT: PROPOSED FY2018 OPERATING AND CAPITAL BUDGETS

FROM: Paul E. McElroy, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND:

Annually, JEA staff recommends and, after the JEA Board's review and action, transmits JEA's recommended Electric System, Water and Sewer System, and District Energy System operating and capital budgets to the Jacksonville City Council for final action. By law, JEA must submit its proposed budget to the City Council by July 1, 2017.

DISCUSSION:

At the March 2017 and May 2017 Finance and Audit Committee meetings, staff presented key strategic initiatives and major budget assumptions for the FY2018 operating and capital budgets. Budget assumptions include: no rate adjustments for Electric or Water and Sewer systems; and financial metrics that are within Pricing Policy goals. The proposed budgets include considerable internal funding for the capital program in an effort to support the "pay-go" philosophy for all recurring capital expenditures. The proposed budgets address key strategic initiatives to support the quality of service delivery, climate change, Total Water Resource Plan, regulatory compliance, workforce readiness, communications, conservation, sewer resiliency, and customer satisfaction initiatives. In addition, the budget includes a record high contribution to the City of Jacksonville General Fund in the amount of \$117.0 million. The operating and capital budget schedules that will be transmitted to the City Council upon JEA Board approval are attached as Schedules A and B. As required by the City of Jacksonville, JEA transmits its Five-Year Capital Improvement Program during the annual budget process and is attached as Schedule C.

The proposed budgets include the following:

1. Consolidated Operating Budget and Capital Budget Schedules

The proposed budgets include considerable internal funding for the capital program in an effort to support the "pay-go" philosophy for all recurring capital expenditures.

2. Electric System

There are no planned rate increases in FY2018. The FY2018 operating budget includes a \$17.4 million reduction from FY2017. Budget assumptions include a \$54.6 million reduction in Fuel and Purchased Power. The proposed Salaries and Benefits budget includes a \$12.8 million net decrease in pension payments and a \$7.0 million net increase in bargaining unit salaries. FY2018 Budget assumptions include stable debt service coverage and a reduction of \$1.6 million in debt service.

3. Water and Sewer System

There are no planned rate increases in FY2018. The FY2018 operating budget includes a \$77.4 million increase from FY2017. Budget assumptions include stable debt service coverage and a

decrease of \$1.5 million in debt service. The proposed Salaries and Benefits budget includes a \$3.5 million net decrease in pension payments and a \$3.7 million net increase in bargaining unit salaries.

4. Government Transfers

The budget includes a record high contribution to the City of Jacksonville General Fund in the amount of \$117.0 million.

5. Regulatory Accounting

In connection with the Pricing Policy, the budget was prepared using the Utility Basis, resulting in the inclusion of regulatory accounting items such as Pension, Demand-side Management (DSM)/ Conservation, Debt Management, Environmental, Fuel, Purchased Power and Self-Funded Health Plan.

Under the terms of the St. Johns River Power Park (SJRPP) Joint Ownership Agreement (JOA), the co-owners share the cost of constructing, operating, maintaining, and decommissioning the two coal-fired units. The JEA Board approves the annual operating and capital budget for JEA's ownership interest in SJRPP. The total SJRPP budget is approved by the SJRPP Executive Committee representing the two co-owners. The SJRPP budget is not approved by the City Council. JEA's share of the SJRPP budget is a component of fuel and purchased power expense in JEA's Electric System Operating budget. Schedule D, attached, summarizes JEA's share of the proposed FY2018 operating and capital budgets for SJRPP, which includes no capital expenditures, three months of fuel and operating expenses, and decommissioning costs.

JEA owns a 23.64 percent interest in Unit 4 of the Robert W. Scherer Electric Generating Plant (Scherer Unit 4). As with SJRPP, JEA's share of the operating and capital budgets for this unit is a component of the JEA Electric System fuel and purchased power expense. Decisions regarding the operation of Unit 4 are made by majority vote of the co-owners. The JEA Board approves JEA's share of the annual budget for Scherer Unit 4, but the City Council does not review or approve the Plant Scherer budget. Schedule D, attached, summarizes JEA's share of the FY2018 operating and capital budgets for Plant Scherer. Note that this budget is subject to approval by the other co-owners.

RECOMMENDATION:

Staff recommends the Board:

- (1) approve the proposed operating and capital budgets as shown on Schedules A, B, and C (attached), commit to funding all future pension costs in rates, authorize staff to transmit the recommended budgets to the Jacksonville City Council for final action, and transmit the Five-Year Capital Improvement Program (Schedule C) as required by the Jacksonville City Planning Department, and
- (2) approve JEA's share of the SJRPP and Plant Scherer operating and capital budgets as shown on Schedule D (attached), and
- (3) authorize the Managing Director/CEO to adjust the budget approved by the Board of Directors and submitted to Council, if necessary, within the total approved budget amounts for each system.

Paul E. McElroy, Managing Director/CEO

JEA
CONSOLIDATED OPERATING BUDGET
FISCAL YEAR 2018

	Electric System	Water & Sewer System	District Energy System	Total
FUEL RELATED REVENUES & EXPENSES:				
FUEL REVENUES:	\$ 417,649,053	\$ -	\$ -	\$ 417,649,053
Total Net Revenues	<u>\$ 417,649,053</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 417,649,053</u>
FUEL EXPENSES:	\$ 417,649,053	\$ -	\$ -	\$ 417,649,053
Fuel & Purchased Power	<u>\$ 417,649,053</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 417,649,053</u>
FUEL SURPLUS/(DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
BASE RELATED REVENUES & EXPENSES				
BASE OPERATING REVENUES:				
Base Rate Revenues	\$ 802,292,405	\$ 428,490,220	\$ 9,125,828	\$ 1,239,908,453
Environmental Charge Revenue	7,942,200	28,360,500	-	36,302,700
Conservation Charge & Demand Side Revenue	1,000,000	-	-	1,000,000
Other Revenues	30,551,894	34,091,486	-	64,643,380
Natural Gas Pass Through Revenue	2,383,913	-	-	2,383,913
Total Base Related Revenues	<u>\$ 844,170,412</u>	<u>\$ 490,942,206</u>	<u>\$ 9,125,828</u>	<u>\$ 1,344,238,446</u>
BASE OPERATING EXPENSES:				
Operating and Maintenance	\$ 216,333,937	\$ 151,804,759	\$ 5,139,991	\$ 373,278,687
Environmental	7,942,200	1,589,300	-	9,531,500
Conservation & Demand-side Management	7,510,000	-	-	7,510,000
Natural Gas Pass Through Expense	2,290,414	-	-	2,290,414
Non-Fuel Purchased Power	85,372,055	-	-	85,372,055
Non-Fuel Uncollectibles & PSC Tax	1,210,993	685,277	-	1,896,270
Emergency Reserve	5,000,000	1,000,000	-	6,000,000
Total Base Related Expenses	<u>\$ 325,659,599</u>	<u>\$ 155,079,336</u>	<u>\$ 5,139,991</u>	<u>\$ 485,878,926</u>
BASE OPERATING INCOME:	\$ 518,510,813	\$ 335,862,870	\$ 3,985,837	\$ 858,359,520
NON-OPERATING REVENUE:				
Investment Income	6,714,534	4,854,301	-	11,568,835
Transfer To/From Fuel Recovery	-	-	-	-
Capacity Fees	-	21,000,000	-	21,000,000
Total Non Operating Revenues	<u>\$ 6,714,534</u>	<u>\$ 25,854,301</u>	<u>\$ -</u>	<u>\$ 32,568,835</u>
NON-OPERATING EXPENSES:				
Debt Service	228,558,551	121,122,632	3,019,084	352,700,268
Total Non Operating Expenses	<u>\$ 228,558,551</u>	<u>\$ 121,122,632</u>	<u>\$ 3,019,084</u>	<u>\$ 352,700,268</u>
BASE INCOME BEFORE TRANSFERS	\$ 296,666,795	\$ 240,594,539	\$ 966,753	\$ 538,228,087
City Contribution Expense	91,471,795	25,148,020	-	116,619,815
Interlocal Payments	-	-	-	-
Renewal and Replacement Fund	64,537,408	23,950,558	440,362	88,928,328
Operating Capital Outlay	140,657,592	152,324,761	526,391	293,508,744
Environmental Capital Outlay	-	18,171,200	-	18,171,200
Capacity Fees	-	21,000,000	-	21,000,000
Operating Contingency	-	-	-	-
Total Non-Fuel Expenses	<u>\$ 296,666,795</u>	<u>\$ 240,594,539</u>	<u>\$ 966,753</u>	<u>\$ 538,228,087</u>
SURPLUS/(DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL REVENUES	\$ 1,268,533,999	\$ 516,796,507	\$ 9,125,828	\$ 1,794,456,334
TOTAL APPROPRIATIONS	\$ 1,268,533,999	\$ 516,796,507	\$ 9,125,828	\$ 1,794,456,334
BUDGETED EMPLOYEE POSITIONS	1,553	599	6	2,158
BUDGETED TEMPORARY HOURS	104,000	20,800	0	124,800

JEA
CONSOLIDATED CAPITAL BUDGET
FISCAL YEAR 2018

	Electric System	Water & Sewer System	District Energy System	Total
CAPITAL FUNDS:				
Renewal & Replacement Deposits	\$ 64,537,408	\$ 23,950,558	\$ 440,362	\$ 88,928,328
Operating Capital Outlay	140,657,592	152,324,761	526,391	293,508,744
Environmental Capital Outlay	-	18,171,200	-	18,171,200
Capacity Fees	-	21,000,000	-	21,000,000
Debt Proceeds	-	-	-	-
Other Proceeds	-	21,064,481	2,274,247	23,338,728
Total Capital Funds	<u>\$ 205,195,000</u>	<u>\$ 236,511,000</u>	<u>\$ 3,241,000</u>	<u>\$ 444,947,000</u>
CAPITAL PROJECTS:				
Generation Projects	\$ 27,585,000	\$ -	\$ -	\$ 27,585,000
Transmission & Distribution Projects	102,012,000	-	-	102,012,000
District Energy Projects	-	-	3,241,000	3,241,000
Water Projects	-	56,551,000	-	56,551,000
Sewer Projects	-	153,488,000	-	153,488,000
Other Projects	75,598,000	26,472,000	-	102,070,000
Total Capital Projects	<u>\$ 205,195,000</u>	<u>\$ 236,511,000</u>	<u>\$ 3,241,000</u>	<u>\$ 444,947,000</u>

JEA
 Five Year Capital Improvement Program
 Fiscal Years 2018-2022
 (\$000'S Omitted)

III. B. 1.
 6/20/2017

Project Title	FY2018	FY2019	FY2020	FY2021	FY2022	Project Total
Electric System Generation	27,585	28,723	19,568	16,500	22,040	114,416
Electric System Transmission and Distribution	102,012	89,767	72,677	69,547	73,179	407,182
Electric System Other	75,598	81,245	29,401	31,516	29,230	246,990
Total	<u>\$205,195</u>	<u>\$199,735</u>	<u>\$121,646</u>	<u>\$117,563</u>	<u>\$124,449</u>	<u>\$768,588</u>
Water Treatment and Distribution	56,551	62,583	49,936	42,968	48,005	260,043
Sewer, Wastewater, and Reclaimed	153,488	132,576	122,867	142,793	115,980	667,704
Other Capital	26,472	21,582	20,401	22,124	20,695	111,274
Total	<u>\$236,511</u>	<u>\$216,741</u>	<u>\$193,204</u>	<u>\$207,885</u>	<u>\$184,680</u>	<u>\$1,039,021</u>
District Energy System	<u>\$3,241</u>	<u>\$2,658</u>	<u>\$1,350</u>	<u>\$1,783</u>	<u>\$1,350</u>	<u>\$10,382</u>

JEA
ST. JOHNS RIVER POWER PARK (SJRPP)
AND PLANT SCHERER (SCHERER)
OPERATING AND CAPITAL BUDGET
FISCAL YEAR 2018

	SJRPP	SCHERER
OPERATING BUDGET:		
Revenue:		
Operating Revenue from JEA	\$ 58,681,078	\$ 78,041,893
Expenses:		
Fuel and O & M	\$ 44,136,015	\$ 43,589,508
Transmission	-	5,300,000
Debt Service	18,940,373	9,942,757
Renewal & Replacement	(4,395,310)	19,209,628
Total Expenses	\$ 58,681,078	\$ 78,041,893
CAPITAL BUDGET :		
	\$ -	\$ 19,209,628

MWHs Purchased by JEA Electric System	842,700	1,214,400
Employee Positions	230	

Note: all Plant Scherer employees are Georgia Power Co. employees.

21 West Church Street
Jacksonville, Florida 32202-3139

June 27, 2017



The Honorable Anna Brosche
President, City Council
City of Jacksonville
117 West Duval Street, Suite 425
Jacksonville, FL 32202

Dear Council President Brosche:

Pursuant to the City of Jacksonville Charter, I am transmitting the proposed JEA Fiscal Year (FY) 2018 budget for City Council action. The recommended operating and capital budgets provide funding for operational initiatives and capital projects which support our purpose of providing clean, safe, reliable, and affordable electric, water and sewer services while remaining environmentally sound and financially strong.

The budget includes a \$1.2 million (1.0%) increase in City Contribution, bringing the total FY2018 contribution to \$117.0 million (approximately 9.4% of JEA budgeted base revenues). JEA's total local government transfer, including contribution, franchise fees, and public service tax, is forecasted to be \$244.8 million, which represents 20% of budgeted base revenues and 14% of the total proposed JEA budget.

The budget is sensitive to the challenges of the current economic conditions and does not include any base rate increases. Current expectations are that unit sales will remain flat on the Electric System and have significant growth in the Water and Sewer System. Our goal is to achieve base rate stability by effectively balancing the need for very tight expense controls with continued investment in improving the utility system's operating performance, improving the quality of service delivery, achieving regulatory compliance, and ensuring workforce readiness.

The budget includes internal funding of the capital program to support the "pay-go" philosophy for all recurring capital expenditures.

The proposed operating budgets for FY2018 are \$1,268.5 million for the Electric System, \$516.8 million for the Water and Sewer System and \$9.1 million for the District Energy System. The proposed capital budgets for FY2018 are \$205.2 million for the Electric System, \$236.5 million for the Water and Sewer System, and \$3.2 million for the District Energy System.

Following are highlights of the proposed budget:

- FY2018 operating budget, \$59.9 million higher than FY2017, a result of sales growth in the Water and Sewer System and an appropriation of \$21.5 million from prior year revenues to fund capital projects
- No planned Electric System base rate adjustments
- No planned Water and Sewer System rate adjustments
- Government transfers of \$244.8 million, including, a record high City of Jacksonville General Fund contribution of \$117.0 million (up \$1.2 million, or 1.0% over this current fiscal year), Franchise Fees of \$39.5 million, and Public Service Tax collection of \$88.3 million

E L E C T R I C

W A T E R

S E W E R

- Capital program to ensure continued system reliability without issuance of new debt
- \$187 million scheduled debt reduction
- Financial metrics that meet Rating Agency commitments
- Funding for key strategic issues such as climate change, sewer resiliency, improving service delivery, and water resource planning
- Rigorous and disciplined focus on workplace safety
- Funding for compliance, security, and enterprise risk management

We appreciate the City Council's past and current support of JEA. We believe the attached budget will enable us to continue to improve Jacksonville's environment while supporting the economy through high quality, low-cost utility infrastructure for the citizens of our community.

Sincerely,

Alan Howard, Chair
Board of Directors

cc: Council Auditor
Office of Mayor (3 copies)

Attachments: Schedules A and B

JEA
CONSOLIDATED OPERATING BUDGET
FISCAL YEAR 2018

III. B. 1.
6/20/2017

	Electric System	Water & Sewer System	District Energy System	Total
FUEL RELATED REVENUES & EXPENSES:				
FUEL REVENUES:	\$ 417,649,053	\$ -	\$ -	\$ 417,649,053
Total Net Revenues	<u>\$ 417,649,053</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 417,649,053</u>
FUEL EXPENSES:				
Fuel & Purchased Power	<u>\$ 417,649,053</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 417,649,053</u>
FUEL SURPLUS/(DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
BASE RELATED REVENUES & EXPENSES				
BASE OPERATING REVENUES:				
Base Rate Revenues	\$ 802,292,405	\$ 428,490,220	\$ 9,125,828	\$ 1,239,908,453
Environmental Charge Revenue	7,942,200	28,360,500	-	36,302,700
Conservation Charge & Demand Side Revenue	1,000,000	-	-	1,000,000
Other Revenues	30,551,894	34,091,486	-	64,643,380
Natural Gas Pass Through Revenue	2,383,913	-	-	2,383,913
Total Base Related Revenues	<u>\$ 844,170,412</u>	<u>\$ 490,942,206</u>	<u>\$ 9,125,828</u>	<u>\$ 1,344,238,446</u>
BASE OPERATING EXPENSES:				
Operating and Maintenance	\$ 216,333,937	\$ 151,804,759	\$ 5,139,991	\$ 373,278,687
Environmental	7,942,200	1,589,300	-	9,531,500
Conservation & Demand-side Management	7,510,000	-	-	7,510,000
Natural Gas Pass Through Expense	2,290,414	-	-	2,290,414
Non-Fuel Purchased Power	85,372,055	-	-	85,372,055
Non-Fuel Uncollectibles & PSC Tax	1,210,993	685,277	-	1,896,270
Emergency Reserve	5,000,000	1,000,000	-	6,000,000
Total Base Related Expenses	<u>\$ 325,659,599</u>	<u>\$ 155,079,336</u>	<u>\$ 5,139,991</u>	<u>\$ 485,878,926</u>
BASE OPERATING INCOME:	\$ 518,510,813	\$ 335,862,870	\$ 3,985,837	\$ 858,359,520
NON-OPERATING REVENUE:				
Investment Income	6,714,534	4,854,301	-	11,568,835
Transfer To/From Fuel Recovery	-	-	-	-
Capacity Fees	-	21,000,000	-	21,000,000
Total Non Operating Revenues	<u>\$ 6,714,534</u>	<u>\$ 25,854,301</u>	<u>\$ -</u>	<u>\$ 32,568,835</u>
NON-OPERATING EXPENSES:				
Debt Service	228,558,551	121,122,632	3,019,084	352,700,268
Total Non Operating Expenses	<u>\$ 228,558,551</u>	<u>\$ 121,122,632</u>	<u>\$ 3,019,084</u>	<u>\$ 352,700,268</u>
BASE INCOME BEFORE TRANSFERS	\$ 296,666,795	\$ 240,594,539	\$ 966,753	\$ 538,228,087
City Contribution Expense	91,471,795	25,148,020	-	116,619,815
Interlocal Payments	-	-	-	-
Renewal and Replacement Fund	64,537,408	23,950,558	440,362	88,928,328
Operating Capital Outlay	140,657,592	152,324,761	526,391	293,508,744
Environmental Capital Outlay	-	18,171,200	-	18,171,200
Capacity Fees	-	21,000,000	-	21,000,000
Operating Contingency	-	-	-	-
Total Non-Fuel Expenses	<u>\$ 296,666,795</u>	<u>\$ 240,594,539</u>	<u>\$ 966,753</u>	<u>\$ 538,228,087</u>
SURPLUS/(DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL REVENUES	\$ 1,268,533,999	\$ 516,796,507	\$ 9,125,828	\$ 1,794,456,334
TOTAL APPROPRIATIONS	\$ 1,268,533,999	\$ 516,796,507	\$ 9,125,828	\$ 1,794,456,334
BUDGETED EMPLOYEE POSITIONS	1,553	599	6	2,158
BUDGETED TEMPORARY HOURS	104,000	20,800	0	124,800

JEA
CONSOLIDATED CAPITAL BUDGET
FISCAL YEAR 2018

III. B. 1.
6/20/2017

	Electric System	Water & Sewer System	District Energy System	Total
CAPITAL FUNDS:				
Renewal & Replacement Deposits	\$ 64,537,408	\$ 23,950,558	\$ 440,362	\$ 88,928,328
Operating Capital Outlay	140,657,592	152,324,761	526,391	293,508,744
Environmental Capital Outlay	-	18,171,200	-	18,171,200
Capacity Fees	-	21,000,000	-	21,000,000
Debt Proceeds	-	-	-	-
Other Proceeds	-	21,064,481	2,274,247	23,338,728
Total Capital Funds	<u>\$ 205,195,000</u>	<u>\$ 236,511,000</u>	<u>\$ 3,241,000</u>	<u>\$ 444,947,000</u>
CAPITAL PROJECTS:				
Generation Projects	\$ 27,585,000	\$ -	\$ -	\$ 27,585,000
Transmission & Distribution Projects	102,012,000	-	-	102,012,000
District Energy Projects	-	-	3,241,000	3,241,000
Water Projects	-	56,551,000	-	56,551,000
Sewer Projects	-	153,488,000	-	153,488,000
Other Projects	75,598,000	26,472,000	-	102,070,000
Total Capital Projects	<u>\$ 205,195,000</u>	<u>\$ 236,511,000</u>	<u>\$ 3,241,000</u>	<u>\$ 444,947,000</u>

Proposed FY2018 Budget

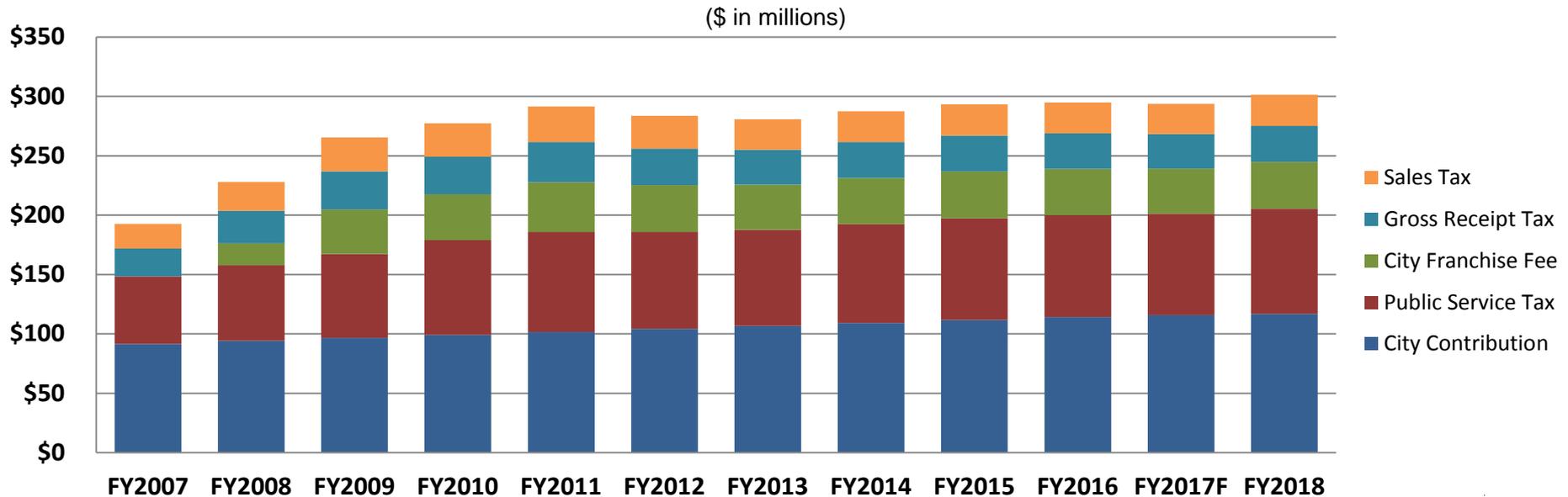
June 20, 2017

Board of Directors Meeting

Proposed FY2018 Budget Summary

Electric System						Water and Sewer System					
Revenue (in millions)	<u>FY18B</u> \$1,269	<u>FY17B</u> \$1,286	<u>Δ</u> (\$17)	<u>FY17F</u> \$1,242		Revenue (in millions)	<u>FY18B</u> \$517	<u>FY17B</u> \$439	<u>Δ</u> \$78	<u>FY17F</u> \$446	
Unit Sales Growth No change to system sales from FY2017B 5.0% weather contingency						Unit Sales Growth 18.6% increase to water sales from FY2017B 5.0% weather contingency					
Pricing Variable Fuel Rate decreased to \$32.50/MWh in FY2017, no change for FY2018						Pricing There are no planned rate changes for FY2018					
COJ Transfer Total (\$ in millions)	<u>FY07</u> \$121	<u>FY15</u> \$191	<u>FY16</u> \$192	<u>FY17F</u> \$192	<u>FY18P</u> \$195	COJ Transfer Total (\$ in millions)	<u>FY07</u> \$27	<u>FY15</u> \$46	<u>FY16</u> \$47	<u>FY17F</u> \$48	<u>FY18P</u> \$50
O&M Increases by \$7.2m or 3.4% versus prior year's budget <ul style="list-style-type: none"> Generating Unit Outages, \$12.2m vs. \$8.0m in FY2017 Includes net pension decrease \$12.8m and net bargaining unit increase \$7.0m Includes funding for strategic initiatives and enterprise asset management 						O&M Increases by \$10.1m or 7.1% over prior year's budget <ul style="list-style-type: none"> Includes net pension decrease \$3.5m and net bargaining unit increase \$3.7m Includes funding for strategic initiatives and enterprise asset management 					

Government Transfers via the JEA Bill



Description	Paid To	FY2007	FY2008	FY2009	FY2014	FY2015	FY2016	FY2017F	FY2018
City Contribution	COJ	\$91.4	\$94.2	\$96.7	\$109.2	\$111.7	\$114.2	\$115.8	\$117.0
Public Service Tax	COJ	56.9	63.6	70.5	83.1	85.6	85.8	85.3	88.3
City Franchise Fee	COJ	-	18.3	37.5	39.0	39.4	38.9	38.0	39.5
Gross Receipt Tax	State	23.7	27.6	32.1	30.2	30.2	29.8	29.2	30.2
Sales Tax	State and COJ	20.6	24.1	28.5	26.1	26.4	26.0	25.4	26.4
Total		\$192.6	\$227.8	\$265.3	\$287.6	\$293.3	\$294.7	\$293.7	\$301.4
Percent increase from FY2007			18%	38%	49%	52%	53%	52%	56%

\$239
\$245 COJ

Discussion and Analysis



- JEA transfers to the City of Jacksonville have increased to \$245 million

Proposed FY2018 Budget Summary

Electric System					Water and Sewer System				
Capital (millions)	<u>FY17F</u>	<u>FY18*</u>	<u>FY19</u>	<u>FY20</u>	Capital (millions)	<u>FY17F</u>	<u>FY18*</u>	<u>FY19</u>	<u>FY20</u>
Depreciation	\$ 185	\$185	\$185	\$185	Depreciation	\$143	\$140	\$140	\$140
Expenditures	\$ 151	\$205	\$200	\$122	Expenditures	\$217	\$237	\$217	\$193
Funding					Funding				
R&R	\$ 62	\$ 64			R&R	\$ 23	\$ 24		
OCO	\$ 80	\$141			OCO/Capacity Fee	\$112	\$174		
Prior	\$ 9	\$ 0			Environmental	\$ 14	\$ 18		
Debt	\$ 0	\$ 0			Prior	\$ 68	\$ 21		
	\$ 151	\$205			Debt	\$ 0	\$ 0		
						\$217	\$237		
* FY18 Budget includes 10% contingency					* FY18 Budget includes 10% contingency				
Metrics	<u>FY18B</u>	<u>Pricing Policy</u>			Metrics	<u>FY18B</u>	<u>Pricing Policy</u>		
Coverage	2.4x	≥ 2.2x			Coverage	2.7x	≥ 1.8x		
Debt to Asset	60%	≤ 53.5%			Debt to Asset	48%	≤ 49%		
Days of Liquidity	257	150-250 days			Days of Liquidity	513	150-250 days		
Total Debt	\$2.53bn	-----			Total Debt	\$1.56bn	-----		
Δ Debt	(\$135m)	-----			Δ Debt	(\$52m)	-----		

III. B. 2.

Downtown Campus Land Swap Agreement Between JEA and City of Jacksonville



Building Community

AGENDA ITEM SUMMARY

III. B. 2.
6/20/2017

June 5, 2017

SUBJECT:	DOWNTOWN CAMPUS LAND SWAP AGREEMENT BETWEEN JEA AND CITY OF JACKSONVILLE
-----------------	---------------------------------------------------------------------------------

Purpose:	<input type="checkbox"/> Information Only	<input checked="" type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
-----------------	-------------------------------------------	-----------------------------------------------------	-------------------------------------------

Issue: The JEA downtown campus is in need of significant restoration and rebuilding with major building systems reaching the end of their useful lives. JEA's business needs as a bulk power operator, including security and business continuity, also need to be addressed. JEA engaged a third party expert to study and evaluate all options available to confront these issues. This study helped JEA determine that from a cost and risk perspective, the best solution is to construct a new JEA campus in the downtown core. To that end, JEA and the City of Jacksonville have executed a term sheet for a land swap agreement for JEA's current and future downtown campuses.

Significance: Failure to address the downtown campus could affect business continuity and service reliability.

Effect: Construction of a new downtown campus will improve business continuity and address critical building infrastructure needs while providing continued service reliability and customer engagement in a familiar, downtown location.

Cost or Benefit: Construction of a new downtown campus is the best solution from a cost and risk perspective. This land swap provides for the new campus to be located near other governmental development downtown, contributing to downtown development, and returns the existing site of JEA's downtown headquarters to the City of Jacksonville for future development.

Recommended Board action: Staff recommends that the Board delegate authority to execute a land swap agreement, under the terms and conditions set forth in the term sheet, to the Managing Director/CEO.

For additional information, contact:

Submitted by: PEM/VP/MHD/HAZ

MISSION	VISION	VALUES
		
<p>Energizing our community through high-value energy and water solutions.</p>	<p>JEA is a premier service provider, valued asset and vital partner in advancing our community.</p>	<ul style="list-style-type: none"> • Safety • Service • Growth² • Accountability • Integrity

Commitments to Action

- 1 Earn Customer Loyalty
- 2 Deliver Business Excellence
- 3 Develop an Unbeatable Team



III. B. 2.
6/20/2017

INTER-OFFICE MEMORANDUM

June 5, 2017

SUBJECT: DOWNTOWN CAMPUS LAND SWAP AGREEMENT BETWEEN JEA
AND CITY OF JACKSONVILLE

FROM: Paul E. McElroy, Managing Director/CEO

TO: Board of Directors

BACKGROUND:

The JEA downtown campus is in need of significant restoration and rebuilding with major building systems reaching the end of their useful lives. JEA's business needs as a bulk power operator, including security and business continuity, also need to be addressed. JEA engaged a third party expert to study and evaluate all options available to confront these issues. This study helped JEA determine that from a cost and risk perspective, the best solution is to construct a new JEA campus in the downtown core. This option will allow for a reduction in total office space and avoids major operations disruptions associated with multiple relocations.

DISCUSSION:

JEA, the City of Jacksonville and the Downtown Investment Authority have executed a term sheet for a land swap agreement for JEA's current and future downtown campuses. The proposed transaction would transfer JEA's current downtown campus site at 21 W. Church Street to the City of Jacksonville in exchange for an unimproved parcel of land immediately east of the Duval County Courthouse, subject to certain terms and conditions including City Council approval.

In this agenda item, please find:

- 1) Maps showing the two properties included in the proposed land swap
- 2) Proposed resolution delegating authority to execute the final land swap agreement under the terms and conditions set forth in the term sheet to the Managing Director/CEO
- 3) Executed term sheet for land swap agreement
- 4) Preliminary draft timeline for new campus
- 5) Presentation provided to the Board in January 2017 summarizing study results and next steps
- 6) September 2016 JEA Headquarters study performed by Fairlead, Haskell, and ETM

RECOMMENDATION:

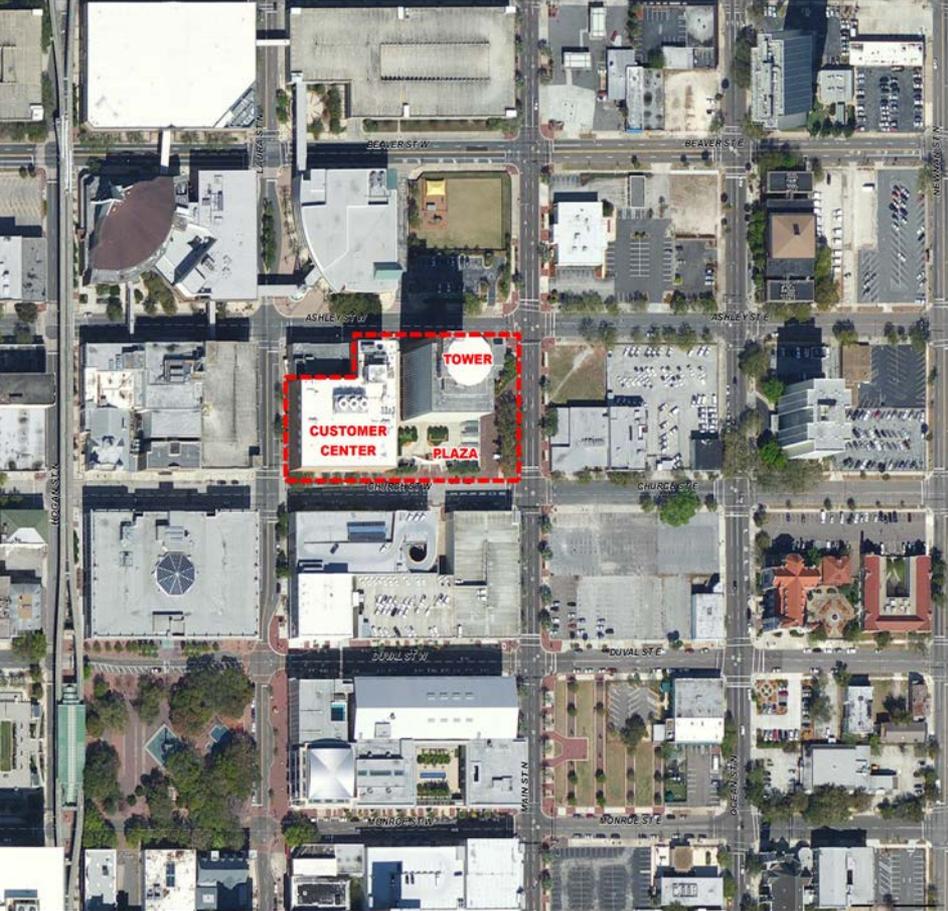
Staff recommends that the Board delegate authority to execute a land swap agreement, under the terms and conditions set forth in the term sheet, to the Managing Director/CEO.

Paul E. McElroy, Managing Director/CEO

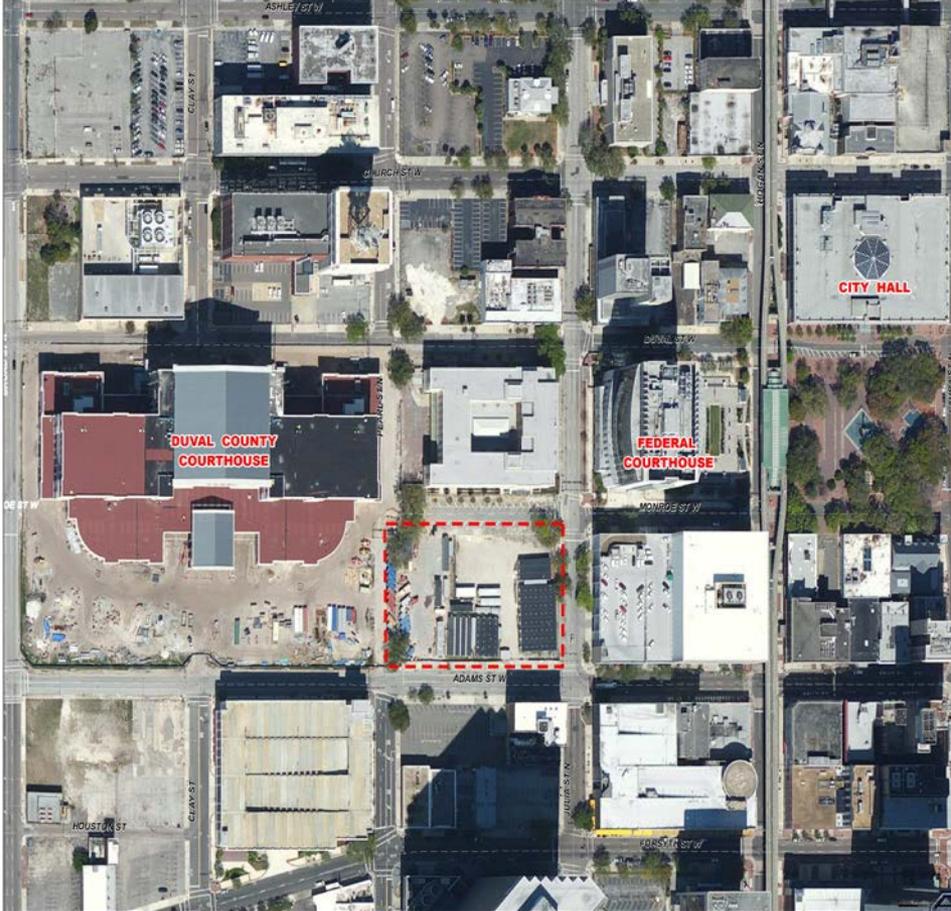
PEM/MHD/HAZ

Proposed land swap

Existing JEA Parcel
1.84 acres



COJ Parcel/Proposed JEA Campus
1.52 acres



Resolution 2017-32

**A RESOLUTION TO DELEGATE AUTHORITY TO NEGOTIATE AND EXECUTE
A LAND SWAP AGREEMENT TO THE MANAGING DIRECTOR/CEO IN
ACCORDANCE WITH JEA CHARTER SECTION 21.10**

WHEREAS, after a lengthy study by JEA, the construction of a new downtown campus (“New JEA Downtown Campus”) was identified as the most cost-effective alternative to ensure continuity of business operations for the utility; and

WHEREAS, a parcel of land owned by the City of Jacksonville (the “City”) was identified in the downtown core that could accommodate the New JEA Downtown Campus (“City Parcel”); and

WHEREAS, the City and JEA have agreed to pursue a real estate transaction that would allow for JEA to acquire the City Parcel in exchange for JEA’s current downtown campus site (“JEA Parcel”) through an executed term sheet (“Term Sheet”); and

WHEREAS, the City and JEA will further negotiate a land swap agreement for the City Parcel and the JEA Parcel based upon the terms and conditions set forth in the Term Sheet (“Land Swap Agreement”); and

WHEREAS, the JEA Charter, Section 21.10, provides that the JEA Board may delegate the authority to an officer, agent or employee of JEA by resolution to execute the Land Swap Agreement.

BE IT RESOLVED by the JEA Board of Directors that:

1. JEA negotiate a Land Swap Agreement with the City pursuant to the terms and conditions set forth in the Term Sheet, attached hereto as **Exhibit 1**.
2. The Board hereby delegates to the Managing Director/CEO the authority to execute the Land Swap Agreement, including any amendments necessary to perfect the land trade for the New JEA Downtown Campus.

Dated this ____ day of June 2017.

JEA

By: _____
G. Alan Howard, Chair

Attest:

Reverend Frederick Newbill, Secretary

Approved as to form:

Jody Brooks, Chief Legal Officer

**TERM SHEET REGARDING
LAND SWAP BETWEEN
CITY OF JACKSONVILLE AND JEA
(For New JEA Downtown Campus)**

RE No.: 073794-0100 (City Parcel)
073863-0000 (JEA Parcel)

The undersigned parties (collectively, the “Parties”) desire to execute this Term Sheet and further negotiate a land swap agreement for the City Parcel and the JEA Parcel (“Land Swap”) based upon the following general terms:

<p>Purpose of Land Swap - New JEA Downtown Campus</p>	<p>The purpose of the Land Swap is to provide JEA with a parcel of land in the downtown core on which to construct a new downtown campus (“New JEA Downtown Campus”). After a lengthy study by JEA, the construction of a new campus was identified as the most cost-effective alternative to ensure continuity of business operations for the utility. The New JEA Downtown Campus will include a customer care facility, adequate office facilities for its approximately 750 downtown employees, sufficient parking for employees and customers, and an emergency operations center to ensure continuity of operations during storm or other emergency events. Subject to the general terms contained herein, the Land Swap will entail the conveyance of the City Parcel to JEA and the conveyance of the JEA Parcel to the City.</p>
<p>City Parcel (RE 073794-0100)</p>	<p>The City Parcel is owned by the City of Jacksonville (“City”) and located at 337 W. Adams Street, Jacksonville, Florida. The City Parcel is approximately 1.52 acres and is located adjacent to the Duval County Courthouse. The City currently utilizes the City Parcel for parking and storage of construction trailers. The assessed land value of the City Parcel is approximately \$1,655,275.00.</p>
<p>JEA Parcel (RE 073863-0000)</p>	<p>The JEA Parcel is owned by JEA and is located at 21 W. Church Street, Jacksonville, Florida 32202. The JEA Parcel is approximately 1.84 acres. JEA currently utilizes the JEA Parcel for business operations and customer care services. Improvements on the JEA Parcel consists of an office building known as the JEA Tower and a building</p>

	that provides for customer care services which is known as the Customer Care Center (JEA Parcel Improvements"). The assessed land value of the JEA Parcel, excluding the JEA Parcel Improvements, is approximately \$1,632,760.00.
Land Swap Agreement	Within 60 days of the execution of this Term Sheet, the City and JEA shall negotiate and use best efforts to complete a Land Swap Agreement to be presented to the Downtown Investment Authority ("DIA") Board, the JEA Board, and the City Council for approval ("Land Swap Agreement").
Consideration	Consideration received for the respective parcels in the Land Swap will constitute reasonable equivalent value and no additional monetary consideration will be required.
Due Diligence Period	JEA shall have 270 days from the date of execution of the Land Swap Agreement to study and test the City Parcel to determine if the City Parcel is suitable for the stated purpose of the Land Swap (the "Due Diligence Period").
Termination of Land Swap Agreement	During the Due Diligence Period, JEA may terminate the Land Swap Agreement if the City Parcel is not suitable for the stated purpose of the Land Swap.
Testing and Environmental – City Parcel	A Phase I and Phase II environmental assessment has been conducted for the City Parcel and the City shall provide copies of the reports and any subsequent site assessment studies or monitoring reports to JEA. During the Due Diligence Period, City environmental staff will work with JEA environmental staff to prepare a site assessment report ("SAR") at JEA's expense as requested by the Department of Environmental Protection ("DEP"). If based upon the SAR results the required remedial actions on the City Parcel are not excessive and cost prohibitive, the City and JEA will jointly develop a remedial action plan that would provide adequate remediation to accommodate the construction of the New JEA Downtown Campus. Should the findings from the SAR or DEP require excessive and costly remedial actions on the City Parcel or limit the intended office development uses, JEA may elect to terminate the Land Swap Agreement. In the event that JEA terminates the Land Swap Agreement due to excessive and costly

	required remedial action on the City Parcel, the City shall reimburse JEA for the SAR.
Transfer of City Parcel	City shall transfer City Parcel to JEA within 30 days of all governmental approvals being secured by or on behalf of JEA for the construction of the New JEA Downtown Campus on the City Parcel.
Construction Trailers	Once the City Parcel is transferred to JEA, JEA shall make a determination as to the usefulness of the construction trailers currently on the City Parcel and will notify the City of JEA's intent to use the construction trailers. If JEA does not utilize the construction trailers, the trailers will be removed and disposed by the City or JEA may remove and dispose of the construction trailers at the direction of the City and the City shall reimburse JEA for the cost and expense of the removal and disposition.
City Employee Parking	The City and JEA will investigate and negotiate the potential for an expanded parking garage within the New JEA Downtown Campus to be used for additional City employee parking.
Marketing of JEA Parcel	Beginning 180 days after the City Parcel is transferred to JEA and for 180 days after JEA has relocated to the New JEA Downtown Campus and vacated the buildings on the JEA Parcel, JEA shall actively market and attempt to sell the JEA Parcel including any and all JEA Improvements thereon ("Marketing Period").
Transfer of JEA Parcel - Third Party Buyer	JEA shall transfer the JEA Parcel by acceptable deed directly to an unrelated third party under terms of a negotiated purchase and sale agreement with a third party buyer acceptable and approved by the City. The JEA Parcel and all JEA improvements thereon shall be sold "AS IS."
Sale Proceeds	The City shall be compensated out of the net proceeds from the sale of the JEA Parcel the greater of (i.) the 2019 assessed (market) land value of the City Parcel as certified by the Duval County Property Appraiser; or (ii.) \$1,655,275 ("City Parcel Value"). Should the net sale proceeds from the sale of the JEA Parcel be in excess of the City Parcel Value, the excess net sales proceeds shall be equally divided between the City and JEA. Should the

	<p>net sale proceeds from the sale of the JEA Parcel be less than the City Parcel Value, the JEA shall still be obligated to pay the City the City Parcel Value at the JEA Parcel closing.</p>
<p>Transfer of JEA Parcel - City</p>	<p>If at the end of the Marketing Period, JEA fails to secure an interested buyer for the JEA Parcel, JEA shall, at its sole cost and expense and subject to governmental and regulatory approvals, demolish and remove the existing JEA Improvements ("Removal of JEA Improvements"). The Removal of JEA Improvements includes the removal of all above-ground and below-ground structures, foundations, pilings, and utility infrastructure and returning property to street level grade with suitable fill material. JEA shall transfer the JEA Parcel to the City within 30 days of the completion of the Removal of the JEA Improvements.</p>
<p>Testing and Environmental – JEA Parcel</p>	<p>Prior to JEA conducting the Removal of the JEA Improvements, JEA shall at its sole cost and expense have a Phase 1 environmental assessment done for the JEA Parcel. Should the Phase 1 indicate the necessity to perform a Phase 2, a Phase 2 will be conducted at JEA's sole cost and expense. Should the Phase 2 Environmental Assessment report or any additional testing indicate environmental contamination on the JEA Parcel, a SAR and cost analysis for the remediation work necessary for commercial construction on the JEA Parcel will be conducted at JEA's sole cost and expense. If the costs associated with environmental remediation for the JEA Parcel ("JEA Parcel Remediation") exceed any costs and expenses paid by JEA for environmental remediation of the City Parcel, the City shall pay a portion of the remediation costs so that the value of the parcels in the Land Swap plus environmental remediation are equal. JEA shall perform the JEA Parcel Remediation within thirty-six (36) months of developing a remedial action plan for the JEA Parcel based on the SAR as approved by JEA, the City and the DEP.</p>
<p>Closing Costs</p>	<p>JEA shall be responsible for the payment of any and all closing costs associated with the Land Swap, including title examinations, title policies, surveys, and appraisals, if any.</p>
<p>Construction</p>	<p>Construction of the New JEA Downtown Campus shall</p>

	begin within 180 days of the receipt of all governmental and regulatory approvals for the New JEA Downtown Campus.
Operation and Maintenance	JEA shall be at all times responsible for the operation and maintenance of the JEA Parcel Improvements and shall not be required to make any nonessential repairs or upgrades prior to the disposition or demolition of the JEA Parcel Improvements.
Non-Inclusive	This Term Sheet does not contain all matters upon which agreement must be reached in order for the Land Swap to be completed.
Non-Binding	This term sheet does not create and is not intended to create a binding and enforceable contract between the Parties. A binding commitment with respect to the Land Swap can only result from the execution and delivery of the Land Swap Agreement. The monetary obligations of the parties referenced herein are subject to lawfully appropriated funds.
Approval	The Parties shall not be bound to enter into any agreement relating to any part of the Land Swap until such time as the DIA Board, JEA Board and City Council have approved the final form of Land Swap Agreement.
Termination	This Term Sheet shall remain in effect until the earliest of (1) the full execution of the Land Swap Agreement, (2) termination of this Term Sheet in a signed writing delivered by either the City or JEA or (3) one year from the execution date of this Term Sheet.

[The remainder of this page was left blank intentionally by the parties. Signature page to immediately follow.]

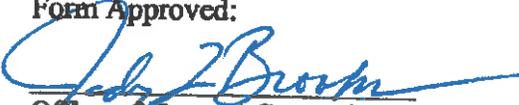
(Signature Page to Term Sheet Regarding Land Swap between City of Jacksonville and JEA)

Signed this 2 day June 2017:



Paul E. McElroy
Chief Executive Officer
JEA

Form Approved:



Office of General Counsel

Signed this 2nd day June 2017:



Aundra Wallace
Chief Executive Officer
Downtown Investment Authority

Signed this 2nd day June 2017:



Sam Mousa
Chief Administrative Officer
City of Jacksonville

Form Approved (DIA and City):



Office of General Counsel

Sam E. Mousa
Chief Administrative Officer
For: Mayor Lenny Curry
Under Authority of:
Executive Order No. 2015-05

[Return to
Agenda](#)

III. B. 2.
6/20/2017

Downtown Campus Evaluation



Current State

- Both the Tower and the Customer Center constructed in 1962 and purchased by JEA in 1989 for \$8 million
- Minimal capital investment in downtown facilities means JEA has extracted maximum value from the campus
- Major systems now due for replacement to ensure business continuity and manage operational risks
 - Plumbing
 - Electrical
 - Fire protection
 - Security
 - Structural
- Given cost of needed systems replacements, JEA staff evaluated alternatives to ensure responsible investment of our customers' money



Current State - Photos

Widespread plumbing degradation in Tower



Structural settling causing window cracking, old and inefficient windows



Leaks on many floors and flooding in basement



Electrical system degradation



Elevator maintenance parts now obsolete due to age of elevator system

Current State

In order to remain in current facilities, the following projects are needed:

- Plumbing replacement
- Electrical system replacement
- Backup generator replacement and relocation
- Fire protection system replacement
- Security upgrades
- Window replacement and upgrade
- Structural fortification to meet current code requirements

Total estimated project cost to remain in place: \$37 million

Possible Future Options

To be the most responsible stewards of our customers' money, JEA engaged an outside team to analyze options:

1) Renovate in place -
Clear groups of floors to stage renovation in existing facilities

- Significant disruption to day-to-day operation
- Challenging for wholesale replacement of plumbing and electrical systems
- Maintains too many sq. ft. for our needs (higher operating cost)

2) Rebuild existing footprint -
Relocate to temporary site while building is cleared to studs for re-build

- Requires multiple moves
- Most costly option
- Maintains too many sq. ft. for our needs (higher operating cost)

3) Demo existing structures and rebuild on current site -

Relocate to temporary site while existing facilities are demolished and new facility built

- Requires multiple moves
- New space can be optimized for our needs

4) Construct new HQ building on new downtown site #1

- Appropriate design to meet our needs, minimizing future operating costs
- Cost effective option
- Site requires extremely tall, narrow parking garage and foot bridge over street, which increase cost

5) Construct new HQ building on new downtown site #2

- Appropriate design to meet our needs, minimizing future operating costs
- Cost effective option
- Outside of central business district, making location challenging for both customers and downtown development

6) Construct new HQ building on new downtown site #3

- Design modified to meet awkward site layout requirement
- Land acquisition cost uncertain and possibly slated for alternative project

JEA Requirements

	Current	Future
Number of employees	758	800
Parking spaces	530	800
Square feet	337,600	220,000

Other attributes:

- Downtown location
- Ease of customer access
- Environmental footprint
- Work space designed to optimize productivity
- Enhanced security features consistent with regulatory and other requirements (no parking under building)
- Data center relocation

Potential structures:

- Ownership of new construction
- Lease of new construction
- Ownership of rehabbed existing building
- Lease of rehabbed existing building
- Refurbishment of current space
- Other

Next Steps

- JEA must take action to mitigate operating and business continuity risks in current facilities
- Multiple options available for consideration, including renovation of existing buildings and new construction
- Offsite options likely to provide best long-term financial benefit due to smaller footprint and lower associated operating cost

Requirements

#	Type	Impact To	All Requests
1	Need	Community	Must stay in downtown (general economic stimulus)
2	Need	Employees	Must accommodate up to 800 employees
3	Need	Employees	Must accommodate up to 800 parking spaces
4	Need	Structure	Must accommodate 180k - 220k SF
5	Need	Systems	Must have full back up power
6	Need	Structure	No parking garage under the building
7	Need	Operations	EOFC - State of the art Emergency Operations Fusion Center (EOFC) - includes physical security, system operations, data center, and emergency operations.
8	Need	Operations	Must have a Board Room/Auditorium with 300 people total capacity
9	Need	Operations	Must have conference rooms with 10 people capacity
10	Need	Operations	Must have conference rooms with 20 people capacity
11	Need	Operations	Must have conference rooms with 30 people capacity
12	Need	Operations	Must have conference rooms with 40 people capacity
13	Need	Technology	All conference rooms must be equipped with A/V systems and a TV
14	Need	JEA	Must have parking facility for JEA vehicles and equipment
15	Need	Customers	Must have parking spaces for customers
16	Need	Employees	Must have break rooms
17	Need	Operations	Must have employee huddle areas
18	Need	Customers	Must have a customer educational area

Requirements

#	Type	Impact To	All Requests
19	Want	JEA	Environmentally friendly (energy & water)
20	Want	Customers	Customer friendly (access & educational)
21	Want	Employees	Employee friendly work environment
22	Want	Technology	Updated with current Technology systems
23	Want	Technology	Enhanced with state of the art Security controls and technologies
24	Want	Operations	EOFC - Consolidate Security with EOFC
25	Want	Operations	EOFC - Consolidate SOCC with EOFC
26	Want	Operations	EOFC - Consolidate Ridenour Control Center with EOFC
27	Want	Operations	EOFC - Consolidate Primary Data Center with EOFC
28	Want	Design	Interior walls to be glass
29	Want	Design	Cubicles to be 6'x9' and 9'x9' and 42" tall with 12"-18" glass on top
30	Want	Design	Offices to be 15'x20'
31	Want	Design	Offices to be 10'x15'
32	Want	Employees	Must have provisions for a cafeteria or restaurant



JEA
Building Community®

JEA Headquarters Study – September 2016



Completed Study Achieves Objective and Supports Recommendation

- Experienced Team to Evaluate Options
- Identified Evaluation Criteria to Support Objective
- Collaborative Process to Capture JEA Input
- Analysis of Final Scenario to Support Recommendation
- Comparison of Recommended Option vs. “Stay in Existing Buildings” Approach



JEA Headquarters Study – September 2016



Experienced Team to Evaluate Options



JJ Conners
Chief Development Officer / Principal
Project Manager

Roland Udenze, Design Principal
Project Architect



JEA Headquarters Study – September 2016



Identified Evaluation Criteria to Support Objective

Objective

Identify and evaluate best option/s for JEA future headquarters solution, based on the work to date completed by JEA Facilities Staff, factoring in the following evaluation criteria to recommended path forward.

Evaluation Criteria

- Evaluate facility maintenance and life cycle costs
- Attract top employee talent
- Support downtown growth
- Consider public perception



JEA Headquarters Study – September 2016



Collaborative Process to Capture JEA Input



JEA Headquarters Study – September 2016



Strategic Approach to Collaboration Produced Data Driven Recommendation



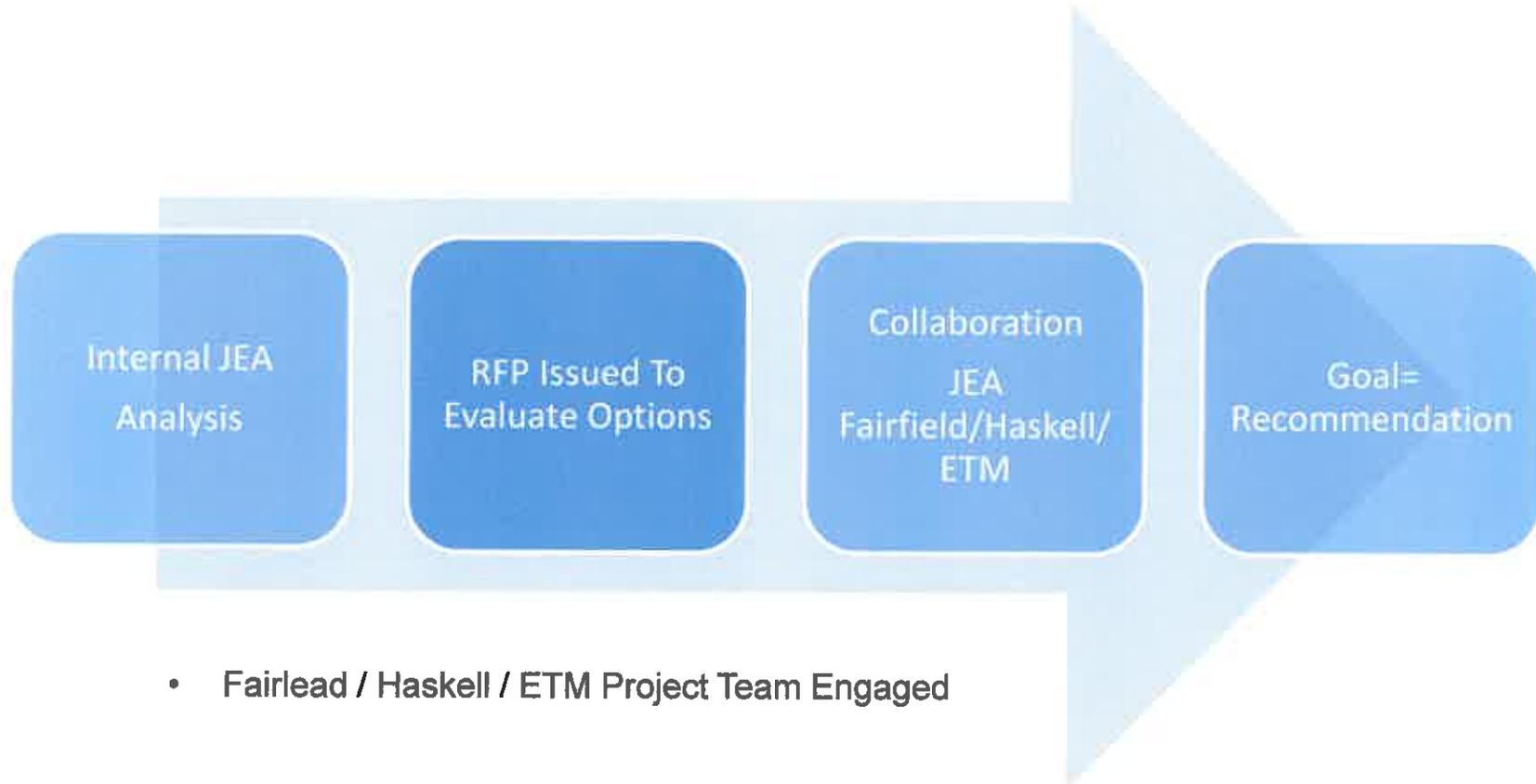
- Calculated maintenance costs for existing building over the next 20 years
- Projected required downtown staff level
- Conducted an employee survey regarding the existing downtown facilities
- Considered a number of possible scenarios for new headquarters



JEA Headquarters Study – September 2016



Strategic Approach to Collaboration Produced Data Driven Recommendation



- Fairlead / Haskell / ETM Project Team Engaged



JEA Headquarters Study – September 2016



Strategic Approach to Collaboration Produced Data Driven Recommendation



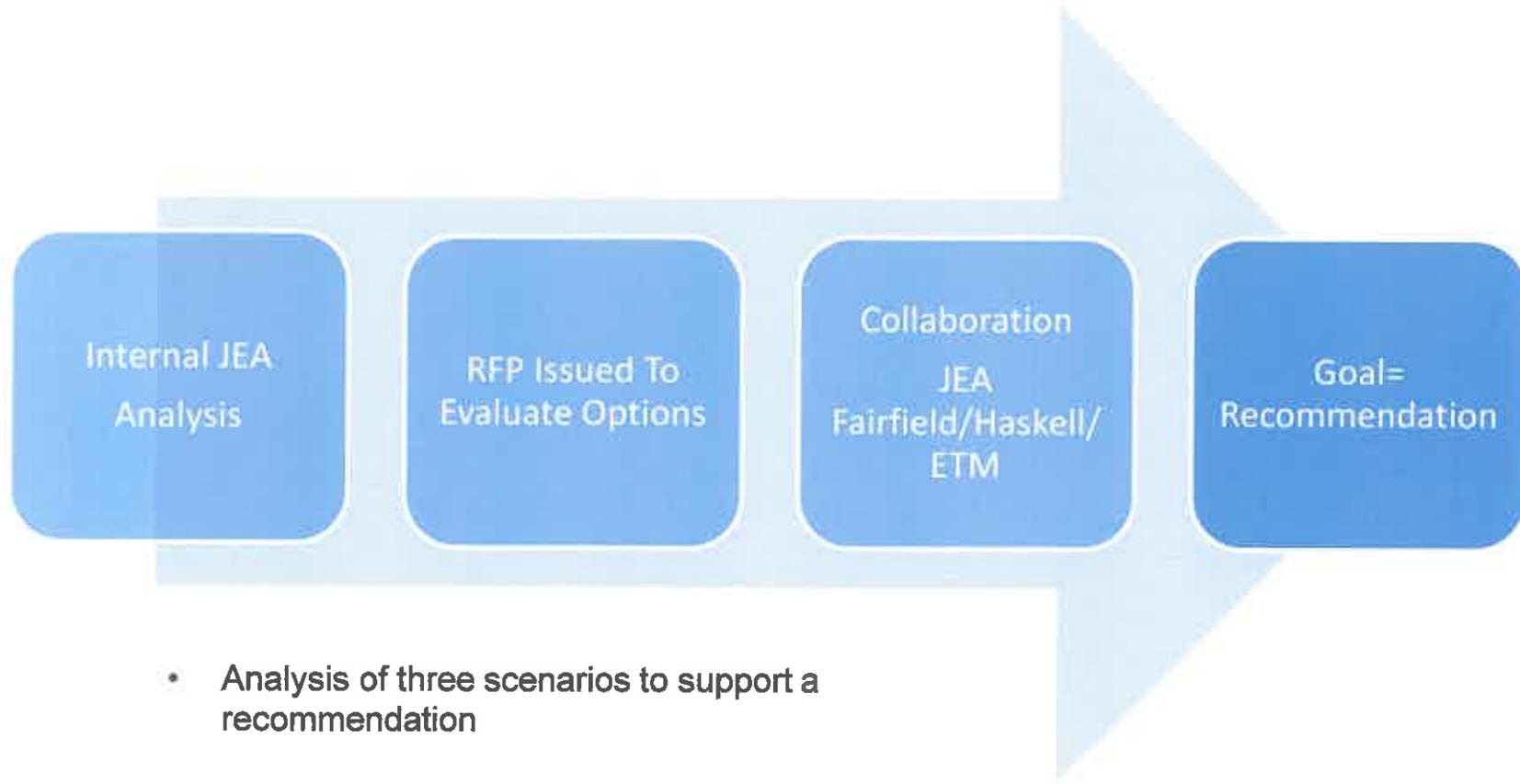
- Performed a preliminary programming analysis to determine future square footage requirements
- Workshop A expanded the three scenarios but selected the top five
- Tour of the existing site by the project team
- Workshop B explored five ‘locations’



JEA Headquarters Study – September 2016



Strategic Approach to Collaboration Produced Data Driven Recommendation



- Analysis of three scenarios to support a recommendation



JEA Headquarters Study – September 2016



Scenarios Examined by JEA Staff Provided Foundation to Initiate a Collaborative Evaluation Process

#	SCENARIOS
1	NEW BUILDING ON NEW SITE (3 LaVilla, 1 Shipyards, 1 Core)
2a	MAINTAIN EXISTING TOWER – Status Quo
2b	MOVE TO TOWER (MINOR RENOVATION)
3a	RENOVATE EXISTING TOWER (COMPLETE WALL TO WALL RETROFIT)
3b	MOVE TO CUSTOMER CENTER (BUILD 30K SF OFFICE)
4	MOVE TO CUSTOMER CENTER (LEASE 30K SF OFFICE SPACE)
5	DEMOLISH EXISTING TOWER AND BUILD NEW ON SITE
6	LEASE AN EXISTING BUILDING DOWNTOWN
7	RENOVATE AN EXISTING BUILDING DOWNTOWN
8	DEMOLISH EXISTING AND REBUILD ON CC SITE
9	RENOVATE EXISTING CUSTOMER CENTER + ADD 2 NEW FLOORS
10	RENOVATE CUSTOMER CENTER ONLY
11	GOVERNMENT COMPLEX (JEA / JTA / DCSB)



JEA Headquarters Study – September 2016



Initial Qualitative Evaluation Criteria Provided Clear Shortlist for Further Evaluation

Qualitative Evaluation Criteria

- Employee Interruption
- Business Interruption
- Quality of New Spaces
- Functionality/Efficiency of New Space
- Access/Parking
- Community Education Component
- Public Perception
- Expansion Capacity

#	SCENARIOS
1	NEW BUILDING ON NEW SITE (3 LaVilla, 1 Shipyards, 1 Core)
2a	MAINTAIN EXISTING TOWER – Status Quo
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4	MOVE TO CUSTOMER CENTER (LEASE 30K SF OFFICE SPACE)
5	DEMOLISH EXISTING TOWER AND BUILD NEW ON SITE
6	LEASE AN EXISTING BUILDING DOWNTOWN
7	RENOVATE AN EXISTING BUILDING DOWNTOWN
8	DEMOLISH EXISTING AND REBUILD ON OLD SITE
9	RENOVATE EXISTING CUSTOMER CENTER + ADD 2 NEW FLOORS
10	RENOVATE CUSTOMER CENTER ONLY
11	GOVERNMENT COMPLEX (PER / JIA / DCB)



JEA Headquarters Study – September 2016



Closer Evaluation of Highest Weighted Criteria Provided Clear Shortlist for Final Evaluation

Highest Weighted Evaluation Criteria

- Functionality/Efficiency of New Space
- Public Perception

#	SCENARIOS
1	NEW BUILDING ON NEW SITE (3 LaVilla, 1 Shipyards, 1 Core)
2a	MAINTAIN EXISTING TOWER – Status Quo
2b	MOVE TO TOWER (MINOR RENOVATION)
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10	RENOVATE CUSTOMER CENTER ONLY
11	GOVERNMENT COMPLEX (JEA / JTA / DCSD)



JEA Headquarters Study – September 2016



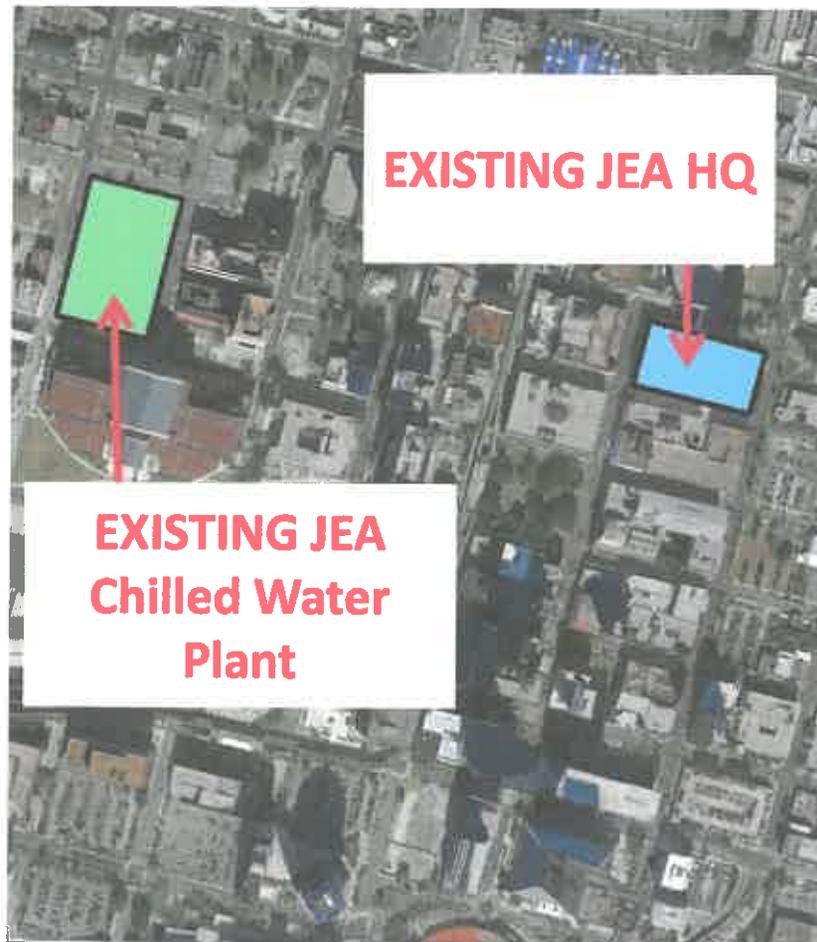
Overview of the Pros and Cons of Final Scenarios to Support Recommended Option



JEA Headquarters Study – September 2016



Scenario 1: New Building on existing JEA owned Chilled Water Site



Pros:

- Ability to design an appropriate corporate headquarters
- Build exactly what is needed
- Potentially most cost effective

Cons:

- Public image, vacating another building downtown
- Customers familiar with current location



JEA Headquarters Study – September 2016



Scenario 3A: Renovate Existing Tower (Wall to Wall Retrofit)

Pros:

- **Structural systems** are in good shape
- **Downtown**
- **Public transportation**
- **Amenities** - food options, gym facility,
- **Utilities** already in place
- **Existing parking**



Cons:

- **Many unknown conditions** create the need for a large contingency
- **Double relocation of employees**
- Significant upgrade and relocate **MEP**
- Tower is **too large**
- Existing parking beneath building creates a security risk
- **Low floor to floor heights (11'-6")**
- **Adjacent un-used building**
- **Inefficient floor plan**



JEA Headquarters Study ~ September 2016



Scenario 5: Demolish Existing Tower and Build New Tower on Existing Site

Pros:

- Build exactly what is needed
- Downtown Location
- Public transportation access is good
- Amenities - food options, gym facility
- Utilities in place
- Existing parking in Adair garage
- Align on Laura street to create a city hall connection
- Allow for future development along Main St
- Easier to incorporate sustainability principles
- Efficient and flexible floor plate

Cons:

- Double relocation of employees
- Demolition cost plus new building cost



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JEA Headquarters Study – September 2016

Analysis of Final Scenarios to Support Recommended Option



JEA Headquarters Study – September 2016



Summary of Scenario Analysis

Scenario Comparison		1	3A	5
		New Building at Chilled Water Site	Renovate Tower	New Building at Current Site
Site Characteristics				
Size (Acres)		2.16	0.94	2.00
Ownership		Multiple Private & JEA	JEA	JEA
Current Use		Parking / Chilled Water Facility	JEA	JEA
Future Building Characteristics				
Total SF		180,000	246,000 (200,000 usable)	180,000
Average Floorplate		36,000	12,100	36,000
Building Cost Total (Millions)		\$33.9 - \$41.5	\$49.0 - \$61.9	\$33.9 - \$41.4
Building Cost PSF		\$189 - \$230	\$209 - \$261	\$188 - \$230
Allowances (Millions)		\$21.4	\$23.2	\$22.8
Total Project Cost (Millions)		\$53.2 - \$60.8	\$65.3 - \$78.2	\$56.7 - \$64.2
Schedule (Months from Nov 2016)				
		29	26	29
Qualitative Scores				
	Weight			
Employee Interruption	4	7	4	4
Business Interruption	4	7	4	4
Quality of New Spaces	4	10	6	10
Functionality/Efficiency of New Space	5	10	2	10
Access/Parking	3	5	7	10
Community Education Component	4	10	6	10
Resulting Public Perception	3	2	9	7
Expansion Capacity	2	8	9	8
TOTAL (Weighted Average)		227	174	243
Allowance Details				
Inflation on Base Building Costs (2 years @3.0%)		\$2,100,000	\$3,100,000	\$2,300,000
Parking Garage / Overflow		\$9,600,000	\$1,000,000	\$3,150,000
Skybridge		\$1,500,000	\$2,000,000	\$2,000,000
Additional Structure			\$2,500,000	
Building Skin Allowance		\$0	\$3,800,000	\$0
FF&E		\$5,800,000	\$5,800,000	\$5,800,000
Moving		\$55,000	\$180,000	\$180,000
Temporary Leased Space		\$0	\$2,500,000	\$4,000,000
Sale of Unused Buildings		(\$1,000,000)	(\$1,000,000)	\$0
Data Center Management		\$3,000,000	\$3,000,000	\$3,000,000
Café		\$350,000	\$350,000	\$350,000
Demo of Existing Buildings		\$0	\$0	\$2,000,000
Total		\$21,405,000	\$23,230,000	\$22,780,000



JEA Headquarters Study – JUNE 30, 2016



Summary of Scenario Analysis

Scenario Comparison

Result of Analysis Suggests Option 5 – New Building on Current Site Provides Highest Qualitative Score

Future Building Characteristics				
Total SF		180,000	246,000 (200,000 usable)	180,000
Average Floorplate		36,000	12,100	36,000
Building Cost Total (Millions)		\$33.9 - \$41.5	\$49.0 - \$61.9	\$33.9 - \$41.4

Result of Analysis Suggests Option 1 – New Building at JEA Existing Chilled Water Plant Suggests Lowest Initial Capital Improvement \$55 – 63 Million followed closely by Option 5 - New Building on Existing HQ Site \$56 – 64 Million.

Community Education Component	4	10	6	10
Resulting Public Perception	5	2	9	7
Expansion Capacity	7	7	7	7

Result of Analysis Suggests Option 5 – New Building on Existing HQ Site provides Best Value when considering both Qualitative and Initial Capital Cost

Data Center Management		\$3,000,000	\$3,000,000	\$3,000,000
Café		\$350,000	\$350,000	\$350,000
Demo of Existing Buildings		\$0	\$0	\$2,000,000
Total		\$21,605,000	\$23,230,000	\$22,780,000



JEA Headquarters Study – JUNE 30, 2016



Analysis of Critical Evaluation Criteria, Qualitative Scoring and Initial Capital Costs Support a Recommendation of Scenario 5 as Path Forward

	Scenario 1: New Building on existing JEA owned Chilled Water Site	Scenario 3A: Renovate Existing Tower (Wall to Wall Retrofit)	Scenario 5: Demolish Existing Tower and Build New Tower on Existing Site
Impact to Downtown and Public Perception			
Qualitative Scoring			
Initial Capital Cost			



JEA Headquarters Study – JUNE 30, 2016



Comparison of Recommended Scenario 5

vs.

A “Stay in Existing Buildings” Approach



JEA Headquarters Study – September 2016



Net Present Value Analysis of Required Capital Expenditures Comparing Scenario 5 vs. “Do Nothing” Approach

- Compared the amount of capital required by JEA over the next 25 years under two scenarios:
 - Staying in the existing tower
 - Building a new building per the Study Team’s recommendation

- **Analysis Assumptions:**

Inflation	3.0%
Discount Rate	3.0%
Building Cost in Year 1	\$60,000,000
Building Cost in Year 21	\$108,366,674
New Building SF	180,000
New Building PSF Capital Expenditures in Years 1-5	\$0.25
New Building PSF Capital Expenditures in Years 6-10	\$0.70
New Building PSF Capital Expenditures in Years 11-15	\$1.10
New Building PSF Capital Expenditures in Years 16-20	\$1.55



Net Present Value Analysis of Required Capital Expenditures - Year to Year Comparison

Conclusion

- Due to the age of the existing tower, a inefficient amount of annual capital expenditures are required to maintain it.
- By building now, instead of 20 years from now, JEA's capital expenditure savings are estimated to be \$27.0 million.

Year	Maintain Current Building for 20 Years then Build New	Build New Building in 2017
1	\$5,568,000	\$30,000,000
2	\$3,965,000	\$30,000,000
3	\$4,464,000	\$49,173
4	\$4,198,000	\$50,648
5	\$3,018,000	\$52,167
6	\$2,638,000	\$53,732
7	\$2,588,000	\$55,344
8	\$1,792,000	\$159,613
9	\$1,810,000	\$164,401
10	\$1,828,000	\$169,333
11	\$1,846,000	\$174,413
12	\$1,864,000	\$179,646
13	\$1,872,000	\$290,770
14	\$1,890,000	\$299,493
15	\$1,908,000	\$308,478
16	\$1,926,000	\$317,732
17	\$1,944,000	\$327,264
18	\$1,962,000	\$474,979
19	\$1,980,000	\$489,228
20	\$1,998,000	\$503,905
21	\$54,183,337	\$519,022
22	\$54,183,337	\$534,593
23	\$88,811	\$550,631
24	\$91,476	\$567,150
25	\$94,220	\$584,164
NPV	\$98,000,000	\$61,000,000

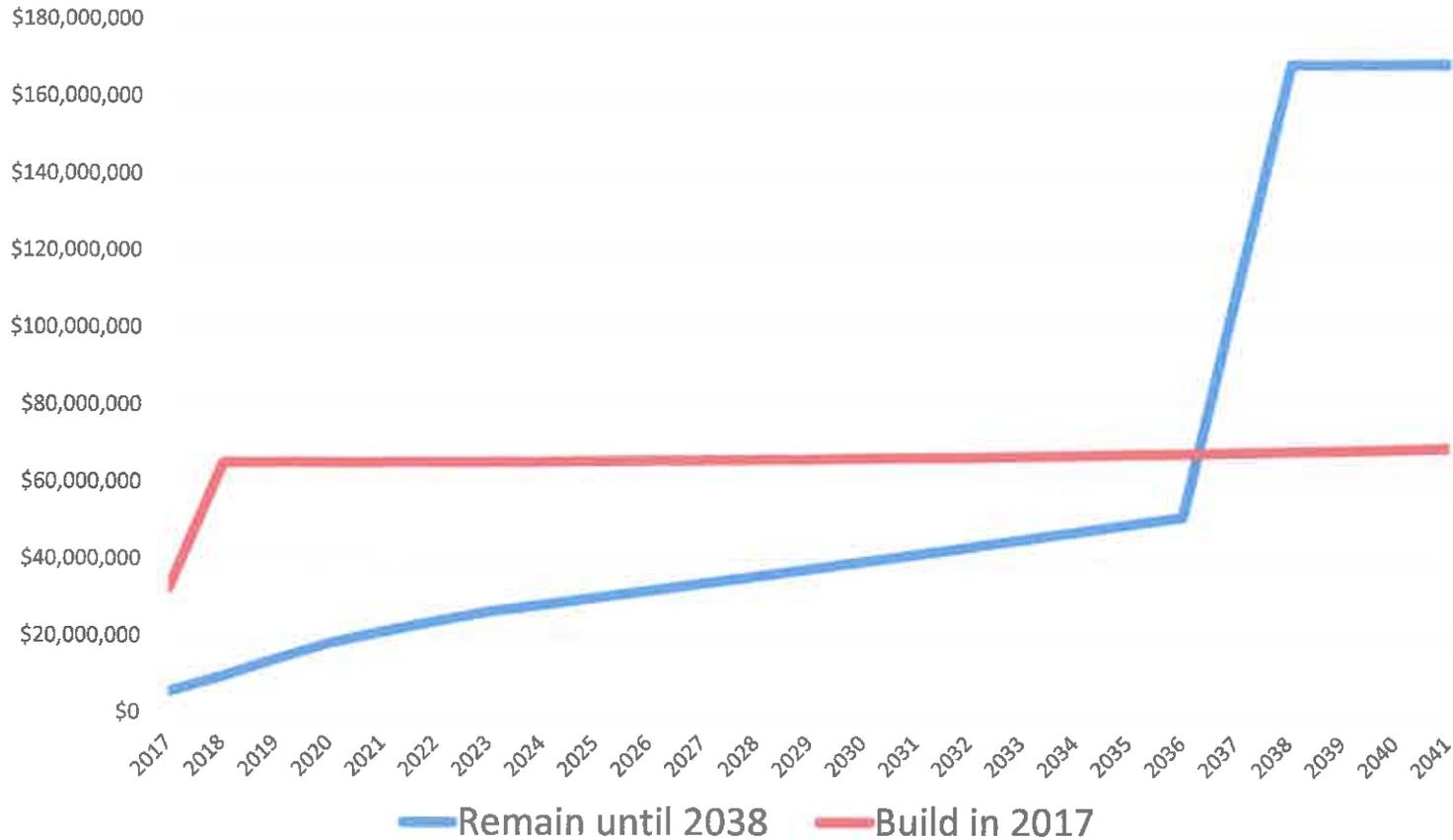


Note: Highlighted numbers from JEA Facilities Staff

JEA Headquarters Study – September 2016



Analysis of Required Capital Expenditures Cumulative Comparison



JEA Headquarters Study – September 2016



Questions / Discussion



JEA Headquarters Study – September 2016



Additional Slides for Questions/Discussion



JEA Headquarters Study – September 2016



JEA Staff Analysis of Maintenance Cost over a 20-Year Period

#	Maintain Plaza I - Tower	FY15	FY16	FY17	FY18	FY19	FY20	FY34	Total
1	Plaza I (Tower) - Restroom and Plumbing Upgrades	\$425	\$700	\$595	\$230	\$0	\$0	\$0	\$1,950
2	Plaza I New Fire Alarm System & other Security Projects	\$788	\$0	\$0	\$0	\$0	\$0	\$0	\$788
3	Plaza I - Building Renovations (Floor by Floor Upgrades)	\$450	\$450	\$450	\$300	\$0	\$0	\$0	\$1,650
4	Site Improvements – (Downtown Sidewalk Upgrade)	\$100	\$0	\$0	\$0	\$0	\$0	\$0	\$100

Result of Analysis Suggest over \$30 Million in Maintenance Costs on Existing Building

12	T19 - Replace Glass & Frame w/ Wind Rated System	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$500
13	Plaza Skybridge (Plaza I to II and Plaza II to III)	\$0	\$0	\$750	\$1,000	\$750	\$0	\$0	\$2,500
14	Plaza I O&M Expenses	\$634	\$634	\$634	\$634	\$634	\$634	\$770	\$13,668
15	Procurement & Maintenance costs	\$100	\$100	\$100	\$100	\$100	\$100	\$0	\$700
16	Tower Utilities	\$161	\$161	\$161	\$161	\$161	\$161	\$161	\$3,220
	Plaza I Total	\$2,958	\$2,345	\$2,990	\$3,055	\$2,075	\$1,695	\$1,091	\$30,116



JEA Headquarters Study – September 2016



JEA Employees Engaged Through Survey to Seek Input and Buy-In

Most Used Downtown Plaza Amenities:

- Proximity to downtown businesses: 54%
- Akel's: 47%
- Gym: 35%
- Credit Union: 32%

What amenities would make your day more productive/enjoyable:

- More natural light: 48%
- More color: 38%
- Collaboration spaces: 20%
- General housekeeping complaints: 13%
- Aesthetic/building improvements: 12%
- Increased privacy/quiet: 10%



JEA Headquarters Study – September 2016



Preliminary Program Study Evaluated Current and Future Staffing Projections to Evaluate Most Efficient Operations to Serve Customers

Future	Existing	Move to Other Sites	New Building
Electric System Employees	99	67	32

Result of Analysis Suggests underutilized space in existing assets reduce demand on core services in downtown building requiring less office space and maximizing existing assets

Customer Experience Employees	212	152	60
Public Affairs Employees	23	0	23
Executives (SLT & Melissa C.)	10	0	10
Totals	758	258	500



JEA Headquarters Study – September 2016



Building Program Study Evaluated Most Efficient Operations, Future Growth and Employee Satisfaction to Confirm Required Building Size

				AREA (SF)	March 3, 2016
Customer Interaction Zone				8,738	6,738
Departments (NSF)					87,857
	Current Employee	Future Employee	Growth Allowance		
Electric System	99	32	38	3,866	
W/WW System	64	25	30	3,020	
Finance Employees	153	153	134	18,485	

Result of Analysis Suggests optimized building size to support future growth, recruit top talent and increase employee satisfaction is approx. 180,000 square feet

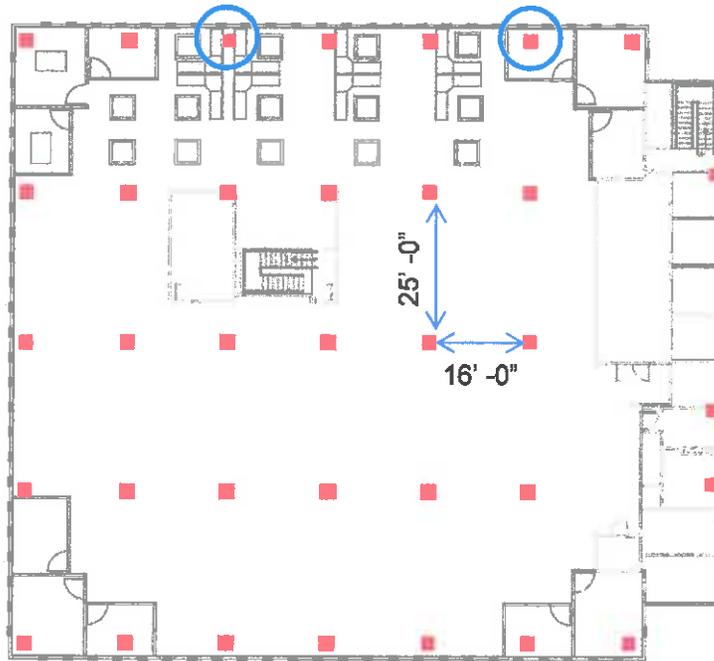
Employee lounge				2,160	
Hydroponic Garden				5,000	
Technical Resource				3,000	
Support					10,576
Vertical Circulation				1,240	
Restrooms				990	
Recharge / Innovation Zones				768	
Meeting Zones				6,288	
Other Areas				1,392	
Mech/Elec ETC					26,275
Future Expansion Area					8,787
Building Circulation					25,386
Total					187,178



JEA Headquarters Study – September 2016



Scenario 3A: Renovate Existing Tower



Typical Tower Floor Plan

Cons:

- Inefficient floor column spacing
- Difficult to lay out cubicles and offices
- No central core
- Potential need to re-skin
- Restroom footprint needs to grow to be ADA compliant



JEA Headquarters Study – September 2016



Scenario 5: New Tower Provides Efficient Floor Plan and Additional Flexibility for Future Growth



Modern Office Floor Plan Example

Pros:

- Columns only at exterior and central core
- Flexible for cubicles or offices
- Central core for stairs, elevators, restrooms, etc.



JEA Headquarters Study – September 2016



HASKELL



Scenario 5: New Tower Creates a Work Environment to Increase Employee Satisfaction and Productivity Leading to Best in Class Service for JEA Customers

Benefits:

- Act as a **recruiting tool** for new employees
- Serve as a **sense of pride** for employees
- Create spaces to **encourage collaboration and innovation**
- Create common spaces for **impromptu problem solving**



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JEA Headquarters Study – September 2016

III. B. 3.
JEA Hurricane Readiness



Building Community

AGENDA ITEM SUMMARY

May 31, 2017

SUBJECT:	JEA HURRICANE READINESS
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Purpose:	<input checked="" type="checkbox"/> Information Only	<input type="checkbox"/> Action Required	<input type="checkbox"/> Advice/Direction
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Issue: To provide the Board with a summary of JEA's hurricane readiness and communication in preparation for 2017 storm season.

Significance: JEA's hurricane preparedness activities are critical to JEA's ability to sustain operations and recover from threats and natural disasters while supporting Duval and the surrounding County's Emergency Operation Centers.

Effect: JEA's customer base in the City of Jacksonville and surrounding counties.

Cost or Benefit: Costs to JEA for recovery related operations which may involve Federal Emergency Management Agency (FEMA) reimbursement and costs to the community from potential interruptions of utility services.

Recommended Board action: This item is provided for information only.

For additional information, contact: Director of Emergency Preparedness & Business Continuity; Edwin Dendor; 904-665-6079

Submitted by: PEM/MHD/JPM/EHD

MISSION	VISION	VALUES
		
Energizing our community through high-value energy and water solutions.	JEA is a premier service provider, valued asset and vital partner in advancing our community.	<ul style="list-style-type: none"> • Safety • Service • Growth² • Accountability • Integrity

Commitments to Action

- 1** Earn Customer Loyalty
- 2** Deliver Business Excellence
- 3** Develop an Unbeatable Team

Hurricane Readiness

JEA Board of Directors

June 20, 2017



- JEA's Preparedness
- JEA's Participation with Joint Agencies
- Response and Recovery
- Post Matthew Lessons Applied

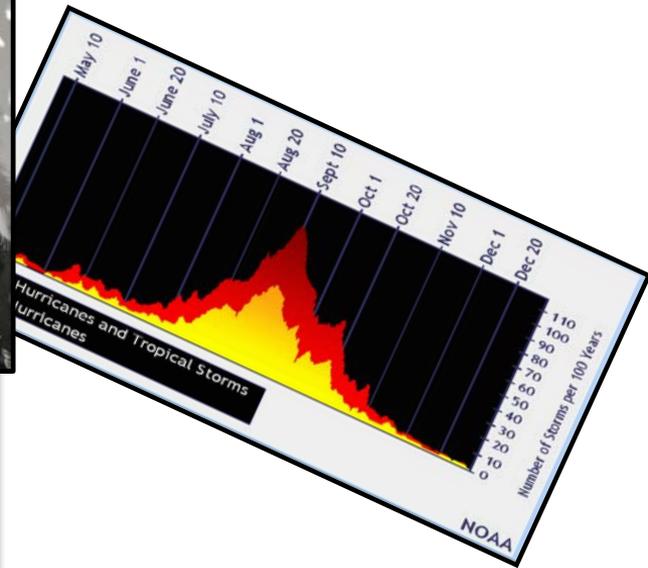
Hurricane Season Forecast

- Hurricane season June 1st – November 30th
- Higher probability of storm later this year

SAFFIR-SIMPSON HURRICANE WIND SCALE			
CAT	Wind Speed		Old SS Scale
	mph	kt	
TD	0-38	0-33	
TS	39-73	34-64	4-5'
1	74-95	65-83	6-8'
2	96-110	84-95	9-12'
3	111-129	96-112	13-18'
4	130-156	113-136	>18'
5	>157	>137	



Name	Pronunciation	Name	Pronunciation
Arlene	ar-LEEN	Lee	lee
Bret	bret	Maria	ma-REE-ah
Cindy	SIN-dee	Nate	nait
Don	dahn	Ophelia	o-FEEL-ya
Emily	EH-mih-lee	Philippe	fee-LEEP
Franklin	FRANK-lin	Rina	REE-nuh
Gert	gert	Sean	shawn
Harvey	HAR-vee	Tammy	TAM-ee
Irma	ER-mah	Vince	vinss
Jose	ho-ZAY	Whitney	WHIT-nee
Katia	KAH-tyah		



JEA's Preparedness

JEA increases resiliency by preparing year-round for *All Hazards*,

- Annual system-hardening projects
- Standards of Preparedness are in place
- Response & Recovery procedures undergo regular testing
- *Lessons applied* from last year's season



Annual System Hardening

- Pole Replacement
- Tree Trimming
- Vine Management Program
- Palm Hazard Program
- Transmission Tower Maintenance



Standards of Preparedness

- Identified 100 critical stock items necessary to recover from a hurricane
- Stocking levels are based on the expected pole loss
- JEA will expedite repairs & replenishments from key vendors



Video of Joint Exercise



JEA in Alignment With Our County Partners

- **Joint Teams:**

- Paul McElroy is a part of the Mayor's Executive Emergency Management staff in the Joint Unified Command
- All Hazard Incident Management Team (AHIMT)
- Infrastructure Liaison in Emergency Operations Center
- ERAT and Cut & Toss Crews
- Local Mitigation Strategy /Duval Prepares
- Security and Emergency Preparedness Committee (SEPPC)



- **Joint Trainings:**

- Table Top Exercises & Drills
- Counterterrorism Task Force

- **Joint Communications**

- WebEx
- Press releases



FEMA



Response and Recovery

- **JEA's Hurricane Preparedness Focus:**
 - Implemented the National Incident Response Structure (NIMS) in accordance with the National Response Framework (NRF)
 - SLT and employees complete National Incident Management response training standards
 - Team is fully integrated with County/State/Federal
 - All Employees have Storm Response Assignments
- **JEA's Response and Recovery Structure:**
 - Scalable & Flexible
 - Defines Reasonable Span of Control
 - Aligns Key Roles and Responsibilities
 - Organizes Mutual Aid and Resources
 - Unifies Response and Command
 - Platform for Common Messaging



Post 2016 Hurricane Season

- **Lessons Applied**
 - Request additional Mutual Aid resources “early”
 - Pump Station resiliency
 - Joint Agency Communications, Operations and Tactics



III. B. 4.
Monthly Operational and Financial Review

[Return to
Agenda](#)

III. B. 4.
6/20/2017

Board of Directors Meeting June 20, 2017



Water & Wastewater Monthly Operations Scorecard

Water & Wastewater	FY2016	FY2017 Goal	FY2017 YTD	Status
JEA Safety RIR	1.82	1.40	2.15	
Sales Forecast (kGals in 1000's)	36,358	34,558	37,608	
Water Unplanned Outages (# cust.)	12,735	9,000	3,402	
CUP Compliance	Yes	Yes	Yes	
Nitrogen to the River (tons)	527	550	363	
Sanitary Sewer Overflows (SSO's)	32	27	28	

Significant Occurrences or Concerns This Month

- One (1) OSHA recordable safety incidents for JEA in May, 30 YTD
- Unplanned Water Main Outages: 224 customers in May, event communication enhancements ongoing
- CUP: Average daily flow of 117 MGD is 12% below CY limit of 133 MGD; reclaim usage reached 20 MGD
- Nitrogen to River: 363 tons YTD with storm impacts, current forecast is 560 tons trending towards 550 tons
- SSO's Impacting Waters of the US: Twenty-Eight (28) year-to-date, excluding the Hurricane events

Electric Monthly Operations Scorecard

Electric System	FY2016	FY2017 Goal	FY2017 YTD	Status
JEA Safety RIR	1.82	1.40	2.15	
Sales Forecast (million MWh)	12.6	12.4	12.0	
T&D Grid Performance Customer Outage				
<i>Frequency (outages/year)</i>	1.4	1.8	1.41	
<i>Electric Outage Duration (minutes/year)</i>	71	80	85	
<i>Transmission Line Faults (# per 100 miles)</i>	0.7	2.5	1.3	
<i>CEMI₅ (% cust. > 5 outages/year)</i>	1.4	1.5	0.6	
Generating Plant Performance				
<i>Generation Fleet Reliability (forced outages rate)</i>	2.0	2.1	1.64	
<i>Environmental Compliance (permit exceedances)</i>	4	5	3	

Significant Occurrences or Concerns This Month

- Generation Fleet performing well this winter and spring. Successful outage completed this FY on steam units at Northside, SJRPP, along with the Combined Cycle Unit at Brandy Branch.
- Despite a tough weather year, T&D grid performance metrics all better than targets. Excellent outage restoration by JEA field crews.

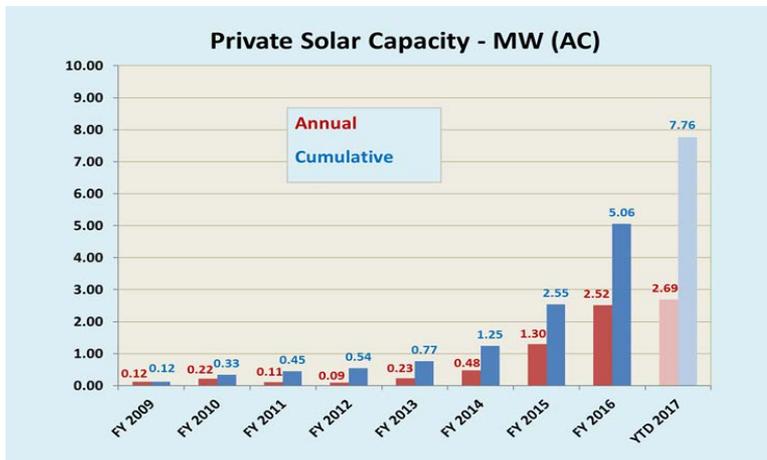


Customer Experience Monthly Operations Scorecard

Customer Experience	FY2016	FY2017 Goal	FY2017 YTD	Status
JDP Customer Satisfaction Index - Residential	2 nd Q	1 st Q	1 st Q	●
JDP Customer Satisfaction Index - Business	#1	Top Decile	#12	●
Overall First Contact Resolution Index	79.4%	≥79.4%	80.6%	●
Self Service Utilization	76.0%	≥77.3%	78.4%	●
Net Write-Offs	0.14%	≤0.20%	0.15%	●

Significant Occurrences or Concerns This Month

10MW Policy Limit for Private Solar To Be Reached by October



- The installation rate of net-metered private solar on the JEA system is growing
- Private solar capacity added in May was 0.23 MW, YTD 2.69 MW. Total aggregate capacity is 7.76 MW.
- The annualized subsidy for the current 7.76 MW of installed private city is \$717,000 annually.



Financial Results and Cost Metrics

Electric System Metrics Forecast

	Rating Agency/ Perform. Goal	Forecast	Score
System Sales (GWh)	12,000	12,084	
Base Revenue Growth	(0.1%)	0.5%	
Debt Svc. Coverage	2.3x	2.5x	
Days Liquidity (Cash)	318 (215)	308 (205)	
Debt/Asset %	62%	62%	
Non-Fuel/MWh	\$53.94	\$54.01	
Net Funded Debt Reduction	\$216m	\$216m	
Capital Expenditures	\$166m	\$147m	
Moody's/S&P/Fitch Ratings	Aa2/AA-/AA	Aa2/AA-/AA	

Water and Sewer Systems Metrics Forecast

	Rating Agency/ Perform. Goal	Forecast	Score
Water System Sales (mGals)	35,000	37,608	
Base Revenue Growth	(1.3%)	1.9%	
Debt Svc. Coverage	2.5x	2.7x	
Days Liquidity (Cash)	507 (405)	605 (506)	
Debt/Asset %	50%	50%	
Water Cost/kgal	\$4.75	\$4.49	
Sewer Cost/kgal	\$10.27	\$9.37	
Net Funded Debt Reduction	\$77m	\$77m	
Capital Expenditures	\$205m	\$185m	
Moody's/S&P/Fitch Ratings	Aa2/AA/AA	Aa2/AAA/AA	

Significant Occurrences or Concerns This Month

- Dry weather continued through most of May, resulting in Water System Sales 9% over FY16 YTD.
- Electric System Sales remain below FY16 YTD despite warm, dry weather and 1.6% growth in accounts.

JEA Members' Roster (updated 6/8/17)

G. Alan Howard (Chair)

Founder and President Milam Howard ahoward@milamhoward.com 421-4741 (ofc)
Nicandri Dees & Gillam 962-3660 (cell)
14 E Bay Street (office) 32202
Asst: Gaylene Coover, gcoover@milamhoward.com (904) 357-3660
Term: Appointed 2/10/16 for an unexpired term expiring February 28, 2019.
Board Chair and Chair, Nominating Committee

Delores Kesler (Vice Chair)

Chairman and Chief Executive Officer dmk@adium.com 224-1203 (ofc)
Adium, LLC
9700 Philips Highway, #104 (office) 32256 229-7894 (cell)
1842 Epping Forest Way S. (home) 32217 996-7090 (fax)
Term: Appointed 10/28/15 for an unexpired term to expire on 2/28/16, followed by a first full term to expire 2/28/20.
Asst: Tammy Milam tammy@adium.com (work) 224-1217 (cell) 993-5319
Board Vice Chair, Committee Chair, Compensation Committee and Member, Nominating Committee

Reverend Frederick Newbill (Secretary)

Pastor, First Timothy Baptist Church North Newbill32218@yahoo.com
12103 Biscayne Blvd. (office) 32218 904-304-1634 (cell)
1111 Mar Del Plata St. S (home) 32256
Asst: Terrence Joseph, t.joseph@firsttimothy.org, 757-9878 ext. 11 (office), 607-7646 (cell)
Term: Appointed 1/12/17 for a first full term expiring February 28, 2019.
Board Secretary and Member, Government, Legal and Real Estate Affairs Committee

Husein Cumber

Executive VP Corporate Development, Husein.Cumber@feci.com 996-2812(ofc)
Florida East Coast Industries, Inc.
2002 San Marco Blvd., Suite 202 (office) 32207 New Address as of 3/1/2017 954-234-0650 (cell)
2325 River Road (home) 32207
Assistant: Stacey Rinaldi, Stacey.rinaldi@feci.com, 996-2813
Term: Appointed 2/26/14 for a four year term, expiring 2/28/18.
Member, Finance & Audit Committee and Government, Legal and Real Estate Affairs Committee

Kelly Flanagan

Senior VP and CFO, Jacksonville Jaguars flanagank@jaguars.nfl.com 633-6332 (ofc) **preferred**
One EverBank Field Drive (office) 32202 477-9799 (cell)
2525 College Street, Unit 1312 (home) 32204 N/A (fax)
Term: Appointed 11/25/15 for an unexpired term to expire 2/28/16, followed by a first full term to expire 2/28/20.
Chair, Finance & Audit Committee, and Member, Compensation Committee

Tom Petway

The Petway Companies tom@petwaycompanies.com 247-4944 (ofc)
375 Atlantic Blvd., Suite 2 (office) 32233 631-0000 (cell)
Atlantic Beach 241-8403 (home)
Term: Appointed 10/28/15 for a four year term, expiring on 2/28/2018
Former Board Chair and Current Committee Chair, Government, Legal and Real Estate Affairs Committee, Member, Compensation Committee and Nominating Committee