



BOARD RESOLUTION: 2022-24

October 25, 2022

A RESOLUTION AUTHORIZING THE MANAGING DIRECTOR/CEO TO PERFORM A BUDGETARY AMENDMENT AT THE CLOSE OF THE FISCAL YEAR 2022 FOR JEA, APPROPRIATE REVENUES TO DESIGNATED EXPENSES, AND SEEK LEGISLATIVE APPROVAL THROUGH OFFICE OF GENERAL COUNSEL

WHEREAS, each year, the City Council approves the JEA Budget and;

WHEREAS, the Board of Directors authorizes the Managing Director/CEO to make a budgetary amendment after the close of the fiscal year to appropriate revenues exceeding the approved budget and;

WHEREAS, the Board of Directors authorizes the Managing Director/CEO to amend Schedules A and B to reflect the amended budget values as indicated in Exhibit A attached hereto and incorporated herein and;

WHEREAS, the Board of Directors authorizes the Managing Director/CEO to seek legislative approval for the budgetary amendment through the City of Jacksonville Office of General Counsel and;

WHEREAS, the Board of Directors authorizes the Managing Director/CEO to notify the Council President of intent to, reason for, and action of seeking legislative approval for the budgetary amendment; now therefore

BE IT RESOLVED by the JEA Board of Directors that:

1. The Managing Director/CEO is authorized to perform a budgetary amendment to appropriate revenues to designated expenses at the close of Fiscal Year 2022 and update Schedules A and B in substantially the same form as attached hereto to reflect amended budget values.
2. After the close of the Fiscal Year 2022, the Managing Director/CEO is authorized to take the necessary steps to seek legislative approval for the budget amendment through the City of Jacksonville Office of General Counsel.
3. To the extent there are typographical, clerical, or administrative errors that do not effect the tone, tenor, or context of this resolution, such errors may be corrected without further authorization from the Board of Directors.
4. This Resolution shall be effective immediately upon passage.

Dated this 25th day of October, 2022.

JEA Board Chair

JEA Board Secretary

Form Approved by

Office of General Counsel 10/25/22

VOTE	
In Favor	5
Opposed	0
Abstained	0

EXHIBIT A

Electric System – Schedule A	Original Budget	Amended Budget	Change
Fuel Revenues	368,899,940	632,360,355	263,460,415
Fuel Expenses	368,899,940	632,360,355	263,460,415
Base Rate Revenues	785,192,000	802,124,219	16,932,219
Environmental Charge Revenue	7,442,000	7,618,896	176,896
Conservation Charge & Demand Side Revenue	732,000	929,123	197,123
Other Revenues	123,615,440	127,433,324	3,817,884
Natural Gas Pass Through Revenue	823,420	1,375,866	552,446
Investment Income	3,194,911	3,713,207	518,296
Demand-Side Management Rate Stabilization	(395,800)	(198,677)	197,123
Environmental - Rate Stabilization	(3,821,756)	(3,644,860)	176,896
Operating Capital Outlay*	116,621,139	137,112,784	20,491,645

Total Schedule A budget increases from \$1,289,899,711 to \$1,575,554,990

Water & Wastewater System – Schedule A	Original Budget	Amended Budget	Change
Base Rate Revenues	439,929,234	448,371,458	8,442,224
Other Revenues	25,494,531	30,607,269	5,112,738
Investment Income	2,075,631	3,678,216	1,602,585
Capacity Fees - Revenue	47,000,000	47,210,691	210,691
Operating Capital Outlay*	149,471,315	164,442,543	14,971,228
Capacity Fees - Expense	47,000,000	47,210,691	210,691

Total Schedule A budget increases from \$541,509,396 to \$556,877,634

District Energy System – Schedule A	Original Budget	Amended Budget	Change
Base Rate Revenues	8,839,543	8,989,050	149,507
Other Revenues	-	8,178	8,178
Investment Income	-	20,779	20,779
Operating Capital Outlay*	113,517	316,609	203,092

Total Schedule A budget increases from \$8,839,543 to \$9,018,007

Electric System - Schedule B	Original Budget	Amended Budget	Change
Operating Capital Outlay*	116,621,139	137,112,784	20,491,645
Other Proceeds	55,886,073	34,065,228	(21,820,845)

Water System - Schedule B	Original Budget	Amended Budget	Change
Operating Capital Outlay*	149,471,315	164,442,543	14,971,228
Capacity Fees	47,000,000	47,210,691	210,691
Debt Proceeds	129,885,420	115,600,619	(14,284,801)

District Energy System - Schedule B	Original Budget	Amended Budget	Change
Operating Capital Outlay*	113,517	316,609	203,092
Other Proceeds	-	864,480	864,480

* Original Budget does not include Funds Transfers performed throughout Fiscal Year 2022 and reflects budget as approved in September 2021.



Building Community

INTER-OFFICE MEMORANDUM

October 25, 2022

SUBJECT: APPROVAL OF RESOLUTION: FY2022 BUDGETARY AMENDMENT

FROM: Jay C. Stowe, Managing Director/CEO

TO: JEA Board of Directors

BACKGROUND

JEA’s Operating and Capital Budgets are typically approved in September prior to October 1st of the new fiscal year. JEA’s Operating and Capital budgets for Fiscal Year 2022 were approved by the City of Jacksonville in September of 2021. JEA is seeking a budgetary amendment after the close of the fiscal year to appropriate revenues exceeding the approved budget. See below tables for amended budget values:

Electric System – Schedule A	Original Budget	Amended Budget	Change
Fuel Revenues	368,899,940	632,360,355	263,460,415
Fuel Expenses	368,899,940	632,360,355	263,460,415
Base Rate Revenues	785,192,000	802,124,219	16,932,219
Environmental Charge Revenue	7,442,000	7,618,896	176,896
Conservation Charge & Demand Side Revenue	732,000	929,123	197,123
Other Revenues	123,615,440	127,433,324	3,817,884
Natural Gas Pass Through Revenue	823,420	1,375,866	552,446
Investment Income	3,194,911	3,713,207	518,296
Demand-Side Management Rate Stabilization	(395,800)	(198,677)	197,123
Environmental - Rate Stabilization	(3,821,756)	(3,644,860)	176,896
Operating Capital Outlay*	116,621,139	137,112,784	20,491,645

Total Schedule A budget increases from \$1,289,899,711 to \$1,575,554,990

Water & Wastewater System – Schedule A	Original Budget	Amended Budget	Change
Base Rate Revenues	439,929,234	448,371,458	8,442,224
Other Revenues	25,494,531	30,607,269	5,112,738
Investment Income	2,075,631	3,678,216	1,602,585
Capacity Fees - Revenue	47,000,000	47,210,691	210,691
Operating Capital Outlay*	149,471,315	164,442,543	14,971,228
Capacity Fees - Expense	47,000,000	47,210,691	210,691

Total Schedule A budget increases from \$541,509,396 to \$556,877,634

District Energy System – Schedule A	Original Budget	Amended Budget	Change
Base Rate Revenues	8,839,543	8,989,050	149,507
Other Revenues	-	8,178	8,178
Investment Income	-	20,779	20,779
Operating Capital Outlay*	113,517	316,609	203,092

Total Schedule A budget increases from \$8,839,543 to \$9,018,007

Electric System - Schedule B	Original Budget	Amended Budget	Change
Operating Capital Outlay*	116,621,139	137,112,784	20,491,645
Other Proceeds	55,886,073	34,065,228	(21,820,845)

Water System - Schedule B	Original Budget	Amended Budget	Change
Operating Capital Outlay*	149,471,315	164,442,543	14,971,228
Capacity Fees	47,000,000	47,210,691	210,691
Debt Proceeds	129,885,420	115,600,619	(14,284,801)

District Energy System - Schedule B	Original Budget	Amended Budget	Change
Operating Capital Outlay*	113,517	316,609	203,092
Other Proceeds	-	864,480	864,480

* Original Budget does not include Funds Transfers performed throughout Fiscal Year 2022 and reflects budget as approved in September 2021.

DISCUSSION

Electric System: In December of 2021, JEA began charging customers a variable fuel rate that is set monthly to align with fuel and purchased power expenses. The increases in fuel and purchased power expenses throughout Fiscal Year 2022 have resulted in an increase in fuel and purchased power revenue. Additionally, Base Revenues, including Environmental and Conservation & Demand-Side Management Revenues, have increased due to actual sales exceeding budgeted sales. Natural Gas prices have increased Natural Gas Revenue. Other Revenue and Investment Income have also exceeded budget.

Water System: In Fiscal Year 2022, JEA has experienced higher than budgeted sales in the Water System resulting in higher than budgeted Water and Sewer Revenues. Additionally, increases to Capacity Fees effective April 1, 2022 have resulted in higher than budgeted Capacity Fee Revenue. Other Revenues and Investment Income have also increased from the original budget.

District Energy System: Due to effects of the aforementioned variable fuel rate, increased consumption revenue for the District Energy System has resulted in actual Operating Revenues exceeding the budgeted revenues in Fiscal Year 2022. Other Revenue and Investment Income are not typically budgeted for within the District Energy System, and therefore have also exceeded budgeted revenues.

RECOMMENDATION

Staff recommends that the Board approve the attached Resolution 2022-24, which authorizes the Managing Director/CEO to make a budgetary amendment after the close of the fiscal year to

appropriate revenues exceeding the approved budget. This includes authorizing the Managing Director/CEO to update Schedules A and B with amended budget values, seek legislative approval for the budget amendment through the City of Jacksonville Office of General Counsel, and notify the City Council President of intent to, reason for, and action of seeking legislative approval.

Jay C. Stowe, Managing Director/CEO

JCS/TBP/JEO/LAW

**JEA
CONSOLIDATED OPERATING BUDGET
FISCAL YEAR 2022**

	AMENDED Electric System	Water & Wastewater System	District Energy System	Total
FUEL RELATED REVENUES & EXPENSES:				
FUEL REVENUES:				
Total Net Revenues	\$ 632,360,355	\$ -	\$ -	\$ 632,360,355
FUEL EXPENSES:				
Fuel & Purchased Power	\$ 632,360,355	\$ -	\$ -	\$ 632,360,355
FUEL SURPLUS/(DEFICIT)	\$ -	\$ -	\$ -	\$ -
BASE RELATED REVENUES & EXPENSES				
BASE OPERATING REVENUES:				
Base Rate Revenues	\$ 802,124,219	\$ 448,371,458	\$ 8,989,050	\$ 1,259,484,727
Environmental Charge Revenue	7,618,896	27,010,000	-	34,628,896
Conservation Charge & Demand Side Revenue	929,123	-	-	929,123
Other Revenues	127,433,324	30,607,269	8,178	158,048,771
Natural Gas Pass Through Revenue	1,375,866	-	-	1,375,866
Total Base Related Revenues	\$ 939,481,428	\$ 505,988,727	\$ 8,997,228	\$ 1,454,467,383
BASE OPERATING EXPENSES:				
Operating and Maintenance	\$ 255,776,299	\$ 184,882,130	\$ 5,127,990	\$ 445,786,419
Environmental	2,263,500	7,933,200	-	10,196,700
Conservation & Demand-side Management	7,227,800	-	-	7,227,800
Natural Gas Pass Through Expense	918,473	-	-	918,473
Non-Fuel Purchased Power	263,361,133	-	-	263,361,133
Non-Fuel Uncollectibles & PSC Tax	1,391,596	700,409	-	2,092,005
Emergency Reserve	5,000,000	1,000,000	-	6,000,000
Total Base Related Expenses	\$ 535,938,801	\$ 194,515,739	\$ 5,127,990	\$ 735,582,530
BASE OPERATING INCOME:	\$ 403,542,627	\$ 311,472,988	\$ 3,869,238	\$ 718,884,853
NON-OPERATING REVENUE:				
Investment Income	3,713,207	3,678,216	20,779	7,412,202
Transfer To/From Fuel Recovery	-	-	-	-
Capacity Fees	-	47,210,691	-	47,210,691
Total Non Operating Revenues	\$ 3,713,207	\$ 50,888,907	\$ 20,779	\$ 54,622,893
NON-OPERATING EXPENSES:				
Debt Service	109,816,948	67,135,355	3,171,208	180,123,511
Demand-side Management - Rate Stabilization	-198,677	-	-	-198,677
Environmental - Rate Stabilization	-3,644,860	-	-	-3,644,860
Total Non Operating Expenses	\$ 105,973,411	\$ 67,135,355	\$ 3,171,208	\$ 176,279,974
BASE INCOME BEFORE TRANSFERS	\$ 301,282,423	\$ 295,226,540	\$ 718,809	\$ 597,227,772
City Contribution Expense	94,545,651	26,666,722	-	121,212,373
Interlocal Payments	-	21,758,437	-	21,758,437
Renewal and Replacement Fund	66,329,200	28,358,000	402,200	95,089,400
Operating Capital Outlay	137,112,784	164,442,543	316,609	301,871,936
Environmental Capital Outlay	3,294,788	6,790,147	-	10,084,935
Capacity Fees	-	47,210,691	-	47,210,691
Operating Contingency	-	-	-	-
Total Non-Fuel Expenses	\$ 301,282,423	\$ 295,226,540	\$ 718,809	\$ 597,227,772
SURPLUS/(DEFICIT)	\$ -	\$ -	\$ -	\$ -
TOTAL REVENUES	\$ 1,575,554,990	\$ 556,877,634	\$ 9,018,007	\$ 2,141,450,631
TOTAL APPROPRIATIONS	\$ 1,575,554,990	\$ 556,877,634	\$ 9,018,007	\$ 2,141,450,631
BUDGETED EMPLOYEE POSITIONS	1,527	650	6	2,183
BUDGETED TEMPORARY HOURS	104,000	20,800	0	124,800

AMENDED BUDGET AMOUNT

**JEA
CONSOLIDATED CAPITAL BUDGET
FISCAL YEAR 2022**

AMENDED

	Electric System	Water & Wastewater System	District Energy System	Total
CAPITAL FUNDS:				
Renewal & Replacement Deposits	\$ 66,329,200	\$ 28,358,000	\$ 402,200	\$ 95,089,400
Operating Capital Outlay	137,112,784	164,442,543	316,609	301,871,936
Environmental Capital Outlay	3,294,788	6,790,147	-	10,084,935
Capacity Fees	-	47,210,691	-	47,210,691
Debt Proceeds	-	115,600,619	3,967,000	119,567,619
Other Proceeds	34,065,228	-	864,480	34,929,708
Total Capital Funds	<u>\$ 240,802,000</u>	<u>\$ 362,402,000</u>	<u>\$ 5,550,289</u>	<u>\$ 608,754,289</u>
CAPITAL PROJECTS:				
Generation Projects	\$ 40,010,000	\$ -	\$ -	\$ 40,010,000
Transmission & Distribution Projects	119,503,000	-	-	119,503,000
District Energy Projects	-	-	5,550,289	5,550,289
Water Projects	-	96,792,000	-	96,792,000
Sewer Projects	-	231,120,000	-	231,120,000
Other Projects	81,289,000	34,490,000	-	115,779,000
Total Capital Projects Subtotal	<u>\$ 240,802,000</u>	<u>\$ 362,402,000</u>	<u>\$ 5,550,289</u>	<u>\$ 608,754,289</u>
Capital Reserve	-	-	-	-
Total Capital Projects	<u>\$ 240,802,000</u>	<u>\$ 362,402,000</u>	<u>\$ 5,550,289</u>	<u>\$ 608,754,289</u>

AMENDED BUDGET AMOUNT

**JEA
CONSOLIDATED OPERATING BUDGET
FISCAL YEAR 2022**

	ORIGINAL			
	Electric System	Water & Wastewater System	District Energy System	Total
FUEL RELATED REVENUES & EXPENSES:				
FUEL REVENUES:				
Total Net Revenues	\$ 368,899,940	\$ -	\$ -	\$ 368,899,940
	<u>\$ 368,899,940</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 368,899,940</u>
FUEL EXPENSES:				
Fuel & Purchased Power	\$ 368,899,940	\$ -	\$ -	\$ 368,899,940
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
FUEL SURPLUS/(DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
BASE RELATED REVENUES & EXPENSES				
BASE OPERATING REVENUES:				
Base Rate Revenues	\$ 785,192,000	\$ 439,929,234	\$ 8,839,543	\$ 1,233,960,777
Environmental Charge Revenue	7,442,000	27,010,000	-	34,452,000
Conservation Charge & Demand Side Revenue	732,000	-	-	732,000
Other Revenues	123,615,440	25,494,531	-	149,109,971
Natural Gas Pass Through Revenue	823,420	-	-	823,420
Total Base Related Revenues	<u>\$ 917,804,860</u>	<u>\$ 492,433,765</u>	<u>\$ 8,839,543</u>	<u>\$ 1,419,078,168</u>
BASE OPERATING EXPENSES:				
Operating and Maintenance	\$ 255,776,299	\$ 184,882,130	\$ 5,127,990	\$ 445,786,419
Environmental	2,263,500	7,608,200	-	9,871,700
Conservation & Demand-side Management	7,227,800	-	-	7,227,800
Natural Gas Pass Through Expense	918,473	-	-	918,473
Non-Fuel Purchased Power	263,361,133	-	-	263,361,133
Non-Fuel Uncollectibles & PSC Tax	1,391,596	700,409	-	2,092,005
Emergency Reserve	5,000,000	1,000,000	-	6,000,000
Total Base Related Expenses	<u>\$ 535,938,801</u>	<u>\$ 194,190,739</u>	<u>\$ 5,127,990</u>	<u>\$ 735,257,530</u>
BASE OPERATING INCOME:	<u>\$ 381,866,059</u>	<u>\$ 298,243,026</u>	<u>\$ 3,711,553</u>	<u>\$ 683,820,638</u>
NON-OPERATING REVENUE:				
Investment Income	3,194,911	2,075,631	-	5,270,542
Transfer To/From Fuel Recovery	-	-	-	-
Capacity Fees	-	47,000,000	-	47,000,000
Total Non Operating Revenues	<u>\$ 3,194,911</u>	<u>\$ 49,075,631</u>	<u>\$ -</u>	<u>\$ 52,270,542</u>
NON-OPERATING EXPENSES:				
Debt Service	109,816,948	67,135,355	3,171,208	180,123,511
Demand-side Management - Rate Stabilization	-395,800	-	-	-395,800
Environmental - Rate Stabilization	-3,821,756	-	-	-3,821,756
Total Non Operating Expenses	<u>\$ 105,599,392</u>	<u>\$ 67,135,355</u>	<u>\$ 3,171,208</u>	<u>\$ 175,905,955</u>
BASE INCOME BEFORE TRANSFERS	<u>\$ 279,461,578</u>	<u>\$ 280,183,302</u>	<u>\$ 540,345</u>	<u>\$ 560,185,225</u>
City Contribution Expense	94,545,651	26,666,722	-	121,212,373
Interlocal Payments	-	21,000,000	-	21,000,000
Renewal and Replacement Fund	65,000,000	25,243,465	426,828	90,670,293
Operating Capital Outlay	116,621,139	149,471,315	113,517	266,205,971
Environmental Capital Outlay	3,294,788	10,801,800	-	14,096,588
Capacity Fees	-	47,000,000	-	47,000,000
Operating Contingency	-	-	-	-
Total Non-Fuel Expenses	<u>\$ 279,461,578</u>	<u>\$ 280,183,302</u>	<u>\$ 540,345</u>	<u>\$ 560,185,225</u>
SURPLUS/(DEFICIT)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
TOTAL REVENUES	<u>\$ 1,289,899,711</u>	<u>\$ 541,509,396</u>	<u>\$ 8,839,543</u>	<u>\$ 1,840,248,650</u>
TOTAL APPROPRIATIONS	<u>\$ 1,289,899,711</u>	<u>\$ 541,509,396</u>	<u>\$ 8,839,543</u>	<u>\$ 1,840,248,650</u>
BUDGETED EMPLOYEE POSITIONS	1,527	650	6	2,183
BUDGETED TEMPORARY HOURS	104,000	20,800	0	124,800

**JEA
CONSOLIDATED CAPITAL BUDGET
FISCAL YEAR 2022**

	ORIGINAL			
	Electric System	Water & Wastewater System	District Energy System	Total
CAPITAL FUNDS:				
Renewal & Replacement Deposits	\$ 65,000,000	\$ 25,243,465	\$ 426,828	\$ 90,670,293
Operating Capital Outlay	116,621,139	149,471,315	113,517	266,205,971
Environmental Capital Outlay	3,294,788	10,801,800	-	14,096,588
Capacity Fees	-	47,000,000	-	47,000,000
Debt Proceeds	-	129,885,420	3,967,000	133,852,420
Other Proceeds	55,886,073	-	1,042,944	56,929,017
Total Capital Funds	<u>\$ 240,802,000</u>	<u>\$ 362,402,000</u>	<u>\$ 5,550,289</u>	<u>\$ 608,754,289</u>
CAPITAL PROJECTS:				
Generation Projects	\$ 40,010,000	\$ -	\$ -	\$ 40,010,000
Transmission & Distribution Projects	119,503,000	-	-	119,503,000
District Energy Projects	-	-	5,550,289	5,550,289
Water Projects	-	96,792,000	-	96,792,000
Sewer Projects	-	231,120,000	-	231,120,000
Other Projects	81,289,000	34,490,000	-	115,779,000
Total Capital Projects Subtotal	<u>\$ 240,802,000</u>	<u>\$ 362,402,000</u>	<u>\$ 5,550,289</u>	<u>\$ 608,754,289</u>
Capital Reserve	-	-	-	-
Total Capital Projects	<u>\$ 240,802,000</u>	<u>\$ 362,402,000</u>	<u>\$ 5,550,289</u>	<u>\$ 608,754,289</u>