

SPECIAL COMMITTEE ON THE FUTURE OF JEA

Council Members

| | |
|----------------------------|----------------|
| John R. Crescimbeni, Chair | Doyle Carter |
| Danny Becton | Al Ferraro |
| Anna Lopez Brosche | Reggie Gaffney |
| Garrett Dennis | Bill Gulliford |
| Joyce Morgan | Tommy Hazouri |
| Greg Anderson | Jim Love |
| Aaron L. Bowman | Samuel Newby |
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TRANSCRIPT OF PROCEEDINGS

DATE TAKEN: Wednesday, June 27, 2018
TIME: 4:02 p.m. - 5:13 p.m.
PLACE: City Hall
Council Chambers
117 West Duval Street
Jacksonville, FL 22202

This cause came on to be heard at the time and place aforesaid, when and where the following Proceedings were reported by:

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First Coast Court Reporters
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P R O C E E D I N G S

CHAIRMAN CRESCIMBENI: Good afternoon, everyone. We're going to call the Special Committee on the Future of JEA meeting to order. Today is Wednesday, the 27th of June, 2018. It's about two minutes after 4:00 p.m. This is the final meeting of this Committee.

We'll start by having everyone that's here, at least, introduce themselves, starting with Mr. Ferraro.

COUNCIL MEMBER FERRARO: Al Ferraro, District 2.

COUNCIL MEMBER ANDERSON: Greg Anderson, At-Large Group 4.

COUNCIL MEMBER LOVE: Jim Love, District 14.

CHAIRMAN CRESCIMBENI: John Crescimbeni, At-Large Group 2.

PRESIDENT BROSCHE: Anna Lopez Brosche, Group 1.

COUNCIL MEMBER WILSON: Scott Wilson, District 4.

CHAIRMAN CRESCIMBENI: Thank you all for being here today. At the outset we had

1 talked about publishing a report of the
2 Committee. I distributed that last night.
3 I know it was kind of short notice.
4 Hopefully everybody had a chance to thumb
5 through it.

6 We do have one recommended change from
7 the JEA that came in late yesterday after we
8 had already kind of drew the line on no more
9 changes. You got a color copy in front of
10 you that would reference the second
11 paragraph on page 4. I don't know if
12 anybody is here from JEA that might want to
13 comment on that.

14 Does the Council Auditor have any
15 comments on the proposed change?
16 Mr. Clements, do you have any comment on
17 that? Is there a copy by you?

18 MR. CLEMENTS: There it is.

19 CHAIRMAN CRESCIMBENI: It's talking
20 about the franchise fee with regard to urban
21 service Districts 2 through 5, each
22 involved, and striking schools and the U.S.
23 Navy, pay up to the maximum of \$72,000.

24 Any Council Members have any --
25 Committee Members have any comments on that

1 change? All right. If there is no
2 objection, then we'll make that into the
3 final report.

4 Does anyone have any comments at all
5 about the final report, any glaring errors,
6 mistakes, misspellings?

7 Council President Brosche.

8 PRESIDENT BROSCHE: Okay. Thank you,
9 Mr. Chairman. Through the Chair, on page 3,
10 the last sentence of the first full
11 paragraph, "JEA's operating revenues and
12 expenses for the fiscal year ending
13 September 30th, 2017," period. I think it's
14 referred to in the exhibit, but it kind of
15 leaves you like, what is it. So I'm
16 thinking that we might want to say, are
17 included in Exhibit 1 or shown in Exhibit 1.

18 CHAIRMAN CRESCIMBENI: Yeah. I'm trying
19 to think. That did not read that way in a
20 previous version.

21 Mr. Clements, do you remember how that
22 read prior to this version?

23 MR. CLEMENTS: No, sir, I don't. I'd
24 have to go back and try to reconstruct a
25 previous version.

1 CHAIRMAN CRESCIMBENI: I didn't bring
2 mine. I probably should have brought all
3 those previous versions with me.

4 But we'll fix that somehow, someday,
5 Ms. Brosche. Thank you.

6 PRESIDENT BROSCHE: Okay. On page 4,
7 and in the Value of JEA section, and it kind
8 of bleeds into page 5 where we're talking
9 about valuations. And there is reference to
10 the difference between a valuation and
11 evaluation.

12 Is the Council Auditor comfortable with
13 us saying that they produced valuation
14 reports? On page 4, "The Council Auditor's
15 office has previously produced two valuation
16 reports."

17 CHAIRMAN CRESCIMBENI: 637 and 722
18 report numbers.

19 MR. BILLY: Yes. Through the Chair to
20 the Council President, yes, I'm familiar
21 with those two prior reports and I'm fine
22 with that.

23 PRESIDENT BROSCHE: It's really more a
24 matter of you saying -- because I remember
25 in those reports you citing that you are not

1 a valuation expert. And it says that in
2 your reports, the two that you did issue --
3 as a matter of fact, the three, I believe.
4 And so but in this report it's saying that
5 you issued, you produced a valuation report,
6 and I'm just clarifying your preference on
7 referencing that.

8 CHAIRMAN CRESCIMBENI: Do you want to
9 just use the word valuation three times when
10 we're describing the reports by number and
11 by the fact they have done two reports?

12 PRESIDENT BROSCHE: My question is more
13 a formality. We say the distinction between
14 a valuation and evaluation, which I really
15 appreciate. And neither the Council Auditor
16 nor PFM is qualified to issue a valuation
17 report. So that's where I'm headed with
18 this, that we're referring to a valuation
19 report, which carries some professional --

20 CHAIRMAN CRESCIMBENI: So do you want to
21 strike the word valuation then on that one,
22 two, three, four --

23 PRESIDENT BROSCHE: I think that's a
24 good idea. Produced two reports.

25 CHAIRMAN CRESCIMBENI: Two reports,

1 okay. And we'll refer to the report 637 and
2 722.

3 PRESIDENT BROSCHE: I think that's a
4 good idea.

5 CHAIRMAN CRESCIMBENI: Any objection to
6 that change? All right.

7 PRESIDENT BROSCHE: And I'm not sure if
8 we want to do the same or how we want to
9 incorporate that into the PFM report,
10 because we -- you know, they were really big
11 on making sure that it was referenced as an
12 evaluation report. And we start referring
13 to it as valuation throughout this page 5.

14 CHAIRMAN CRESCIMBENI: So just change
15 that to evaluation?

16 PRESIDENT BROSCHE: Yes.

17 CHAIRMAN CRESCIMBENI: So we'll just do
18 a word search on valuation, and in this
19 little section, and if it's tied in with
20 PFM, we'll just change it to --

21 PRESIDENT BROSCHE: I think that's a
22 good idea. I would also like to add in the
23 very top paragraph of page 5, "As mentioned
24 earlier, in February 2018, PFM released its
25 valuation study to the City Council --" and

1 here is one, and I'm going to point out a
2 number of these -- oh, that's fine, "-- and
3 the JEA Board in a joint meeting. Michael
4 Mace, Managing Director of Public Finance
5 Management, Inc." This is JEA's bond
6 council, is there somewhere that we should
7 make reference to the fact they hired their
8 bond council to do a valuation report?

9 CHAIRMAN CRESCIMBENI: Ms. Kilgo or
10 Mr. Pope, is PFM the JEA's bond council?

11 MS. KILGO: Nancy Kilgo, JEA. I do not
12 believe that they're our bond council, or we
13 have additional bond council. I think
14 they're just a financial advisory firm, but
15 we're going to check that out with the folks
16 across the street and come back to you in a
17 couple minutes if okay.

18 CHAIRMAN CRESCIMBENI: Okay.

19 PRESIDENT BROSCHE: And this is really
20 just to kind of share where I'm going. I
21 mean, he admitted at the podium that he
22 doesn't -- isn't a valuation expert, doesn't
23 do valuations. So we're going to be careful
24 to use the word evaluation throughout here.
25 So I'm okay with that, but I would like to

1 understand the context in which they had
2 been serving JEA.

3 MS. KILGO: So Jordan just checked and
4 they are a financial advisor, a financial
5 advisory firm, they are not the bond
6 council.

7 PRESIDENT BROSCHE: And so for what
8 matters are they typically advising JEA?

9 MS. KILGO: That I cannot answer, but
10 we'll get the answer for you.

11 PRESIDENT BROSCHE: Great. Thank you.

12 So then when we move down page 5, I've
13 highlighted and --

14 CHAIRMAN CRESCIMBENI: Before we go on,
15 you want to just -- you want somewhere in
16 here that we reference PFM as JEA's
17 financial advisor, and then is it okay to
18 refer to them as PFM after that?

19 PRESIDENT BROSCHE: Yes. Thank you.

20 CHAIRMAN CRESCIMBENI: Okay.

21 PRESIDENT BROSCHE: On page 8 in the
22 first paragraph, the last sentence, there
23 are a few places that I'm going to point out
24 these weird underscores: "It also agreed to
25 transfer."

1 CHAIRMAN CRESCIMBENI: Yeah. I don't
2 know what that is. We deleted a lot of
3 those.

4 Jeff, do you see those on the last
5 sentence, you got some spaces that
6 have underlines?

7 MR. CLEMENTS: Yes. We'll get those.

8 PRESIDENT BROSCHE: Then, just for
9 clarity, on page 8 in the next paragraph,
10 about the one, two, three, four, fifth,
11 sixth line down, with the sentence starting
12 "The auditor's office," to just add
13 "Council" in there.

14 I've highlighted in a couple places both
15 on page 5 -- and we don't need to go back
16 there -- but moving on to page 9, the first
17 paragraph, "The PFM report calculated a
18 potential liability of \$1.2 billion," and I
19 remember reading at the end of the report,
20 so we'll probably get there, where we've
21 heard numbers much larger than that. And I
22 mean, I've heard 2.5 billion, I've heard 2.7
23 billion. And I don't necessarily know that
24 we need to go grab every reference to what
25 it has been, but I just want to make sure

1 that everybody is comfortable that we've
2 addressed the seemingly unlimited nature of
3 our share of the costs with respect to
4 Vogtle. And we've got 1.2 billion in a
5 couple places in the report.

6 CHAIRMAN CRESCIMBENI: Mr. Anderson, do
7 you want to jump in?

8 COUNCIL MEMBER ANDERSON: Thank you,
9 Mr. Crescimbeni.

10 So I see what you're trying to do.
11 You're trying to really put some footnotes
12 in and make sure we can point back to where
13 these numbers came from. And so these
14 numbers, it says here that it was the PFM
15 potential liability. And is that the
16 biggest issue from your standpoint? Because
17 that was where that number came from.

18 PRESIDENT BROSCHE: It is where that
19 came from. And we reference it as well as
20 on page 5 when the Council Auditor picked up
21 the same number from the same PFM report.
22 And I'm not sure that we necessarily can
23 change it because we've sourced it from
24 there. I'm just saying that, you know,
25 we've heard numbers much larger than that in

1 the Times Union articles, and I'm not sure
2 if we even -- it matters or not.

3 COUNCIL MEMBER ANDERSON: I think your
4 point is valid; and that is, that the
5 Committee heard testimony that the numbers
6 could be -- depending upon market
7 conditions, it could have been higher, it
8 could be lower. And I agree with you.

9 I also think we might need -- might want
10 to do a little bit more work on this
11 paragraph, because the way that I understand
12 the agreement working is it's only a
13 take-or-pay contract. And so that means
14 that if the power plant is never completed,
15 is never completed, we still have to pay our
16 portion of it. So if we don't take any
17 power at all from it, we still have to pay
18 for it, right. And I don't think it says
19 that here.

20 PRESIDENT BROSCHE: Well, it does say --
21 through the Chair, it does say, and right
22 before that sentence that starts with PFM,
23 that "JEA's agreement to purchase power from
24 Plant Vogtle does not have a cap on
25 construction costs." So I think that does

1 address the unlimited nature of it. I don't
2 recall it saying that we pay for it whether
3 we take power or not.

4 COUNCIL MEMBER ANDERSON: That's the
5 case, though; right? Yeah.

6 CHAIRMAN CRESCIMBENI: Going back to
7 your point, Ms. Brosche, I remember a bigger
8 number too. I went and looked for it in the
9 record, couldn't find it. I thought maybe
10 Mr. McElroy had mentioned it when he was
11 here at our meeting. And I went through and
12 read all the transcripts that had anything
13 to do with Plant Vogtle; it just wasn't
14 there. We were looking for that to insert
15 it, but didn't feel comfortable lifting it
16 out of --

17 PRESIDENT BROSCHE: Okay. Thank you.

18 And to Councilman Anderson's point, the
19 very last sentence of that paragraph, "JEA's
20 power purchase obligations to Plant Vogtle
21 end 20 years after power begins being
22 produced," should we just say regardless of
23 whether or not JEA takes -- or utilizes
24 power, although the expected life span of
25 the plant is 40 years? Or of which JEA may

1 take -- you know, I don't --

2 CHAIRMAN CRESCIMBENI: Well, the
3 previous sentence clearly talks about an
4 obligation occurring even if the plant never
5 produces power.

6 PRESIDENT BROSCHE: Mr. Anderson, are
7 you okay with that?

8 COUNCIL MEMBER ANDERSON: He's right.

9 PRESIDENT BROSCHE: Okay. So we're good
10 with that then, I think.

11 In the middle paragraph under 5, the
12 second sentence, starting "The JEA," I would
13 remove "the." And then there is another
14 "The JEA" one, two, three, four, five, six,
15 seven, eight, the eighth line down when
16 we're talking about Melissa Dykes, President
17 and Chief Operating Officer of JEA.

18 CHAIRMAN CRESCIMBENI: Just delete the
19 word "the."

20 PRESIDENT BROSCHE: Yes. Flipping over
21 on page 10, I didn't go back and check, and
22 maybe Mr. Clements can help us find it, but
23 in the second paragraph, the first full
24 paragraph, the PFM --

25 CHAIRMAN CRESCIMBENI: Wait. The first

1 full paragraph, got it.

2 PRESIDENT BROSCHE: The first full
3 paragraph on page 10, we -- about the fourth
4 line down, we say, "Transition to the
5 Florida Public Service Commission." There
6 are other places that we start to say PSC,
7 so we probably ought to define and just put
8 PSC after the Florida Public Service
9 Commission. We may have done that somewhere
10 else before and then are just
11 interchangeably incorporating it, but in
12 case that's the first place we use it, I
13 would define PSC, because in the rest of
14 that paragraph, we start saying PSC.

15 And the next paragraph under 7 --

16 CHAIRMAN CRESCIMBENI: We should
17 probably also put the word "private" in
18 front of "buyer."

19 PRESIDENT BROSCHE: Where are you?

20 CHAIRMAN CRESCIMBENI: That same
21 sentence.

22 PRESIDENT BROSCHE: Oh, "for a private
23 buyer of JEA's assets," okay.

24 In the next paragraph, we have some of
25 those weird underlines again around those

1 exhibits, so after Exhibit 12, "in April
2 2018" and then between "half of."

3 In the next paragraph, third line up, I
4 don't remember if we had defined IOUs yet.
5 So if we haven't, if we could spell it out
6 there. If we never use it again, then we
7 could just leave it -- well, we should
8 probably define it, spell it out and then
9 put that IOU in paren.

10 CHAIRMAN CRESCIMBENI: Anybody object to
11 that? If anybody has a problem, just holler
12 out, okay.

13 PRESIDENT BROSCHE: Next page, 11, the
14 first paragraph has one of those weird
15 underlines, one, two, three, four lines down
16 between "volume" and "sales."

17 Next page, 12, second paragraph, I
18 believe, but I don't -- I didn't have my
19 paperwork to find it myself. I believe that
20 the Civic Council has cochairs. I know we
21 only heard from Mr. Ward. And so if we want
22 to verify that it -- either just refer to
23 him as the cochair, or I could be wrong.

24 CHAIRMAN CRESCIMBENI: I think you're
25 right. I think the second cochair is Bobby

1 Stein.

2 PRESIDENT BROSCHE: That sounds right.

3 CHAIRMAN CRESCIMBENI: Yeah. I think
4 it's Bobby Stein.

5 So, Jeff, let's make a change to that
6 line. After that comma we'll just say
7 cochaired by CSX former CEO Michael Ward and
8 whatever the title is for Bobby Stein.

9 PRESIDENT BROSCHE: And then the only
10 thing that is not necessarily in here and I
11 looked back at the charge as revised under
12 the Special Committee on the Future of JEA,
13 which is back on page 2, one of the items,
14 "Understand JEA's role in the consolidated
15 government, contributions to the City of
16 Jacksonville, governance practices, and
17 future in the context of both changing
18 technology and regulatory environment."

19 We really didn't touch much on
20 governance. And I've had the opportunity to
21 talk with some JEA board members, including
22 some folks who are going through the process
23 now, and I don't know that we -- well, I
24 have not been pleased with the governance
25 that has taken place during this whole

1 process, particularly that the PFM report
2 was initiated by the board chair without
3 consulting with the other board members.

4 And I'll give some thought as I put the
5 mic down in terms of whether or not that
6 needs to be a recommendation. I don't know
7 that we're necessarily making
8 recommendations to the JEA Board. I think
9 I've made it clear to a lot of folks that I
10 look forward to strength in governance of
11 the JEA Board. So I'll probably talk myself
12 out of it being a recommendation to us
13 that's listed on the back. Thank you.

14 CHAIRMAN CRESCIMBENI: On that point,
15 Ms. Brosche, I'd asked a question, I think,
16 back in April, I'd asked for a legal opinion
17 and got it yesterday from General Counsel's
18 Office. It's pretty short. I did not make
19 copies because I didn't really -- but this
20 kind of goes to your question. The question
21 I asked was does the Executive Director, CEO
22 or JEA Board Chair have the authority to
23 enter into such agreements. What I was
24 referencing, the 67 retention incentive
25 agreement letters that were sent to members

1 of the senior and executive leadership
2 teams. And the short answer was no. And I
3 think that might hold to what you're talking
4 about.

5 So I'll send everybody -- I'll send out
6 a copy of this to everybody. But I don't
7 know if we -- how we could reference in the
8 report at this point, that wasn't -- we're
9 talking about it today. But I didn't have
10 this until late yesterday, so.

11 PRESIDENT BROSCHE: Well, thank you for
12 sharing that. And I agree, because we
13 really didn't in our conversations get into
14 a lot of governance conversations. And this
15 is a report to the Council, conclusions that
16 we've made in our process that they may
17 learn from. But I know I've expressed to a
18 number of folks the desire to have strong
19 governance, which I think has been lacking,
20 because I think that's what gives us and the
21 community the comfort that decisions are
22 being made in a manner that we can trust,
23 and that actions that are being taken
24 have -- are actions that have been brought
25 before the entire Board, and that the entire

1 Board has had the opportunity to weigh in.

2 We've had multiple examples where that
3 hasn't been the case. And that's not good.
4 So I'm okay with it not being. I think we
5 have this. And I think there is an
6 opportunity for us to be watching and asking
7 questions and making sure that's the case.
8 I know that's been a big topic of discussion
9 that I've had with the candidates who are
10 going through as appointment.

11 CHAIRMAN CRESCIMBENI: I actually have
12 three legal opinions that I asked about
13 during this process. And we can attach
14 these to the -- one of them I got early on.
15 It was a question about what was the
16 definition of 10 percent, the charter talks
17 about what constitutes -- or the Council has
18 to approve a sale at 10 percent or more or
19 in excess of 10 percent -- more than 10
20 percent, I think it's more than 10 percent.
21 Yeah, more than 10 percent. So I got a
22 pretty nice legal opinion about what
23 constitutes 10 percent.

24 In a nutshell, 8 percent today and 6
25 percent next week and 5 and a half percent

1 the week after that doesn't work. It's 10
2 percent and how -- this legal opinion talks
3 about how that would be valued. So we can
4 attach that.

5 We can attach this legal question about
6 does anybody other than the Board itself
7 have the ability or authority to cause
8 consent of agreements to be offered.

9 The last legal opinion, which I also got
10 yesterday from our paper request, was a
11 question about -- actually, there were three
12 questions. I'll read them to you pretty
13 quickly here: Question one was if JEA were
14 to sell 100 percent of the assets of JEA,
15 must the Council approve by a majority vote
16 or a supermajority vote of two-thirds of the
17 Council; question two was whether a bundle
18 of proposed ordinances to facilitate the
19 outright complete sale of JEA could be
20 cleverly packaged to require a majority vote
21 instead of a two-thirds vote; and third was,
22 if so, how could the ordinances relating to
23 the sale of JEA, parenthesis, which seems to
24 only require a majority vote to article
25 21.04(p), close parenthesis, not constitute

1 a de facto change to the charter inasmuch as
2 the sale would eliminate all assets of JEA
3 and, thereby, the ability as well of JEA to
4 perform the duties detailed throughout
5 article 21.

6 So that last question was to change the
7 charter, you have to have a supermajority
8 vote; to sell the assets you only have to
9 have a majority vote. But if you're selling
10 all these assets, would that be a de facto
11 change in the charter because you have no
12 more JEA? And the answer was it would not
13 be a de facto change.

14 So I'll certainly send this out to -- I
15 just got this yesterday as well. We can
16 attach all those and make some reference in
17 there.

18 PRESIDENT BROSCHE: I think that would
19 be great. And I just want to expand and
20 clarify, just like every one of us has the
21 ordinance code, particularly our Council
22 rules and Roberts rules to help us know
23 exactly how we're going to do business, and
24 we can trust how we're going to conduct
25 business, and the public can trust how we're

1 going to conduct business, that's my
2 expectation, that we have that same kind of
3 framework that exists at our independent
4 authorities.

5 And so I appreciate you requesting those
6 opinions. I think that would be helpful to
7 attach.

8 And the same level of rules and
9 parameters that exist around us that help us
10 make sure that we can conduct business in a
11 manner that we can trust is what I'm
12 expecting here.

13 CHAIRMAN CRESCIMBENI: I think we could
14 probably make a reference to two out of
15 three of these legal opinions in the body.
16 I think we have a place in there we can
17 certainly reference these. But we'll add
18 them as an appendix or exhibit to the
19 report.

20 Does anybody have anything else? Any
21 other comments? All right. That's it. So
22 what we're going to do then is we'll make
23 sure all those changes get made. I'll
24 proofread those. I made notes. We're going
25 to kind of improve -- we'll do a style

1 change on this just to make it look a little
2 bit more of something other than a term
3 paper or something. And I will send that to
4 you as a report of the Committee. Hopefully
5 we can get that out before the end of the
6 week. We'll do our best. We're going to
7 have to hustle tomorrow.

8 All right. Well, thank you all for
9 taking the time to read that and offer your
10 comments.

11 Anyone from the audience care to address
12 the Committee during the public comment
13 portion? Do we have any speakers' cards?
14 You can come up to the podium, sir, Chap
15 Gray.

16 MR. GRAY: Yes, sir. My name is Chap
17 Gray. My address is on record. I just want
18 to take a moment to thank you-all for the
19 time and the due diligence that you-all have
20 given us over the last several months. I
21 know this has been quite an ordeal, so I
22 just wanted to thank you.

23 CHAIRMAN CRESCIMBENI: Thank you very
24 much, sir. We appreciate that.

25 MS. GRANDIN: Okay. Mr. Chair, let's

1 see, Council Rule 2.214 is Special Committee
2 Reports. And this is a special committee,
3 of course. And it says, in such
4 circumstances the report or approval or
5 rejection of the committee, one, shall be
6 made by a majority of the members of the
7 committee, which of this committee is nine;
8 two, shall be reduced to written form signed
9 by the committee chair; and three, shall be
10 retained by the chief of legislative
11 services and the special committee report
12 bank.

13 So the changes that you're making to the
14 report today, Jeff can certainly do those.
15 And I was telling Council Member Crescimbeni
16 before the meeting that he can certainly
17 send it to you as Council President, but the
18 Committee would not be able to approve it
19 because you don't have a quorum, so you
20 can't vote. Quorum is nine.

21 And I'm not sure if Council President
22 Designate, I mean, if he's going to extend
23 this Committee or would be willing to do
24 that for the time period in which to vote so
25 that you would have a quorum; otherwise, it

1 ends the 30th.

2 So by not having nine people here, you
3 have a very good report, but you can't
4 approve it.

5 CHAIRMAN CRESCIMBENI: All right. Well,
6 this Committee was extended to 19 by a
7 Council vote; correct?

8 MS. GRANDIN: I believe so.

9 CHAIRMAN CRESCIMBENI: So we can't
10 change that, can we? All right. Well,
11 thanks for that information, Ms. Grandin.

12 THE BAILIFF: How many you need, three?
13 I'll be back.

14 CHAIRMAN CRESCIMBENI: Mr. Anderson.

15 COUNCIL MEMBER ANDERSON: Thank you.
16 We'll work this out, Mr. Chairman. It's
17 going to work itself out. I just want to
18 thank you for really leading this charge.
19 You were, I thought, exceptionally
20 fair-minded, balanced in the way you
21 approached this, yet you let --

22 CHAIRMAN CRESCIMBENI: Sounds like a Fox
23 News commercial.

24 COUNCIL MEMBER ANDERSON: Well, you let
25 us ask a lot of questions. And I know I got

1 on people's nerves for asking so many
2 questions, but it was totally fascinating.
3 I think we covered some information that I
4 didn't know. Several aha moments for me,
5 one was that you can't build into a purchase
6 and sale agreement any limitations on
7 utility rates. That, to me, was an aha
8 moment; I didn't know that.

9 So I also, I think, understanding sort
10 of the nature of our nuclear liability was a
11 huge -- I don't know if it's an aha
12 experience, but it was certainly an
13 experience.

14 So, Mr. Crescimbeni, job well done.
15 Really, you did a great job in all this and
16 I want to thank you for your leadership.

17 CHAIRMAN CRESCIMBENI: Thank you,
18 Mr. Anderson. I can tell you that I've been
19 a JEA customer since 1965. I've been a
20 ratepayer since 1980. And I've been on the
21 Council for almost 18 years, and two tours
22 of duty, and I learned a lot about a utility
23 that's across the street that's delivering
24 service to my residence that I never knew
25 before.

1 And we all asked a lot of questions
2 because there were a lot of questions that
3 needed to be asked. In the absence of
4 those, we probably wouldn't have learned
5 anything. So thank you for your questions,
6 thank everybody for their questions.

7 And thank Ms. Brosche -- I'll thank the
8 Council President in having enough faith in
9 me to take this assignment on. I have to
10 tell you the first few meetings were a
11 little rocky.

12 And I think the one that we had the two
13 members -- the two visitors refuse to take
14 an oath, my wife and I went out to dinner
15 that night. I said -- she says, how was
16 your day. I said, I think I'm going to have
17 my first beer for the year. It was a tough,
18 tough day. There's only been a couple of
19 beers for the year, but that was a rough
20 day.

21 Council President.

22 PRESIDENT BROSCHE: Mr. Chairman, I want
23 to echo everything that Councilman Anderson
24 said and just thank you for saying yes. I
25 think you did an outstanding job. And I

1 really appreciate all the hard work, lots of
2 work.

3 CHAIRMAN CRESCIMBENI: Thank you very
4 much. Next time you ask me something, it's
5 probably going to be no. I've learned.

6 All right. Well, we'll give our police
7 officer a few minutes to make a sweep of the
8 floor.

9 I saw Carter's car and I saw Newby when
10 I was leaving.

11 UNIDENTIFIED SPEAKER: (Inaudible.)

12 CHAIRMAN CRESCIMBENI: Any other public
13 comment? We're trying to -- this is on the
14 record, so I'll give you my personal
15 thoughts after. We got a court reporter
16 here. What's that? I will say on the
17 record that one thing that -- probably the
18 most impressive thing that I learned
19 throughout this process, as I said earlier
20 having been a customer, citizen of
21 Jacksonville since 1965, a ratepayer since
22 1980, I think one of the most impressive
23 things I learned was the Plant Vogtle
24 obligation, that's pretty significant. Not
25 being able to constrain or work out some

1 sort of rate limitation agreement for the
2 perspective purchaser, that was pretty
3 significant.

4 Probably the most significant thing that
5 I discovered was notwithstanding the general
6 fund contribution that JEA makes to the
7 City, and the fees that they collect or any
8 other utility company would collect for us
9 that come back to the City, JEA's other
10 contributions to the City were way beyond
11 what I ever thought they would be. And that
12 goes from everything from employee
13 volunteerism, to stroking checks to help buy
14 preservation land or participate in this
15 neighborhood event or sponsor this community
16 event or help with failing septic tank
17 phase-outs. When you go through that list,
18 which captured a lot of things, probably not
19 everything, pretty impressive.

20 I had a -- woke up in the middle of the
21 night this week and called Jordan Monday and
22 said, what about sales tax, does JEA pay
23 sales tax, because private companies get to
24 pay sales tax. And the answer was, in many
25 instances, JEA does not pay sales tax. I

1 think you told me that is probably worth --
2 you don't track it, but several million
3 dollars a year to the ratepayer.

4 So FEMA reimbursement, sales tax
5 savings, those things may not look
6 significant in and of themselves, but when
7 you roll them all up into something with the
8 contributions that come to this community,
9 it's a huge value, in my opinion. It would
10 be difficult to be replaced by someone that
11 was trying to make a 10 and a half rate of
12 return on their base investment.

13 Why don't we take just a 10-minute
14 recess or less and wait for the police
15 officer to come back. So we'll just stand
16 in recess.

17 (Brief recess.)

18 CHAIRMAN CRESCIMBENI: Okay. We're
19 going to reconvene the Special Committee on
20 the Future of JEA. It is -- I think we went
21 past 10 minutes, it's actually 11 minutes
22 after 5:00. We are not going to be able to
23 achieve quorum.

24 Thank you, Mr. Dennis, for coming in.
25 Thank you, Mr. Carter, for coming in.

1 Ms. Boyer was here, but apparently she
2 left. And we can't seem to reach anybody
3 else.

4 So, Ms. Grandin, what is your
5 recommendation at this point?

6 MS. GRANDIN: Mr. Chair, what you would
7 need to do is accept the draft -- or accept
8 the report in draft form, send it to Council
9 President, and then it will be taken up the
10 first meeting in July that you guys have.
11 So the full Council can accept the report.
12 Since you don't have a quorum, you
13 can't accept --

14 CHAIRMAN CRESCIMBENI: How does it get
15 on the agenda for July?

16 MS. GRANDIN: I'm not certain about
17 that. I'd have to check, but there is a way
18 to do it. I can contact Ms. Sidman about
19 that.

20 CHAIRMAN CRESCIMBENI: Will we find out
21 before business on Friday?

22 MS. GRANDIN: Sure, I will do that.

23 CHAIRMAN CRESCIMBENI: Thank you.

24 All right. Any other announcements?
25 Well, thank you all very much for --

1 particularly the new committee members that
2 got added to this group, who have persevered
3 until the very end, I appreciate that.
4 There was a lot of discussion about
5 everybody wanting to be on this Committee.

6 Mr. Ferraro, Mr. Anderson, Mr. Love, you
7 have been here, thank you all for
8 participating, Mr. Wilson.

9 You heard the advice from legal, so
10 that's what we'll do. And if nothing else,
11 thank you again. This Committee meeting for
12 JEA is adjourned.

13 (Meeting adjourned at 5:13 p.m.)

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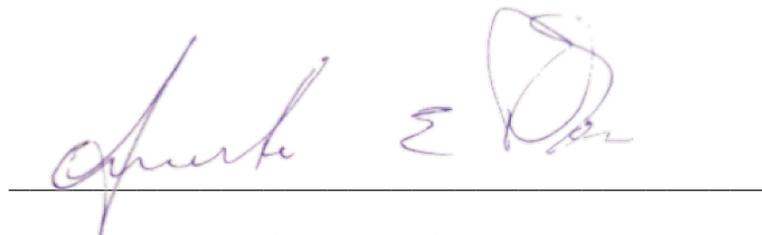
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CERTIFICATE OF REPORTER

STATE OF FLORIDA
COUNTY OF DUVAL

I, Amanda E. Robinson, Registered Professional Reporter, do hereby certify that I was authorized to and did report the foregoing proceedings; and that the transcript, pages 1 through 33, is a true record of my stenographic notes.

DATED this 5th day of July, 2018.



Amanda E. Robinson,
Registered Professional Reporter