

# Special Committee on the Potential Sale of JEA

## AGENDA

Thursday, March 29, 2018  
2:00 PM  
Council Chambers 1<sup>st</sup> Floor, City Hall

Tape No. \_\_\_\_\_  
Carol Owens, Chief of Legislative Services

### Councilmembers

**John R. Crescimbeni, Chair**  
Danny Becton  
Anna Lopez Brosche  
Garrett Dennis  
Joyce Morgan  
Greg Anderson  
Aaron L. Bowman  
Lori N. Boyer  
Katrina Brown  
Reginald L. Brown

Doyle Carter  
Al Ferraro  
Reggie Gaffney  
Bill Gulliford  
Tommy Hazouri  
Jim Love  
Samuel Newby  
Matt Schellenberg  
Scott Wilson

### Staff

Legislative Assistant: Staci Lopez  
Legislative Assistant: Mia Richardson  
Research Asst.: Jeff Clements

Council Auditors Office: Kyle Billy  
Council Auditors Office: Phillip Peterson  
Office of General Counsel: Peggy Sidman

Meeting Convened:  
Meeting Adjourned:

- 
1. **Call Meeting to Order**
  2. **Introductions**
  3. **Reports from JEA – Paul McElroy**
    - **JEA’s strategic plan to offset recent declining revenue trend**
    - **Five year review of JEA philanthropic giving and volunteerism**
    - **Cost of damage to JEA infrastructure from Hurricane Matthew and Hurricane Irma in comparison to FEMA reimbursements received or anticipated**
  4. **Reports from the Council Auditor – Kyle Billy**
    - **Review of projected revenue to Duval County Schools from an investor owned utility**



- **Comparison of JEA contribution adjusted for CPI (Attachment 1)**
- **Calculation of the value of JEA's 30.34 excess BMAP water quality credits (Attachment 2)**
- **Impact of JEA's use of local businesses, particularly JSEB's, and comparison with the City's JSEB record (Attachments 3, 4 and 5)**

**5. Public Comment**

**6. Announcements**

**7. Adjourn**

***Note: RULE 4.505 DISRUPTION OF MEETING** No member of the audience shall applaud nor make any noise or remarks that are audible to the Committee that would indicate approval or disapproval of anything being discussed.*

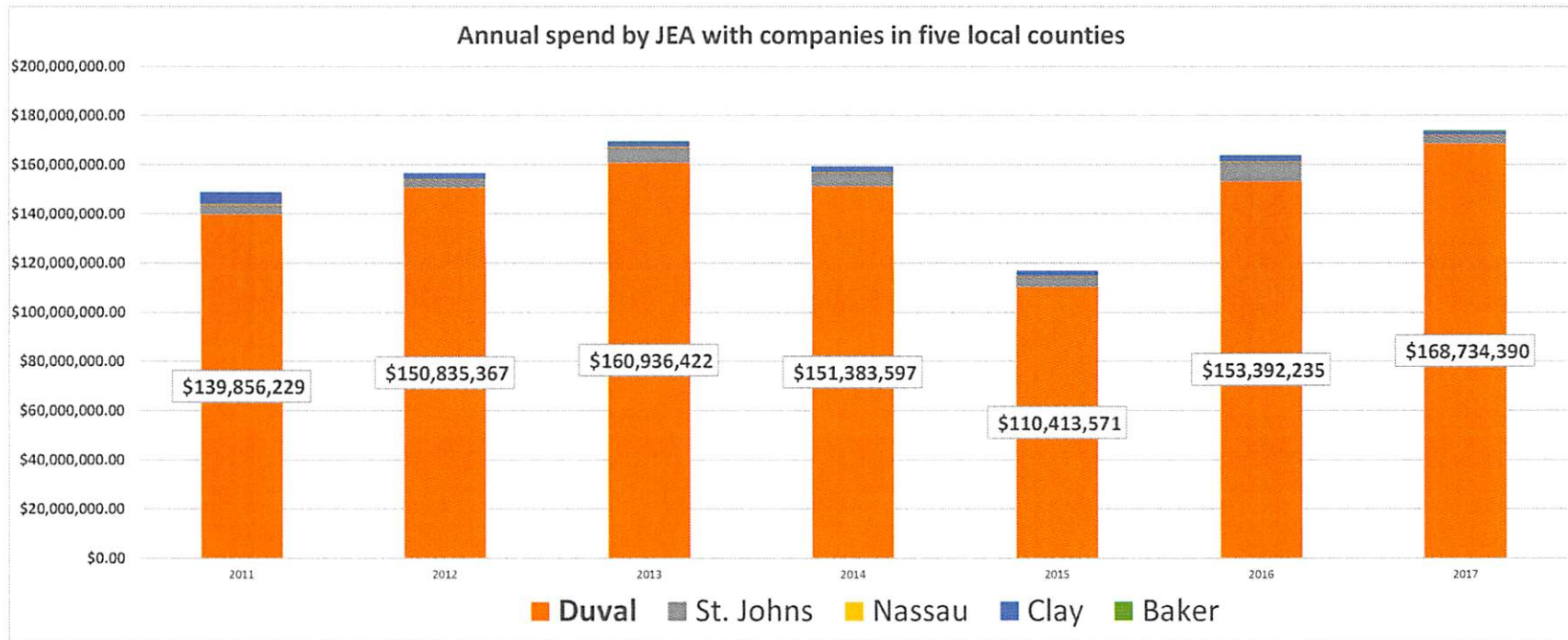
**\*\*Note: Other Items may be added at the discretion of the chair.\*\***

**The next special committee meeting date will be Thursday, April 5, 2018 at 3:30 PM.**

## JEA Local Spend Data

**Date Range:** January 1, 2011 - December 31, 2017  
**Total Spend:** \$ 3,577,093,842 Includes, Engineering, Construction, Professional Services, Maintenance Services, Equipment, MRO, Fuels  
**Five County Spend:** \$ 1,089,202,834 Counties: Duval, Nassau, Baker, Clay, Saint Johns  
**Duval County Spend:** \$ 1,035,551,811 Duval Alone  
**% of All Spend in Duval:** 29%

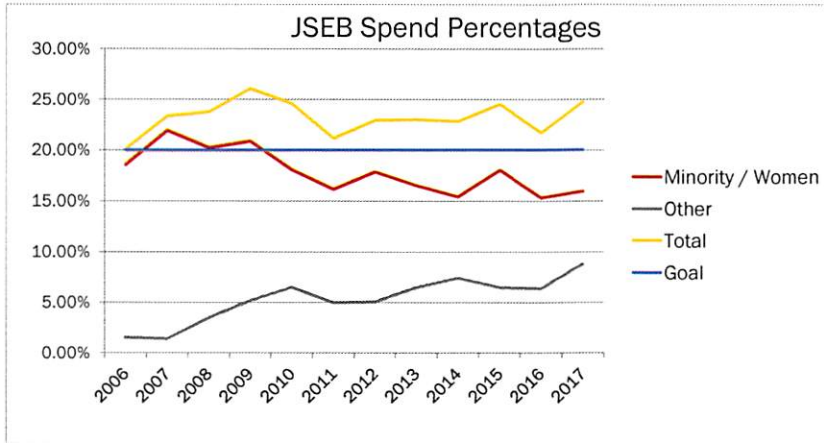
County	2011	2012	2013	2014	2015	2016	2017	7 year Total by Cnty
Duval	\$ 139,856,229	\$ 150,835,367	\$ 160,936,422	\$ 151,383,597	\$ 110,413,571	\$ 153,392,235	\$ 168,734,390	\$ 1,035,551,811
St. Johns	\$ 3,914,283	\$ 3,157,631	\$ 6,141,096	\$ 5,388,483	\$ 4,085,086	\$ 7,840,216	\$ 3,161,721	\$ 33,688,516
Nassau	\$ 381,466	\$ 227,902	\$ 222,227	\$ 303,806	\$ 271,901	\$ 201,466	\$ 174,226	\$ 1,782,994
Clay	\$ 4,755,772	\$ 2,430,845	\$ 2,194,035	\$ 2,346,790	\$ 2,222,989	\$ 2,471,389	\$ 1,629,265	\$ 18,051,085
Baker	\$ -	\$ -	\$ 3,253	\$ -	\$ -	\$ 5,618	\$ 119,557	\$ 128,428
<b>Totals Annually</b>	<b>\$ 148,907,750</b>	<b>\$ 156,651,745</b>	<b>\$ 169,497,033</b>	<b>\$ 159,422,676</b>	<b>\$ 116,993,547</b>	<b>\$ 163,910,924</b>	<b>\$ 173,819,159</b>	<b>\$ 1,089,202,834</b>



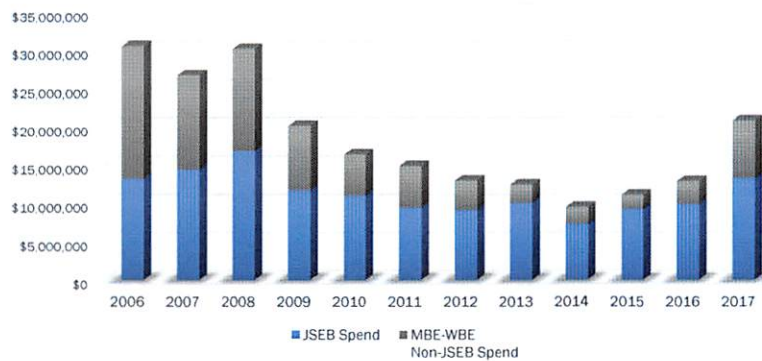
## JEA JSEB Data

### JSEB HISTORY

Fiscal Year	Minority / Women	Other	Total	Goal	Available Spend	JSEB Spend	MBE-WBE Non-JSEB Spend	Total JSEB and MBE-WBE Non-JSEB Spend
2006	18.59%	1.50%	20.09%	20.00%	\$66,120,000	\$13,283,587	\$17,326,499	\$30,610,086
2007	21.95%	1.39%	23.34%	20.00%	\$61,900,950	\$14,445,893	\$12,356,997	\$26,802,890
2008	20.25%	3.51%	23.76%	20.00%	\$70,986,068	\$16,869,673	\$13,397,071	\$30,266,744
2009	20.90%	5.16%	26.06%	20.00%	\$45,000,000	\$11,728,971	\$8,477,862	\$20,206,833
2010	18.08%	6.50%	24.58%	20.00%	\$45,000,000	\$11,060,582	\$5,421,175	\$16,481,757
2011	16.17%	4.97%	21.14%	20.00%	\$45,000,000	\$9,513,979	\$5,452,314	\$14,966,293
2012	17.88%	5.04%	22.92%	20.00%	\$40,000,000	\$9,167,874	\$3,892,493	\$13,060,367
2013	16.52%	6.48%	23.00%	20.00%	\$44,000,000	\$10,120,881	\$2,432,145	\$12,553,026
2014	15.42%	7.40%	22.82%	20.00%	\$32,000,000	\$7,302,174	\$2,248,426	\$9,550,600
2015	18.03%	6.49%	24.52%	20.00%	\$38,000,000	\$9,318,182	\$1,884,513	\$11,202,695
2016	15.32%	6.38%	21.70%	20.00%	\$46,000,000	\$9,982,869	\$2,992,185	\$12,975,054
2017	15.95%	8.81%	24.76%	20.00%	\$54,000,000	\$13,364,793	\$7,530,493	\$20,895,286



### JSEB and MBE-WBE Non-JSEB Spend



FY 16 FY 17  
**JSEB Awarded Amounts**  
**Including Paid Amounts for FY17**  
**3/27/18**

COJ JSEB Data

**Procurements Awarded to JSEB's**

**FY 2016**

African American	\$	4,755,548
Asian American	\$	677,234
Hispanic American	\$	69,998
Non-MBE	\$	6,003,086
Woman	\$	8,590,231
<b>Total</b>	<b>\$</b>	<b>20,096,096</b>

**FY 2017**

African American	\$	5,741,918
Asian American	\$	662,065
Hispanic American	\$	295,164
Non-MBE	\$	5,020,585
Woman	\$	6,625,509
<b>Total</b>	<b>\$</b>	<b>18,345,242</b>

**Payments to JSEBs**

\*may include previous years awards that have crossed over

**FY 2017**

	JSEB Prime	JSEB Sub	Overall Total
African American	\$ 6,413,401	\$ 2,693,611	\$ 9,107,012
Asian American	\$ 1,592,179	\$ 280,272	\$ 1,872,450
Hispanic American	\$ 351,797	\$ 59,839	\$ 411,637
Native American	\$ 103,417	\$ -	\$ 103,417
Non-MBE	\$ 4,487,178	\$ 4,723,741	\$ 9,210,919
Woman	\$ 8,052,872	\$ 3,729,367	\$ 11,782,239
			\$ -
<b>Total</b>	<b>\$ 21,000,845</b>	<b>\$ 11,486,830</b>	<b>\$ 32,487,675</b>

**Peterson, Phillip**

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**Subject:** FW: Duval County School Taxable Value

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**From:** Davis, Lee [<mailto:Lee.Davis@fldoe.org>]  
**Sent:** Thursday, February 15, 2018 4:42 PM  
**To:** Carter, Thomas  
**Subject:** Duval County School Taxable Value

Dear Mr. Carter:

Thank you for your inquiry regarding the possible effects of the sale of the City of Jacksonville's public utility on Duval County's property tax values and ad valorem tax revenue.

As you are aware, the Required Local Effort (RLE) millage; Discretionary Local Effort (DLE) millage and Local Capital Improvement (LCI) millage generate revenue for the Duval County School District. The RLE and DLE revenues are part of the Florida Education Finance Program (FEFP) formula, and certain components within the FEFP impact the total amount of funding generated in the FEFP.

Funding in the FEFP is calculated based on factors such as the number and type of students being served, the varying costs of hiring personnel in different districts, and the level of funding appropriated by the legislature. FEFP funding includes both state and local revenue sources, and the portion of a district's FEFP allocation not covered by RLE is provided by state funds. An increase in RLE revenue resulting from an increase in the tax roll, would not necessarily increase the district's total FEFP allocation, and would likely be offset by a decrease in state funds.

A similar effect occurs with DLE revenue and the 0.748 Discretionary Millage Compression Supplement. If a school district levies the full 0.748 mill levy and generates an amount of funds that is less than the state average amount per FTE student, the school district receives a Discretionary Millage Compression Supplement that, when added to the funds generated by the district's 0.748 mill levy, is equal to the state average. Duval County School District currently receives this allocation, because the DLE revenue it generates is less than the state average on a per-student basis. So, all else being equal, an increase in DLE revenue related to an increase in school taxable value would cause an equivalent decrease in the 0.748 Discretionary Millage Compression Supplement in the FEFP.

The LCI levy you reference is not part of the FEFP calculation, and any increase in the school taxable value would cause an increase in the revenue generated by this millage levy, as long as Duval County School District continues to levy the full 1.5 mills.

Please let us know if we can assist you further.

Sincerely,

Lee Davis  
Education Policy Director  
Florida Department of Education

Manuel Lee Davis  
(850) 245-9098  
Florida Department of Education  
Office of Funding and Financial Reporting  
[lee.davis@fldoe.org](mailto:lee.davis@fldoe.org)

Follow-up Email on Effect of Discretionary Local Effort Millage

**Peterson, Phillip**

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**From:** Davis, Lee <Lee.Davis@fldoe.org>  
**Sent:** Wednesday, March 28, 2018 3:02 PM  
**To:** Carter, Thomas  
**Cc:** Peterson, Phillip  
**Subject:** RE: Additional Question regarding Duval County From Sale of Municipal Utility

Mr. Carter,

In the 2018-19 Conference Report Duval County School District is receiving \$17,414,128 in the 0.748 Discretionary Compression Supplement. Based on the 2018-19 projected school taxable value and projected student enrollment, Duval County would continue to receive a compression supplement unless the school taxable value increased by approximately \$25 billion or more. At that point the district could potentially be generating more than the state average in 0.748 mills discretionary local effort per FTE.

Districts such as Miami-Dade and Broward that generate more than the state average in 0.748 discretionary funding per student do not receive a reduction in FEFP funding.

Lee

Manuel Lee Davis  
(850) 245-9098  
Florida Department of Education  
Office of Funding and Financial Reporting  
[lee.davis@fldoe.org](mailto:lee.davis@fldoe.org)

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**From:** Carter, Thomas [<mailto:ThomasC@coj.net>]  
**Sent:** Wednesday, March 28, 2018 2:50 PM  
**To:** Davis, Lee  
**Cc:** Peterson, Phillip  
**Subject:** Additional Question regarding Duval County From Sale of Municipal Utility

Mr. Davis,

Further discussion has ensued on the effect of selling our municipal utility and the property becoming part of the taxable values of the County.

From my recollection, Duval County receives a sizable compression supplement related to the Discretionary Local Effort. Are you able to identify the amount of property value increase that would be necessary to remove the compression supplement? Also, if a county receives "enough" through the Discretionary Local Effort to not need a compression supplement, do they get to keep those additional dollars or does the State reduce other contributions?

Thanks and please call if necessary.

Thomas G. Carter C.P.A.  
Council Auditor's Office  
117 West Duval St Ste 200  
Jacksonville FL 32202  
904.630.1212 x3176

## **Charleroy, Melissa M. - Executive Assistant**

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**From:** Crescimbeni, John <JRC@coj.net>  
**Sent:** Wednesday, March 28, 2018 4:25 PM  
**To:** McElroy, Paul E. - Managing Director CEO  
**Subject:** RE: Special Committee Honorable John Crescimbeni March 28 2018.pdf

[External Email - Exercise caution. DO NOT open attachments or click links from unknown senders or unexpected email.]

Paul:

Thank you for your email and letter attached thereto.

Tomorrow's meeting will begin at 2:00 PM and you will be first on the agenda. After making your brief statement, the committee is anticipating hearing from you on the following matters;

- JEA's strategic plan to offset recent declining revenue trend (the same presentation you were scheduled to make on March 15, 2018)
- Five year review of JEA philanthropic giving and volunteerism
- Cost of damage to JEA infrastructure from Hurricane Matthew and Hurricane Irma in comparison to FEMA reimbursements received or anticipated

As a reminder, please note the committee now has nineteen members, so please plan accordingly as it relates to the distribution of any materials intended for committee members. If you have any further questions, please contact me accordingly. If not, I look forward to seeing you tomorrow at 2:00 PM.

### ***John R. Crescimbeni***

City Councilman, At-Large, Group 2  
Office of the City Council  
City Hall at St. James  
117 West Duval Street, Suite 425  
Jacksonville, Florida 32202  
(904) 630-1381



# JEA New Revenue Task Force – Potential Business Plan List 6/02/15

Title	Description	Status
<u>Timber Harvesting</u>	Manage 4000+ acres by cutting plantation pines; use ongoing BMP and reforestation. Timber harvesting in progress.	<u>Business Plan Implemented.</u> High Revenue expected FY15 – FY16.
<u>Transmission Operator (TOP)</u>	JEA has certified operators and complies with NERC. JEA can register/accept NERC Compliance Responsibility for another utility. Six potential customers within Florida.	<u>Business Plan Implemented.</u> High Potential Revenue. No utilities have contracted for this service.
<u>Dark Fiber Leasing</u>	JEA has offered this in the past; formalize process and expand to include wireless and telecommunication companies. Begin leasing available fiber within JEA’s easement rights.	<u>Business Plan 100% Complete.</u> Marketing to target four new customers in FY15. Potential High Revenue.
<u>Solar “Garden”</u>	Photovoltaic (PV) utility sized solar generated electricity; offers customers a solar energy option. (implementation expected by December 2016)	<u>Business Plan 100% Complete.</u> Revenue TBD. Selecting Solar Offering Options through Market Research.
<u>Natural Gas Sales - Marketing</u>	JEA is the largest importer/user in NE FL. Become provider of natural gas to commercial and industrial customers through TEC’s Natural Gas Choice program.	<u>Business Plan Implemented.</u> High Revenue expected to begin in FY16.
<u>Security Services: Physical, Consulting, Maintenance</u>	Provide consulting services to local clients that need physical security services and security equipment maintenance services.	<u>Business Plan 100% Complete.</u> Low Revenue. Benefit includes lowering JEA’s contract unit pricing (cost reduction).
<u>Security Physical Compliance (CIP) Service</u>	JEA Security personnel to provide CIP-014 “Third Party Reviewer” service. Combined with Security Services Business Plan.	<u>Business Plan 100% Complete.</u> Target customers once CIP rule is implemented. Low Revenue.
<u>Transmission &amp; Distribution Services</u>	JEA to provide transmission and distribution (T&D) maintenance services (using JEAs skilled electric staffing) to Florida municipals to enhance their delivery system to their customers (infrared, substations, inspections, breakers, etc.).	<u>Business Plan 100% Complete.</u> Target NE Florida Utilities. Business has potential to grow from low revenue to high revenue.
<u>Distributed Generation (DG) – Various Project Ideas</u>	Renewables, fuel cells, micro-turbines, “concession” utility services are being considered by DG Council.	Business Cases being developed by DG Council. Mitigates loss of electric sales.

Process: (1) Submit New Idea; (2) Research Idea; (3) Risk & Revenue Rating; (4) Business Case (Scope); (5) Business Plan/Detailed Study; (5) Implementation by assigned project manager.

Low Revenue is typically less than \$100,000 per year; however, a Low Risk ranking may allow project to be considered on a case by case basis.

## Employee Volunteer and Ambassador Activities

JEA's Employee Volunteer Program: Annually, JEA provides eight hours of paid time to each of its employees who elect to volunteer at a JEA sanctioned nonprofit organization and/or a nonprofit community event. JEA employees paint, build, hand out water, work a registration table, stock food shelves and read to kids to help these organizations accomplish their missions. JEA and its employees are committed to the community. This program supports JEA's heart of service—its employees' desire to "give back" to their community through an organization or cause close to their hearts. Through the volunteer program, all employees have the opportunity to support their community in ways that are meaningful to them.

Volunteer Program	FY13	FY14	FY15	FY16	FY17	FY18 YTD
# of employees who volunteered	453	670	753	985	913	232

JEA's Ambassador Program: JEA provides opportunities for its employees to engage in helpful and meaningful ways with our customers to educate customers about utility safety, utility conservation and customer solutions. Currently, we engage JEA employees with customers and potential customers through speaking engagement requests and participation at community events.

Ambassador Program	FY13	FY14	FY15	FY16	FY17	FY18 YTD
# of employees who participated as ambassadors	*	*	314	301	343	170

\* Ambassador program started in FY15



# Storm Costs Recovery Impacts to Customers

- The state and federal reimbursement of eligible storm costs of up to 87.5% for municipal utilities translates to direct customer rate relief.
- IOUs Duke and FPL estimated Hurricane Irma’s storm recovery charges could be as high as \$4.00-\$5.00/month over a period of three years; however, tax savings associated with recent federal tax legislation could be applied to offset some recovery costs from customers.

JEA	Eligible Storm Cost <sup>1</sup>	Reimbursement from FEMA <sup>2</sup>	Customer Impact <sup>3</sup>
Irma -2017	\$17.4M	(\$15.2M)	N/A – No increase
Matthew - 2016	\$14.6M	(\$12.8M)	N/A – No increase

FPL	Eligible Storm Cost <sup>1</sup>	Reimbursement from FEMA <sup>2</sup>	Customer Impact <sup>4</sup>
Irma - 2017	\$1.3B	0	Delayed <sup>5</sup>
Matthew -2016	\$293-\$318M	0	\$3.36/mo – 12 months
2004/2005 storms	\$1.7B	0	\$1/mo – <u>13 YEARS</u>

1 Considered after insurance policy claims  
 2 Includes FEMA and state reimbursement – assumed 87.5%  
 3 JEA is not obligated to raise rates for unreimbursed storm costs, instead can use reserve funding  
 4 Monthly Impact on typical residential customer using 1,000 kWh per month  
 5 FPL will delay customer recovery impact after considering the benefits of the recent tax legislation

The Managing Director and Chief Executive Officer of JEA and the nine executive officers of JEA are:

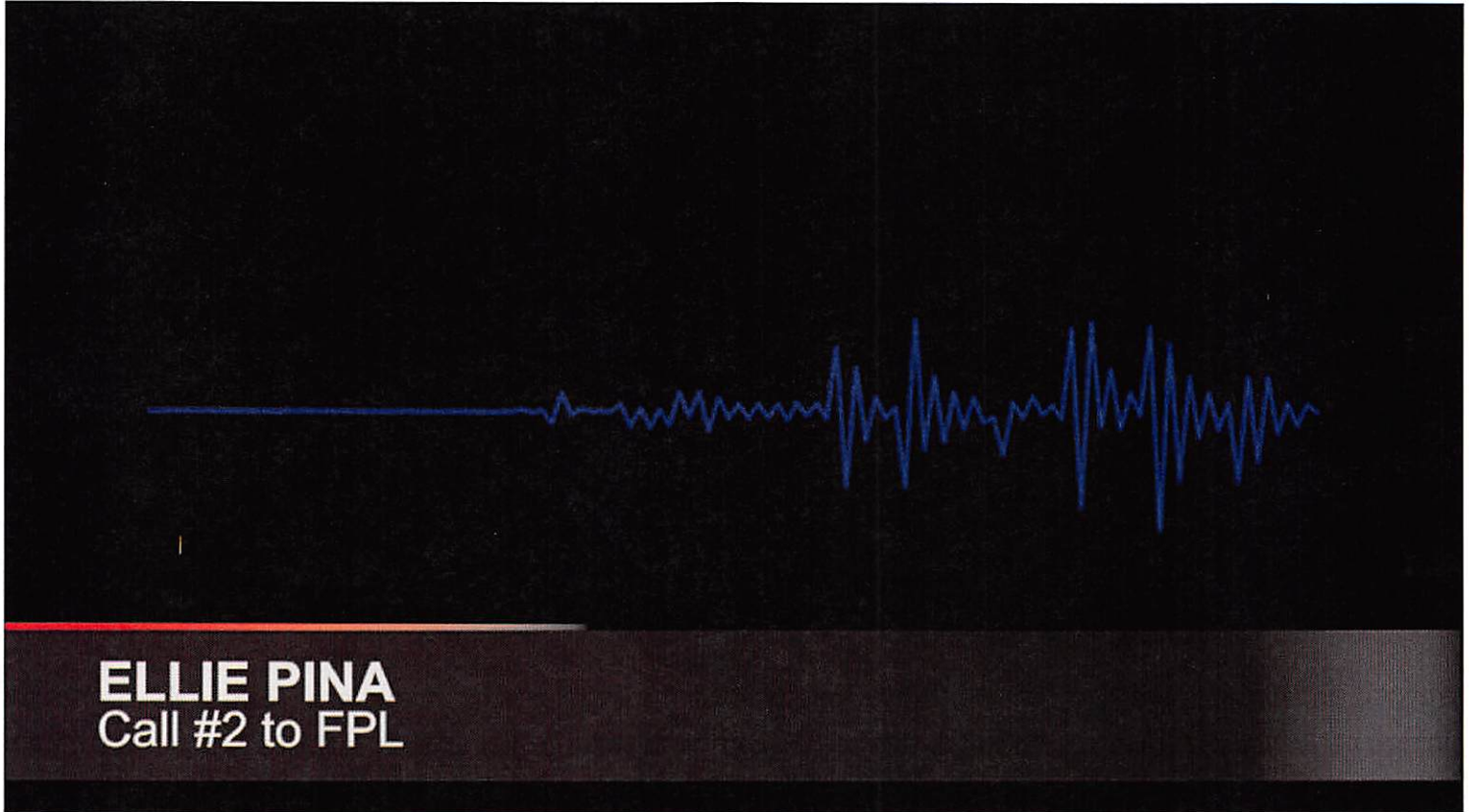
***Paul E. McElroy, Managing Director and Chief Executive Officer.*** The JEA Board of Directors named Mr. McElroy the company's seventh Chief Executive Officer effective October 1, 2012. From January 1, 2006 to October 1, 2012, he served as JEA's Chief Financial Officer. Prior to that, he served as JEA's Vice President, Financial Services.

Mr. McElroy currently serves on the boards of the University of North Florida, The Energy Authority, Inc. ("TEA"), Florida Reliability Coordinating Council and the Jacksonville Chamber of Commerce. Mr. McElroy is a member of the American Public Power Association Board's Executive Committee and serves as Treasurer, as well as Chair of the Finance and Audit Committee and Chair of the Retirement Committee. He is also a member of the Large Public Power Council CEO Roundtable.

Mr. McElroy holds a Bachelor of Science in accounting from St. Joseph's College in Rensselaer, Indiana and a certificate from the Advanced Management Program of the Wharton School of the University of Pennsylvania and pursued graduate level studies at the University of Bridgeport and the University of New Haven in Connecticut.

Before joining JEA, Mr. McElroy served as a Vice President and General Manager for Bombardier Capital Corporation in Jacksonville, Florida and Colchester, Vermont. Prior to that, he served in a variety of management positions with Pitney Bowes Credit Corporation, including Controller, Director - Marketing and Vice President, Internal Finance Division in Norwalk, Connecticut.

# FPL was warned people would die at a sweltering nursing home. But the utility had other priorities.



Florida Power & Light Co. received numerous phone calls urging for the air conditioning to be fixed at The Rehabilitation Center in Hollywood Hills after Hurricane Irma.



By **Megan O'Matz**  
Sun Sentinel

FEBRUARY 9, 2018, 9:45 PM | HOLLYWOOD

**A**n account supervisor for the power company was concerned by the words of the woman on the phone. The electricity was out at her mother's nursing home, the temperature felt like 110 degrees and elderly people couldn't breathe.

The supervisor turned to one of the company's emergency specialists for advice, saying a caller feared the Hollywood nursing home could have "customers literally passing away because of the heat."

The co-worker's response: tell the nursing home to evacuate. "We can't expedite any outages. So tell 'em to make plans. It's going to be a long time, to be honest with you ... at least a week."



The next day, on Sept. 13, eight nursing home residents died of the heat. Another four died in later days.

How Florida Power & Light responded to desperate pleas from the Rehabilitation Center at Hollywood Hills after **Hurricane Irma** is revealed in depositions, audio files, and internal FPL records obtained by the South Florida Sun Sentinel under Florida's public records law. They include recordings of calls to the utility over the three days the nursing home was without power to its air conditioning.

FPL is one the nation's largest electric utilities and serves about half of the state. After hurricanes strike, it is a critical lifeline for millions of people and demands on it are extraordinary.

The records reviewed by the Sun Sentinel show FPL workers' inability to grasp the gravity of the nursing home's situation, confusion over whether it qualified for "priority" service, and efforts to mollify callers without actually mustering a crew to the scene for what ultimately was a minor repair.

The utility -- which works alongside state and local officials after a storm to address pressing problems -- even failed to respond to an urgent request the evening of Sept. 12 from Broward County's emergency operations center.

Officials at about 7:30 p.m. appealed to FPL to restore power to the air conditioning at the nursing home and included a hard time frame to get the job done: within two to six hours.

FPL did not comply. About seven and a half hours later, nursing home residents began to die.

Anyone who has ever called a large company for assistance or to register a complaint can relate to the experience of those at the nursing home who tried to convey to FPL the seriousness of the matter and get some extra consideration.

Calls went to customer care center representatives in Miami, West Palm Beach or El Paso, Texas. Those who called numerous times got different FPL agents. Calls were inadvertently dropped and people put on hold. Despite being issued "trouble ticket" numbers, callers had to give the address of the nursing home over and over and continuously restate the nature of the problem.

The customer care representatives dutifully took down the reports, updated notes in the files, and apologized.

"Oh goodness, so sorry!" an operator told James Williams, nursing home engineer, who called Sept. 10, the day the storm hit, to report that the building lost power to the A/C.

He'd explained that it looked like the fuse "just popped out." He said he could see it hanging on the electric pole outdoors.

The woman entered Williams' comments into a computer, then appeared to read from a script, saying:

"Unfortunately due to the impact of Hurricane Irma we're unable to provide an estimate as to when the power will be restored. Currently we have more than 2 million customers out and we have 16,000 workers ready to

restore the power. We're also working with partner utilities, and their workers to restore everyone as quickly and as safely as they can."

The representative told Williams: "I reported it. I just hope it doesn't take too much more for you."

## Priority status unclear

FPL spokesman Chris McGrath declined to comment or answer questions from the Sun Sentinel about **the utility's actions or processes in response to Hurricane Irma.**

Before hurricane season, FPL and local officials designated which facilities would receive the highest priority for power restoration in each county. In Broward County, they included major hospitals, police and fire stations, 911 centers and other critical sites, but not nursing homes.

Employees and relatives of residents of the Rehabilitation Center at Hollywood Hills believed the nursing home had some priority status as a medical facility – given that it served sick, elderly, bed-ridden people – and was under the same roof as a small psychiatric hospital.

In reporting the outage, Williams urged the FPL representative to "keep in mind that we are a hospital, we're actually a double hospital: we are a rehabilitation center, and we're a behavioral hospital."

Within FPL, there seemed to be confusion over just what that meant.

An FPL agent told Williams that someone at the utility was "personally assigned" to restore power to the nursing home's chiller account "because we do know it's a high priority." The woman put him on hold to get the person's name and phone number but when she returned Williams had been disconnected. When he called back he got another agent, who didn't know of any such contact.

In another instance, FPL reassured a caller: "We do recognize it is a nursing home location. It is a priority to us, ma'am."

Yet when that agent called an emergency specialist about the problem, the agent was told there was no expedited push. "We'll just let dispatch know, and they'll work it as soon as they can."

After a storm, FPL can juggle who gets faster attention, based on the nature of the circumstances.

In a deposition, Gregory Jones, operations lead in FPL's Gulfstream Service Center covering south Broward County, said the utility gives priority in restoring power to police stations, hospitals, and other facilities, including those that service major customer accounts. The process, he said, consists of "getting the largest number of customers on at any given time, first, then working our way down by customer account."

Typically, if there is an urgent need, he said, FPL would send the request through to upper management, which would funnel it down to the local service center.

Asked if there was ever a specific request made to him or his operations center to prioritize restoring power at the nursing home, he said: "To my knowledge, no." If it was deemed a priority, he said, he would have been told.

Records show a service request was sent electronically – in bulk with others -- to the Gulfstream Service Center on Sept. 11, one day after the storm and two days before the deaths.

The "ticket" was labeled Priority 3A, Jones said, meaning the nursing home did not have a full loss of service -- it had electricity for items such as lights, computers and kitchen, but not the air conditioning. And there were no reports of injuries or police or fire calls in the ticket's "event log," he said in the deposition.

Asked if someone at the service center noticed the request on a computer screen, Jones indicated that it just sat there while the service workers "dealt with the larger customer accounts and higher priority tickets."

## "What happened to you guys?"

After the bodies were hauled out of the nursing home, FPL's command center finally ordered a repair crew there.

As the nursing home engineer had observed three days earlier, a transformer fuse had blown.

It took about 45 minutes to identify and fix the problem, Jones said.

As news of the deaths flashed across national TV networks, a distraught Ellie Pina called FPL – again. Her mother lived at the nursing home, and she and others had called the utility repeatedly in the days before, warning of the residents' deteriorating conditions and asking for help.

Now she demanded accountability from higher ups: "I want the CEO...We've been after you for 72 hours! ... There are dead people in there due to your neglect! What happened?"

When an FPL customer center representative apologizes, Pina scoffed.

"Do not apologize now, and don't tell me you're sorry because you were warned!" she said. "What happened to you guys? You should be ashamed of yourself, ashamed of your company."

After Hurricane Irma, Pina visited her 96-year-old mother Mirelle each day.

By Tuesday, Sept. 12, she recalled: "The heat was immense." She likened it to the searing heat in Las Vegas.

Earlier that day, she'd spotted one of FPL's trucks only a couple blocks away, on the north corner of Memorial Regional Hospital.

"You guys are in the area," she told FPL, according to a recording. "Can you tell me when you're going to be able to restore the problem? I know that you have a lot on your hands. And I appreciate that, but these are elderly people."



She told the representative: “The heat in there is from 100 to 110” and was a “life-threatening circumstance.”

“There’s no air in there,” she told FPL. “They can open a few windows only and very little.”

The FPL operator thanked Pina for letting them know what was happening. “We definitely understand how critical it is to have power restored as soon as possible.”

Call center representatives could reach out to emergency specialists to help with especially difficult situations, according to a deposition. Audio files show even the specialists at times tried — and failed — to reach workers who could send help to the nursing home.

In one call, Pina reached a “Miss Lopez,” an account supervisor, and told her the residents couldn’t wait another day. “Let’s hope they don’t die of the heat problem. Hospitals have priority, am I correct?” Pina asked.

Lopez spoke to an emergency specialist within FPL who told her the repair service center wasn’t answering and: “They’re probably busy.”

Lopez then tried a different specialist, who suggested she tell the nursing home to call ambulances and evacuate.

The records do not show whether that blunt message got to the nursing home, though the home has been widely criticized since the tragedy for not moving residents out.

The nursing home has argued that it is risky to move large numbers of frail, elderly people. Also, it had been assured by state officials that the power restoration request had been “escalated” with Florida Power & Light and would soon be fixed.

Pina’s mother survived but spent 37 days recovering in hospitals. She now lives in another nursing home.

Pina is suing FPL. So are other survivors and families of the dead.

“I called Florida Power and Light,” Pina said. “Each time I told them it was life threatening, to get over there as soon as possible because people were going to die. Nothing was done.”

**[momatz@sunsentinel.com](mailto:momatz@sunsentinel.com), 954-356-4518**

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**This article is related to: [Hurricanes and Tropical Storms](#)**

REQUEST FOR PROPOSAL

Purchase of Nitrogen Reduction Metric Ton Credits  
 ECF-0125-18  
 For  
 City of Jacksonville, Florida

**SECTION 1**  
**(Specific Information Regarding this RFP)**

**1.1 Introduction:**

The purpose of this RFP is to purchase the required number of Nitrogen Reduction metric ton credits. The City of Jacksonville (“Buyer”) intends to hire an individual or firm (“Contractor”) to provide a unit cost pricing solution for achieving the nitrogen metric ton reduction credits described in Section 1.2 of this Request for Proposal (“RFP”). Persons interested in submitting a response to this RFP (a “Response”) should carefully review this RFP for instructions on how to respond and for the applicable contractual terms. This RFP is divided into the following sections:

- Section 1      Specific Information Regarding This RFP
- Section 2      General Instructions
- Section 3      General Terms and Conditions of Agreement
- Section 4      Description of Services (if referenced in Section 1.2 below)
- Section 5      Exhibits
  
- Attachment A    Response Format
- Attachment B    Evaluation Matrix
- Attachment C    Equal Business Opportunity Program Requirements
- Attachment D    Sample Contract
- Attachment E    Disqualified/Probationary Vendors List
- Attachment F    Federal Funding Provisions (if applicable under Section 1.7 below)
- Attachment G    Indemnification
- Attachment H    Insurance Requirements
- Attachment I    Protest Procedures
  
- Form 1 -        Price Sheet
- Form 2 -        Conflict of Interest Certificate
- Form 3 -        Insurance Agent Acknowledgment
- Form 4 -        Business/Corporate References
- Form 5 -        No Bid Form

In the event of conflicting provisions, the following sections of this RFP will have priority in the order listed: Section 1, Section 4, Section 2, Section 3, the Attachments, and the Forms.

**1.2 Scope of Services:**

The objective of this RFP is to obtain proposals from qualified contractors that will finance and undertake projects that allow the City of Jacksonville to:

- A) Realize a unit price per metric ton annual cost solution to achieve the nitrogen reduction credits described in Section 4 of this RFP.
- B) Achieve, through the modification, enhancement or improvement to any aspect of any of the City of Jacksonville’s stormwater management infrastructure or stormwater management practices, all or part of the required 53+/- metric ton reduction in Total Nitrogen (TN) entering the St. Johns River and its tributaries in Duval County by the December 31, 2023

deadline. Reduction in TN will then be sold as water quality trading credits to the City of Jacksonville. Any contractor proposing to provide water quality trading credits to the City must ensure that its project(s) are in compliance with the water quality credit trading provisions of Section 403.067(8), Florida Statutes and Rule 62-306, Florida Administrative Code.

- C) Acquire water quality trading credits from a third party, produced by any means other than those described above in 1.2 (B) in an amount sufficient to satisfy all or part of City of Jacksonville's remaining obligations under the Basin Management Action plan (BMAP). Any vendor/contractor proposing to provide water quality credits to the City must ensure that its project(s) are in compliance with the water quality credit trading provisions of Section 403.067(8), Florida Statutes and Rule 62-306, Florida Administrative Code.
- D) All proposed solutions are subject to the limitations of this RFP and may require City Council approval.

Please see Section 4 for a full description of the services and deliverables required under this RFP.

**1.3 Term of Agreement:**

The initial term of the contract will commence upon execution of the contract and will continue until project completion or if the proposed solution requires measures or services beyond 2023 to achieve the stated goal and keeping them in place until 2043 then the resulting contract will have a term that expires December 31, 2043. The term is subject to the early termination clause of this RFP Section 3.23.

**1.4 Minimum Requirements for Contractors:**

Contractors are expected to satisfy the following minimum requirements in order to have their Responses evaluated. By submitting a Response, Contractor warrants and represents that it satisfies these requirements. Failure to meet these requirements may result in the Response not being evaluated and being rejected as non-responsive:

1. Contractor must provide information in its response that it has at least five years' experience in developing and implementing environmental mitigation projects specific to improving water quality including experience in whatever design, engineering, permitting, construction and management functions are deemed necessary to complete the proposed project. Buyer reserves the right, at its sole discretion and based on the nature of the Nitrogen Reduction Solution being proposed, to waive all or part of this requirement for contractors seeking to provide water quality trading credits to COJ.
2. Contractor must provide information in its response that it has experience in successfully completing at least one project similar in type, scale and scope to the project being proposed. Buyer reserves the right, at its sole discretion and based on the nature of the Nitrogen Reduction Solution being proposed, to waive all or part of this requirement for contractors seeking to provide water quality trading credits to COJ.
3. The Contractor shall provide current proof of all business licenses and certifications required by local, state, and federal law as applicable to do business and perform the services described in this RFP and its response.

**1.5 Equal Business Opportunity Program:**

It is an official policy of the City of Jacksonville to encourage the maximum participation of Jacksonville Small and Emerging Businesses (JSEBs) in its contract awards based upon availability. To participate as a JSEB on Buyer projects, a company must be certified as a JSEB with the City's Equal Business Opportunity Office.

**Council Auditor's Office**  
**Comparison of JEA Contribution Adjusted for CPI to JEA Actual Contribution**

Fiscal Year	CPI Adjustment	Electric Contribution Adjusted for CPI	Actual Electric Contribution	Water Contribution Adjusted for CPI	Actual Water Contribution	Cumulative Difference
1978/79			25,731,850			
1979/80	13.6	29,231,382	26,259,521			(2,971,861)
1980/81	11.1	32,476,065	25,430,587			(7,045,478)
1981/82	7.4	34,879,294	25,907,300			(8,971,994)
1982/83	3.5	36,100,069	25,803,338			(10,296,731)
1983/84	4.1	37,580,172	27,819,985			(9,760,187)
1984/85	3.7	38,970,638	28,884,837			(10,085,801)
1985/86	2.5	39,944,904	29,457,186			(10,487,718)
1986/87	2.9	41,103,306	31,124,554			(9,978,752)
1987/88	4.1	42,788,542	33,778,052			(9,010,490)
1988/89	4.8	44,842,392	37,490,966			(7,351,426)
1989/90	5.0	47,084,512	37,759,359			(9,325,153)
1990/91	5.0	49,438,737	40,063,483			(9,375,254)
1991/92	3.0	50,921,899	41,529,616			(9,392,283)
1992/93	3.0	52,449,556	42,323,106			(10,126,450)
1993/94	2.6	53,813,245	43,261,617			(10,551,628)
1994/95	2.8	55,320,016	48,570,887			(6,749,129)
1995/96	2.8	56,868,976	48,798,841			(8,070,135)
1996/97	2.7	58,404,438	52,800,571			(5,603,867)
1997/98	1.6	59,338,909	52,039,278		9,528,923	(7,299,631)
1998/99	1.9	60,466,349	57,056,117	9,709,973	9,437,643	(3,682,561)
1999/00	3.2	62,401,272	60,898,145	10,020,692	10,536,135	(987,683)
2000/01	3.2	64,398,113	62,589,668	10,341,354	11,048,610	(1,101,188)
2001/02	1.5	65,364,084	65,489,556	10,496,474	11,116,676	745,674
2002/03	2.3	66,867,458	67,039,278	10,737,893	11,456,781	890,708
2003/04	2.3	68,405,410	70,039,278	10,984,865	13,148,260	3,797,264
2004/05	3.3	70,662,788	68,676,620	11,347,365	17,260,918	3,927,385
2005/06	3.7	73,277,311	71,030,754	11,767,218	17,656,784	3,643,009
2006/07	2.3	74,962,690	73,100,458	12,037,864	18,337,080	4,436,985
2007/08	4.4	78,261,048	73,846,762	12,567,530	20,340,776	3,358,961
2008/09	-0.3	78,026,265	76,094,120	12,529,827	20,593,418	6,131,446
2009/10	1.7	79,352,711	79,007,260	12,742,834	20,180,278	7,091,993
2010/11	2.7	81,495,234	81,921,684	13,086,891	19,765,854	7,105,413
2011/12	2.4	83,451,120	83,037,710	13,400,976	21,149,828	7,335,442
2012/13	1.6	84,786,338	83,969,075	13,615,392	22,718,463	8,285,808
2013/14	1.6	86,142,919	87,318,021	13,833,238	21,869,517	9,211,381
2014/15	0.3	86,401,348	90,108,598	13,874,738	21,578,940	11,411,452
2015/16	0.9	87,178,960	91,720,182	13,999,610	22,467,356	13,008,968
2016/17	2.1	89,009,718	92,270,692	14,293,602	23,552,258	12,519,630

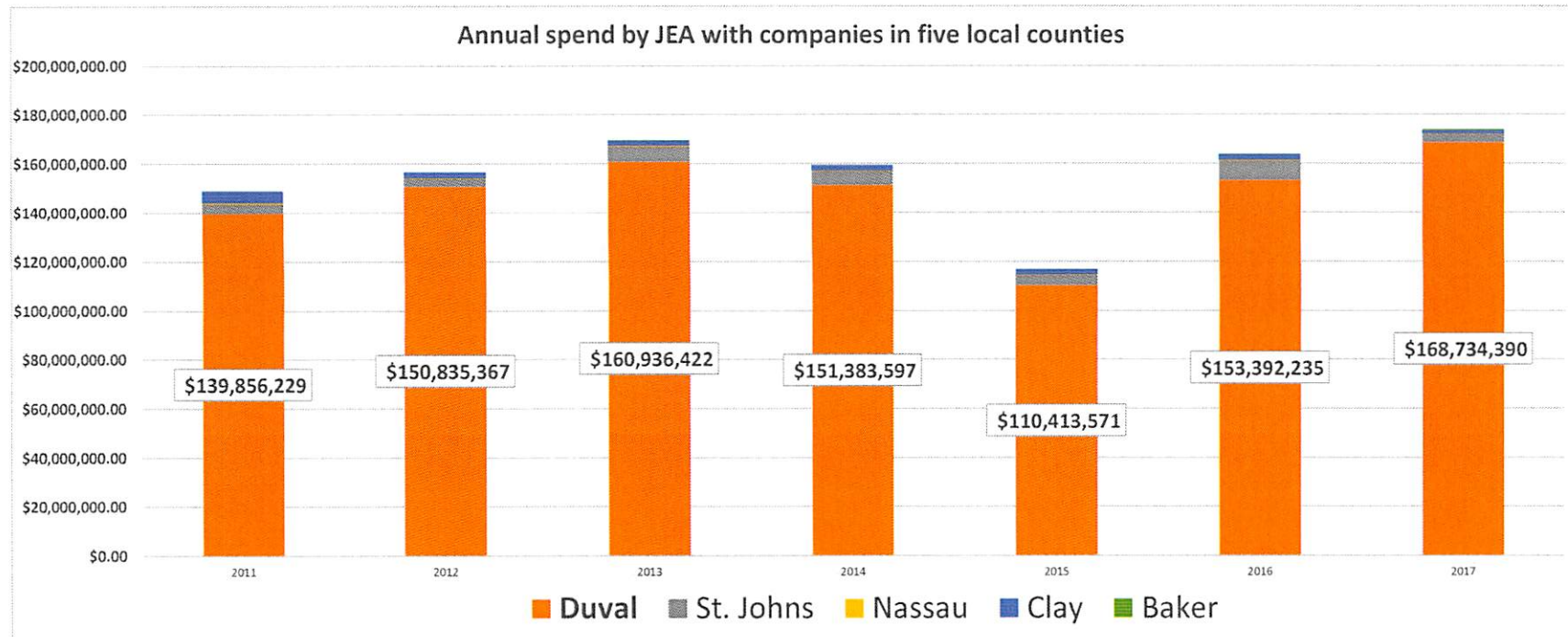
CPI Adjustment obtained from Bureau of Labor Statistics Consumer Price Index for All Urban Consumers (CPI-U) and calculated on a Fiscal Year basis to coincide with the JEA Contribution to the City



## JEA Local Spend Data

**Date Range:** January 1, 2011 - December 31, 2017  
**Total Spend:** \$ 3,577,093,842 Includes, Engineering, Construction, Professional Services, Maintenance Services, Equipment, MRO, Fuels  
**Five County Spend:** \$ 1,089,202,834 Counties: Duval, Nassau, Baker, Clay, Saint Johns  
**Duval County Spend:** \$ 1,035,551,811 Duval Alone  
**% of All Spend in Duval:** 29%

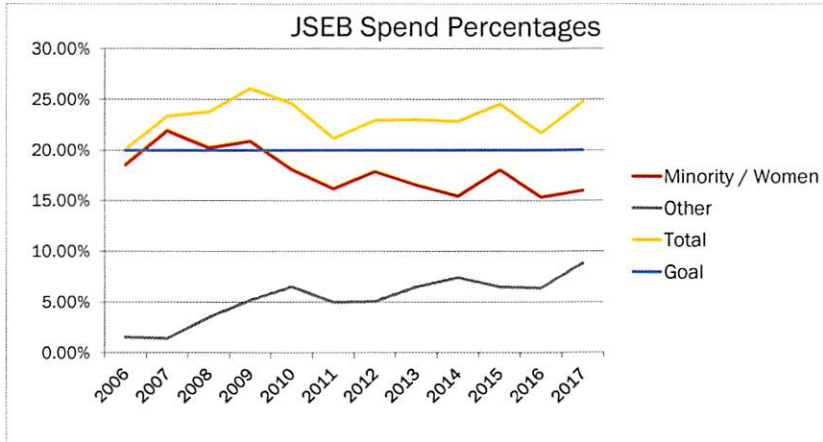
County	2011	2012	2013	2014	2015	2016	2017	7 year Total by Cnty
Duval	\$ 139,856,229	\$ 150,835,367	\$ 160,936,422	\$ 151,383,597	\$ 110,413,571	\$ 153,392,235	\$ 168,734,390	\$ 1,035,551,811
St. Johns	\$ 3,914,283	\$ 3,157,631	\$ 6,141,096	\$ 5,388,483	\$ 4,085,086	\$ 7,840,216	\$ 3,161,721	\$ 33,688,516
Nassau	\$ 381,466	\$ 227,902	\$ 222,227	\$ 303,806	\$ 271,901	\$ 201,466	\$ 174,226	\$ 1,782,994
Clay	\$ 4,755,772	\$ 2,430,845	\$ 2,194,035	\$ 2,346,790	\$ 2,222,989	\$ 2,471,389	\$ 1,629,265	\$ 18,051,085
Baker	\$ -	\$ -	\$ 3,253	\$ -	\$ -	\$ 5,618	\$ 119,557	\$ 128,428
<b>Totals Annually</b>	<b>\$ 148,907,750</b>	<b>\$ 156,651,745</b>	<b>\$ 169,497,033</b>	<b>\$ 159,422,676</b>	<b>\$ 116,993,547</b>	<b>\$ 163,910,924</b>	<b>\$ 173,819,159</b>	<b>\$ 1,089,202,834</b>



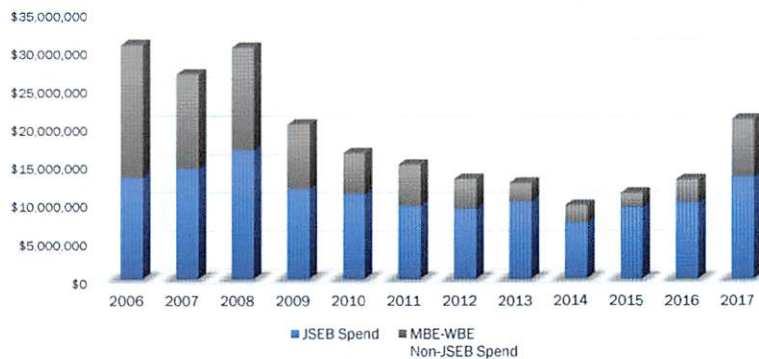
## JEA JSEB Data

### JSEB HISTORY

Fiscal Year	Minority / Women	Other	Total	Goal	Available Spend	JSEB Spend	MBE-WBE Non-JSEB Spend	Total JSEB and MBE-WBE Non-JSEB Spend
2006	18.59%	1.50%	20.09%	20.00%	\$66,120,000	\$13,283,587	\$17,326,499	\$30,610,086
2007	21.95%	1.39%	23.34%	20.00%	\$61,900,950	\$14,445,893	\$12,356,997	\$26,802,890
2008	20.25%	3.51%	23.76%	20.00%	\$70,986,068	\$16,869,673	\$13,397,071	\$30,266,744
2009	20.90%	5.16%	26.06%	20.00%	\$45,000,000	\$11,728,971	\$8,477,862	\$20,206,833
2010	18.08%	6.50%	24.58%	20.00%	\$45,000,000	\$11,060,582	\$5,421,175	\$16,481,757
2011	16.17%	4.97%	21.14%	20.00%	\$45,000,000	\$9,513,979	\$5,452,314	\$14,966,293
2012	17.88%	5.04%	22.92%	20.00%	\$40,000,000	\$9,167,874	\$3,892,493	\$13,060,367
2013	16.52%	6.48%	23.00%	20.00%	\$44,000,000	\$10,120,881	\$2,432,145	\$12,553,026
2014	15.42%	7.40%	22.82%	20.00%	\$32,000,000	\$7,302,174	\$2,248,426	\$9,550,600
2015	18.03%	6.49%	24.52%	20.00%	\$38,000,000	\$9,318,182	\$1,884,513	\$11,202,695
2016	15.32%	6.38%	21.70%	20.00%	\$46,000,000	\$9,982,869	\$2,992,185	\$12,975,054
2017	15.95%	8.81%	24.76%	20.00%	\$54,000,000	\$13,364,793	\$7,530,493	\$20,895,286



### JSEB and MBE-WBE Non-JSEB Spend



FY 16 FY 17  
**JSEB Awarded Amounts**  
 Including Paid Amounts for FY17  
 3/27/18

COJ JSEB Data

**Procurements Awarded to JSEB's**

**FY 2016**

African American	\$ 4,755,548
Asian American	\$ 677,234
Hispanic American	\$ 69,998
Non-MBE	\$ 6,003,086
Woman	\$ 8,590,231
<b>Total</b>	<b>\$ 20,096,096</b>

**FY 2017**

African American	\$ 5,741,918
Asian American	\$ 662,065
Hispanic American	\$ 295,164
Non-MBE	\$ 5,020,585
Woman	\$ 6,625,509
<b>Total</b>	<b>\$ 18,345,242</b>

**Payments to JSEBs**

\*may include previous years awards that have crossed over

**FY 2017**

	JSEB Prime	JSEB Sub	Overall Total
African American	\$ 6,413,401	\$ 2,693,611	\$ 9,107,012
Asian American	\$ 1,592,179	\$ 280,272	\$ 1,872,450
Hispanic American	\$ 351,797	\$ 59,839	\$ 411,637
Native American	\$ 103,417	\$ -	\$ 103,417
Non-MBE	\$ 4,487,178	\$ 4,723,741	\$ 9,210,919
Woman	\$ 8,052,872	\$ 3,729,367	\$ 11,782,239
			\$ -
<b>Total</b>	<b>\$ 21,000,845</b>	<b>\$ 11,486,830</b>	<b>\$ 32,487,675</b>

## Billy, Kyle

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**From:** Peterson, Phillip  
**Sent:** Tuesday, March 27, 2018 9:46 AM  
**To:** Billy, Kyle  
**Subject:** FW: Cost of General Fund Debt

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**From:** Barnes, Randall [<mailto:RBarnes@coj.net>]  
**Sent:** Tuesday, March 27, 2018 8:44 AM  
**To:** Peterson, Phillip  
**Cc:** Greive, Patrick  
**Subject:** FW: Cost of General Fund Debt

Phillip,

We spoke with Mike regarding the requested analysis. His response is below.

Thanks,

Randall

### **Randall E. Barnes, CTP**

Sr. Debt Manager  
City of Jacksonville  
[rbarnes@coj.net](mailto:rbarnes@coj.net)  
904.630.0872

---

**From:** Weinstein, Michael  
**Sent:** Monday, March 26, 2018 3:16 PM  
**To:** Barnes, Randall  
**Subject:** RE: Cost of General Fund Debt

We continue to not work on any jea sale analysis. They are on their own.

---

**From:** Barnes, Randall [<mailto:RBarnes@coj.net>]  
**Sent:** Monday, March 26, 2018 2:11 PM  
**To:** Weinstein, Michael  
**Cc:** Greive, Patrick  
**Subject:** FW: Cost of General Fund Debt

FYI – request for defeasance costs received today.

### **Randall E. Barnes, CTP**

Sr. Debt Manager  
City of Jacksonville  
[rbarnes@coj.net](mailto:rbarnes@coj.net)



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**From:** Peterson, Phillip  
**Sent:** Monday, March 26, 2018 1:55 PM  
**To:** Barnes, Randall  
**Cc:** Greive, Patrick  
**Subject:** RE: Cost of General Fund Debt

Randall,

The same question below has now been asked by the Council's Special Committee. Could you provide the necessary amount to defease the City's general fund debt as of a certain date (e.g. 9/30/17)?

Thanks  
Phillip

---

**From:** Weinstein, Michael [<mailto:MWeinstein@coj.net>]  
**Sent:** Monday, March 19, 2018 3:15 PM  
**To:** Barnes, Randall  
**Cc:** Greive, Patrick; Peterson, Phillip  
**Subject:** RE: Cost of General Fund Debt

We are not working on the JEA effort only you are. Work on it at your risk, there may be a late night Billy email accusing you of selling the JEA while others are not looking.

---

**From:** Barnes, Randall  
**Sent:** Friday, March 16, 2018 6:10 PM  
**To:** Weinstein, Michael  
**Cc:** Greive, Patrick  
**Subject:** Fwd: Cost of General Fund Debt

FYI

Begin forwarded message:

**From:** "Peterson, Phillip" <[PhillipP@coj.net](mailto:PhillipP@coj.net)>  
**Date:** March 15, 2018 at 5:45:52 PM EDT  
**To:** "Barnes, Randall" <[RBarnes@coj.net](mailto:RBarnes@coj.net)>  
**Subject:** Cost of General Fund Debt

Randall,

I have been asked what would be the cost to defease all of the City's general fund debt. I highly doubt that we could just take the outstanding principal of GF debt. Is this something that you can provide? If we need to chat, just give me a call or I can come up.

Thanks for any help you can provide.  
Phillip

## Billy, Kyle

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**From:** Clements, Jeff  
**Sent:** Friday, March 23, 2018 1:56 PM  
**To:** Evans, Nicole; Peterson, Phillip; Billy, Kyle  
**Subject:** JEA Special Committee follow-up items

Phillip:

I talked to Mr. Crescimbeni after the meeting and we compared our lists of to-do items. Here's what we came up with:

### Future items

- CPI calculation on the JEA annual contribution from 1978 to present
- Amount of basic residential rate adjustment that would be needed to make up for JEA not making the annual contribution out of its operating budget
- Separate out the electric and water/sewer valuations in the \$7-11 billion gross sale price estimates
- JEA balance sheet over last 10 years
- Check with Treasury about exact cost (including pre-pay penalties) to pay off all City debt
- Calculation of the value of JEA's 30.34 excess BMAP water quality credits
- Economic impact of JEA's use of local businesses, particularly JSEBs, and compare with City's JSEB record
- 10-year history of JEA rates versus investor owned utility rates in Florida to compare costs to residential users
- JEA be requested to poll its employees for examples and amounts of community volunteerism (was this a request by C/M Becton, or just a suggestion to the audience?).
- Check if IOUs extra fees for storm recovery costs are included in their base rate
- How much would Clay and Nassau counties have to pay to purchase the JEA assets in their jurisdiction?
- Crescimbeni will distribute the "play book" being used by IOUs to defeat proposals to municipalize private utilities
- CAO to check on whether IOU granted challenges to property valuations stayed the same the next year or if property appraiser raised the values again
- What is the Office of Economic Development's return on investment calculation if it was attempting to attract JEA to move to the City?
- Boyer – need an OGC opinion on whether the current City Council can bind the actions of future councils with regard to use of JEA sale proceeds

Let me know if you need anything additional.

Jeff

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**From:** Evans, Nicole  
**Sent:** Friday, March 23, 2018 12:50 PM  
**To:** Peterson, Phillip  
**Cc:** Clements, Jeff  
**Subject:** RE: Special Committee Meeting

Hi Phillip,

I do know that CM Crescimbeni and Jeff Clements spoke after the meeting yesterday regarding the action items. CM Crescimbeni will most likely be in this afternoon to get me a copy of the list, however, I'm copying Jeff just in case he has a list handy sooner than that.

Thank you!

Nikki

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**From:** Peterson, Phillip  
**Sent:** Friday, March 23, 2018 12:47 PM  
**To:** Evans, Nicole  
**Subject:** Special Committee Meeting

Nikki,

We are beginning to put together answers to the Special Committee's requests of our office from yesterday's meeting. I was curious if you had a listing of all requests to ensure that we gathered them all during the meeting. I am confident that I wrote everything down, but its always good to double check. If you do, would you mind sending me that list?

Thanks,

Phillip Peterson, C.P.A.  
Council Auditor's Office  
City of Jacksonville, FL  
Office 904.630.1625  
Direct 904.630.1212 x5601