

Page 1

IN RE: AARON ZAHN - TERMINATION OF EMPLOYMENT
AGREEMENT WITH JEA

SWORN STATEMENT
OF
PAUL STEINBRECHER

DATE TAKEN: Thursday, January 9, 2020
 TIME: 9:30 a.m. - 11:10 a.m.
 PLACE: Office of General Counsel
 117 West Duval Street
 Suite 480
 Jacksonville, Florida

REPORTED BY: Marianne Branson, RPR, FPR
 Court Reporter
 - - -

Page 2

1 APPEARANCES FOR THE CITY OF JACKSONVILLE:
 2 STEPHEN J. POWELL, ESQUIRE
 3 SONYA HARRELL, ESQUIRE
 4 Office of General Counsel
 5 117 West Duval Street
 6 Suite 480
 7 Jacksonville, Florida 32202

8 APPEARANCE FOR THE OFFICE OF INSPECTOR GENERAL:
 9 ROBERT LINSNER, INVESTIGATOR
 10 Office of Inspector General - City of Jacksonville
 11 231 East Forsyth Street
 12 Suite 470
 13 Jacksonville, Florida 32202

14 ALSO PRESENT:
 15 JAMES POINDEXTER, ESQUIRE
 16
 17 - - -
 18
 19
 20
 21
 22
 23
 24
 25

Page 3

I N D E X

1
 2
 3 WITNESS: PAUL STEINBRECHER
 4
 5 EXAMINATION
 6 By Mr. Powell 5
 7 CERTIFICATE OF REPORTER 79
 8
 9
 10
 11 - - -
 12
 13
 14 EXHIBITS
 15 1 Draft Invitation to Participate in the 69
 JEA Long-Term Performance Unit Plan
 16
 17
 18
 19
 20
 21 - - -
 22
 23
 24
 25

Page 4

1 MR. LINSNER. This recorded interviewed is
 2 being conducted at the Office of General Counsel,
 3 City of Jacksonville. Today is January 9th, 2020.
 4 The time now is 9:30 a.m.

5 I am Investigator Robert Linsner. I am
 6 employed by the Office of Inspector General, City
 7 of Jacksonville. The Office of Inspector General
 8 is assisting the Office of General Counsel with
 9 its investigation regarding Aaron Zahn, former CEO
 10 of JEA.

11 Mr. Steinbrecher, you are being interviewed
 12 as a witness in this investigation. If at any
 13 time your status as a witness changes, you will be
 14 notified. The attorneys who will be interviewing
 15 you are Stephen Powell and Sonya Harrell.

16 As a commissioned notary public in the State
 17 of Florida, I am authorized to administer oaths.
 18 Please be advised that any false statements made
 19 during your interview or attempts to obstruct the
 20 Office of General Counsel's investigation may be
 21 used in a subsequent prosecution against you.

22 Please raise your right hand.
 23 Do you, Paul Steinbrecher, swear to tell the
 24 truth, the whole truth, and nothing but the truth?
 25 THE WITNESS: I do.

Page 5

1 MR. LINSNER: Okay. And have any promises,
2 threats, or inducements of any nature whatsoever
3 been made by me in order to obtain your consent to
4 this statement?
5 THE WITNESS: No.
6 MR. LINSNER: Okay. And do you understand
7 that this recorded interview will be subject to
8 public disclosure pursuant to the public records
9 law and other laws of the State of Florida?
10 THE WITNESS: I do now.
11 MR. LINSNER: Okay.
12 PAUL STEINBRECHER,
13 having been produced and first duly sworn as a witness,
14 testified as follows:
15 EXAMINATION
16 BY MR. POWELL:
17 Q Good morning, Mr. Steinbrecher. My name is
18 Steve Powell. I'm with the Office of General Counsel,
19 and with me is Sonya Harrell, also with the office.
20 And we appreciate your coming in this morning.
21 Do you want to introduce your counselor?
22 A I do. Thank you. So I got the notice
23 yesterday, and I was fortunate to get Mr. Poindexter,
24 and so he'll be here in a witness role, I understand.
25 MR. POWELL: That's fine. Welcome,

Page 6

1 Mr. Poindexter. Your first name, for the record?
2 MR. POINDEXTER: James.
3 BY MR. POWELL:
4 Q And you were provided with a Garrity
5 statement by CEO Dykes?
6 A I was.
7 Q And do you have it with you today?
8 A I do.
9 Q You read it and signed it?
10 A Yes.
11 Q Any questions about it?
12 A No.
13 Q Okay. I'm going to sign it down here. We'll
14 make a copy for you before you leave.
15 A Okay. Thank you.
16 Q Again, welcome and thank you for coming in.
17 The purpose of this interview is in -- to further the
18 assignment that the Office of General Counsel was given
19 by the JEA board of directors on December 17th to
20 investigate the tenure of Aaron Zahn as CEO of JEA to
21 determine whether grounds exist to support a
22 termination of Mr. Zahn's employment contract for
23 cause.
24 Did you -- do you have any other -- is that
25 your understanding of why you're here today?

Page 7

1 A I really didn't have knowledge of it.
2 Q Okay. Have you talked with anybody else on
3 the senior leadership team -- excuse me.
4 You received notice yesterday to be here
5 today?
6 A Correct.
7 Q In between that notice and this morning, have
8 you talked with anyone other than Mr. Poindexter about
9 this proceeding?
10 A Yes.
11 Q Who would that have been?
12 A I reached out to an attorney friend to get
13 references of who could accompany me today.
14 Q Did you talk to anybody on the senior
15 leadership team about it?
16 A I have only told a couple of them that I --
17 I'm on for today. I was aware that other members had
18 been through here.
19 Q And that's true. Apart from an awareness
20 that other members have been interviewed by our office,
21 have you had any discussions with any of them about
22 those interviews?
23 A No.
24 Q In the course -- I appreciate that. I'm just
25 trying to catch up. We've been busy.

Page 8

1 So in the course of our work,
2 Mr. Steinbrecher, we have identified a number of areas
3 of interest and our interest in the management of JEA
4 over the course of the last 18 months. And our only
5 purpose today is to ask you what you know about some of
6 those areas, your participation in various activities,
7 and meetings, and simply to obtain your reporting of
8 what you know.
9 As it was indicated, you are not a subject of
10 this investigation. You are here as a witness. And
11 all we ask you to do is answer as completely as you can
12 and as -- and, obviously, truthfully.
13 If you have any questions -- if any of my
14 questions or Ms. Harrell's questions aren't clear or
15 get too lengthy and indecipherable -- as I'm sure will
16 probably happen -- and you're not clear on what I'm
17 asking about, please speak up, stop me; I'll rephrase
18 it so that our record is clear. So if you give an
19 answer, I'll understand that you have understood my
20 question. Okay?
21 A Okay.
22 Q I do need you to speak audibly for the
23 reporter. We do have a court reporter here, and I
24 would ask that in fairness to her, and for the benefit
25 of our record, if you would let me -- try to let me

2 (Pages 5 to 8)

Certified Court Reporters, Inc.
(904) 356-4467

Page 9

1 finish my question before answering it, and I will try
2 to extend the same respect and courtesy.
3 As you know, when we're having a conversation
4 with people it tends to get rather rapid fire, and
5 that's a real problem for her. Would that be all
6 right?
7 A Yes.
8 Q I have a summary on a document from the -- I
9 think it's a draft of one of the McKinsey reports that
10 give a little background on yourself.
11 It's my understanding that you are currently
12 the vice president and chief environmental services
13 officer at JEA; is that correct?
14 A Yes.
15 Q How long have you been in that seat?
16 A Since April of 2018.
17 Q Prior to April of '18, what position, if any,
18 did you hold at JEA?
19 A Director of environmental services.
20 Q At that time who was the vice president?
21 A I reported then to Mike Hightower.
22 Q Was there no vice president and chief
23 environmental services officer prior to April of '18?
24 A There was not. That was a change at the
25 time.

Page 10

1 Q And it's my understanding that Mr. Hightower
2 was at that time the vice president, more or less, of
3 government affairs and --
4 A Public affairs is what it was called at the
5 time. And it included two main components, maybe three
6 main components at one point, external media relations
7 at one point, things that you would think of as
8 government relations, and then environmental services.
9 Q What is the area of environmental services?
10 What is your portfolio?
11 A My work, I manage a group of close to 60
12 people, and we oversee all of JEA's environmental
13 permits for all the power plants, the water plants, the
14 wastewater plants, all of our facilities, getting,
15 negotiating those permits, and providing compliance
16 assistance with them with primarily state regulatory,
17 environmental agencies, but other environmental
18 agencies.
19 Q What is the overlap with public affairs?
20 A There isn't a lot of overlap with public
21 affairs. I would say to the degree there is, we
22 don't -- we ourselves don't do legislative lobbying,
23 it's not in our area at all.
24 We do executive level work, for example, with
25 the state DEP, so if we need to address or get a

Page 11

1 meeting with somebody at the DEP level -- or even EQD
2 over here, that would be the -- that would be the
3 overlap. But it's executive branch work.
4 Q Prior -- when you were director of
5 environmental services -- let me back up on that.
6 How long were you in that spot, director of
7 environmental as services reporting to Mike Hightower?
8 A I have been director of environmental
9 services for about 17 years. I joined -- I had a
10 manager of industrial pretreatment role, and then I
11 undertook the director role in that first year that I
12 was with JEA.
13 Q I believe Mr. Hightower came on board in the
14 spring of '15. Do you recall that?
15 A That sounds about right.
16 Q Prior to his coming in, who did you report
17 to?
18 A Bud Para before him, and that's how our --
19 that's how the organization was. And then before
20 him -- I've had three or four vice presidents over the
21 years. Athena Mann, before him. She was a strictly
22 environmental vice president.
23 Q Did you ever report directly to the CEO?
24 A No.
25 Q This summary I have -- and so you've been

Page 12

1 with JEA for 17 plus --
2 A Just about 19 years.
3 Q All right. Your summary indicates that you
4 are responsible for leading JEA's environmental
5 services group; correct?
6 A Yes.
7 Q It then goes on to say that in that role you
8 lead the organization in ensuring the highest levels of
9 environmental compliance and incorporation of
10 sustainability into all JEA's planning activities.
11 Can you talk to me about your role in JEA's
12 planning activities?
13 A Sure. I have a background -- my background
14 is as a professional engineer. I have civil engineer
15 degrees. And so I came to JEA from an environmental --
16 large environmental consulting firm. So previously
17 that's what I did; I designed water and wastewater
18 plants worldwide. So I have a background in
19 engineering and in that type of planning.
20 So in my role, the environmental part of it
21 that comes in is we have choices when we build
22 facilities and make investments, and I'm a voice within
23 the organization of -- you can imagine if you assign
24 four different people, they'll have different points of
25 view on purpose. One may be, well, what's the lowest

3 (Pages 9 to 12)

Certified Court Reporters, Inc.
(904) 356-4467

Page 13

1 cost, and one may be what's the longest life cycle.
 2 Well, my angle tends to be trying to
 3 assimilate all those things, including what's the
 4 environmental benefit and is it sustainable for us over
 5 the long term. And that's a growing trend in the
 6 utility industry, both on the water side and the
 7 electric side. So I'm a voice for sustainable
 8 practices.
 9 Q Was your work prior to JEA primarily on the
 10 water side?
 11 A It was. Primarily water, wastewater for
 12 governments and industry.
 13 Q And while you were director of environmental
 14 services -- well, let me back up.
 15 I gather that as director of environmental
 16 services you have responsibility not only for water-
 17 related planning but also energy-related planning?
 18 A So we have a planning director -- actually, a
 19 planning vice president now. We have -- the --
 20 Q Okay. So I do know your organization, so let
 21 me speed ahead, because I don't want to keep you here
 22 any longer than you need to be. I've actually
 23 accumulated quite a bit of understanding of the
 24 structure.
 25 So I do understand you have a vice president

Page 14

1 for energy and you have a vice president for water and
 2 wastewater, and Steve McNall is the vice president of
 3 energy and water planning, which is a new position that
 4 was created for Mr. McNall when Ms. Anders was hired;
 5 correct?
 6 A Yes. Thank you.
 7 Q How do you inter -- what's the interface
 8 between your planning responsibilities and
 9 Mr. McNall's planning responsibilities?
 10 A Thanks. I get --
 11 Q Is that going to get us right to the heart of
 12 the --
 13 A I understand what you're asking now.
 14 Yeah, I am not the planning director or the
 15 planning vice president, but I weigh in on those
 16 things, especially from an environmental standpoint.
 17 BY MS. HARRELL:
 18 Q Who do you directly report to?
 19 A I report now to Herschel Vinyard.
 20 Q When you say now, when did that change?
 21 A Herschel was hired on -- in March or April of
 22 last year, and that's when the change was made.
 23 Prior to that I reported -- when I came
 24 upstairs it was at the request of Ms. Dykes, and I
 25 reported to Ms. Dykes in her role as chief operating

Page 15

1 officer.
 2 Q Okay. So it was -- it's now Herschel
 3 Vinyard; before that it was Melissa Dykes?
 4 A Yes.
 5 Q And then before that it was Mike Hightower?
 6 A Yes.
 7 BY MR. POWELL:
 8 Q When did it shift from Mr. Hightower to
 9 Ms. Dykes, your direct report?
 10 A Right about when I first came upstairs.
 11 Q Do you remember when that would have been?
 12 A It would have been about April of '18.
 13 Q Oh, I'm sorry, that's right. So that's when
 14 you became vice president.
 15 A It'll be two years this April.
 16 Q And the vice presidents are on the 16th
 17 floor; right?
 18 A Yes.
 19 Q When did you first meet Aaron Zahn?
 20 A I think the first time I met him was four
 21 or -- my recollection is four or five years ago he was
 22 at a workshop that JEA had.
 23 BY MS. HARRELL:
 24 Q Do you remember what that workshop was about?
 25 A I think it was about energy sustainability.

Page 16

1 The public affairs group was putting it on. I think
 2 Bud Para was hosting it at the time. And there were --
 3 I remember there were roundtable sessions with
 4 different members of the public upstairs, and I met him
 5 in that role.
 6 BY MR. POWELL:
 7 Q What do you remember of your interaction with
 8 him at that gathering?
 9 A Just that he was very interested in utility
 10 functions and seemed fairly knowledgeable. That stuck
 11 out.
 12 Q Knowledgeable of -- you say utility
 13 functions. That would be a pretty broad --
 14 A Yeah, thanks. We were talking about water,
 15 wastewater trends for the future, and energy trends for
 16 the future.
 17 Q Did you have any -- now, I've noticed the
 18 coincidence of dates here. You became vice president
 19 in April of '18. I believe that's also when Mr. Zahn
 20 became interim CEO; correct?
 21 A It is almost coincident with that. When that
 22 process -- when the board concluded its process and
 23 selection of a new CEO, within a few days after that I
 24 got a call from Melissa.
 25 Q Okay, careful. At that point it was -- he

Page 17

1 was an interim CEO in the spring of '18 when you came
2 up. He didn't become -- I'll just tell you, he didn't
3 become the permanent CEO until November of '18.
4 A Thank you. At that time in -- but he had
5 been --
6 Q On the board.
7 A Yeah. But he had been selected and she had
8 not.
9 Q That's correct, as the interim.
10 A Yeah.
11 Q When Mr. McElroy left -- let me just provide
12 this background and see if it refreshes and you can
13 recall. This is not a trial --
14 A Right.
15 Q -- and so we don't have any formal rules of
16 evidence, so we're just going to -- I'm going to try to
17 expedite things for your benefit primarily.
18 A Okay, thank you.
19 Q When Mr. McElroy left, Ms. Dykes became --
20 was appointed by the board as interim CEO. Do you
21 recall that?
22 A Yes.
23 Q And that was for a short period of time.
24 Whatever happened, Mr. Zahn then was appointed by the
25 board as the interim CEO. Do you recall that?

Page 18

1 A I do.
2 Q And you recall that being about the time you
3 came upstairs as vice president?
4 A Yes, if that was spring of '18.
5 Q All right. Did you have any contact with
6 Mr. Zahn after that gathering four or five years ago
7 until he showed up as being appointed to the JEA board
8 of directors?
9 A No.
10 Q When he was appointed to the JEA board of
11 directors, did you have any opportunity to interact
12 with him?
13 A No.
14 Q When was your first direct interaction with
15 Mr. Zahn after he was appointed to the JEA board of
16 directors? Let me ask it a different way. I'm not all
17 that concerned about his tenure on the board of
18 directors.
19 So he's now the interim CEO and you're now a
20 new vice president; correct?
21 A Yes.
22 Q Did he invite you in to have a let's-get-to-
23 know-each-other type meeting or any other meeting of
24 any kind?
25 A No.

Page 19

1 Q Do you recall the first time -- well, let me
2 ask this: Have you ever had a one-on-one session with
3 Mr. Zahn?
4 A No. We were scheduled to do a lunch thing.
5 He was trying to make the rounds with the different
6 vice presidents, and at one time I was on the schedule
7 for that, but it got bumped.
8 Q All right. That would have been, I believe,
9 after the -- after the July 23, 2019, board meeting.
10 Do you recall that, that that's when that
11 one-on-one would have occurred where he was going to
12 make the rounds with the vice presidents?
13 A I don't recall, but five, six, seven months
14 ago sounds about right.
15 Q Does the July 23 board meeting stand out in
16 your mind?
17 A Not particularly.
18 Q Did you attend the board meeting?
19 A I'd have to go look. I don't attend all of
20 them.
21 Q All right. Let me just refresh. This was
22 the board meeting six months ago where the board
23 approved the performance unit plan, it approved a
24 number of employment agreements, including yours, and
25 it gave direction to the -- to management with respect

Page 20

1 to pursuing the ITN and assorted restructuring concepts
2 for JEA.
3 Do you remember all that happening just six
4 months ago?
5 A I -- yes. But I can't recall if I was at
6 that board meeting or not. My vice president -- or my
7 person I report to doesn't necessarily -- you know, he
8 likes us doing our work. He doesn't necessarily
9 require us to be at board meetings.
10 Q That being Mr. Vinyard?
11 A Yes. So I've probably been to at least half
12 the board meetings since Mr. Vinyard's been here, but I
13 have not been to all of them.
14 Q All right. You just don't recall whether you
15 were there or not?
16 A Correct.
17 Q All right, that's fine. Prior to that
18 meeting, had an employment agreement -- let me ask you
19 this: When you were the director of environmental
20 services, did you have a written employment agreement
21 with JEA?
22 A No.
23 Q When you became vice president and chief
24 environmental services officer in April of '18, were
25 you given a written employment agreement and execute an

Page 21

1 agreement with JEA?
2 A I do not believe so.
3 Q Then as far as your belief --
4 A But in June or July I was given one.
5 Q All right. And that's my question --
6 A Of this year.
7 Q When were you given it, in either June or
8 July?
9 A I believe it was July of this -- July of
10 2019.
11 Q Who gave it to you?
12 A I believe Ms. Rhode handed them out.
13 Q Do you remember whether she handed them out
14 before or after the July 23 board meeting?
15 A I don't. But it would have been late July.
16 Q In what manner was it handed out to you by
17 Ms. Rhode? And if I need to elaborate on that, I'll be
18 happy to.
19 A I think -- my recollection was maybe they
20 were handed out at an SLT meeting, where somebody walks
21 around and says, Here's yours, here's yours, here's
22 yours.
23 Q Was it presented to you as: Here it is,
24 sign?
25 A No.

Page 22

1 Q Or was it presented: Here it is, have a look
2 at it, give it some thought, let us know what you
3 think?
4 A I think they were given to us with the
5 expectation that you would go away and read them, seek
6 counsel to review them if you so desired, and return
7 them by the end of the month. My recollection is it
8 was a short time frame, four, five, six business days.
9 Q What did you do with yours?
10 A I went and I sought an employment attorney to
11 review it for me.
12 Q Who did you talk to? I don't want to know
13 any information of what was discussed, just the name of
14 the attorney you talked to.
15 A A gentleman -- the firm is Spellman and
16 someone over in Tallahassee.
17 MS. HARRELL: Sniffen & Spellman?
18 THE WITNESS: Sniffen & Spellman. And his
19 name is Tom --
20 MR. POWELL: Don't worry about it.
21 THE WITNESS: I can get it for you.
22 BY MR. POWELL:
23 Q Don't worry about it. Did you subsequently
24 execute the agreement?
25 A I did.

Page 23

1 Q Did you make any changes to it before you
2 executed it?
3 A No.
4 Q Had you -- prior to it being given to you at
5 that group meeting that you described, had you ever
6 been aware that this agreement was coming down the
7 pike?
8 A I don't remember that I did. I don't think I
9 did.
10 Q So you never had talked about it with Lynne
11 Rhode or anybody else before, bam, there it is in front
12 of you in that group meeting?
13 A That's my recollection.
14 Q Were you also presented with a couple of
15 other component agreements, one being a transition
16 agreement and another being a retention agreement?
17 A Yes. There's three components to it.
18 Q Even though I have been at this for --
19 A One's presented as an Appendix A and one's
20 presented as a --
21 MR. POWELL: Would you find them, please,
22 Sonya? Just find them so I can get --
23 MS. HARRELL: Well, I don't know if they
24 are -- well, they may be.
25 THE WITNESS: One's a retention agreement in

Page 24

1 the case of a change of --
2 MR. POWELL: Of ownership.
3 THE WITNESS: -- ownership.
4 BY MR. POWELL:
5 Q Do you recall how long your retention
6 agreement was for?
7 A I think it's for three months.
8 Q What was your -- what were your thoughts when
9 you reviewed this package of --
10 A Could I -- let me back up on that.
11 Q Sure. And please do that, because I want to
12 make sure you have -- that you get everything out that
13 you've got, because you probably don't want to do this
14 again.
15 A Well, and I haven't looked at those three
16 documents in a while, but then you said the retention
17 agreement. I was confusing that with the employment
18 agreement.
19 So the retention agreement has -- the
20 retention agreement is focused on if there's a change
21 of ownership. I believe it -- it's intended to ensure
22 continuity of work staff for three years following a
23 change of ownership.
24 Q And then the consulting agreement --
25 A Thank you.

6 (Pages 21 to 24)

Certified Court Reporters, Inc.
(904) 356-4467

1 Q -- is for three months; correct?
 2 A And the consulting agreement is for three
 3 months.
 4 Q So these three components -- and let's not
 5 worry about what they're named and what the terms are,
 6 because we have your documents. I just don't have them
 7 here. They are what they are; right?
 8 A Yes.
 9 Q You didn't make any change to them; you
 10 signed them all?
 11 A Correct.
 12 Q All right. When you looked at that package
 13 of documents, did you have any thoughts about them in
 14 terms of, what are these, perhaps, why are they being
 15 offered, any -- any thoughts along those lines?
 16 A The retention agreement, I knew what the
 17 underlying purpose was. It was being offered
 18 throughout the organization for the purpose I just
 19 described, in the event of a change of ownership to
 20 retain employees.
 21 I did not know the underlying reasoning for
 22 contracts for all of us. There had not been contracts
 23 for senior members for several years prior to that.
 24 There had been in previous administrations, but there
 25 hadn't been in recent administrations.

1 Q And the same with respect to the consulting
 2 agreement, I assume, you had questions about that,
 3 like, What's this?
 4 A Not particularly. I am not -- I'm not
 5 generally aware of what's normal and customary at that
 6 executive level, which is why I sought an employment
 7 attorney to look at that and say, Does this look right
 8 to you?
 9 Q Okay. But for over a year -- over a year,
 10 from April of '18 to July '19, you had not had the
 11 benefit of any agreement --
 12 A That's correct.
 13 Q -- on any of these concepts; right?
 14 A That's correct.
 15 Q All right. Was there any discussion among
 16 the group at the time -- and do you recall that it was
 17 Lynne Rhode that handed everything out to everybody?
 18 Whoever it was --
 19 A I think it was.
 20 Q You think it was Lynne, okay.
 21 So whenever it was all handed out to the
 22 group, was there any discussion -- did everybody take a
 23 look at this package and then raise a hand, ask any
 24 questions?
 25 Was there any give-and-take at that time in

1 the group?
 2 A I don't -- I don't recall that. My
 3 impression from that was, just as a -- when somebody
 4 walks around the table and hands those types of things
 5 out, I assume that they're not all the same. That's
 6 just my assumption. So people --
 7 Q Yeah, I'm going to --
 8 A People didn't sit around trading notes
 9 because of that.
 10 Q I hear what you're saying and I understand
 11 that. I hadn't frankly -- that, frankly, hadn't
 12 occurred to me. Thank you.
 13 So suffice it to say you took your package of
 14 documents, talked to an attorney about them, whatever
 15 was said was said. You came back, you signed them all,
 16 turned them in without making any changes; correct?
 17 A That's correct.
 18 Q All right. Do you recall that it was after
 19 that event that Mr. Zahn was going to make one-on-one
 20 visits with the senior leadership team to meet?
 21 A I don't. But it -- it shouldn't be hard for
 22 me to look back on a -- on my schedule and see if an
 23 original one is there, because at one point there was
 24 one on the calendar.
 25 Now, when they hit the cancellation notice, I

1 don't know if there's still an artifact from that or
 2 not.
 3 Q Thank you. So there will be some takeaways
 4 from this, possibly, of things we'd like you to follow
 5 up on and provide us.
 6 Do you want me to make that list, or can
 7 Mr. Poindexter make that list? It would be most
 8 efficient and helpful if he would.
 9 MR. POINDEXTER: I will.
 10 THE WITNESS: Sure.
 11 BY MR. POWELL:
 12 Q So the one thing we would like to ask you to
 13 verify on your calendar is when that one-on-one meeting
 14 with Mr. Zahn was supposed to take place.
 15 Did you -- regardless of when it was supposed
 16 to take place, do you know -- were you told what that
 17 meeting was going to be about?
 18 A Yeah. The conventional wisdom was they were
 19 just what you would do with any employees, to -- a
 20 skip-level interview, to talk, see how things are
 21 going..
 22 Q Skip-level, what does that mean?
 23 A Skip-level usually means down a level or two.
 24 That's common in our business is to -- for example, I
 25 occasionally go see managers that report to directors

Page 29

1 that report to me. Not frequently, but occasionally.
2 Might ask them to lunch and say, How's it going, just
3 have rapport.
4 Q I get it. And Mr. Zahn meeting with you
5 would be a skip-level because he's the CEO and you
6 don't report to him directly anyway; right?
7 A Correct.
8 Q But you had never had a skip-level meeting
9 with Mr. Zahn --
10 A No.
11 Q -- had you?
12 A No. But that didn't surprise me at all.
13 That's something that's expected of most of us to do
14 that.
15 Q Expected to do what?
16 A Skip-level interviews.
17 Q No, I understand that. But you had never had
18 one with Mr. Zahn since he came on -- since you came on
19 as vice president; is that correct?
20 A Well, I'll have to look at what the initial
21 schedule date was. I don't recall what that date was.
22 But, no, I hadn't had one.
23 Q As we -- so let's roll through to December
24 17th. You remember that day, right, Mr. Zahn as -- his
25 tenure ended on December 17th.

Page 30

1 A Yes.
2 Q Up and to that point had you ever had what
3 you would call a skip-level meeting with Mr. Zahn?
4 A No.
5 Q A number of meetings occurred in 2019 of the
6 senior leadership team -- and you consider yourself a
7 member of that team; correct?
8 A I do.
9 Q And as I understand it now, there is an upper
10 echelon of that team called the executive management
11 team; correct?
12 A We have a -- we have a two-tiered senior
13 leadership system.
14 Q And as of a month -- two months ago, who
15 would be that -- who would have been in that upper
16 level group?
17 A Okay. So Aaron as CEO; Melissa Dykes,
18 president and chief operating officer; Ryan
19 Wannemacher, chief financial officer; Herschel Vinyard,
20 chief administrative officer. I think that's, two
21 months ago, what it would have looked like.
22 Q Sounds right to me. With maybe Shawn Eads as
23 well?
24 A I wasn't sure about Shawn, because he had a
25 boss when he came in named Julio --

Page 31

1 Q Romero.
2 A Romero, thank you. And Julio would have been
3 the fourth person on that two-tier leadership team. So
4 it wasn't clear to me that Shawn was in that second
5 tier. Although Shawn had special assignments regarding
6 McKinsey.
7 Q All right. When you say second tier -- good,
8 thank you. We'll come back to that.
9 A First tier or second tier.
10 Q Upper tier; right?
11 A Yeah.
12 Q Do you remember -- well, I will just tell you
13 that I -- we're aware that there were a number of
14 off-site meetings of the senior leadership team in
15 2019. It's our understanding that the first such
16 meeting was on April 4th, 2019, at Ponte Vedra. I have
17 a list of folks that were invited. You're on that
18 list.
19 Did you attend that meeting?
20 A I think so. I would have been invited to all
21 four. I think I missed one. I would have to go back
22 and look which one. But I for sure would have been
23 invited to all four, because they were strategy
24 meetings related to the McKinsey work we were doing.
25 Q All right. And so before I get into the

Page 32

1 meetings -- you mentioned McKinsey a couple of times.
2 If you would just sum up for us what you first -- I'm
3 going to say what you understood to be what McKinsey
4 was doing for JEA.
5 A Okay. McKinsey was hired to assist JEA in a
6 revised strategy for the organization moving forward, a
7 ten -- really a ten-year strategy look forward.
8 Q And when you say revised, what do you -- that
9 implies a change. What did you understand the revised
10 aspect of their strategy work to be?
11 A Probably a poorly chosen word, Mr. Powell. I
12 don't know when the previous strategy work had been
13 done, but I just meant the next one, the next in a
14 sequence.
15 It's common for utilities to do these on
16 three-, five-, or ten-year cycles. Utilities are
17 moving to shorter and shorter cycles of these because
18 of planning uncertainty in our business. That's what I
19 meant by revised. I should have said a new one.
20 Q That works for me. And I wasn't trying to
21 catch you in any kind --
22 A Yeah.
23 Q I'm not trying to do any gotchas here, okay.
24 A I understand.
25 Q All right. So how about -- when did you

Page 33

1 first learn that McKinsey was being engaged to work on
2 a new strategic plan for JEA?
3 A I think we started with them -- I think about
4 the new year.
5 Q "New year" being 2019?
6 A Yeah.
7 Q We're having to be very careful, because over
8 the course of this we have changed years.
9 A Thank you.
10 Q And we're asking people to be very careful
11 when they're talking about time frames.
12 A About a year ago.
13 Q All right. Did you receive an assignment or
14 direction with respect to participating or assisting
15 McKinsey?
16 A Yes.
17 Q From whom?
18 A I think it was just expected as a member of
19 the senior leadership team that you would participate.
20 And as we did the strategy work, it was critical for
21 everybody to participate, because you would be reaching
22 down into your own particular team for data and
23 information to feed back up to McKinsey to compile and
24 for analysis.
25 Q What do you recall of your work in the early

Page 34

1 stages of the McKinsey work?
2 And when I say early stages, I'm going to ask
3 you to stay in the first quarter of 2019.
4 A Okay. That's not hard to do. It was pretty
5 methodical work.
6 It's called scenario based, and you start
7 with the scenario of what's your current status quo.
8 If you didn't change anything but the market around you
9 continued to evolve in the direction we're seeing it
10 evolving, what would happen to the business. So
11 that's -- another word for that is just the baseline.
12 So the first thing you do is you try to
13 establish the baseline, and that was the first work we
14 did.
15 Q Is that -- was that the focus of the first
16 quarter of 2019?
17 A I'd have to go check the dates, but that's
18 the first work we did with -- with McKinsey whenever we
19 did it.
20 Q All right. How would you then characterize
21 the next phase -- or next stage of working with
22 McKinsey?
23 A Well, the first phase was not -- it had a --
24 wasn't unexpected, but it was -- it was a conclusion
25 that the electric side of the business in particular

Page 35

1 was facing -- would be facing headwinds due to
2 declining revenues in that business.
3 Q Whose conclusion was that?
4 A The team's, including McKinsey's.
5 Q We've heard the word headwinds quite a bit.
6 Without getting into the specifics of them, you are --
7 you've been at this a long time; right?
8 A Yeah.
9 Q And you have an understanding, I believe --
10 tell me if I'm wrong -- of the utility industry
11 throughout the United States, yes?
12 A Yes.
13 Q Both in the public and private sector, yes?
14 A Yes.
15 Q Are the headwinds JEA is facing any
16 different, in general terms, than the headwinds facing
17 every other utility in the United States?
18 A I don't know that I'd say every other, but I
19 would say they are common in the industry. And I can
20 simplify them, I should for you.
21 There are two basic things. Declining
22 revenues are a clear pattern in the industry. It's
23 just year after year declining or flat; and increasing
24 costs.
25 Q And that would be true throughout the United

Page 36

1 States; correct?
2 A That's generally true. Some utilities are
3 curing that or attempting to cure that by acquisitions.
4 That's how they deal with the revenue issue.
5 BY MS. HARRELL:
6 Q Acquisitions of?
7 A Others. Consolidation in the marketplace.
8 Q Acquisitions of other utilities?
9 A Yeah. So it's not -- so not every utility
10 has declining revenues. But if they kept their
11 customer base the same, Mr. Powell -- if they had, make
12 it up, whether that's a million or ten million
13 customers and they held those customers the same, they
14 have declining revenues. Because everybody is using
15 less electricity year over year in the United States.
16 BY MR. POWELL:
17 Q As an aside, it does seem ironic, doesn't it,
18 because we've been pushing people for at least the last
19 40 years to use less energy.
20 A Everything is more efficient, that's right.
21 It's just a reality of the marketplace, and that'll
22 continue.
23 BY MS. HARRELL:
24 Q What about on the water side?
25 A Water is -- water is different, very

Page 37

1 different. It's a different analysis, because water is
2 inherently local. It's very expensive to move it over
3 long distance, as opposed to electrons on wires. So
4 it's expensive to put in pipes and move water long
5 distances.
6 It's hard from a regulatory framework to move
7 water over long distances. That's usually not
8 accepted, especially in the eastern United States. So
9 water is a limited resource, and we'll continue to
10 serve more and more population with less and less water
11 and increased rates.
12 BY MR. POWELL:
13 Q I do need to ask a question. Hang on a
14 second. I'm glad Ms. Harrell brought up the water
15 side.
16 Among public utilities that -- in the United
17 States that you are aware of, would you be able to give
18 us a percentage of those utilities that have both
19 energy and water?
20 A I wouldn't.
21 Q Water/wastewater.
22 A I wouldn't, but it's not a big number.
23 Q So you would agree with me that it's a -- is
24 it a relatively small percentage of public utilities
25 that have -- that enjoy -- would you consider it a

Page 38

1 luxury that the -- enjoy the luxury of having both
2 electric and water/wastewater under one roof?
3 A I don't know if it's a luxury or not,
4 Mr. Powell. I won't get into that. But it -- it's not
5 real common for -- to have combined utilities.
6 Q Okay. So let me ask you this -- but as the
7 vice president and chief environmental services
8 officer, do you see a benefit to the agency that it has
9 both electric and water/wastewater?
10 A I would state it differently. I joined the
11 company about 19 years ago, and it was clear to me that
12 the water side of the business at the time, which had
13 previously been operated as a public utility by the
14 City of Jacksonville, was underinvested, and it was
15 under a variety of regulatory consent orders because it
16 had been underinvested.
17 There was a big benefit at that time for the
18 water side of the business, because it then received
19 capital infusion. The facilities were brought up to
20 very good quality -- we're very proud of the water
21 system we've got now -- and brought under what I
22 consider a higher level of professional management.
23 BY MS. HARRELL:
24 Q Are you saying that's from the transition of
25 when it was with the City --

Page 39

1 A That's from the --
2 Q -- and then in '97 they --
3 A That's from the '97 transition to JEA. So I
4 think there was a benefit for JEA taking over the water
5 system at that time.
6 BY MR. POWELL:
7 Q All right. So conclusions were reached with
8 respect to the forecast given the status quo scenario?
9 A That's the first work we did.
10 BY MS. HARRELL:
11 Q Let me go back to a question I had, though,
12 about the water. You talked about the status quo being
13 based on the declining energy revenues.
14 A And we looked at both sides of the business.
15 Q Okay, that was my question.
16 A And they're two separate business. We don't
17 mix the money between them. The capital has remained
18 separate, so they're two separate business.
19 Q And so what was the forecast in that
20 scenario -- in that status quo, baseline, with regard
21 to the water revenues?
22 A It was okay.
23 Q What do you mean "okay"?
24 A I don't think there were serious concerns
25 about it, is my recollection. Water is becoming more

Page 40

1 and more scarce. The concern in the water business is,
2 because it's a scarce resource and it's local, is we'll
3 need to look at what's called alternative water
4 supplies in the future for sources of water and develop
5 those locally.
6 Q Okay, thanks. I just wanted to clarify.
7 A And they'll be more expensive. And that's a
8 common trend in the industry and very common in
9 Florida.
10 BY MR. POWELL:
11 Q For me that would now bring us to the first
12 off-site meeting of the leadership team at Ponte Vedra.
13 Do you remember attending that first meeting on April
14 4th?
15 A I was probably there. I'd have to go look.
16 My recollection is I think I missed one of the four,
17 but I couldn't tell you which one.
18 Q Okay. I would ask you also if you could go
19 back and check and let us know which ones you were at.
20 Obviously, if you tell us which ones you were at, we'll
21 know the one you missed.
22 A Yes, of course.
23 Q And you might not recall the dates, but do
24 you recall that there was a meeting in April, a meeting
25 in June, and two meetings in August?

Page 41

1 A That sounds right.
2 Q Here we are in January of 2020 looking back
3 on the year. Are you able to distinguish between the
4 discussions and presentations at each of those meetings
5 distinctly?
6 A No. What jumps out in my mind is one of the
7 last ones, McKinsey was supposed to be providing a
8 high-level wrap-up, and the team felt they weren't very
9 well prepared. That jumps out in my mind.
10 Q Do you remember whether -- at the first
11 meeting you attended, whenever it was, whether McKinsey
12 presented?
13 A Yes, certainly.
14 Q Did McKinsey present at all the meetings you
15 were at?
16 A I think so.
17 Q All right.
18 A That was a -- that was the main purpose of
19 them.
20 Q You're with me that there were two meetings
21 prior to the July 23 board meeting that we've
22 previously identified and summed up. Are you in
23 agreement?
24 So you had April, June, and then two in
25 August?

Page 42

1 A I said that sounds about right. I'd have to
2 check the calendar.
3 Do you mind making notes on that?
4 MR. POINDEXTER: I have those notes.
5 BY MR. POWELL:
6 Q I'd like to ask you to keep your answers now
7 in the meetings that occurred before the July 23 board
8 meeting.
9 A Okay.
10 Q And again I'll represent to you it certainly
11 appears that there was a meeting on April 4th and a
12 meeting on June 11th.
13 A Okay.
14 Q Assume you attended those meetings -- and you
15 would have attended one or the other of them, right --
16 A I'm --
17 Q -- because you only remembered missing one?
18 A I'm certain that I was at at least one of
19 those. They were in two different buildings. That's
20 why I can remember this. One was on one side of the
21 road and one was on another side of the road, so they
22 were in different meeting rooms.
23 Q So you're saying the April meeting was on one
24 side of the road and the next meeting was on the
25 other --

Page 43

1 A And those August ones were on the beach side
2 of the road.
3 Q What about as between the April and June
4 meeting, were they on the same side of the road, so to
5 speak?
6 A I think they would have been on the not-beach
7 side of the road.
8 Q At either of those first two meetings, do you
9 recall Aaron Zahn discussing with the group -- and by
10 that I mean members of the senior leadership team --
11 and talking about that in the event of a
12 recapitalization or change of control of the company,
13 that in that process a large sum of money transfers,
14 and that in that event a portion of those funds could
15 be used to fund an incentive plan for employees?
16 A Say that again, Mr. Powell.
17 Q I worked really hard on that, so I'm going to
18 ask you to read that back, okay.
19 (The question was read by the reporter.)
20 THE WITNESS: I don't remember that and the
21 specific timing.
22 BY MR. POWELL:
23 Q Would you have any notes from either the
24 April or June meeting that might help you remember?
25 A No.

Page 44

1 Q You didn't take any notes?
2 A No.
3 Q Were you presented with any materials at
4 either of those meetings?
5 A Took --
6 Q Prepared -- excuse me, prepared -- well, I'm
7 sorry, prepared by whoever.
8 A Typically we would have -- there were some
9 exercises in those meetings that were usually related
10 to bringing back from our areas information regarding
11 strategic planning or getting into break-out groups to
12 look at the compiled work that we had previously given
13 to McKinsey.
14 That's what those sessions really were. Come
15 back, get what McKinsey had compiled, then break into
16 working sessions and decide, discuss, what does this
17 mean; what should we do about it. Brainstorm, plan for
18 the future.
19 And then they were the type of sessions where
20 you would -- most of us have been in these types of
21 things. You would put sheets of papers on the wall,
22 stickies, multi vote, you know, what's your opinion on
23 would it be better to do this or that, those kinds of
24 things.
25 And then McKinsey would take that work back

Page 45

1 and compile it for the next get-together. That was the
2 general focus of those meetings.
3 BY MS. HARRELL:
4 Q Do you recall what kind of material you were
5 asked to have your team gather?
6 A Sure. And it varied, because what -- in the
7 scenario -- I'll do this as quickly as I can.
8 In the scenario-based work we were doing,
9 that very first work we did was a baseline. Baseline
10 wasn't pretty primarily for the electric side of the
11 business. Water was okay financially.
12 The next thing we did was, well, how could
13 you mitigate that. If you let it all fall on the
14 ratepayer what would that feel like to the ratepayer.
15 We call that Status Quo 2.
16 Or, if instead we didn't let that fall on the
17 ratepayer, but we shrunk the business and took the hit
18 as much as possible at JEA by all the things you might
19 imagine, but lower -- lower quality service is what
20 that translates to at the end of the day, layoffs and
21 other things. That was the second scenario.
22 The other scenarios were versions of could
23 you -- could you become a different type of
24 organization so that you could more nimbly get into
25 other businesses or other business practices, expand

Page 46

1 business practices more nimbly without the risk of
2 somebody stealing your business plan, because that's
3 what we face right now as a public agency.
4 And those other -- there were three of them:
5 An initial public offering, meaning everybody over
6 there probably remains the same, the same teams there,
7 but you privatize yourself through an IPO; two, through
8 a co-op type of organization; or, three, through a
9 sale. That part is called the ITN, that's option 5.
10 That's the option that's gotten all the public
11 attention.
12 So that is -- all five of those are the suite
13 of work that we were doing with McKinsey.
14 Q Okay. So when you said -- you go to this
15 meeting, McKinsey would ask you for input from your
16 team, your group. Did you have to provide data to
17 McKinsey?
18 A Occasionally, yeah.
19 Q Do you remember what kind of things you had
20 to provide?
21 A Yeah. In my area it's some -- every group
22 got asked early on, do brainstorming with your group on
23 what are other businesses. What -- and we would
24 brainstorm with our teams, our teams of employees --
25 are the other things we could be doing from a revenue

Page 47

1 standpoint, as an example.
2 Q Were you asked also to do a scenario in which
3 you cut 15 percent of your team, or you cut --
4 A Yes.
5 Q Or cut 15 percent of your budget, I guess?
6 A Yes. It wasn't specifically 15 percent,
7 Ms. Harrell, but that's what I just referred to as
8 SQ 2, which is what if the utility takes the brunt of
9 if revenues are declining and expenses are increasing,
10 what does that look like? And we called that scenario
11 SQ 2.
12 Q How did you provide this information to
13 McKinsey? Was it email; do you remember?
14 A I don't remember if I provided -- I think I
15 provided a hard copy on a budget sheet on that
16 particular one.
17 Q Okay. And then what other information --
18 A Because that one had to do with potential
19 staff cuts.
20 Q Okay. Would you have provided everything to
21 McKinsey in either email or hard copy when they were
22 asking for information from your team?
23 A Yeah. And there -- there wasn't a lot. Most
24 of my work in those sessions was just participating
25 with the group on common discussions in the room, on

Page 48

1 the types of things -- the types of exercises --
2 (Brief interruption)
3 THE WITNESS: I thought this was off. Pardon
4 me.
5 You know, we would hear their analysis and
6 then we would discuss it and break into small
7 groups and then compare what the small groups had
8 talked about and see, if you had four different
9 groups, did they come to the same conclusions on
10 them.
11 BY MR. POWELL:
12 Q When you all were discussing SQ 2, and in
13 particular the staff cuts, do you remember what the
14 discussion was in terms of the immediacy of the need to
15 make those staff cuts?
16 A I don't. I don't -- my recollection isn't
17 that it was something that needed to be done next week.
18 It was part of the strategy work for those five
19 different scenarios so that we could lay out a whole
20 list of options for the board to consider.
21 Q So you don't recall any consensus among the
22 group, for example, that if JEA were to opt for SQ 2
23 that 10 percent of the workforce would have to be cut
24 within two years, anything like that?
25 A It varied by group, but that was the intent,

1 was that when we're done with this strategic planning,
2 which was intended to be maybe a year- to year-and-a-
3 half process, that the board would look first and make
4 a recommendation, and then it would go to Council
5 second.

6 That was always the intention of this work,
7 and to have a community discussion about these five
8 alternatives.

9 Q In the 19 or so years that you've been with
10 JEA, do you recall that periodically there was talk
11 over those years, whether it was every few years or
12 five years, about selling JEA?

13 A It comes up periodically.

14 Q Do you remember a -- that in May of 2018, a
15 month after you became vice president -- your timing is
16 really good, I mean when you got in there. I just got
17 to tell you.

18 A Well, and I can explain that to you if it
19 helps.

20 Q Explain what?

21 A Why that timing is.

22 Q Okay. What is it?

23 A So the board had made Aaron the --

24 Q Interim CEO?

25 A -- interim. And Melissa had decided to stay

1 on the motion by Vice Chair Cumber, the board approved
2 a resolution that provided that, until further board
3 decision, any activities tied to a privatization effort
4 would be put on hold.

5 Do you remember that event? Do you remember
6 that board action?

7 A I don't. You are saying May of '18?

8 Q Yes, sir. All right. I ask you to accept
9 that that's the truth and fact.

10 A Certainly.

11 Q And assuming that's the case, would it be
12 correct for us to understand that in your last couple
13 of years as director of environmental services, and
14 then as you were transitioned into the vice president's
15 role, that you personally had not been engaged in any
16 particular degree of discussions about the selling or
17 the privatization of JEA?

18 A That's correct.

19 Q All right.

20 A That would have been above my pay grade.

21 Q But now, come April, you're now vice
22 president, would you agree that should discussions like
23 that resume that you would have expected to have been
24 in the loop, or at least made aware, at least briefed
25 on that -- any such effort?

1 on. From my point of view, I didn't know if Melissa
2 would stay on in the org. She had competed for the
3 job.

4 So she called and said -- her conversation
5 with me -- I was at an out-of-town meeting -- was,
6 Paul, I want you to know I've decided to stay on. I'm
7 going to be in the president and COO role. And the way
8 we're going to be organized, I need the operational
9 folks underneath me. I have always appreciated you and
10 your work, and I'd be honored if you'd serve as my vice
11 president of environmental.

12 So that was a great honor for me, Steve.

13 Q Well, congratulations. And I can see how it
14 all dovetails.

15 And I wasn't meaning anything other than good
16 things about the timing.

17 A But at the time -- I want to explain that
18 organizational move, because it was a change for us; it
19 was a big change. So they put all operations under
20 Melissa as a COO, and they took ancillary roles,
21 government affairs and other things, and those were
22 separate, in a different area.

23 Q As it so happens, the next month at a board
24 meeting, there was discussion about -- talk and chatter
25 about the privatization of JEA. And at that meeting,

1 A Perhaps. I don't know. I'm going to give
2 you a two-part answer to that. One, since we have a
3 two-tier system, maybe not. But, two, I had a general
4 awareness and was participating actively in the
5 strategy work that we were doing, that five-part
6 strategy work.

7 The five-part strategy work, to my knowledge,
8 was not laid out as we're getting ready to sell JEA.
9 It was looking at five different things to present to
10 the board for the future, for them to select amongst
11 that buffet.

12 Q No, I do understand that. But one scenario
13 did involve --

14 A Privatization.

15 Q -- privatization; right?

16 A Absolutely.

17 Q Okay. Do you remember, and it's, frankly,
18 fortunate that -- your timing of becoming vice
19 president, because the time line for us starts at that
20 point.

21 After May, or shortly after you became vice
22 president, do you recall the first time you were
23 engaged in a discussion on the 16th floor about the
24 possible future restructuring or sale of JEA or
25 privatization of the agency?

Page 53

1 A Certainly. But in a different context.
 2 Again in the --
 3 Q No, no, no. When? When?
 4 A Oh, when? I don't recall. But it would --
 5 it would have been early on, though, Mr. Powell.
 6 That's what I want to make clear.
 7 Q Early on in your tenure?
 8 A It would have been early on in my tenure, and
 9 it would have been in the context of developing
 10 strategy options for selection.
 11 Q And who would have engaged you in that
 12 effort?
 13 A Those would have been SLT discussions with
 14 the group.
 15 Q Including Mr. Zahn?
 16 A Yes. Yeah.
 17 Q Would any such discussion have been led by
 18 Mr. Zahn?
 19 A Yeah, probably would have been led by Aaron
 20 or Melissa.
 21 Q During Mr. Zahn's interim period, do you
 22 recall any SLT meetings in which Mr. Zahn did lead the
 23 group in a discussion pertaining to the privatization
 24 of JEA?
 25 And that would have been between May of '18

Page 54

1 and November of '18.
 2 A I don't recall. I'd need to go back and look
 3 at some of my meeting notices.
 4 The early work we were doing, early in
 5 Aaron's tenure, Mr. Powell, was related to mission and
 6 vision of JEA. That's the first work we did. That --
 7 this precedes McKinsey work.
 8 Q And does it precede his becoming the
 9 permanent CEO?
 10 A Yeah. I think it was in the interim period.
 11 And that was more related to what we now call CCEF.
 12 Who do we want to be? What should we be focusing on?
 13 Q Okay, that's a new acronym. Can you explain
 14 it for me?
 15 A Yeah.
 16 Q CCEF. And I know that she will need some
 17 help for her record. What does that --
 18 A So it's an acronym, CCEF. And we spent -- we
 19 spent the first bit of that time of Aaron's tenure
 20 developing new mission and vision statements for the
 21 organization.
 22 Q What does CCEF stand for?
 23 A That culminated in us developing four
 24 measures of value for the organization: Customer
 25 value, community value, environmental value, and what

Page 55

1 you would traditionally think of as financial bottom
 2 line value.
 3 So we developed a new set of documents. This
 4 was top-to-bottom work throughout the organization. We
 5 spent a number of months doing that.
 6 Q And that was during his interim tenure?
 7 A Yes. What you are referring to as
 8 privatization -- that I'm changing a little, I'm saying
 9 that's part of the strategy work; it's one option in
 10 the strategy work. My recollection is that that
 11 started later, maybe the winter of '18-'19 when we
 12 engaged McKinsey. Whenever we engaged McKinsey.
 13 Q I'm going to shift gears. Do you remember --
 14 you're aware of what became known as the long-term
 15 performance unit plan?
 16 A I am.
 17 Q Do you remember the first time you heard
 18 discussion among the senior leadership team about any
 19 form of long-term incentive plan for employees?
 20 A I don't remember the exact timing. I think
 21 it would have been last summer, summer of '19 -- oh,
 22 actually, for sure it would have been summer of '19,
 23 because I think the board asked for a development of a
 24 long-term incentive program.
 25 Q Thank you. And so to -- of course

Page 56

1 everybody's experience is a little different, right, so
 2 your experience, you have zeroed in on the June time
 3 frame, that board meeting.
 4 Do you recall being involved in discussions
 5 among the senior leadership team and/or with Mr. Zahn
 6 about a long-term incentive plan for employees prior to
 7 that June meeting?
 8 A I don't have recollection of it before then.
 9 And I wasn't privy to any of the development or any
 10 other such thing. I have never seen any written
 11 program of such thing. I was just generally aware that
 12 program was asked to be developed along the lines of
 13 could we incentivize people long term to -- as a tool
 14 to try to increase revenue.
 15 Q To the extent that -- well, whenever it was
 16 that you got engaged in this, were you asked to provide
 17 any input, either through data or analysis, toward the
 18 consideration or development of a plan like that?
 19 A No.
 20 Q Why do you recall, then, that it was about an
 21 incentive to try to encourage employees, I guess, to do
 22 better so that the agency would make more money?
 23 A Because we're in a declining revenue business
 24 right now. And that's been the subject -- obviously
 25 that's been the subject of intense media scrutiny in

1 recent few months.
 2 Q Right. And I know that it's got to be
 3 difficult to separate all the --
 4 A So things I normally wouldn't recall I've
 5 probably read in the paper.
 6 Q All right.
 7 A So it's a good question, but that's the
 8 answer.
 9 Q Do you remember when and where and how you
 10 first heard of the plan couched in terms of being a
 11 performance unit plan?
 12 A I think it was -- I think it was the summer
 13 of '19.
 14 Q Do you remember if it was before or after the
 15 July 23 board meeting?
 16 A I don't.
 17 Q What is -- obviously you have an
 18 understanding now of what the performance unit plan
 19 was. You understand it now that it would have required
 20 employees to purchase units in order to participate in
 21 the plan?
 22 A The parts that I understood were pretty
 23 limited, that there -- that the board had asked for a
 24 long-term plan. I don't know who was developing it.
 25 It would have been -- would not have been -- I'm a

1 subject matter expert, obviously. I don't have a
 2 business background or an MBA or anything like that.
 3 So it wouldn't have involved the environmental services
 4 team. As opposed to environmental permits, which fall
 5 on my shoulders.
 6 So the board had asked for that to be
 7 developed. My understanding of it, if you'd asked me
 8 this three months ago, I'd say what I've heard about it
 9 is three-year plan, plan across about a three-year
 10 period, if you can show continued revenue growth that
 11 it would pay back something, I had no idea what that
 12 something is; and, two, people would be offered the
 13 opportunity to purchase them based on performance
 14 ranking in the organization.
 15 So those are the two things that I had heard
 16 about it in a senior leadership team summary.
 17 Q So as of -- let me just make sure we got your
 18 time frame right. We're here in January. You said if
 19 I had asked you that three months ago.
 20 A Yeah.
 21 Q So three months ago would be in October; is
 22 that about right?
 23 A Yes.
 24 Q So are you sharing with us that as of October
 25 of last year what you just described is the sum

1 total --
 2 A Of my knowledge.
 3 Q -- your sum total understanding and knowledge
 4 of what the performance unit plan was?
 5 A Yes. That's why I went into a lengthy
 6 discussion of that for you. I wanted you to understand
 7 I have very limited knowledge or involvement of that
 8 plan.
 9 Q Well, I appreciate that. And I'm just -- I'm
 10 not trying to pick on you. I'm just trying to
 11 confirm --
 12 A Well, and especially what is being now shown
 13 in the news media as the uncapped nature of that plan.
 14 BY MS. HARRELL:
 15 Q Do you mind -- and I'm not trying to nit-pick
 16 you --
 17 A I don't mind this at all. I'd like to --
 18 Q I just --
 19 A -- make that clear.
 20 (Brief interruption)
 21 BY MS. HARRELL:
 22 Q You mentioned that they'd be -- that there
 23 was something having to do with a performance ranking.
 24 Do you remember any explanation of that back in
 25 October?

1 A No, I don't think there was an explanation,
 2 other than there would be a forced ranking, probably
 3 throughout the organization, at different levels.
 4 BY MR. POWELL:
 5 Q What about the relevance of somebody's
 6 position or classification in the agency, as opposed to
 7 their performance in their job?
 8 A Correct. I don't know if it was going to
 9 make those types of distinctions or not.
 10 Q Did you receive an annual performance review
 11 at the end of September, early October 2019?
 12 A I did.
 13 Q Who conducted your review?
 14 A Herschel Vinyard provided it to me.
 15 Q Was --
 16 A He's my -- he's my -- I report to him.
 17 Q Okay. How was it provided to you?
 18 A Meets-meets, in terms of -- we have different
 19 levels: Exceeds, meets, below, and I think there's
 20 another level below, which you'd be in a performance
 21 management plan.
 22 And it was pretty colloquial. But he said,
 23 Paul, you know, we've had a tough year. We've all been
 24 busy, but we've got a lot of work left. And my plan is
 25 for my -- you know, to -- I don't remember the exact

Page 61

1 language, but in a feedback, a one-on-one feedback he
 2 and I were having, he said my plan is to issue a
 3 meets-meets. I said that sounds good to me.
 4 Q So you met with Mr. Vinyard to receive your
 5 review?
 6 A In a feedback. We schedule -- it's customary
 7 in our organization to have -- we call them one-on-one
 8 feedback between direct supervisors and employees on a
 9 regular basis.
 10 Q And at the end of that meeting, did he hand
 11 you a performance review document?
 12 A No. But at the end of the year, in December
 13 we all handed -- all employees got from their direct
 14 supervisors: And here's the results of this year's
 15 performance pay program. Which is a little bit
 16 different than the one you're talking about.
 17 So we have two things. We have your annual
 18 review, how did you do, and Herschel gave me a meets-
 19 meets. And the other one is, how did the company do
 20 from a performance standpoint. Because we pay per --
 21 we have performance pay at JEA.
 22 Q In your meeting with Mr. Vinyard in late
 23 September, early October to discuss the meet --
 24 meets-meets plan of his --
 25 A Yes.

Page 62

1 Q -- do you recall whether he mentioned
 2 anything to you or talked to you at all about the
 3 performance unit plan?
 4 A We did not talk about that.
 5 Q Have you ever seen a list -- have you ever
 6 seen a document that is a list of employees that would
 7 be eligible to participate in the plan?
 8 A No.
 9 Q Have you ever heard that such a document
 10 exists?
 11 A No.
 12 Q I gather from your -- from the tone and
 13 context of your earlier -- of your statements a few
 14 minutes ago about the plan that you were -- that you
 15 had a reaction to the reporting that in the event of a
 16 recapitalization event these performance units could
 17 have an extraordinarily high value.
 18 A No. I wanted to convey two things: One,
 19 that I was not involved in the development of the
 20 program; and, two, the revelation that we've all seen
 21 in the media recently, that perhaps it was uncapped,
 22 was the same news to me. I would not have expected it
 23 to be uncapped.
 24 Q Are you aware --
 25 A And a disappointment.

Page 63

1 Q All right. Elaborate on disappointment,
 2 please.
 3 A I don't think it would be appropriate to have
 4 an uncapped long-term incentive program at a municipal
 5 utility.
 6 Q In addition to news media, you're aware that
 7 the Council auditor prepared a memorandum to City
 8 Council about the plan that detailed the uncapped
 9 nature of it, and as a result of the uncapped structure
 10 that in the event of a recapitalization event or sale
 11 of JEA the performance units could -- would have an
 12 extraordinarily high value; are you aware of that?
 13 A I'm aware of the news reports on that issue,
 14 yes.
 15 Q And your -- you would share with us that that
 16 news was disappointing to you because you did not
 17 think -- you would not think it appropriate for a plan
 18 like this, in a public agency to be uncapped, is
 19 appropriate?
 20 A Correct.
 21 Q All right. When you heard that news, do you
 22 remember where you were and what you were doing?
 23 A I do. It was -- it was not -- I think it was
 24 on a Monday when -- it was an afternoon when several of
 25 our senior leadership team were testifying over here in

Page 64

1 front of City Council committee, and I was watching
 2 what I could. I was busy that afternoon, but I was
 3 streaming what I could. The streaming wasn't very good
 4 that day either; the streaming would stop repeatedly.
 5 But I saw some of -- I saw a brief bit of
 6 Mr. Wannemacher's testimony.
 7 Q Are you referring to the hearing over here on
 8 December 16th of a meeting that was chaired by
 9 Councilman Diamond and Councilman Salem?
 10 A That's it.
 11 Q Was that the first time you learned that the
 12 performance plan -- that some performance plan at JEA
 13 was going to be uncapped?
 14 A Yes.
 15 Q Did Mr. Zahn or Mr. Vinyard or
 16 Mr. Wannemacher share any details with you about the
 17 performance unit plan after the July 23rd board
 18 meeting?
 19 A Not to my recollection. And it seems like
 20 that would have stood out to me.
 21 Q Had they shared any information about the
 22 performance unit plan -- and when I say information,
 23 I'm including valuations, projections, numbers of units
 24 that individual employees or classifications of
 25 employees would be afforded an opportunity to purchase.

1 So that would be my -- if you need to review
 2 your answer to my question, please do.
 3 A Well, the only information I would have had
 4 would be very general information provided in all SLT
 5 meetings at a very high level, and I think I have
 6 already relayed that. So I've heard that. I couldn't
 7 tell you what dates or how many times, not a remarkable
 8 amount of time, because it wasn't something that the
 9 SLT was working on. It was something that would have
 10 been reported to us.
 11 It wasn't clear to me, Mr. Powell, whether
 12 this program was something that would even be done
 13 while the strategy work was going on. When would you
 14 start such a program like this? Would you wait, for
 15 example, until of those five -- if you stayed
 16 government, which were what we call SQ 1 or SQ 2, in my
 17 mind it wasn't clear to me that you would ever do such
 18 a program.
 19 If instead you became a co-op or an initial
 20 public offering or an ITN, those -- in my own mind,
 21 those three probably lended themselves better to such a
 22 program.
 23 Q After July 23, do you remember any discussion
 24 among the senior leadership team at which Mr. Zahn or
 25 Mr. Vinyard or Mr. Wannemacher participated where there

1 was any discussion about a scenario option other than
 2 the ITN?
 3 THE WITNESS: Mari, would you mind reading
 4 that again?
 5 MR. POWELL: I don't mind asking that again.
 6 BY MR. POWELL:
 7 Q After the July 23 board meeting, do you
 8 remember being in any meeting of the SLT that was
 9 attended by either -- by Mr. Zahn or Mr. Wannemacher or
 10 Mr. Vinyard at which there was any substantive
 11 discussion of any scenario option other than the ITN?
 12 A I'm not meaning to be obtuse here. One more
 13 time.
 14 Q Okay. We've talked about -- you have talked
 15 about the scenarios, options that would include --
 16 A Yeah, the five options.
 17 Q -- an IPO, community --
 18 MS. HARRELL: Co-op.
 19 THE WITNESS: Co-op.
 20 BY MR. POWELL:
 21 Q Co-op and the ITN; right?
 22 A Yeah.
 23 Q After the July --
 24 A Those are the three private.
 25 Q Let's take those three. After the July 23

1 board meeting, any discussion among the SLT, where
 2 Zahn, and Wannamacher, and Vineyard were, about
 3 anything other than the ITN scenario?
 4 A Just the compilation of the work that's going
 5 to be presented for the board. That was the nature of
 6 what we were doing in the strategy work.
 7 Q Okay, and that's my question. Was there --
 8 would you -- would it be your recollection that the
 9 primary, if not exclusive, focus of that discussion
 10 post July 23 was the ITN?
 11 A Most of the strategy work going on post July
 12 certainly was related to ITN, because we had done the
 13 SQ -- we had done options 1 and 2. We had developed
 14 those.
 15 BY MS. HARRELL:
 16 Q Quick clarification. When you talk about
 17 options 1 and 2, are you talking about Status Quo 1?
 18 A Status Quo 1 and Status Quo 2.
 19 Q Not co-op --
 20 A Correct.
 21 Q -- IPO, ITN?
 22 A Correct.
 23 Q Those are three different things under
 24 scenario three, or Status Quo 3?
 25 A So I don't know that we had them specifically

1 numbered, except for 1 and 2, because we called them
 2 SQ 1 and SQ 2. So those are remaining who we are,
 3 government owned, similar structure.
 4 And then the other three, I don't know that
 5 they explicitly had numbers, but the order I give them
 6 is IPO, co-op, and ITN.
 7 BY MR. POWELL:
 8 Q So I think I understand, you're confirming
 9 that after the July 23 board meeting the --
 10 A The main focus was ITN.
 11 Q ITN, okay.
 12 A Absolutely.
 13 Q Okay. I'm going to show you a document that
 14 says "Draft 9-10-2019 Confidential" in the upper
 15 right-hand corner. "Insert JEA Logo." The caption on
 16 this document is "Invitation to Participate in the JEA
 17 Long-Term Performance Unit Plan."
 18 We will attach a copy of this as Exhibit 1,
 19 so that everybody will be clear.
 20 My guess is that you have never seen this,
 21 but my question is: Have you ever seen that document?
 22 And I'll grant you it's a lengthy document and there's
 23 lots of stuff in it. I'm just trying to ask you if
 24 you -- anything --
 25 A I'll scan it quickly, because this is a

Page 69

1 really important answer.
2 Q Yes, it is.
3 A And I think I know what my answer is, but
4 I'm --
5 Q Sure. Take your time.
6 A No. I have not seen that before.
7 (Exhibit Number 1 was marked for
8 identification.)
9 BY MR. POWELL:
10 Q In this form or any other draft form;
11 correct?
12 A Correct.
13 Q You have not seen it?
14 A Correct.
15 Q And I -- and I thought to ask you about this
16 because a few seconds -- minutes ago, you know,
17 seconds, you mentioned that it wasn't clear perhaps
18 that the plan, the performance unit plan, would go
19 forward depending upon X, Y, and Z; right?
20 A Correct.
21 Q I mean you said something along those lines?
22 A Correct. That it was a possibility that
23 perhaps even such a plan wouldn't be done until after
24 the decision by the board on what type of organization
25 do we want to be.

Page 70

1 Q And so I showed you Exhibit 1, and you've
2 never seen this -- anything like this before?
3 A Correct.
4 Q Were you not aware of the plans in place at
5 JEA to roll the performance unit plant out in December
6 through a notice to all employees via your notification
7 system? What is it called again?
8 A Hold on. Currents.
9 Q Currents.
10 A No, I was not aware of that.
11 Q Does that surprise you to hear that
12 information?
13 A I could see where it would be a possibility
14 that you would do a long-term performance plan either
15 in our current structure or in any possible future
16 structure. But I don't believe the plan -- I don't
17 know if the plan was supposed to be reviewed again by
18 the board or not. It certainly had not been.
19 Q What had not been?
20 A A developed plan. I don't recall seeing a
21 developed plan reviewed by the board.
22 Q Are you aware that the board approved the
23 performance unit plan --
24 A In July or so.
25 Q -- in July?

Page 71

1 A Yes.
2 Q And delegated authority to the CEO to
3 finalize and implement it without any further review by
4 the board of directors?
5 A I am now, because I remember hearing that at
6 the December board meeting and criticism related to
7 that.
8 Q All right. As a senior executive in an
9 organization with two thousand employees and millions
10 and millions of dollars of assets and revenues and
11 enormous responsibility to the people that live here,
12 what are your thoughts on whether a plan should have
13 been presented to the board of directors by the
14 agency's CEO for final approval that had not been
15 completed by the presenters?
16 A Okay. Thank you for asking that question.
17 My opinion is that if an organization like
18 ours were to do a multiyear long-term plan such as this
19 in our current state that it would need to be a very
20 modest plan, and that if it weren't a very modest plan,
21 I think it for -- this is to me, I'm in the second tier
22 of this system. But I would have expected it to go for
23 board review if it was something not a modest plan.
24 Because my understanding of the purpose of
25 that is a multiyear, drive revenue up over two- and

Page 72

1 three-year periods.
2 What I -- what I saw in the news subsequent
3 to the Mr. Diamond meeting that we referred to was a
4 great disappointment to me, to see the potential
5 uncapped nature of that, and a deep embarrassment.
6 BY MS. HARRELL:
7 Q I want to ask you a question about something
8 you said earlier about one of the four planning
9 meetings.
10 You said that the team is not happy with what
11 McKinsey had done?
12 A Yeah. I think it may have been the very last
13 one, just that they didn't come prepared with whatever
14 analysis it was for that day. That sticks out in my
15 mind.
16 Q Do you recall --
17 A The SLT members had said to themselves, What
18 was that? We thought our time was being wasted.
19 Q Okay. Do you remember anybody specifically
20 saying that?
21 A Yeah. I remember the whole team saying that.
22 Q All 13 of y'all?
23 A Yeah. There was a -- they were flat-footed.
24 They probably needed a couple more days to prepare
25 whatever analysis it was they were supposed to be

Page 73

1 showing us that day that we would then discuss and
2 workshop. They -- we didn't think they were prepared
3 for it. And Aaron subsequently apologized to the team
4 for that.
5 Q Was that verbally at a meeting?
6 A It was verbally. And sent them back to
7 complete whatever the work was that day.
8 Q Did they come back with a better product or
9 presentation?
10 A I don't remember what the resolution of that
11 was. They probably emailed out -- it's not uncommon
12 for us to get an email copy, and they usually look
13 like PDF slides.
14 So I think we got a revised version of that,
15 is my recollection, days or weeks later.
16 MS. HARRELL: I don't think I have anything
17 else.
18 BY MR. POWELL:
19 Q I assure you we will be out of here in just a
20 matter of minutes, but I do have a couple of -- a
21 couple follow-up questions. And unless I get an answer
22 I don't expect, I don't think I will have any more
23 questions after that.
24 In our discussion about the performance unit
25 plan, or the long-term incentive plan, whatever

Page 74

1 iteration it was and whenever you learned of it --
2 A Let's call it PUP for now. That seems to be
3 the --
4 Q Okay. We can call it the PUP, because that's
5 ultimately what it became known as.
6 You never mentioned an entity called Willis
7 Towers Watson, and I only ask to -- to make that point
8 and to ask you whether your -- whether you had any --
9 what degree of involvement you had with Willis Towers
10 Watson in their work that was related to the plan?
11 A I had no idea who was involved in developing
12 the plan, including Willis Towers -- is that -- they're
13 an HR firm, I believe, aren't they?
14 Don't they help people with salary
15 information and that type of thing?
16 Q That's correct.
17 A Yeah. I was not aware that they were
18 involved in any of that.
19 Q Didn't think you were. Just needed to
20 clarify.
21 And, lastly, there was a meeting of the
22 executive leadership team plus Mr. Kendrick, and lots
23 of lawyers and bankers at the Club Continental property
24 in Orange Park in July.
25 Were you invited to that meeting?

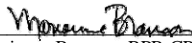
Page 75

1 A No.
2 Q Did you attend that meeting?
3 A No. And didn't even know it existed.
4 Q Is this the first time you've heard about
5 that?
6 A Yes.
7 Q Mr. Steinbrecher, we really appreciate you
8 coming in. I have a catchall question, and then we
9 will wrap it up. So this is really is -- this is not a
10 flip question. This is a very serious question.
11 So as you're talking to us, you are
12 effectively communicating to the board of directors.
13 You do understand that; right?
14 A Yes.
15 Q I mean think about it, we're doing this work
16 and --
17 A Absolutely.
18 Q -- we're preparing a work product for the
19 board of directors.
20 So my simple question is this, it's not a --
21 it's a big one, but it is pretty simply stated: Do you
22 have any other information that you would like to share
23 with the board of directors about Aaron Zahn's tenure
24 as CEO of JEA as it relates to his -- consideration of
25 terminating his contract for cause?

Page 76

1 A I would just leave one summary. I was
2 personally proud of the strategy work that the team was
3 going through and thought it was and is necessary work.
4 And I don't know how else to say it, other than I was
5 extremely disappointed to see this PUPs issue, as it
6 has come in recent weeks to be known to us, because I
7 think that unraveled an important community discussion.
8 Q Do you have an opinion of what the impact of
9 this issue has been on JEA's reputation in the
10 community?
11 A Oh, it's horrific. It just has been
12 devastating to the trust of the organization.
13 Q And what about JEA's standing in the utility
14 industry? I'll just limit it to the public utility
15 industry in the state of Florida.
16 A That's a bit complicated.
17 Q I'm sure it is. But if you have anything
18 that's intuitive or if you have any direct information
19 from people that have contacted you from around the
20 state.
21 A Well, I participate in state associations,
22 environmental. That's the nature of my work.
23 So JEA is still a member in good standing of
24 the ones I'm a part of.
25 Q So, for example, I see -- and we won't

1 elaborate on this, but I see that you're a member of
 2 the -- that you are president of the Florida Water
 3 Environment Association Utility Council.
 4 A Yeah.
 5 Q Is that still the case?
 6 A It is.
 7 Q Is JEA a member of that?
 8 A We are.
 9 Q Have you been to a meeting of that council
 10 since all -- since these developments of two months
 11 ago?
 12 A Yes. Either -- telephone meetings or in
 13 person.
 14 Q What -- what has been your most recent
 15 meeting?
 16 A Probably two days ago on the phone.
 17 Q Any discussion about all of this activity?
 18 A Oh, they're all -- they're all aware that
 19 we're the subject of intense media scrutiny.
 20 Q Well, apart from that, has there been a
 21 discussion about the -- the integrity of JEA and its --
 22 hold on -- its integrity as an agency moving forward?
 23 A No, not with the associations I'm part of.
 24 The one association that there is acrimony with is one
 25 called Florida Municipal Electric Association.

1 now is 11:10 a.m.
 2 MR. POWELL: I can't thank you enough.
 3 (Sworn statement was concluded at 11:10 a.m.)
 4 - - -
 5
 6 CERTIFICATE
 7
 8 STATE OF FLORIDA)
 9 COUNTY OF DUVAL)
 10
 11 I, Marianne Branson, RPR, FPR, do hereby
 12 certify that I was authorized to and did report the
 13 foregoing proceedings, and that the transcript, pages 1
 14 through 79, is a true record of my stenographic notes.
 15
 16 I further certify that I am not a relative,
 17 employee, attorney, or counsel of any of the parties,
 18 nor am I a relative or employee of any of the parties'
 19 attorney or counsel connected with the action, nor am I
 20 financially interested in the action.
 21
 22 Dated this 13th day of January, 2020.
 23
 24 
 25 Marianne Branson, RPR-CP
 Court Reporter



1 There is -- there was very strong acrimony
 2 between that association and JEA, and I think -- I
 3 think it was on -- my own personal view as a third
 4 party -- I'm not involved in that organization, and
 5 it's not my assignment or my role, but I thought both
 6 parties -- the phrase it takes two to tango -- I
 7 thought both parties could have handled it better.
 8 Q Sure. That's usually the case, isn't it?
 9 A Well, I really thought that, including FMEA.
 10 I thought a little shuttle diplomacy on either part
 11 would have gone a long way. So that relationship is
 12 very strained and needs to be repaired.
 13 MR. POWELL: Robert, do you want to close us
 14 out, please?
 15 MR. LINSNER: Sure.
 16 Mr. Steinbrecher, do you have anything
 17 additional to offer or add?
 18 THE WITNESS: I don't. I want to thank you
 19 for allowing me to expound on some of the
 20 questions.
 21 MR. LINSNER: Okay. Just be aware, as this
 22 is an ongoing Office of General Counsel
 23 investigation, you are being advised not to
 24 discuss the case with others.
 25 The interview has now concluded. The time

A				
a.m 1:18,18 4:4 79:1,3	agencies 10:17 10:18	anyway 29:6	assignment 6:18 33:13 78:5	77:18 78:21
Aaron 1:7 4:9 6:20 15:19 30:17 43:9 49:23 53:19 73:3 75:23	agency 38:8 46:3 52:25 56:22 60:6 63:18 77:22	apart 7:19 77:20	assignments 31:5	awareness 7:19 52:4
Aaron's 54:5,19	agency's 71:14	apologized 73:3	assimilate 13:3	B
able 37:17 41:3	ago 15:21 18:6 19:14,22 20:4 30:14,21 33:12 38:11 58:8,19 58:21 62:14 69:16 77:11,16	APPEARANCE 2:6	assist 32:5	back 11:5 13:14 24:10 27:15,22 31:8,21 33:23 39:11 40:19 41:2 43:18 44:10,15,25 54:2 58:11 59:24 73:6,8
Absolutely 52:16 68:12 75:17	agree 37:23 51:22	APPEARAN... 2:1	assistance 10:16	background 9:10 12:13,13 12:18 17:12 58:2
accept 51:8	agreement 1:7 20:18,20,25 21:1 22:24 23:6,16,16,25 24:6,17,18,19 24:20,24 25:2 25:16 26:2,11 41:23	appears 42:11	assorted 20:1	bam 23:11
accepted 37:8	agreements 19:24 23:15	Appendix 23:19	assume 26:2 27:5 42:14	bankers 74:23
accompany 7:13	ahead 13:21	appointed 17:20 17:24 18:7,10 18:15	assuming 51:11	base 36:11
accumulated 13:23	allowing 78:19	approved 19:23 19:23 51:1 70:22	assumption 27:6	based 34:6 39:13 58:13
acquisitions 36:3,6,8	alternative 40:3	approval 71:14	assure 73:19	baseline 34:11 34:13 39:20 45:9,9
acrimony 77:24 78:1	alternatives 49:8	approved 19:23 19:23 51:1 70:22	Athena 11:21	basic 35:21
acronym 54:13 54:18	amount 65:8	April 9:16,17,23 14:21 15:12,15 16:19 20:24 26:10 31:16 40:13,24 41:24 42:11,23 43:3 43:24 51:21	attach 68:18	basis 61:9
action 51:6 79:16,17	analysis 33:24 37:1 48:5 56:17 72:14,25	area 10:9,23 46:21 50:22	attempting 36:3	beach 43:1
actively 52:4	ancillary 50:20	areas 8:2,6 44:10	attempts 4:19	becoming 39:25 52:18 54:8
activities 8:6 12:10,12 51:3	and/or 56:5	artifact 28:1	attend 19:18,19 31:19 75:2	belief 21:3
activity 77:17	Anders 14:4	aside 36:17	attended 41:11 42:14,15 66:9	believe 11:13 16:19 19:8 21:2,9,12 24:21 35:9 70:16 74:13
add 78:17	angle 13:2	asked 45:5 46:22 47:2 55:23 56:12,16 57:23 58:6,7 58:19	attending 40:13	benefit 8:24 13:4 17:17 26:11 38:8,17 39:4
addition 63:6	annual 60:10 61:17	asking 8:17 14:13 33:10 47:22 66:5 71:16	attention 46:11	better 44:23 56:22 65:21 73:8 78:7
additional 78:17	answer 8:11,19 52:2 57:8 65:2 69:1,3 73:21	aspect 32:10	attorney 7:12 22:10,14 26:7 27:14 79:14,16	big 37:22 38:17 50:19 75:21
address 10:25	answers 42:6	assets 71:10	attorneys 4:14	bit 13:23 35:5 54:19 61:15
administer 4:17	anybody 7:2,14 23:11 72:19	assign 12:23	auditor 63:7	
administrations 25:24,25			August 40:25 41:25 43:1	
administrative 30:20			authority 71:2	
advised 4:18 78:23			authorized 4:17 79:10	
affairs 10:3,4,19 10:21 16:1 50:21			aware 7:17 23:6 26:5 31:13 37:17 51:24 55:14 56:11 62:24 63:6,12 63:13 70:4,10 70:22 74:17	
afforded 64:25				
afternoon 63:24 64:2				

64:5 76:16	28:24 32:18	certain 42:18	68:19 69:17	10:15 12:9
board 6:19	34:10,25 35:2	certainly 41:13	close 10:11	complicated
11:13 16:22	38:12,18 39:14	42:10 51:10	78:13	76:16
17:6,20,25	39:16,18 40:1	53:1 67:12	Club 74:23	component
18:7,10,15,17	45:11,17,25	70:18	co-op 46:8 65:19	23:15
19:9,15,18,22	46:1,2 56:23	CERTIFICA...	66:18,19,21	components
19:22 20:6,9	58:2	3:7	67:19 68:6	10:5,6 23:17
20:12 21:14	businesses 45:25	certify 79:10,13	coincidence	25:4
41:21 42:7	46:23	Chair 51:1	16:18	concepts 20:1
48:20 49:3,23	busy 7:25 60:24	chaired 64:8	coincident 16:21	26:13
50:23 51:1,2,6	64:2	change 9:24	colloquial 60:22	concern 40:1
52:10 55:23		14:20,22 24:1	combined 38:5	concerned 18:17
56:3 57:15,23	C	24:20,23 25:9	come 31:8 44:14	concerns 39:24
58:6 64:17	C 79:6,6	25:19 32:9	48:9 51:21	concluded 16:22
66:7 67:1,5	calendar 27:24	34:8 43:12	72:13 73:8	78:25 79:3
68:9 69:24	28:13 42:2	50:18,19	76:6	conclusion
70:18,21,22	call 16:24 30:3	changed 33:8	comes 12:21	34:24 35:3
71:4,6,13,23	45:15 54:11	changes 4:13	49:13	conclusions 39:7
75:12,19,23	61:7 65:16	23:1 27:16	coming 5:20	48:9
boss 30:25	74:2,4	changing 55:8	6:16 11:16	conducted 4:2
bottom 55:1	called 10:4	characterize	23:6 75:8	60:13
brainstorm	30:10 34:6	34:20	commissioned	Confidential
44:17 46:24	40:3 46:9	chatter 50:24	4:16	68:14
brainstorming	47:10 50:4	check 34:17	committee 64:1	confirm 59:11
46:22	68:1 70:7 74:6	40:19 42:2	common 28:24	confirming 68:8
branch 11:3	77:25	chief 9:12,22	32:15 35:19	confusing 24:17
Branson 1:21	cancellation	14:25 20:23	38:5 40:8,8	congratulations
79:9,23	27:25	30:18,19,20	47:25	50:13
break 44:15	capital 38:19	38:7	communicating	connected 79:16
48:6	39:17	choices 12:21	75:12	consensus 48:21
break-out 44:11	caption 68:15	chosen 32:11	community 49:7	consent 5:3
brief 48:2 59:20	careful 16:25	City 2:1,7 4:3,6	54:25 66:17	38:15
64:5	33:7,10	38:14,25 63:7	76:7,10	consider 30:6
briefed 51:24	case 24:1 51:11	64:1	company 38:11	37:25 38:22
bring 40:11	77:5 78:8,24	civil 12:14	43:12 61:19	48:20
bringing 44:10	catch 7:25 32:21	clarification	compare 48:7	consideration
broad 16:13	catchall 75:8	67:16	competed 50:2	56:18 75:24
brought 37:14	cause 6:23 75:25	clarify 40:6	compilation	Consolidation
38:19,21	CCEF 54:11,16	74:20	67:4	36:7
brunt 47:8	54:18,22	classification	compile 33:23	consulting 12:16
Bud 11:18 16:2	CEO 4:9 6:5,20	60:6	45:1	24:24 25:2
budget 47:5,15	11:23 16:20,23	classifications	compiled 44:12	26:1
buffet 52:11	17:1,3,20,25	64:24	44:15	contact 18:5
build 12:21	18:19 29:5	clear 8:14,16,18	complete 73:7	contacted 76:19
buildings 42:19	30:17 49:24	31:4 35:22	completed 71:15	context 53:1,9
bumped 19:7	54:9 71:2,14	38:11 53:6	completely 8:11	62:13
business 22:8	75:24	59:19 65:11,17	compliance	Continental

74:23 continue 36:22 37:9 continued 34:9 58:10 continuity 24:22 contract 6:22 75:25 contracts 25:22 25:22 control 43:12 conventional 28:18 conversation 9:3 50:4 convey 62:18 COO 50:7,20 copy 6:14 47:15 47:21 68:18 73:12 corner 68:15 correct 7:6 9:13 12:5 14:5 16:20 17:9 18:20 20:16 25:1,11 26:12 26:14 27:16,17 29:7,19 30:7 30:11 36:1 51:12,18 60:8 63:20 67:20,22 69:11,12,14,20 69:22 70:3 74:16 cost 13:1 costs 35:24 couched 57:10 council 49:4 63:7,8 64:1 77:3,9 Councilman 64:9,9 counsel 1:19 2:3 4:2,8 5:18 6:18 22:6 78:22 79:14,16 Counsel's 4:20	counselor 5:21 COUNTY 79:8 couple 7:16 23:14 32:1 51:12 72:24 73:20,21 course 7:24 8:1 8:4 33:8 40:22 55:25 court 1:22 8:23 79:24 courtesy 9:2 created 14:4 critical 33:20 criticism 71:6 culminated 54:23 Cumber 51:1 cure 36:3 curing 36:3 current 34:7 70:15 71:19 currently 9:11 Currents 70:8,9 customary 26:5 61:6 customer 36:11 54:24 customers 36:13 36:13 cut 47:3,3,5 48:23 cuts 47:19 48:13 48:15 cycle 13:1 cycles 32:16,17	day 29:24 45:20 64:4 72:14 73:1,7 79:18 days 16:23 22:8 72:24 73:15 77:16 deal 36:4 December 6:19 29:23,25 61:12 64:8 70:5 71:6 decide 44:16 decided 49:25 50:6 decision 51:3 69:24 declining 35:2 35:21,23 36:10 36:14 39:13 47:9 56:23 deep 72:5 degree 10:21 51:16 74:9 degrees 12:15 delegated 71:2 DEP 10:25 11:1 depending 69:19 described 23:5 25:19 58:25 designed 12:17 desired 22:6 detailed 63:8 details 64:16 determine 6:21 devastating 76:12 develop 40:4 developed 55:3 56:12 58:7 67:13 70:20,21 developing 53:9 54:20,23 57:24 74:11 development 55:23 56:9,18 62:19 developments	77:10 Diamond 64:9 72:3 different 12:24 12:24 16:4 18:16 19:5 35:16 36:25 37:1,1 42:19 42:22 45:23 48:8,19 50:22 52:9 53:1 56:1 60:3,18 61:16 67:23 differently 38:10 difficult 57:3 diplomacy 78:10 direct 15:9 18:14 61:8,13 76:18 direction 19:25 33:14 34:9 directly 11:23 14:18 29:6 director 9:19 11:4,6,8,11 13:13,15,18 14:14 20:19 51:13 directors 6:19 18:8,11,16,18 28:25 71:4,13 75:12,19,23 disappointed 76:5 disappointing 63:16 disappointment 62:25 63:1 72:4 disclosure 5:8 discuss 44:16 48:6 61:23 73:1 78:24 discussed 22:13 discussing 43:9	48:12 discussion 26:15 26:22 48:14 49:7 50:24 52:23 53:17,23 55:18 59:6 65:23 66:1,11 67:1,9 73:24 76:7 77:17,21 discussions 7:21 41:4 47:25 51:16,22 53:13 56:4 distance 37:3 distances 37:5,7 distinctions 60:9 distinctly 41:5 distinguish 41:3 document 9:8 61:11 62:6,9 68:13,16,21,22 documents 24:16 25:6,13 27:14 55:3 doing 20:8 31:24 32:4 45:8 46:13,25 52:5 54:4 55:5 63:22 67:6 75:15 dollars 71:10 dovetails 50:14 draft 3:15 9:9 68:14 69:10 drive 71:25 due 35:1 duly 5:13 Duval 1:19 2:3 79:8 Dykes 6:5 14:24 14:25 15:3,9 17:19 30:17
	D			
	D 3:1 data 33:22 46:16 56:17 date 1:17 29:21 29:21 Dated 79:18 dates 16:18 34:17 40:23 65:7			
				E
				E 3:1 79:6,6 Eads 30:22 earlier 62:13

early 33:25 34:2 46:22 53:5,7,8 54:4,4 60:11 61:23	ended 29:25	everybody's 56:1	explanation 59:24 60:1	34:12,13,15,18 34:23 39:9
East 2:8	energy 14:1,3 15:25 16:15 36:19 37:19 39:13	evidence 17:16	explicitly 68:5	40:11,13 41:10
eastern 37:8	energy-related 13:17	evolve 34:9	expound 78:19	43:8 45:9 49:3
echelon 30:10	engaged 33:1 51:15 52:23 53:11 55:12,12 56:16	evolving 34:10	extend 9:2	52:22 54:6,19 55:17 57:10 64:11 75:4
effectively 75:12	engineer 12:14 12:14	exact 55:20 60:25	extent 56:15	five 15:21 18:6 19:13 22:8 46:12 48:18 49:7,12 52:9 65:15 66:16
efficient 28:8 36:20	engineering 12:19	EXAMINATI... 3:5 5:15	external 10:6	five-part 52:5,7
effort 51:3,25 53:12	enjoy 37:25 38:1	example 10:24 28:24 47:1 48:22 65:15 76:25	extraordinarily 62:17 63:12	flat 35:23
either 21:7 43:8 43:23 44:4 47:21 56:17 64:4 66:9 70:14 77:12 78:10	ensure 24:21	execute 20:25 22:24	extremely 76:5	flat-footed 72:23
elaborate 21:17 63:1 77:1	ensuring 12:8	executed 23:2	<hr/> F <hr/>	flip 75:10
electric 13:7 34:25 38:2,9 45:10 77:25	entity 74:6	executive 10:24 11:3 26:6 30:10 71:8 74:22	F 79:6	floor 15:17 52:23
electricity 36:15	Environment 77:3	Exceeds 60:19	face 46:3	Florida 1:20 2:4 2:9 4:17 5:9 40:9 76:15 77:2,25 79:7
electrons 37:3	environmental 9:12,19,23 10:8,9,12,17 10:17 11:5,7,8 11:22 12:4,9 12:15,16,20 13:4,13,15 14:16 20:19,24 38:7 50:11 51:13 54:25 58:3,4 76:22	excuse 7:3 44:6	facilities 10:14 12:22 38:19	FMEA 78:9
eligible 62:7	EQD 11:1	execute 20:25 22:24	facing 35:1,1,15 35:16	focus 34:15 45:2 67:9 68:10
email 47:13,21 73:12	especially 14:16 37:8 59:12	executed 23:2	fact 51:9	focused 24:20
emailed 73:11	ESQUIRE 2:2,2 2:12	executive 10:24 11:3 26:6 30:10 71:8 74:22	fairly 16:10	focusing 54:12
embarrassment 72:5	establish 34:13	exercises 44:9 48:1	fairness 8:24	folks 31:17 50:9
employed 4:6	event 25:19 27:19 43:11,14 51:5 62:15,16 63:10,10	Exhibit 68:18 69:7 70:1	fall 45:13,16 58:4	follow 28:4
employee 79:14 79:15	everybody 26:17,22 33:21 36:14 46:5 68:19	EXHIBITS 3:14	false 4:18	follow-up 73:21
employees 25:20 28:19 43:15 46:24 55:19 56:6,21 57:20 61:8,13 62:6 64:24,25 70:6 71:9		exist 6:21	far 21:3	following 24:22
employment 1:7 6:22 19:24 20:18,20,25 22:10 24:17 26:6		existed 75:3	feed 33:23	follows 5:14
encourage 56:21		exists 62:10	feedback 61:1,1 61:6,8	forced 60:2
		expand 45:25	feel 45:14	forecast 39:8,19
		expect 73:22	felt 41:8	foregoing 79:11
		expectation 22:5	final 71:14	form 55:19 69:10,10
		expected 29:13 29:15 33:18 51:23 62:22 71:22	finalize 71:3	formal 17:15
		expedite 17:17	financial 30:19 55:1	former 4:9
		expenses 47:9	financially 45:11 79:17	Forsyth 2:8
		expensive 37:2,4 40:7	find 23:21,22	fortunate 5:23 52:18
		experience 56:1 56:2	fine 5:25 20:17	forward 32:6,7 69:19 77:22
		expert 58:1	finish 9:1	four 11:20 12:24
		explain 49:18,20 50:17 54:13	fire 9:4	
			firm 12:16 22:15 74:13	
			first 5:13 6:1 11:11 15:10,19 15:20 18:14 19:1 31:9,15 32:2 33:1 34:3	

15:20,21 18:6 22:8 31:21,23 40:16 48:8 54:23 72:8 fourth 31:3 FPR 1:21 79:9 frame 22:8 56:3 58:18 frames 33:11 framework 37:6 frankly 27:11,11 52:17 frequently 29:1 friend 7:12 front 23:11 64:1 functions 16:10 16:13 fund 43:15 funds 43:14 further 6:17 51:2 71:3 79:13 future 16:15,16 40:4 44:18 52:10,24 70:15	52:8 give 8:18 9:10 22:2 37:17 52:1 68:5 give-and-take 26:25 given 6:18 20:25 21:4,7 22:4 23:4 39:8 44:12 glad 37:14 go 19:19 22:5 28:25 31:21 34:17 39:11 40:15,18 46:14 49:4 54:2 69:18 71:22 goes 12:7 going 6:13 14:11 17:16,16 19:11 27:7,19 28:17 28:21 29:2 32:3 34:2 43:17 50:7,8 52:1 55:13 60:8 64:13 65:13 67:4,11 68:13 76:3 good 5:17 31:7 38:20 49:16 50:15 57:7 61:3 64:3 76:23 gotchas 32:23 gotten 46:10 government 10:3,8 50:21 65:16 68:3 governments 13:12 grade 51:20 grant 68:22 great 50:12 72:4 grounds 6:21 group 10:11 12:5 16:1 23:5 23:12 26:16,22	27:1 30:16 43:9 46:16,21 46:22 47:25 48:22,25 53:14 53:23 groups 44:11 48:7,7,9 growing 13:5 growth 58:10 guess 47:5 56:21 68:20	<hr/> H <hr/> half 20:11 49:3 hand 4:22 26:23 61:10 handed 21:12,13 21:16,20 26:17 26:21 61:13 handled 78:7 hands 27:4 Hang 37:13 happen 8:16 34:10 happened 17:24 happening 20:3 happens 50:23 happy 21:18 72:10 hard 27:21 34:4 37:6 43:17 47:15,21 Harrell 2:2 4:15 5:19 14:17 15:23 22:17 23:23 36:5,23 37:14 38:23 39:10 45:3 47:7 59:14,21 66:18 67:15 72:6 73:16 Harrell's 8:14 he'll 5:24 headwinds 35:1 35:5,15,16 hear 27:10 48:5 70:11	heard 35:5 55:17 57:10 58:8,15 62:9 63:21 65:6 75:4 hearing 64:7 71:5 heart 14:11 held 36:13 help 43:24 54:17 74:14 helpful 28:8 helps 49:19 Herschel 14:19 14:21 15:2 30:19 60:14 61:18 high 62:17 63:12 65:5 high-level 41:8 higher 38:22 highest 12:8 Hightower 9:21 10:1 11:7,13 15:5,8 hired 14:4,21 32:5 hit 27:25 45:17 hold 9:18 51:4 70:8 77:22 honor 50:12 honored 50:10 horrific 76:11 hosting 16:2 How's 29:2 HR 74:13	impact 76:8 implement 71:3 implies 32:9 important 69:1 76:7 impression 27:3 incentive 43:15 55:19,24 56:6 56:21 63:4 73:25 incentivize 56:13 include 66:15 included 10:5 including 13:3 19:24 35:4 53:15 64:23 74:12 78:9 incorporation 12:9 increase 56:14 increased 37:11 increasing 35:23 47:9 indecipherable 8:15 indicated 8:9 indicates 12:3 individual 64:24 inducements 5:2 industrial 11:10 industry 13:6,12 35:10,19,22 40:8 76:14,15 information 22:13 33:23 44:10 47:12,17 47:22 64:21,22 65:3,4 70:12 74:15 75:22 76:18 infusion 38:19 inherently 37:2 initial 29:20 46:5 65:19 input 46:15 56:17
<hr/> G <hr/> Garrity 6:4 gather 13:15 45:5 62:12 gathering 16:8 18:6 gears 55:13 general 1:19 2:3 2:6,7 4:2,6,7,8 4:20 5:18 6:18 35:16 45:2 52:3 65:4 78:22 generally 26:5 36:2 56:11 gentleman 22:15 get-together 45:1 getting 10:14 35:6 44:11			<hr/> I <hr/> idea 58:11 74:11 identification 69:8 identified 8:2 41:22 imagine 12:23 45:19 immediacy 48:14		

Insert 68:15	invite 18:22	76:23 77:7,21	18:23	30:16 38:22
Inspector 2:6,7 4:6,7	invited 31:17,20 31:23 74:25	78:2	knowledge 7:1 52:7 59:2,3,7	60:20 65:5
integrity 77:21 77:22	involve 52:13	JEA's 10:12 12:4,10,11	knowledgeable 16:10,12	levels 12:8 60:3 60:19
intended 24:21 49:2	involved 56:4 58:3 62:19 74:11,18 78:4	76:9,13	known 55:14 74:5 76:6	life 13:1
intense 56:25 77:19	involvement 59:7 74:9	job 50:3 60:7		likes 20:8
intent 48:25	IPO 46:7 66:17 67:21 68:6	joined 11:9 38:10	L	limit 76:14
intention 49:6	ironic 36:17	Julio 30:25 31:2	laid 52:8	limited 37:9 57:23 59:7
inter 14:7	issue 36:4 61:2 63:13 76:5,9	July 19:9,15 21:4,8,9,9,14 21:15 26:10 41:21 42:7 57:15 64:17 65:23 66:7,23 66:25 67:10,11 68:9 70:24,25 74:24	language 61:1	line 52:19 55:2
interact 18:11	It'll 15:15	42:12 43:3,24 56:2,7	large 12:16 43:13	lines 25:15 56:12 69:21
interaction 16:7 18:14	iteration 74:1	jumps 41:6,9	lastly 74:21	Linsner 2:7 4:1 4:5 5:1,6,11 78:15,21
interest 8:3,3	ITN 20:1 46:9 65:20 66:2,11 66:21 67:3,10 67:12,21 68:6 68:10,11	June 21:4,7 40:25 41:24 42:12 43:3,24 56:2,7	late 21:15 61:22	list 28:6,7 31:17 31:18 48:20 62:5,6
interested 16:9 79:17	J		law 5:9	little 9:10 55:8 56:1 61:15 78:10
interface 14:7	J 2:2	K	laws 5:9	live 71:11
interim 16:20 17:1,9,20,25 18:19 49:24,25 53:21 54:10 55:6	Jacksonville 1:20 2:1,4,7,9 4:3,7 38:14	keep 13:21 42:6	lawyers 74:23	lobbying 10:22
interruption 48:2 59:20	James 2:12 6:2	Kendrick 74:22	lay 48:19	local 37:2 40:2
interview 4:19 5:7 6:17 28:20 78:25	January 1:17 4:3 41:2 58:18 79:18	kept 36:10	layoffs 45:20	locally 40:5
interviewed 4:1 4:11 7:20	JEA 1:7 3:15 4:10 6:19,20 8:3 9:13,18 11:12 12:1,15 13:9 15:22 18:7,10,15 20:2,21 21:1 32:4,5 33:2 35:15 39:3,4 45:18 48:22 49:10,12 50:25 51:17 52:8,24 53:24 54:6 61:21 63:11 64:12 68:15,16 70:5 75:24	kind 18:24 32:21 45:4 46:19	lead 12:8 53:22	Logo 68:15
interviewing 4:14		kinds 44:23	leadership 7:3 7:15 27:20 30:6,13 31:3 31:14 33:19 40:12 43:10 55:18 56:5 58:16 63:25 65:24 74:22	long 9:15 11:6 13:5 24:5 35:7 37:3,4,7 56:13 78:11
interviews 7:22 29:16		knew 25:16	learn 33:1	long-term 3:15 55:14,19,24 56:6 57:24 63:4 68:17 70:14 71:18 73:25
introduce 5:21		know 8:5,8 9:3 13:20 20:7 22:2,12 23:23 25:21 28:1,16 32:12 35:18 38:3 40:19,21 44:22 48:5 50:1,6 52:1 54:16 57:2,24 60:8,23,25 67:25 68:4 69:3,16 70:17 75:3 76:4	learned 64:11 74:1	longer 13:22
intuitive 76:18		know-each-ot...	leave 6:14 76:1	longest 13:1
investigate 6:20			led 53:17,19	look 19:19 22:1 26:7,7,23 27:22 29:20 31:22 32:7 40:3,15 44:12 47:10 49:3 54:2 73:12
investigation 4:9,12,20 8:10 78:23			left 17:11,19 60:24	looked 24:15 25:12 30:21
Investigator 2:7 4:5			legislative 10:22	
investments 12:22			lended 65:21	
Invitation 3:15 68:16			lengthy 8:15 59:5 68:22	
			let's 25:4 29:23 66:25 74:2	
			let's-get-to- 18:22	
			level 10:24 11:1 26:6 28:23	

39:14 looking 41:2 52:9 loop 51:24 lot 10:20 47:23 60:24 lots 68:23 74:22 lower 45:19,19 lowest 12:25 lunch 19:4 29:2 luxury 38:1,1,3 Lynne 23:10 26:17,20	32:5 33:1,15 33:23 34:1,18 34:22 41:7,11 41:14 44:13,15 44:25 46:13,15 46:17 47:13,21 54:7 55:12,12 72:11 McKinsey's 35:4 mean 28:22 39:23 43:10 44:17 49:16 69:21 75:15 meaning 46:5 50:15 66:12 means 28:23 meant 32:13,19 measures 54:24 media 10:6 56:25 59:13 62:21 63:6 77:19 meet 15:19 27:20 61:23 meeting 11:1 18:23,23 19:9 19:15,18,22 20:6,18 21:14 21:20 23:5,12 28:13,17 29:4 29:8 30:3 31:16,19 40:12 40:13,24,24 41:11,21 42:8 42:11,12,22,23 42:24 43:4,24 46:15 50:5,24 50:25 54:3 56:3,7 57:15 61:10,22 64:8 64:18 66:7,8 67:1 68:9 71:6 72:3 73:5 74:21,25 75:2 77:9,15 meetings 8:7	20:9,12 30:5 31:14,24 32:1 40:25 41:4,14 41:20 42:7,14 43:8 44:4,9 45:2 53:22 65:5 72:9 77:12 meets 60:19 61:19 meets- 61:18 meets-meets 60:18 61:3,24 Melissa 15:3 16:24 30:17 49:25 50:1,20 53:20 member 30:7 33:18 76:23 77:1,7 members 7:17 7:20 16:4 25:23 43:10 72:17 memorandum 63:7 mentioned 32:1 59:22 62:1 69:17 74:6 met 15:20 16:4 61:4 methodical 34:5 Mike 9:21 11:7 15:5 million 36:12,12 millions 71:9,10 mind 19:16 41:6 41:9 42:3 59:15,17 65:17 65:20 66:3,5 72:15 minutes 62:14 69:16 73:20 missed 31:21 40:16,21 missing 42:17 mission 54:5,20	mitigate 45:13 mix 39:17 modest 71:20,20 71:23 Monday 63:24 money 39:17 43:13 56:22 month 22:7 30:14 49:15 50:23 months 8:4 19:13,22 20:4 24:7 25:1,3 30:14,21 55:5 57:1 58:8,19 58:21 77:10 morning 5:17,20 7:7 motion 51:1 move 37:2,4,6 50:18 moving 32:6,17 77:22 multi 44:22 multiyear 71:18 71:25 municipal 63:4 77:25	needed 48:17 72:24 74:19 needs 78:12 negotiating 10:15 never 23:10 29:8 29:17 56:10 68:20 70:2 74:6 new 14:3 16:23 18:20 32:19 33:2,4,5 54:13 54:20 55:3 news 59:13 62:22 63:6,13 63:16,21 72:2 nimbly 45:24 46:1 nit-pick 59:15 normal 26:5 normally 57:4 not-beach 43:6 notary 4:16 notes 27:8 42:3 42:4 43:23 44:1 79:12 notice 5:22 7:4,7 27:25 70:6 noticed 16:17 notices 54:3 notification 70:6 notified 4:14 November 17:3 54:1 number 8:2 19:24 30:5 31:13 37:22 55:5 69:7 numbered 68:1 numbers 64:23 68:5
<hr/> M <hr/> main 10:5,6 41:18 68:10 making 27:16 42:3 manage 10:11 management 8:3 19:25 30:10 38:22 60:21 manager 11:10 managers 28:25 Mann 11:21 manner 21:16 March 14:21 Mari 66:3 Marianne 1:21 79:9,23 marked 69:7 market 34:8 marketplace 36:7,21 material 45:4 materials 44:3 matter 58:1 73:20 MBA 58:2 McElroy 17:11 17:19 McInall 14:2,4 McInall's 14:9 McKinsey 9:9 31:6,24 32:1,3			<hr/> N <hr/> N 3:1 name 5:17 6:1 22:13,19 named 25:5 30:25 nature 5:2 59:13 63:9 67:5 72:5 76:22 necessarily 20:7 20:8 necessary 76:3 need 8:22 10:25 13:22 21:17 37:13 40:3 48:14 50:8 54:2,16 65:1 71:19	<hr/> O <hr/> oaths 4:17 obstruct 4:19 obtain 5:3 8:7 obtuse 66:12

obviously 58:1	71:16 72:19	original 27:23	Paul 1:15 3:3	pick 59:10
obviously 8:12	74:4 78:21	out-of-town	4:23 5:12 50:6	pike 23:7
40:20 56:24	one's 23:19,19	50:5	60:23	pipes 37:4
57:17	23:25	overlap 10:19	pay 51:20 58:11	place 1:19 28:14
occasionally	one-on-one 19:2	10:20 11:3	61:15,20,21	28:16 70:4
28:25 29:1	19:11 27:19	oversee 10:12	PDF 73:13	plan 3:15 19:23
46:18	28:13 61:1,7	owned 68:3	people 9:4 10:12	33:2 43:15
occurred 19:11	ones 40:19,20	ownership 24:2	12:24 27:6,8	44:17 46:2
27:12 30:5	41:7 43:1	24:3,21,23	33:10 36:18	55:15,19 56:6
42:7	76:24	25:19	56:13 58:12	56:18 57:10,11
October 58:21	ongoing 78:22		71:11 74:14	57:18,21,24
58:24 59:25	operated 38:13	P	76:19	58:9,9 59:4,8
60:11 61:23	operating 14:25	package 24:9	percent 47:3,5,6	59:13 60:21,24
off-site 31:14	30:18	25:12 26:23	48:23	61:2,24 62:3,7
40:12	operational 50:8	27:13	percentage	62:14 63:8,17
offer 78:17	operations	pages 79:11	37:18,24	64:12,12,17,22
offered 25:15,17	50:19	paper 57:5	performance	68:17 69:18,18
58:12	opinion 44:22	papers 44:21	3:15 19:23	69:23 70:14,16
offering 46:5	71:17 76:8	Para 11:18 16:2	55:15 57:11,18	70:17,20,21,23
65:20	opportunity	Pardon 48:3	58:13 59:4,23	71:12,18,20,20
office 1:19 2:3,6	18:11 58:13	Park 74:24	60:7,10,20	71:23 73:25,25
2:7 4:2,6,7,8	64:25	part 12:20 46:9	61:11,15,20,21	74:10,12
4:20 5:18,19	opposed 37:3	48:18 55:9	62:3,16 63:11	planning 12:10
6:18 7:20	58:4 60:6	76:24 77:23	64:12,12,17,22	12:12,19 13:17
78:22	opt 48:22	78:10	68:17 69:18	13:17,18,19
officer 9:13,23	option 46:9,10	participate 3:15	70:5,14,23	14:3,8,9,14,15
15:1 20:24	55:9 66:1,11	33:19,21 57:20	73:24	32:18 44:11
30:18,19,20	options 48:20	62:7 68:16	period 17:23	49:1 72:8
38:8	53:10 66:15,16	76:21	53:21 54:10	plans 70:4
oh 15:13 53:4	67:13,17	participated	58:10	plant 70:5
55:21 76:11	Orange 74:24	65:25	periodically	plants 10:13,13
77:18	order 5:3 57:20	participating	49:10,13	10:14 12:18
okay 5:1,6,11	68:5	33:14 47:24	periods 72:1	please 4:18,22
6:13,15 7:2	orders 38:15	52:4	permanent 17:3	8:17 23:21
8:20,21 13:20	org 50:2	participation	54:9	24:11 63:2
15:2 16:25	organization	8:6	permits 10:13	65:2 78:14
17:18 26:9,20	11:19 12:8,23	particular 33:22	10:15 58:4	plus 12:1 74:22
30:17 32:5,23	13:20 25:18	34:25 47:16	person 20:7 31:3	Poindexter 2:12
34:4 38:6	32:6 45:24	48:13 51:16	77:13	5:23 6:1,2 7:8
39:15,22,23	46:8 54:21,24	particularly	personal 78:3	28:7,9 42:4
40:6,18 42:9	55:4 58:14	19:17 26:4	personally	point 10:6,7
42:13 43:18	60:3 61:7	parties 78:6,7	51:15 76:2	16:25 27:23
45:11 46:14	69:24 71:9,17	79:14	pertaining	30:2 50:1
47:17,20 49:22	76:12 78:4	parties' 79:15	53:23	52:20 74:7
52:17 54:13	organizational	parts 57:22	phase 34:21,23	points 12:24
60:17 66:14	50:18	party 78:4	phone 77:16	Ponte 31:16
67:7 68:11,13	organized 50:8	pattern 35:22	phrase 78:6	40:12

poorly 32:11	22:1 23:14,19	privatize 46:7	76:14	rates 37:11
population	23:20 41:12	privy 56:9	PUP 74:2,4	reached 7:12
37:10	44:3 67:5	probably 8:16	PUPs 76:5	39:7
portfolio 10:10	71:13	20:11 24:13	purchase 57:20	reaching 33:21
portion 43:14	presenters	32:11 40:15	58:13 64:25	reaction 62:15
position 9:17	71:15	46:6 53:19	purpose 6:17	read 6:9 22:5
14:3 60:6	president 9:12	57:5 60:2	8:5 12:25	43:18,19 57:5
possibility 69:22	9:20,22 10:2	65:21 72:24	25:17,18 41:18	reading 66:3
70:13	11:22 13:19,25	73:11 77:16	71:24	ready 52:8
possible 45:18	14:1,2,15	problem 9:5	pursuant 5:8	real 9:5 38:5
52:24 70:15	15:14 16:18	proceeding 7:9	pursuing 20:1	reality 36:21
possibly 28:4	18:3,20 20:6	proceedings	pushing 36:18	really 7:1 32:7
post 67:10,11	20:23 29:19	79:11	put 37:4 44:21	43:17 44:14
potential 47:18	30:18 38:7	process 16:22,22	50:19 51:4	49:16 69:1
72:4	49:15 50:7,11	43:13 49:3	putting 16:1	75:7,9 78:9
Powell 2:2 3:6	51:22 52:19,22	produced 5:13		reasoning 25:21
4:15 5:16,18	77:2	product 73:8	Q	recall 11:14
5:25 6:3 15:7	president's	75:18	quality 38:20	17:13,21,25
16:6 22:20,22	51:14	professional	45:19	18:2 19:1,10
23:21 24:2,4	presidents 11:20	12:14 38:22	quarter 34:3,16	19:13 20:5,14
28:11 32:11	15:16 19:6,12	program 55:24	question 8:20	24:5 26:16
36:11,16 37:12	pretreatment	56:11,12 61:15	9:1 21:5 37:13	27:2,18 29:21
38:4 39:6	11:10	62:20 63:4	39:11,15 43:19	33:25 40:23,24
40:10 42:5	pretty 16:13	65:12,14,18,22	57:7 65:2 67:7	43:9 45:4
43:16,22 48:11	34:4 45:10	projections	68:21 71:16	48:21 49:10
53:5 54:5 60:4	57:22 60:22	64:23	72:7 75:8,10	52:22 53:4,22
65:11 66:5,6	75:21	promises 5:1	75:10,20	54:2 56:4,20
66:20 68:7	previous 25:24	property 74:23	questions 6:11	57:4 62:1
69:9 73:18	32:12	prosecution	8:13,14,14	70:20 72:16
78:13 79:2	previously	4:21	26:2,24 73:21	recapitalization
power 10:13	12:16 38:13	proud 38:20	73:23 78:20	43:12 62:16
practices 13:8	41:22 44:12	76:2	Quick 67:16	63:10
45:25 46:1	primarily 10:16	provide 17:11	quickly 45:7	receive 33:13
precede 54:8	13:9,11 17:17	28:5 46:16,20	68:25	60:10 61:4
precedes 54:7	45:10	47:12 56:16	quite 13:23 35:5	received 7:4
prepare 72:24	primary 67:9	provided 6:4	quo 34:7 39:8,12	38:18
prepared 41:9	prior 9:17,23	47:14,15,20	39:20 45:15	recollection
44:6,6,7 63:7	11:4,16 13:9	51:2 60:14,17	67:17,18,18,24	15:21 21:19
72:13 73:2	14:23 20:17	65:4		22:7 23:13
preparing 75:18	23:4 25:23	providing 10:15	R	39:25 40:16
present 2:11	41:21 56:6	41:7	R 79:6	48:16 55:10
41:14 52:9	private 35:13	public 4:16 5:8	raise 4:22 26:23	56:8 64:19
presentation	66:24	5:8 10:4,19,20	ranking 58:14	67:8 73:15
73:9	privatization	16:1,4 35:13	59:23 60:2	recommenda...
presentations	50:25 51:3,17	37:16,24 38:13	rapid 9:4	49:4
41:4	52:14,15,25	46:3,5,10	rapport 29:3	record 6:1 8:18
presented 21:23	53:23 55:8	63:18 65:20	ratepayer 45:14	8:25 54:17
			45:14,17	

79:12	57:9,14 59:24	retain 25:20	road 42:21,21	scheduled 19:4
recorded 4:1 5:7	60:25 63:22	retention 23:16	42:24 43:2,4,7	scrutiny 56:25
records 5:8	65:23 66:8	23:25 24:5,16	Robert 2:7 4:5	77:19
references 7:13	71:5 72:19,21	24:19,20 25:16	78:13	seat 9:15
referred 47:7	73:10	return 22:6	role 5:24 11:10	second 31:4,7,9
72:3	remembered	revelation 62:20	11:11 12:7,11	37:14 45:21
referring 55:7	42:17	revenue 36:4	12:20 14:25	49:5 71:21
64:7	repaired 78:12	46:25 56:14,23	16:5 50:7	seconds 69:16
refresh 19:21	repeatedly 64:4	58:10 71:25	51:15 78:5	69:17
refreshes 17:12	rephrase 8:17	revenues 35:2	roles 50:20	sector 35:13
regard 39:20	report 11:16,23	35:22 36:10,14	roll 29:23 70:5	see 17:12 27:22
regarding 4:9	14:18,19 15:9	39:13,21 47:9	Romero 31:1,2	28:20,25 38:8
31:5 44:10	20:7 28:25	71:10	roof 38:2	48:8 50:13
regardless 28:15	29:1,6 60:16	review 22:6,11	room 47:25	70:13 72:4
regular 61:9	79:10	60:10,13 61:5	rooms 42:22	76:5,25 77:1
regulatory	reported 1:21	61:11,18 65:1	rounds 19:5,12	seeing 34:9
10:16 37:6	9:21 14:23,25	71:3,23	roundtable 16:3	70:20
38:15	65:10	reviewed 24:9	RPR 1:21 79:9	seek 22:5
related 13:17	reporter 1:22	70:17,21	RPR-CP 79:23	seen 56:10 62:5
31:24 44:9	3:7 8:23,23	revised 32:6,8,9	rules 17:15	62:6,20 68:20
54:5,11 67:12	43:19 79:24	32:19 73:14	Ryan 30:18	68:21 69:6,13
71:6 74:10	reporting 8:7	Rhode 21:12,17		70:2
relates 75:24	11:7 62:15	23:11 26:17	S	select 52:10
relations 10:6,8	reports 9:9	right 4:22 9:6	salary 74:14	selected 17:7
relationship	63:13	11:15 12:3	sale 46:9 52:24	selection 16:23
78:11	represent 42:10	14:11 15:10,13	63:10	53:10
relative 79:13	reputation 76:9	15:17 17:14	Salem 64:9	sell 52:8
79:15	request 14:24	18:5 19:8,14	saw 64:5,5 72:2	selling 49:12
relatively 37:24	require 20:9	19:21 20:14,17	saying 27:10	51:16
relayed 65:6	required 57:19	21:5 25:7,12	38:24 42:23	senior 7:3,14
relevance 60:5	resolution 51:2	26:7,13,15	51:7 55:8	25:23 27:20
remained 39:17	73:10	27:18 29:6,24	72:20,21	30:6,12 31:14
remaining 68:2	resource 37:9	30:22 31:7,10	says 21:21 68:14	33:19 43:10
remains 46:6	40:2	31:25 32:25	scan 68:25	55:18 56:5
remarkable	respect 9:2	33:13 34:20	scarce 40:1,2	58:16 63:25
65:7	19:25 26:1	35:7 36:20	scenario 34:6,7	65:24 71:8
remember	33:14 39:8	39:7 41:1,17	39:8,20 45:7	sent 73:6
15:11,24 16:3	responsibilities	42:1,15 46:3	45:21 47:2,10	separate 39:16
16:7 20:3	14:8,9	51:8,19 52:15	52:12 66:1,11	39:18,18 50:22
21:13 23:8	responsibility	56:1,24 57:2,6	67:3,24	57:3
29:24 31:12	13:16 71:11	58:18,22 63:1	scenario-based	September
40:13 41:10	responsible 12:4	63:21 66:21	45:8	60:11 61:23
42:20 43:20,24	restructuring	69:19 71:8	scenarios 45:22	sequence 32:14
46:19 47:13,14	20:1 52:24	75:13	48:19 66:15	serious 39:24
48:13 49:14	result 63:9	right-hand	schedule 19:6	75:10
51:5,5 52:17	results 61:14	68:15	27:22 29:21	serve 37:10
55:13,17,20	resume 51:23	risk 46:1	61:6	50:10

service 45:19	sir 51:8	68:2,2	sticks 72:14	28:15 41:7
services 9:12,19	sit 27:8	staff 24:22 47:19	stood 64:20	70:17 72:25
9:23 10:8,9	six 19:13,22	48:13,15	stop 8:17 64:4	sure 8:15 12:13
11:5,7,9 12:5	20:3 22:8	stage 34:21	strained 78:12	24:11,12 28:10
13:14,16 20:20	skip-level 28:20	stages 34:1,2	strategic 33:2	30:24 31:22
20:24 38:7	28:22,23 29:5	stand 19:15	44:11 49:1	45:6 55:22
51:13 58:3	29:8,16 30:3	54:22	strategy 31:23	58:17 69:5
session 19:2	slides 73:13	standing 76:13	32:6,7,10,12	76:17 78:8,15
sessions 16:3	SLT 21:20 53:13	76:23	33:20 48:18	surprise 29:12
44:14,16,19	53:22 65:4,9	standpoint	52:5,6,7 53:10	70:11
47:24	66:8 67:1	14:16 47:1	55:9,10 65:13	sustainability
set 55:3	72:17	61:20	67:6,11 76:2	12:10 15:25
seven 19:13	small 37:24 48:6	start 34:6 65:14	streaming 64:3	sustainable 13:4
share 63:15	48:7	started 33:3	64:3,4	13:7
64:16 75:22	Sniffen 22:17,18	55:11	Street 1:19 2:3,8	swear 4:23
shared 64:21	somebody 11:1	starts 52:19	strictly 11:21	sworn 1:13 5:13
sharing 58:24	21:20 27:3	state 4:16 5:9	strong 78:1	79:3
Shawn 30:22,24	46:2	10:16,25 38:10	structure 13:24	system 30:13
31:4,5	somebody's	71:19 76:15,20	63:9 68:3	38:21 39:5
sheet 47:15	60:5	76:21 79:7	70:15,16	52:3 70:7
sheets 44:21	Sonya 2:2 4:15	stated 75:21	stuck 16:10	71:22
shift 15:8 55:13	5:19 23:22	statement 1:13	stuff 68:23	
short 17:23 22:8	sorry 15:13 44:7	5:4 6:5 79:3	subject 5:7 8:9	<hr/> T <hr/>
shorter 32:17,17	sought 22:10	statements 4:18	56:24,25 58:1	T 79:6,6
shortly 52:21	26:6	54:20 62:13	77:19	table 27:4
shoulders 58:5	sounds 11:15	States 35:11,17	subsequent 4:21	take 26:22 28:14
show 58:10	19:14 30:22	36:1,15 37:8	72:2	28:16 44:1,25
68:13	41:1 42:1 61:3	37:17	subsequently	66:25 69:5
showed 18:7	sources 40:4	status 4:13 34:7	22:23 73:3	takeaways 28:3
70:1	speak 8:17,22	39:8,12,20	substantive	TAKEN 1:17
showing 73:1	43:5	45:15 67:17,18	66:10	takes 47:8 78:6
shown 59:12	special 31:5	67:18,24	suffice 27:13	talk 7:14 12:11
shrunk 45:17	specific 43:21	stay 34:3 49:25	suite 1:20 2:4,8	22:12 28:20
shuttle 78:10	specifically 47:6	50:2,6	46:12	49:10 50:24
side 13:6,7,10	67:25 72:19	stayed 65:15	sum 32:2 43:13	62:4 67:16
34:25 36:24	specifics 35:6	stealing 46:2	58:25 59:3	talked 7:2,8
37:15 38:12,18	speed 13:21	Steinbrecher	summary 9:8	22:14 23:10
42:20,21,24	Spellman 22:15	1:15 3:3 4:11	11:25 12:3	27:14 39:12
43:1,4,7 45:10	22:17,18	4:23 5:12,17	58:16 76:1	48:8 62:2
sides 39:14	spent 54:18,19	8:2 75:7 78:16	summed 41:22	66:14,14
sign 6:13 21:24	55:5	stenographic	summer 55:21	talking 16:14
signed 6:9 25:10	spot 11:6	79:12	55:21,22 57:12	33:11 43:11
27:15	spring 11:14	Stephen 2:2	supervisors 61:8	61:16 67:17
similar 68:3	17:1 18:4	4:15	61:14	75:11
simple 75:20	SQ 47:8,11	Steve 5:18 14:2	supplies 40:4	Tallahassee
simplify 35:20	48:12,22 65:16	50:12	support 6:21	22:16
simply 8:7 75:21	65:16 67:13	stickies 44:22	supposed 28:14	tango 78:6

team 7:3,15 27:20 30:6,7 30:10,11 31:3 31:14 33:19,22 40:12 41:8 43:10 45:5 46:16 47:3,22 55:18 56:5 58:4,16 63:25 65:24 72:10,21 73:3 74:22 76:2	they'd 59:22 thing 19:4 28:12 34:12 45:12 56:10,11 74:15 things 10:7 13:3 14:16 17:17 27:4 28:4,20 35:21 44:21,24 45:18,21 46:19 46:25 48:1 50:16,21 52:9 57:4 58:15 61:17 62:18 67:23	66:24,25 67:23 67:24 68:4 three- 32:16 three-year 58:9 58:9 72:1 Thursday 1:17 tied 51:3 tier 31:5,7,9,9 31:10 71:21 time 1:18 4:4,13 9:20,25 10:2,5 15:20 16:2 17:4,23 18:2 19:1,6 22:8 26:16,25 33:11 35:7 38:12,17 39:5 50:17 52:19,22 54:19 55:17 56:2 58:18 64:11 65:8 66:13 69:5 72:18 75:4 78:25	51:14 translates 45:20 trend 13:5 40:8 trends 16:15,15 trial 17:13 true 7:19 35:25 36:2 79:12 trust 76:12 truth 4:24,24,24 51:9 truthfully 8:12 try 8:25 9:1 17:16 34:12 56:14,21 trying 7:25 13:2 19:5 32:20,23 59:10,10,15 68:23 turned 27:16 two 10:5 15:15 28:23 30:14,20 35:21 39:16,18 40:25 41:20,24 42:19 43:8 46:7 48:24 52:3 58:12,15 61:17 62:18,20 71:9 77:10,16 78:6	64:13 72:5 uncertainty 32:18 uncommon 73:11 underinvested 38:14,16 underlying 25:17,21 underneath 50:9 understand 5:6 5:24 8:19 13:25 14:13 27:10 29:17 30:9 32:9,24 51:12 52:12 57:19 59:6 68:8 75:13 understanding 6:25 9:11 10:1 13:23 31:15 35:9 57:18 58:7 59:3 71:24 understood 8:19 32:3 57:22 undertook 11:11 unexpected 34:24 unit 3:15 19:23 55:15 57:11,18 59:4 62:3 64:17,22 68:17 69:18 70:5,23 73:24 United 35:11,17 35:25 36:15 37:8,16 units 57:20 62:16 63:11 64:23 unraveled 76:7 upper 30:9,15 31:10 68:14 upstairs 14:24
team's 35:4 teams 46:6,24 46:24 telephone 77:12 tell 4:23 17:2 31:12 35:10 40:17,20 49:17 65:7 ten 32:7 36:12 ten-year 32:7,16 tends 9:4 13:2 tenure 6:20 18:17 29:25 53:7,8 54:5,19 55:6 75:23 term 13:5 56:13 terminating 75:25 termination 1:7 6:22 terms 25:5,14 35:16 48:14 57:10 60:18 testified 5:14 testifying 63:25 testimony 64:6 thank 5:22 6:15 6:16 14:6 17:4 17:18 24:25 27:12 28:3 31:2,8 33:9 55:25 71:16 78:18 79:2 thanks 14:10 16:14 40:6	think 9:9 10:7 15:20,25 16:1 21:19 22:3,4 23:8 24:7 26:19,20 30:20 31:20,21 33:3 33:3,18 39:4 39:24 40:16 41:16 43:6 47:14 54:10 55:1,20,23 57:12,12 60:1 60:19 63:3,17 63:17,23 65:5 68:8 69:3 71:21 72:12 73:2,14,16,22 74:19 75:15 76:7 78:2,3 third 78:3 thought 22:2 48:3 69:15 72:18 76:3 78:5,7,9,10 thoughts 24:8 25:13,15 71:12 thousand 71:9 threats 5:2 three 10:5 11:20 23:17 24:7,15 24:22 25:1,2,4 46:4,8 58:8,19 58:21 65:21	times 32:1 65:7 timing 43:21 49:15,21 50:16 52:18 55:20 today 4:3 6:7,25 7:5,13,17 8:5 told 7:16 28:16 Tom 22:19 tone 62:12 tool 56:13 top-to-bottom 55:4 total 59:1,3 tough 60:23 Towers 74:7,9 74:12 trading 27:8 traditionally 55:1 transcript 79:11 transfers 43:13 transition 23:15 38:24 39:3 transitioned	two- 71:25 two-part 52:2 two-tier 31:3 52:3 two-tiered 30:12 type 12:19 18:23 44:19 45:23 46:8 69:24 74:15 types 27:4 44:20 48:1,1 60:9 Typically 44:8 <hr/> U <hr/> ultimately 74:5 uncapped 59:13 62:21,23 63:4 63:8,9,18	

15:10 16:4 18:3 use 36:19 usually 28:23 37:7 44:9 73:12 78:8 utilities 32:15,16 36:2,8 37:16 37:18,24 38:5 utility 13:6 16:9 16:12 35:10,17 36:9 38:13 47:8 63:5 76:13,14 77:3	61:4,22 64:15 65:25 66:10 Vinyard's 20:12 vision 54:6,20 visits 27:20 voice 12:22 13:7 vote 44:22	39:4,12,21,25 40:1,3,4 45:11 77:2 water- 13:16 water/wastew... 37:21 38:2,9 Watson 74:7,10 way 18:16 50:7 78:11 we'll 6:13 31:8 37:9 40:2,20 we're 9:3 17:16 31:13 33:7,10 34:9 38:20 49:1 50:8 52:8 56:23 58:18 75:15,18 77:19 we've 7:25 35:5 36:18 38:21 41:21 60:23,23 60:24 62:20 66:14 week 48:17 weeks 73:15 76:6 weigh 14:15 welcome 5:25 6:16 went 22:10 59:5 weren't 41:8 71:20 West 1:19 2:3 whatsoever 5:2 Willis 74:6,9,12 winter 55:11 wires 37:3 wisdom 28:18 witness 3:3 4:12 4:13,25 5:5,10 5:13,24 8:10 22:18,21 23:25 24:3 28:10 43:20 48:3 66:3,19 78:18 word 32:11 34:11 35:5 work 8:1 10:11	10:24 11:3 13:9 20:8 24:22 31:24 32:10,12 33:1 33:20,25 34:1 34:5,13,18 39:9 44:12,25 45:8,9 46:13 47:24 48:18 49:6 50:10 52:5,6,7 54:4,6 54:7 55:4,9,10 60:24 65:13 67:4,6,11 73:7 74:10 75:15,18 76:2,3,22 worked 43:17 workforce 48:23 working 34:21 44:16 65:9 works 32:20 workshop 15:22 15:24 73:2 worldwide 12:18 worry 22:20,23 25:5 wouldn't 37:20 37:22 57:4 58:3 69:23 wrap 75:9 wrap-up 41:8 written 20:20,25 56:10 wrong 35:10	53:16,19 54:10 54:15 58:20 66:16,22 72:12 72:21,23 74:17 77:4 year 11:11 14:22 21:6 26:9,9 33:4,5,12 35:23,23 36:15 36:15 41:3 58:25 60:23 61:12 year's 61:14 year- 49:2 year-and-a- 49:2 years 11:9,21 12:2 15:15,21 18:6 24:22 25:23 33:8 36:19 38:11 48:24 49:9,11 49:11,12 51:13 yesterday 5:23 7:4
V	W	X	Y	Z
valuations 64:23 value 54:24,25 54:25,25 55:2 62:17 63:12 varied 45:6 48:25 variety 38:15 various 8:6 Vedra 31:16 40:12 verbally 73:5,6 verify 28:13 version 73:14 versions 45:22 vice 9:12,20,22 10:2 11:20,22 13:19,25 14:1 14:2,15 15:14 15:16 16:18 18:3,20 19:6 19:12 20:6,23 29:19 38:7 49:15 50:10 51:1,14,21 52:18,21 view 12:25 50:1 78:3 Vinyard 67:2 Vinyard 14:19 15:3 20:10 30:19 60:14	wait 65:14 walks 21:20 27:4 wall 44:21 Wannamacher 67:2 Wannemacher 30:19 64:16 65:25 66:9 Wannemache... 64:6 want 5:21 13:21 22:12 24:11,13 28:6 50:6,17 53:6 54:12 69:25 72:7 78:13,18 wanted 40:6 59:6 62:18 wasn't 30:24 31:4 32:20 34:24 45:10 47:6,23 50:15 56:9 64:3 65:8 65:11,17 69:17 wasted 72:18 wastewater 10:14 12:17 13:11 14:2 16:15 watching 64:1 water 10:13 12:17 13:6,10 13:11 14:1,3 16:14 36:24,25 36:25 37:1,4,7 37:9,10,14,19 38:12,18,20	were 10:11 11:11 12:11 13:11 14:11 15:11 16:11 17:11 18:11 19:11 20:11 21:11 22:11 23:11 24:11 25:11 26:11 27:11 28:11 29:11 30:11 31:11 32:11 33:11 34:11 35:11 36:11 37:11 38:11 39:11 40:11 41:11 42:11 43:11 44:11 45:11 46:11 47:11 48:11 49:11 50:11 51:11 52:11 53:11 54:11 55:11 56:11 57:11 58:11 59:11 60:11 61:11 62:11 63:11 64:11 65:11 66:11 67:11 68:11 69:11 70:11 71:11 72:11 73:11 74:11 75:11 76:11 77:11 78:11 79:11 80:11 81:11 82:11 83:11 84:11 85:11 86:11 87:11 88:11 89:11 90:11 91:11 92:11 93:11 94:11 95:11 96:11 97:11 98:11 99:11 100:11	Y 69:19 y'all 72:22 yeah 14:14 16:14 17:7,10 27:7 28:18 31:11 32:22 33:6 35:8 36:9 46:18,21 47:23	Z 69:19 Zahn 1:7 4:9 6:20 15:19 16:19 17:24 18:6,15 19:3 27:19 28:14 29:4,9,18,24 30:3 43:9 53:15,18,22 56:5 64:15 65:24 66:9 67:2 Zahn's 6:22 53:21 75:23 zeroed 56:2
		0	1	
				1 3:15 65:16 67:13,17,17,18

68:1,2,18 69:7 70:1 79:11 10 48:23 11:10 1:18 79:1 79:3 117 1:19 2:3 11th 42:12 13 72:22 13th 79:18 15 11:14 47:3,5 47:6 16th 15:16 52:23 64:8 17 11:9 12:1 17th 6:19 29:24 29:25 18 8:4 9:17,23 15:12 16:19 17:1,3 18:4 20:24 26:10 51:7 53:25 54:1 18-'19 55:11 19 12:2 26:10 38:11 49:9 55:21,22 57:13 <hr/> 2 <hr/> 2 45:15 47:8,11 48:12,22 65:16 67:13,17,18 68:1,2 2018 9:16 49:14 2019 19:9 21:10 30:5 31:15,16 33:5 34:3,16 60:11 2020 1:17 4:3 41:2 79:18 23 19:9,15 21:14 41:21 42:7 57:15 65:23 66:7,25 67:10 68:9 231 2:8 23rd 64:17 <hr/> 3 <hr/>	3 67:24 32202 2:4,9 <hr/> 4 <hr/> 40 36:19 470 2:8 480 1:20 2:4 4th 31:16 40:14 42:11 <hr/> 5 <hr/> 5 3:6 46:9 <hr/> 6 <hr/> 60 10:11 69 3:15 <hr/> 7 <hr/> 79 3:7 79:12 <hr/> 8 <hr/> <hr/> 9 <hr/> 9 1:17 9-10-2019 68:14 9:30 1:18 4:4 97 39:2,3 9th 4:3			
---	---	--	--	--

[INSERT JEA LOGO]

**INVITATION TO PARTICIPATE IN THE
JEA LONG-TERM PERFORMANCE UNIT PLAN**

Dear [NAME],

We are delighted to let you know that you are eligible to participate in the JEA Long-Term Performance Unit Plan (the "Plan"). The Plan is a new program that was approved by JEA's Board of Directors as part of the long-term compensation framework authorized by the Board of Directors at its meeting on June 27, 2019.¹

How the Plan Works

The Plan allows you to purchase up to a specified number of performance units, as set forth in your Long-Term Performance Unit Agreement, from JEA at a purchase price of \$10.00 per unit. The purchase price is paid by you by deferring a portion of your pay earned in 2020 equal to the aggregate purchase price of the performance units you wish to purchase. For example, if JEA allocates you five performance units and you wish to purchase all five performance units, the aggregate purchase price to be deferred from your pay earned would be equal to \$50.00 (\$10.00 x five performance units). When the performance units vest, subject to the satisfaction of certain conditions, you are eligible to receive a cash payment in consideration for the performance units you purchased. The amount of the cash payment is calculated based on the attainment of specified corporate performance metrics and includes the aggregate purchase price you paid for your performance units. Enclosed with this invitation booklet is a copy of the Plan and your Long-Term Performance Unit Agreement. For additional information on how the Plan works, please refer to the frequently asked questions on Tab A of this invitation booklet.

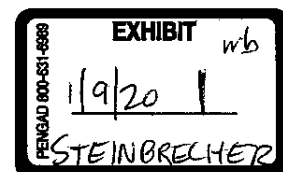
Risks Associated with Participating in the Plan

As described above, in order to purchase performance units under the Plan, you must pay a purchase price of \$10.00 per unit. As it is possible that you may forfeit the entire amount of the purchase price under certain circumstances (for example, if your employment with JEA is terminated for cause), you should carefully consider whether to purchase the performance units. In considering whether to purchase the performance units, you should review the risks described on Tab B of this invitation booklet and the financial information contained in Tab C of this invitation booklet.

Instructions and Additional Information

If you wish to participate in the Plan and purchase the performance units, please review this invitation booklet carefully and follow the instructions set forth on Tab D of this invitation booklet. All required forms and materials must be postmarked by no later than [DATE], 2019. If your required forms and materials are postmarked later than [DATE], 2019, your election will

¹ JEA to confirm date.



not be processed and you will not be eligible to purchase performance units and participate in the Plan.

For further information concerning the Plan, please contact [NAME], [TITLE] at JEA, via email at [EMAIL ADDRESS].

This is an exciting time for JEA!

Sincerely,

Aaron Zahn
Managing Director & Chief Executive Officer

TABLE OF CONTENTS

	Page
Questions and Answers About the Jea Long-Term Performance Unit Plan.....	A-1
Risk Factors To Be Considered Before Purchasing the Performance Units Under the JEA Long-Term Performance Unit Plan.....	B-1
Financial Statements	C-1
Instructions for Participating in the Plan	D-1
JEA Long-Term Performance Unit Plan.....	E-1
JEA Long-Term Performance Unit Agreement.....	E-1

TAB A

QUESTIONS AND ANSWERS ABOUT THE JEA LONG-TERM PERFORMANCE UNIT PLAN

INTRODUCTION

Below are a number of frequently asked questions (“FAQs”) regarding the principal features of the Plan. The Plan was adopted by the Board at its meeting on July 23, 2019.

This document is only intended to be a summary. Some provisions are described in abbreviated form and others are not mentioned at all. If there is any ambiguity in these FAQs or if there is a conflict between these FAQs and the official text of the Plan or your Long-Term Performance Unit Agreement, then the official text of the Plan or your Long-Term Performance Unit Agreement, as applicable, will govern.

THIS INVITATION BOOKLET DOES NOT PROVIDE LEGAL, FINANCIAL OR TAX ADVICE. JEA STRONGLY ADVISES YOU TO SEEK THE ADVICE OF A QUALIFIED LEGAL, FINANCIAL AND/OR TAX ADVISER REGARDING YOUR PARTICIPATION IN THE PLAN.

GENERAL PLAN PROVISIONS

Q1: What is the purpose of the Plan?

A1: The purpose of the Plan is to provide a means by which employees of JEA may be given incentives to remain with JEA, drive value for customers, drive value for the community of North East Florida, drive environmental value and drive financial value for JEA and the City of Jacksonville.

Q2: Who is eligible to participate in the Plan?

A2: Any full-time employee of JEA, its affiliates, assigns, subsidiaries and successors, (collectively, the “**JEA Group**”) who has been employed by any member of the JEA Group for at least three months prior to the Purchase Date (as described in Q&A 3) and any full-time attorney from the Office of the General Counsel of the City of Jacksonville who is dedicated exclusively to JEA for at least three months prior to the Purchase Date is eligible to participate in the Plan. Part-time and temporary employees of JEA are not eligible to participate in the Plan.

Any exceptions to the above eligibility requirements must be recommended by JEA’s Chief Executive Officer (the “**CEO**”) and approved by the Chair of the Compensation Committee (the “**Committee Chair**”) of the Board of Directors of JEA (the “**Board**”).

Q3: How does the Plan work?

A3: Each eligible employee may purchase a specified number of performance units (the “**Performance Units**”) as set forth in such employee’s Long-Term Performance Unit Agreement from JEA on January 15 of each year (the “**Purchase Date**”) by electing to defer a portion of such employee’s pay equal to the aggregate purchase price (the “**Purchase Price**”) for the Performance Units that such employee wishes to purchase.

The Purchase Date for the Performance Units that are allocated to you now will be January 15, 2020.

Q4: Who administers the Plan?

A4: The Committee Chair administers the Plan. The Committee Chair has the full authority and discretion to take any actions it deems necessary or advisable for the administration of the Plan. All decisions, interpretations and other actions of the Committee Chair will be final and binding.

Q5: How many Performance Units are reserved under the Plan?

A5: JEA has reserved an aggregate of 100,000 Performance Units for purchase by eligible employees under the Plan.

ALLOCATION OF PERFORMANCE UNITS

Q6: What is a Performance Unit?

A6: Each Performance Unit is a phantom or notional unit that represents a right to receive a cash payment equal to the Redemption Price (as described in Q&A 14) in exchange for such Performance Unit. A Performance Unit is not, and does not represent an equity or security interest in JEA.

Q7: How are Performance Units allocated under the Plan?

A7: Under the Plan, the Committee Chair has complete discretion to determine when and to whom Performance Units will be allocated and the number of Performance Units that may be allocated. The terms and conditions of Performance Units will be set forth in your Long-Term Performance Unit Agreement evidencing the Performance Units.

The Committee Chair has delegated its authority under the Plan to determine the number of Performance Units that may be allocated to eligible employees (other than to the CEO) under the Plan to the CEO. The Committee Chair retains the authority to determine the number of Performance Units that may be allocated to the CEO.

Q8: How many Performance Units must I purchase to participate in the Plan?

A8: You may purchase up to the maximum number of Performance Units allocated to you. However, you may purchase less than all of the Performance Units that you have been allocated to you.

If you purchase none of the Performance Units allocated to you, you will not participate in the Plan and you will not be eligible to receive the Redemption Price in exchange for your Performance Units.

Q9: How is the Purchase Price determined?

A9: Under the Plan, the Purchase Price will be no less than \$10.00 per Performance Unit. JEA has set the Purchase Price as \$10.00 per Performance Unit.

Q10: Will I be required to pay the Purchase Price for my Performance Units?

A10: Yes, to purchase Performance Units under the Plan, you must pay the aggregate Purchase Price for the Performance Units you wish to purchase. The aggregate Purchase Price is equal to \$10.00 multiplied by the number of Performance Units that you wish to purchase.

Example: If JEA allocates you five Performance Units and you wish to purchase four Performance Units, the aggregate Purchase Agreement will be equal to \$40.00 (\$10.00 x four Performance Units).

Q11: How do I pay the Purchase Price for my Performance Units?

A11: To pay the Purchase Price for the Performance Units that you wish to purchase, you must elect to defer a portion of your pay equal to the aggregate Purchase Price for the Performance Units you wish to purchase. You may elect to defer your pay in a lump sum or equal installments during certain payroll periods as selected by you. You must elect to defer your pay in the calendar year prior to the calendar year in which the compensation is earned and you purchase the Performance Units.

To purchase Performance Units on January 15, 2020, you must elect to defer your pay by no later than December 31, 2019 (or an earlier date as selected by the Committee Chair). If you do not make this election by December 31, 2019 (or the earlier date as selected by the Committee Chair), you will not be eligible to purchase Performance Units on January 15, 2020.

Q12: Will I forfeit the Purchase Price that I pay for my Performance Units?

A12: Yes, if prior to the Vesting Date (as described in Q&A 13) your employment with any member of the JEA Group is terminated for cause (as described in Q&A 20) or you voluntarily resign your employment with any member of the JEA Group for any reason, you will forfeit the entire amount of the Purchase Price that you paid for the Performance

Units that have not vested as of the date of your termination or resignation, as applicable, of employment.

Q13: When will I receive the Redemption Price for my Performance Units?

A13: The Performance Units will vest on the earlier to occur of (a) the last day of the three-year performance period (as described in Q&A 14) and (ii) the date on which a Recapitalization Event (as described in Q&A 23) occurs (the “**Vesting Date**”). Except as otherwise described in Q&A 18, you must be employed with a member of the JEA Group on the Vesting Date for the Performance Units to vest. You will only receive the Redemption Price in respect of vested Performance Units.

A member of the JEA Group will pay the Redemption Price to you in respect of your vested Performance Units no later than 30 days after the Redemption Price has been certified by the Committee Chair as described in Q&A 14. The amount of the Redemption Price will be reduced by applicable withholding taxes.

Q14: How is the Redemption Price calculated?

A14: The Redemption Price is calculated as set forth below based on a three-year performance period (if a Recapitalization Event occurs, the performance period will be shortened, and the performance period will end on the closing date of such Recapitalization Event) (the “**Performance Period**”).

The Performance Period will begin on January 15, 2020 and will end on January 15, 2023 (the “**2020/2023 Performance Period**”), unless a Recapitalization Event occurs before such date in which case the performance period will end on the date on which the closing of the Recapitalization Event occurs.

The 2020/2023 Performance Period will be based on the following performance metrics:

The Redemption Price will increase by \$100.00 per Performance Unit for each “Value Change Percentage” increase of 1% in excess of the “Challenge Value Target” and will decrease by \$0.50 per Performance Unit for each “Value Change Percentage” decrease of 1% below the Threshold Value Target, but the Redemption Price will not be less than \$0.00 per Performance Unit (the “**Redemption Price**”).

- For the 2020/2023 Performance Period, the “Challenge Value Target” will be 110% and the “Threshold Value Target” will be 90%.
- The “Value Change Percentage” means a percentage equal to the “Current Year Value” divided by the “Base Year Value.”
- “Current Year Value” means, with respect to the Performance Period, the sum of (a) JEA’s Net Position, as shown on JEA’s audited financial statements for the Performance Period (or, in the case of a Recapitalization Event, JEA’s Net Position as shown on JEA’s audited financial statements immediately following the closing date

of the Recapitalization Event), (b) the aggregate consideration paid directly or otherwise transferred to the City of Jacksonville whether in cash or in-kind (excluding any public service taxes or franchise fees) during the 12-month period prior to the end of the performance period, and (c) the aggregate consideration (including refunds, rebates and distributions) paid, distributed, credited or otherwise provided to JEA's customers during the 12-month period prior to the end of the Performance Period. Any consideration and change in Net Position, as applicable, in connection with the Recapitalization Event will be taken into account for purposes of calculating the amounts in (a) – (c).

- For the 2020/2023 Performance Period, “Base Year Value” is the amount equal to the Current Year Value for fiscal year 2019 as reflected on JEA’s audited financial statements when available.

The Redemption Price that you receive for your vested Performance Units will include the Purchase Price that you paid for each Performance Unit.²

Example: [To come]³

Q15: Is it possible that I may not receive any Redemption Price for my Performance Units?

A15: Yes, as described in Q&A 14, the Redemption Price will be decreased by \$0.50 per Performance Unit for each “Value Change Percentage” decrease of 1% below the Threshold Value Target up to \$0.00 per Performance Unit. However, the Redemption Price will not be less than \$0.00 per Performance Unit.

Q16: Who will calculate the Redemption Price?

A16: JEA’s Chief Financial Officer will calculate the Redemption Price per Performance Unit. The Committee Chair will certify the Redemption Price as soon as practicable following the completion of JEA’s audit for the applicable Performance Period, but in no event later than 30 days following the end of the Performance Period.

Q17: Are there any conditions to my receipt of the Redemption Price?

A17: Yes, you need to satisfy certain conditions in order to receive the Redemption Price for your vested Performance Units. These conditions are as follows:

(a) you must execute your Long-Term Performance Unit Agreement enclosed with this invitation booklet on Tab F and return it to JEA by following the instructions included in Tab D;

(b) except as described in Q&A 18, you must be continuously employed with JEA;

² JEA to confirm that the Purchase Price will be refunded to a participant even if the performance metrics are not attained.

³ JEA to provide.

- (c) you must execute and not revoke a release of claims in favor of JEA and the City of Jacksonville (JEA will notify you when it is time for you to execute the release);
- (d) you must comply with the covenants set forth in your Long-Term Performance Unit Agreement (the “Agreement”); and
- (e) the conditions in Section 215.425(3), Florida Statutes must be satisfied.⁴

With respect to the conditions in (e), [insert description].⁵

Q18: What happens to my Performance Units and the Purchase Price that I paid upon an involuntary termination of employment with the JEA Group?

A18: If you experience an involuntary termination of employment prior to the applicable Vesting Date for your Performance Units, you will be paid the Redemption Price in respect of all of your Performance Units. Any Redemption Price payable to you as a terminated employee in respect of your Performance Units will be paid to you at the same time as the amounts would have been paid had you not experienced an involuntary termination of employment.

An involuntary termination of employment means a termination of employment by JEA without cause (as described in Q&A 20) or due to your death or disability (as defined in the Plan).

Q19: What happens to my Performance Units and the Purchase Price that I paid upon a termination of employment with the JEA Group for cause or a resignation of employment?

A19: If you experience a termination of employment for cause (as described in Q&A 20) or you resign your employment with JEA for any reason, in each case, prior to the applicable Vesting Date for your Performance Units, you will forfeit both the Performance Units to the extent unvested and the Purchase Price that you paid for such unvested Performance Units.

Q20: What is a termination of employment for “cause”?

A20: Under the Plan, “cause” generally means:

- (a) if you have an employment agreement, consulting agreement or similar agreement in effect with JEA at the time of purchase of the Performance Units that defines a termination for “cause” (or words of like import), “cause” as defined in such agreement, or

⁴ JEA to consider whether to provide.

⁵ JEA to provide.

- (b) if you have an employment agreement, consulting agreement or similar agreement in effect with JEA at the time of purchase of the Performance Units or where there is such an agreement but it does not define "cause" (or words of like import): (i) you have been convicted of, pled guilty or no contest to or entered into a plea agreement with respect to, any felony under applicable law or any crime involving dishonesty or moral turpitude; (ii) you have engaged in (A) any willful misconduct or gross negligence or (B) any act of dishonesty, violence or threat of violence that would reasonably be expected to result in a material injury to any member of the JEA Group; (iii) you willfully fail to perform your duties to any member of the JEA Group and/or willfully fail to comply with lawful directives of the Board; (iv) you materially breach any term of any contract to which you and any member of the JEA Group is a party; or (v) you materially breach any term of the Plan and/or your Long-Term Performance Unit Agreement.

With respect to clauses (iii), (iv) and (v) and if the event giving rise to the claim of "cause" is curable, JEA will provide written notice to you of the event within 30 days of JEA learning of the occurrence of such event, and such cause event must remain uncured 15 days after JEA has provided such written notice and any termination of your employment for "cause" with respect to clause (iii), (iv) or (v) must occur no later than 30 days following the expiration of such cure period.

Notwithstanding the foregoing, to the extent that this definition of "cause" is inconsistent with a definition of "cause" (or words of like import) in any applicable and lawful collective bargaining agreement or the applicable and lawful Civil Service and Personnel Rules and Regulations of the City of Jacksonville (the "**Civil Service Rules**"), the definition of "cause" (or words of like import) in such collective bargaining agreement or the Civil Service Rules, as applicable, will control.

Q21: What happens if I am retirement eligible and retire before the applicable Vesting Date?

A21: If you become a retirement eligible employee (as described below) and retire, in each case, prior to the applicable Vesting Date for your Performance Units, your Performance Units will vest on the applicable Vesting Date.

You are retirement eligible if you have attained one of the retirement milestones as described in the General Employees Retirement Plan.

Q22: What happens if my designation changes from appointed to civil service?

A22: If at any time during the period commencing on the date on which you are notified by JEA of your eligibility to participate in the Plan and ending on the last day of the Performance Period, your designation changes from appointed to civil service (whether or not such change is voluntary), the level at which you participate in the Plan will be adjusted to reflect such change.

If such change occurs (a) at any time prior to the Purchase Date, the number of Performance Units that you will be eligible to purchase will be reduced to a number of

Performance Units that is equal to the number of Performance Units you would have been eligible to purchase had you been civil service on the date on which you were notified of your eligibility to participate in the Plan or (ii) at any time on or after the Purchase Date, but prior to the last day of the Performance Period, you will forfeit a number of Performance Units such that you will have purchased a number of Performance Units that is equal to the maximum number of Performance Units you would have been eligible to purchase had you been civil service on the Purchase Date (it being understood that such number of forfeited Performance Units may be zero) and JEA will refund to you the aggregate Purchase Price in respect of such forfeited Performance Units.

RECAPITALIZATION EVENT

Q23: What is a Recapitalization Event?

A23: A "Recapitalization Event" means the closing and funding of a transaction or a series of related transactions in accordance with Article 21 of the Charter of the City of Jacksonville and any other applicable law that results in either (a) unencumbered cash proceeds to the City of Jacksonville of at least \$3,000,000,000 or (b) at least 50% of the net depreciated property, plant and equipment value of either JEA's electric system or JEA's water and wastewater system being transferred, assigned, sold or otherwise disposed of.

Q24: What happens to my Performance Units upon a Recapitalization Event?

A24: On the closing date of a Recapitalization Event, your Performance Units will vest and you will receive the applicable Redemption Price for your Performance Units. The Redemption Price will be paid in cash no later than 30 days after the Redemption Price has been certified by the Committee Chair as described in Q&A 16.

AMENDMENTS OF THE PLAN

Q25: May the Board amend the Plan?

A25: Yes, the Board may amend the Plan at any time. However, no amendment to the Plan may impair the rights of participants in the Plan without such participants' written consent. You will be provided any details of any amendment that would affect you as soon as reasonably practicable.

MISCELLANEOUS

Q26: Has the Plan been collectively bargained?

A26: Yes, the Plan has been collectively bargained with the applicable union representatives.⁶

⁶ JEA to update as applicable.

Q27: How should I respond if someone asks about my Plan benefits or JEA's financial status?

A27: All inquiries from persons other than your legal, financial and/or tax advisors relating to the value of your Performance Units or JEA generally (including questions from the press, prospective JEA investors, JEA customers or vendors, prospective JEA hires and current co-workers) should be directed to the JEA's [TITLE].⁷

⁷ JEA to confirm that this is acceptable.

TAB B

RISK FACTORS TO BE CONSIDERED BEFORE PURCHASING THE PERFORMANCE UNITS UNDER THE JEA LONG-TERM PERFORMANCE UNIT PLAN

The occurrence of any of the following risks could materially and adversely affect JEA's business, operating results and financial condition. In addition, risks and uncertainties that are not presently known to us or that we currently believe are immaterial may also impair JEA's business and operations. If any of these risks occur, the value of your Performance Units could decline and you may lose all or part of your Purchase Price.

The list of risk factors below does not purport to be a complete enumeration or explanation of the risks involved in purchasing the Performance Units under the Plan. You should carefully evaluate all of the information in this invitation booklet, the Plan and your Long-Term Performance Unit Agreement and consult with your own legal, tax and/or financial advisers before deciding whether to purchase Performance Units and pay the Purchase Price under the Plan.

There are a number of factors that may impact JEA's business and financial conditions.

The Redemption Price of the Performance Units will be subject to the future performance of JEA and, accordingly, before purchasing the Performance Units, you should carefully consider the risk factors described in JEA's Electric System and Water & Sewer System Annual Disclosure Reports (the "**Annual Reports**") filed with the Municipal Securities Rulemaking Board on its EMMA website and on www.jea.com under the "Financial Reports" section (About > Investor Relations > Financial Reports > Annual Disclosure Reports), which are incorporated by reference into this invitation booklet, together with the other information incorporated by reference herein or provided in this invitation booklet (including the risks set forth below).

The issues and associated risks and uncertainties discussed in the Annual Disclosure Reports that are incorporated herein by reference are not the only ones JEA may face. Additional issues may arise or become material as the energy, water and wastewater industries evolve. The risks and uncertainties associated with those additional issues could impair JEA's businesses in the future.

The Redemption Price of the Performance Units in the future may be higher or lower than the Purchase Price that you paid for the Performance Units due to changes in JEA's operating performance or prospects and other factors, including broad market fluctuations. Some specific factors that may have a significant effect on the Redemption Price of your Performance Units include:⁸

- JEA has a history of losses, and may not achieve or maintain profitability in the future;

⁸ JEA to confirm.

- climate change, or legal, regulatory or market measures to address climate change, may negatively affect JEA's business, operations and/or financial performance;
- natural disasters, including, but not limited to, hurricanes and/or fires, could destroy JEA's facilities and equipment;
- actual or anticipated fluctuations in JEA's operating results or future prospectus;
- factors outside of JEA's control, including modifications to JEA's book value;
- strategic actions by other industry participants, such as acquisitions or restructurings;
- new laws or regulations or new interpretations of existing laws or regulations applicable to JEA's business;
- JEA may be subject to legal proceedings and litigation, which are costly and may subject JEA to significant liability and increased costs of doing business;
- changes in accounting standards, policies, guidance, interpretations or principles; and
- adverse conditions in the financial markets or general economic conditions, including but not limited to, those resulting from war, incidents of terrorism and responses to such events.

There is no duty to update this invitation booklet.

JEA has no obligation to update the information contained in this invitation booklet. Accordingly, you should bear in mind that there may have been material changes in the affairs of JEA since the date of this invitation booklet, and it is up to you to review JEA's publicly available reports and information.

The information and expressions of opinion set forth herein or included herein by specific reference are subject to change without notice, and neither the delivery of this invitation booklet, nor the Plan nor your Long-Term Performance Unit Agreement shall, under any circumstances, create the implication that there has been no change in the affairs of JEA since the date hereof and thereof.

The Performance Units are not transferable and there is no market available for sale of the Performance Units.

You may not transfer, sell, pledge or otherwise dispose of your Performance Units (other than by will or the laws of descent or distribution) and there is no market to sell the Performance Units.

* * *

THE PERFORMANCE UNITS ARE NOT SECURITIES OF JEA, NOR ARE THEY INTENDED TO BE TREATED AS SUCH AND ANY REPRESENTATION BY JEA OR ITS AGENTS TO THE CONTRARY SHOULD NOT BE RELIED UPON.

TAB C

FINANCIAL STATEMENTS

You can access and view JEA's financial statements, including the unaudited Quarterly Analysis of Financial Performance for the quarter ended June 30, 2019, through this link:⁹

https://www.jea.com/About/Investor_Relations/Financial_Reports/

Please contact [NAME] at [EMAIL ADDRESS] if you have trouble viewing or accessing the financial statements.

⁹ To be updated prior to distribution to participants, as necessary.

TAB D

**INSTRUCTIONS FOR PARTICIPATING IN THE
JEA LONG-TERM PERFORMANCE UNIT PLAN**

To purchase Performance Units and participate in the Plan:

- You must sign and return your Long-Term Performance Unit Agreement enclosed with this invitation booklet;
- You must complete, sign and return the Purchase of Performance Units and Deferral Election attached as Schedule I to your Long-Term Performance Unit Agreement; [and]
- [Any other requirements?]¹⁰

The documents listed above must be returned to [NAME], [TITLE], at JEA, at [ADDRESS], or at [EMAIL ADDRESS].

All required forms and materials must be postmarked by no later [DATE], 2019. If your required forms and materials are postmarked later than [DATE], 2019, your election will not be processed and you will not be eligible to purchase Performance Units and participate in the Plan.

¹⁰ JEA to confirm.

TAB E

JEA LONG-TERM PERFORMANCE UNIT PLAN

[To be attached]

JEA LONG-TERM PERFORMANCE UNIT AGREEMENT

[To be attached]