

**JEA BOARD MINUTES
December 24, 2019**

The JEA Board met in regular session on Tuesday December 24, 2019, on the 19th Floor, 21 W. Church Street, Jacksonville, Florida. Present were April Green, Reverend Fredrick Newbill, Kelly Flanagan, Henry Brown, Dane Grey, Melissa Dykes, and Lawsikia Hodges.

Agenda Item I – Welcome

- A. The meeting was **called to order** at 9:00am by Chair April Green.
- B. A **Moment of Reflection** was observed by all.
- C. The **Pledge of Allegiance** was led by Chair Green.
- D. **Introductions** were made by board members present, Melissa Dykes, and Lawsikia Hodges.
- E. **Adoption of Agenda** – The agenda was approved on **motion** by Vice-Chair Newbill and second by Board Member Flanagan.
- F. The **Safety Briefing** was given by Melissa Dykes, Interim Managing Director/CEO.
- G. **Sunshine Law/Public Records Statement** – Lawsikia Hodges, Office of General Counsel (OGC), stated this Emergency Board Meeting is being held in compliance with Florida’s Government in the Sunshine Law, §286.011. The complete statement can be found in section I. F. of the Board package.

Agenda Item II – Operations

A. Future of ITN Process –

 Melissa Dykes, Interim Managing Director/CEO began by outlining all scenarios of the Strategic Planning process which include: Scenario 1 & 2 Government Owned Entities; Scenario 3 Co-Op (customer ownership); Scenario 4 IPO; and Scenario 5 ITN. Ms. Dykes understands that this has been a very painful process for the community and what began for the right has been a very divisive discussion in the community; the board will decide if they should continue the ITN process today.

 Lawsikia Hodges, Office of General Counsel read Resolution 2019-18. On **motion** by Vice Chair Newbill second by Board Member Flanagan, the motion was opened for discussion.

 In the discussion Ms. Dykes stated that an estimated figure is about \$10 million and the information gathered can be used to craft a future plan. Ms. Dykes stated that procurement counsel can give exact next steps. Ms. Hodges stated that the information that is subject to Sunshine Law will be available to the public. Vice Chair Newbill stated that he hopes that people don’t think changes will be instantaneous, but the business does need to change. Mr. Newbill went on to say that the Board never authorized the sale of JEA, only wanted to find value. Mr. Newbill also stated the Board only has authorization on 10%, anything over that goes to City Council and then the Citizens. Board Member Flanagan agrees that the business has some challenges and the Board never had unilateral decision power over the decision. Ms. Flanagan also suggested when the ITN information

is made public, all other information for the other scenarios should be released as well.

Robert Hosay, procurement counsel, stated that the Board has the discretion (due to the procurement code) to cancel the ITN.

Public Comment

- **James Taylor (information on file)** – Mr. Taylor stated that the utility in Orlando has the same issues JEA has, and the issues can be fixed. Mr. Taylor also stated the media is doing a good job providing information to the public. Mr. Taylor stated that there have been Charter violations and Mr. Zahn needs to continue to be investigated and needs to be terminated with cause.
- **Tim Wing (information on file)** – Mr. Wing stated the business is tainted and the Leadership Team and the Board has lost the trust of the employees. Mr. Wing feels the whole process, not just the ITN, needs to be ditched.
- **CM Salem (information on file)** – CM Salem supports the decision to stop the ITN and has little confidence in the Executive Team since the details of the PUP have been revealed. Encourages investigation into PUP to continue, terminate Mr. Zahn with cause, asked the Council auditor to obtain other contracts to prevent difficulties in terminating CEOs, and he still feels as though there were Senior Leadership members who knew the value of PUPs with and without recapitalization before it became public and their continued employment should be investigated.
- **CM Carlucci (information on file)** – Mr. Carlucci stated the greatest places to be misunderstood is public works and politics. He said that as you do your job remember that Public Utilities are still viable and trends are going back to them. He agrees that Mr. Zahn should be terminated with cause and whole-heartedly recommend that there is a nationwide search for permanent CEO.
- **Valerie Guitterez (information on file)** – Ms. Guitterez stated that stopping the ITN process is important for several reasons. One reason is so that employees can focus on safety and their jobs not uncertainty of the future. She also stated that the trust of the employees needs to be regained as well.
- **CM Garrett (information on file)** – CM Garrett stated JEA has a lot of work to do to regain the trust of the employees and community. He also stated that the current leadership cannot provide the fresh start needed to move forward.
- **CM Jackson (information on file)** – CM Jackson supports the action of cancelling the ITN and does not plan on withdrawing Resolution 2019 – 894 that she introduced. CM Jackson thanked the Council Auditor for doing their due diligence and stated that today is the start of rebuilding public trust.
- **CM Morgan (information on file)** – CM Morgan thanked the Board for calling the emergency meeting. CM Morgan stated that there is no positivity coming out of this. She stated that those responsible must be held accountable. CM Morgan also said there should be full transparency, trust, and community engagement. She concluded she would like to see where we can look at capping the salary of a CEO.
- **CM Ferrero (information on file)** – **CM Ferrero** believes that this is first step in the right direction. The conversation needs to go back to how to make JEA a better utility. CM Ferrero stated this is the right time to stop the ITN, but is concerned that this will come back up because it has before. He also stated instead of waiting on public records request to release the information, just go ahead release it.
- **Council President Wilson (information on file)** – Council President Wilson thought it would be a plan over 12 months and he encouraged Mr. Zahn to include the community. He stated that the best CEO should be chosen and then build around that. CP Wilson also stated that all executives' salaries should be looked into.

Chair Green thanked the council members for their comments. She also stated the Board is committed to rebuilding the trust of the employees and community.

Board Member Brown proposed an amendment to item 5 on the Resolution to immediately release all information concerning the ITN. On *motion* by Vice Chair Newbill and second by Board Member Grey Resolution 2019-18 was unanimously approved as amended.

A RESOLUTION DIRECTING THE INTERIM MANAGING DIRECTOR AND CHIEF EXECUTIVE OFFICER, OR HER DESIGNEE, TO CANCEL INVITATION TO NEGOTIATE #129-19 FOR STRATEGIC ALTERNATIVES AND REJECT ALL ITN REPLIES; PROVIDING FOR AN EFFECTIVE DATE.

Agenda Item VIII – Closing Considerations

A. Announcements – Next Board Meeting – January 28, 2020

B. Adjournment

With no further business claiming the attention of the Board, Chair Green adjourned the meeting at 9:54 a.m.

APPROVED BY:

SECRETARY
DATE: _____

Board Meeting recorded by:

Madricka L. Jones, Executive Staff Assistant