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**Sent:** Thursday, November 21, 2019 12:14 PM  
**To:** Kyle, Gina A. - Manager Media Relations; Michael Munz  
**Subject:** FINAL FINAL Ricky op-ed  
**Attachments:** OpEd JEA\_Five Scenarios\_11.21.19\_DRAFT updated.docx

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I think this is really good! Cleaned up some spaces, see attached FINAL.

Let's all continue to stalk Ricky. Whoever gets to him first should send him this draft for final review.

Michael- not sure if we should ask Henry to call him again?

The power of different.

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**Op-ed, Times-Union**

**Placement in Nov. 24 edition**

By: Ricky Caplin, Chief Executive Officer, HCI Group

**DRAFT: Nov. 20**

**Subject: Let's get back to basics**

First let me start by saying that I love Jacksonville and care deeply about our city's future. I have three young children and realize that the critical decisions made by the leaders of our city today will impact my children's tomorrow. It's important to note that my fundamental experience isn't that different from other Jacksonville citizens, even if we disagree on how that "tomorrow" should look. Frankly, that's one of the beautiful things about our country. While we can have vastly different opinions, we must work together to find compromise and – in the case of JEA – we the citizens of Duval County will have the final say. Although there's still a lot of road to travel before we get that chance, I see this as an opportunity for each of us to step back, objectively assess the situation and educate ourselves on the options.

As I understand it, during its July 23 board meeting, JEA's board of directors unanimously voted to approve a resolution authorizing JEA's senior leadership team to look at different options to its current constrained business structure. My takeaway from that meeting was that the JEA senior leadership team would go through, what I can only imagine, to be a difficult process of examining multiple possibilities for the JEA of the future. At least one of those possibilities obviously will require in depth conversations with other companies interested in the community jewel we know as JEA. I honestly don't see anything wrong with the request the board made that day, because I know that finding the perfect option requires careful examination of all others. The biggest challenge, as I see it, is that all of the examination is being done in the public where reason and emotion often collide. In my opinion, emotion has us paying more attention to one of the options – the potential sale of JEA – than to any of the others.

We have to get back to asking the question – what will happen to JEA if absolutely no changes are made? We have to make a concerted effort to understand the scenarios that JEA's board asked its senior leadership team to review, two of which mean the utility would remain community owned.

- Scenario 1 is JEA remaining "status quo." It means continuing to operate as if JEA is still working within a predictable, low-uncertainty environment. This would also mean ignoring market and industry trends, disruptions and opportunities, and could lead to steep revenue declines and growing irrelevance.
- Scenario 2 is the traditional utility response. This alternative option is how most other government-owned utilities are addressing today's market uncertainty. While there's an acknowledgment of industry trends, disruptions and opportunities, "solutions" center on what can traditionally be done to stabilize profitability, pay down debt and maintain standard electric, water and wastewater services for customers – but within the constraints of a government-owned utility. This scenario would most likely include significant headcount reductions, along with negative impacts to service quality and rate increases.

Scenarios 3, 4 and 5 are all non-governmental alternative options that would remove government-owned constraints and allow JEA to do things like diversify into new, revenue streams and invest in new innovative services for our community.

- In Scenario 3, JEA would convert into a non-profit organization that's owned and run jointly by its customers as members, who share the profits or benefits. The Clay Electric Co-op is an example of this type of utility.
- Scenario 4 is an initial public offering (IPO) and would convert JEA to a corporation, offering shares to the public in a new stock issuance.

- And finally, there's Scenario 5, the investor-owned alternative option that would mean privatizing JEA. Fully exploring Scenario 5 meant issuing an Invitation to Negotiate (ITN) in August, while also ensuring that JEA employees, the community, and the environment are taken care of in the best possible way.

At first blush, these scenarios may appear as unrealistic to many of us who have always known JEA in its traditional government-owned form. And that's okay, because the best option is still being investigated. The possibilities of what the JEA of the future looks like haven't been presented yet. Until then, let's stay engaged as a community, in a thoughtful way. Once JEA's board has a recommendation to present to City Council, let's make sure we understand it. And if City Council approves the recommendation – whatever it is – let's voice our opinion through our vote.

JEA is too important to our entire community to make a decision on its future based on emotion. Let's show our children that following the process can be an important part of ending up with the right decision for all involved, even when we don't agree at the start.