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GILLAM & RENNER P.A.

G. Alan Howard

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December 5, 2017

VIA EMAIL

Paul McElroy
Managing Director and CEO
JEA
21 West Church Street
Jacksonville, Florida 32202

Dear Paul:

At the JEA Board meeting on November 28th, Director Tom Petway urged the Board and JEA's leadership to consider the question of whether JEA's customers would be better served by the private marketplace. Given the rapidly changing energy marketplace, this is a question worth considering.

I believe answering this question requires a better understanding of the value of JEA's assets. Therefore, I am requesting that you and your senior leadership team identify and engage a qualified firm to appraise the value of JEA's constituent utilities: electric, water/wastewater, and district cooling. I would also ask that the firm evaluate the qualitative and other economic impacts privatization would have on our community. Finally, the firm should complete its work within 60-90 days from the date of engagement so as not to belabor this process.

Following receipt of that analysis, the JEA Board, the Mayor, and City Council will be in a position to debate the merits of proceeding with a privatization of JEA's utility systems. If, after what I anticipate will be a healthy debate, a decision is ultimately made to pursue privatization, that process will be open to all bidders so that we can achieve the best result possible for the citizens of Jacksonville and JEA's customers. However, I am mindful of the fact that this question has been asked before and answered in the negative. Therefore, I ask that you and the entire JEA team remain focused on continuing to deliver the excellent service and values our customers have come to expect and appreciate.

Very truly yours,



G. Alan Howard
Chairman
Board of Directors

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