

JEA

ITN - 127-19

NEGOTIATION STRATEGY SESSION

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Proceedings held on Wednesday, December 3, 2019,
commencing at 2:10 p.m., at the offices of JEA,
21 West Church Street, 16th Floor, North Conference
Room, Jacksonville, Florida, before Diane M. Tropia,
FPR, a Notary Public for the State of Florida at Large.

ATTENDEES:

STEPHANIE BURCH, Deputy Chief Admin Officer, COJ.
RANDALL BARNES, Treasurer, City of Jacksonville.
ROBIN SMITH, Chief, Engineering/Construction, COJ.
JOHN McCARTHY, VP/Chief Supply Chain Officer, DPR, JEA.
JENNY MCCOLLUM, Chief Procurement Officer, DPR, JEA.
MELISSA DYKES, President, COO, SME, JEA.
LYNNE RHODE, Chief Legal Officer, JEA.
STEPHEN AMDUR, Pillsbury Winthrop, LLP.
CARLA MILLER, Ethics Director, City of Jacksonville.
DEBRA ANDERSON, Office of Inspector General, COJ.

ATTENDEES VIA TELEPHONE:

ROBERT H. HOSAY, Esq., Foley & Lardner, LLP.
BENJAMIN J. GROSSMAN, Esq., Foley & Lardner, LLP.
EDDIE MANHEIMER, Morgan Stanley.
JASON GREDELL, J.P. Morgan.
ERIC ANDERSON, J.P. Morgan.
TODD GIARDINELLI, Morgan Stanley.
WILLIAM PEDERSON, Morgan Stanley.
ISAAC SINE, J.P. Morgan.

1 P R O C E E D I N G S
December 3, 2019 2:10 p.m.

3 MS. MCCOLLUM: Hey, guys.

4 Sorry for the delay. We were having some
5 technical difficulties. Appreciate your
6 patience. Just give us one minute.

7 Okay. Good afternoon, everyone. This is
8 a negotiation strategy session to -- for
9 revised replies review.

10 I'm going to go ahead and do some
11 introductions in a second so we can get ahold
12 of everybody that is on the line, but before we
13 do that, just a quick safety briefing.

14 John, will you do that for us?

15 MR. McCARTHY: If we need to evacuate, we
16 use the stairs next to the elevator. We go
17 down 16 flights. Our assembly point is the
18 parking lot diagonally across from Church and
19 Main. I will call -- I will do the calls and
20 we'll just get out safely.

21 Okay.

22 MS. McCOLLUM: Thank you.

23 Before we get started, did everybody sign
24 the confidentiality acknowledgments? Everybody
25 down here have one?

1 Okay.

2 And everyone on the phone, you will also
3 be required to sign one of these. I will send
4 it to you via e-mail, and you guys can return
5 it back to me, please. And we're good to go on
6 that.

7 Let's start with introductions. Just go
8 around the room so that for the record we can
9 get everybody recorded. And this meeting is
10 being transcribed and recorded. And I'll
11 start.

12 I'm Jenny McCollum, the chief procurement
13 officer and designated procurement rep.

14 MR. BARNES: Good afternoon.

15 This is Randall Barnes. I'm the treasurer
16 of the City of Jacksonville.

17 MS. BURCH: Stephanie Burch, deputy chief
18 administrative officer, City of Jacksonville.

19 MR. SMITH: Robin Smith, City engineer,
20 City of Jacksonville.

21 MS. DYKES: Melissa Dykes, present chief
22 operating officer for JEA, invited to this
23 meeting as a SME.

24 MR. AMDUR: Stephen Amdur, corporate and
25 securities partner, Pillsbury Winthrop Shaw

1 Pittman, LLP, invited to this meeting as
2 counsel to JEA.

3 MS. RHODE: Lynne Rhode, Office of General
4 Counsel, chief legal officer, JEA.

5 MS. ANDERSON: Debra Anderson, Office of
6 Inspector General.

7 MS. GREEN: Lisa Green, Office of
8 Inspector General.

9 MS. MILLER: Carla Miller, Ethics Office.

10 MR. McCARTHY: John McCarthy, VP and chief
11 supply chain officer at JEA, and designated
12 procurement rep.

13 MS. MCCOLLUM: Thanks, guys.

14 So, what we're going to do is --

15 MS. BURCH: Do we need to -- on the phone?

16 MS. MCCOLLUM: Yeah. Sorry.

17 Go ahead on the phone, please.

18 MR. HOSAY: Hey, this is Robert Hosay,
19 counsel to JEA.

20 MR. GROSSMAN: And Ben Grossman, counsel
21 to JEA.

22 MR. GIARDINELLI: Todd Giardinelli, Morgan
23 Stanley.

24 MR. MANHEIMER: Eddie Manheimer, Morgan
25 Stanley.

1 MR. PEDERSON: Bill Pederson, Morgan
2 Stanley.

3 MR. GREDELL: Jason Gredell, J.P. Morgan.

4 MR. SINE: Isaac Sine, J.P. Morgan.

5 MS. MCCOLLUM: Hold on, guys. Can you
6 guys get closer to the phone? We're having a
7 hard time hearing you.

8 THE REPORTER: I need all the J.P. Morgan
9 on the phone.

10 MS. MCCOLLUM: Can you start over with the
11 banks? We heard Foley.

12 MR. MANHEIMER: Sure. Can you hear us?

13 MS. MCCOLLUM: It's still a little -- it's
14 better, but can you get closer?

15 MR. MANHEIMER: Is it better now?

16 MS. MCCOLLUM: Yes.

17 MR. MANHEIMER: Okay. You have Eddie
18 Manheimer from Morgan Stanley.

19 MR. GIARDINELLI: Todd Giardinelli from
20 Morgan Stanley.

21 MR. GREDELL: Jason Gredell of
22 J.P. Morgan.

23 (Inaudible.)

24 MS. BURCH: Okay. Guys, I'm sorry, we're
25 going to have to do this one more time. We've

1 got wrappers wrapping, we've got people
2 coughing and blowing their nose, and all that.
3 I'm so sorry, but I'm going to ask you to do it
4 one more time for us, starting with banks, with
5 Todd and Eddie, I believe.

6 MR. GIARDINELLI: Todd Giardinelli from
7 Morgan Stanley.

8 Can you hear me?

9 MS. BURCH: All right. Eddie?

10 MR. MANHEIMER: Eddie Manheimer from
11 Morgan Stanley.

12 MS. BURCH: Jason?

13 MS. MCCOLLUM: Jason Gredell from
14 J.P. Morgan.

15 MR. SINE: Isaac Sine from J.P. Morgan.

16 MS. MCCOLLUM: Is that it?

17 MR. PEDERSON: Bill --

18 MR. ANDERSON: Eric Anderson, J.P. Morgan.

19 (Inaudible.)

20 MS. BURCH: And there's Bill.

21 THE REPORTER: Pederson?

22 MR. McCARTHY: Pederson.

23 MS. BURCH: P-e-d-e-r-s-o-n.

24 THE REPORTER: Is he --

25 MS. DYKES: Morgan Stanley.

1 MS. BURCH: Morgan Stanley.

2 Jen, are you on the phone?

3 MR. MANHEIMER: Jen will be joining us
4 momentarily, Jen Dooley.

5 MS. BURCH: Who said that, though? Eddie,
6 was that you who spoke?

7 MR. MANHEIMER: That was Eddie Manheimer.
8

9 That was Eddie Manheimer speaking. My
apologies.

10 MS. MCCOLLUM: Okay. So we've got --
11 again, this is being transcribed, so for
12 everyone on the phone, please state your name
13 before you speak to try to keep this process
14 running as smoothly as possible.

15 I've got some materials to hand out. So
16 I've handed out the agenda, which you guys all
17 already have. I'm going to hand out some
18 materials that constitute highly confidential,
19 nonpublic, and exempt information regarding and
20 related to the ITN process. The information
21 contained in this document is derived from
22 respondents' revised replies. It was prepared
23 at the request of and for the use of the
24 negotiation team in negotiation strategy
25 sessions and is exempt from public release

1 until the conclusion of this ITN process. So I
2 do want to hand those out.

3 This is Number 1 on our agenda, for the
4 negotiation team to have discussions with the
5 SMEs, and it's the production of this document,
6 this bid summary of the revised replies.

7 MS. RHODE: I will be collecting these
8 copies at the conclusion of this meeting.

9 This is Lynne Rhode.

10 MS. MCCOLLUM: Okay. Thank you, Lynne.

11 So is there anything else, Stephanie, we
12 need to cover before we get -- we jump into the
13 summary of this document?

14 MS. BURCH: No. Just want to make sure
15 that everybody states their name before they --
16 before they speak, everybody on the phone.
17 Outside of that, I think I'm ready.

18 MS. MCCOLLUM: Okay.

19 Guys on the phone, do you want to take us
20 through the document?

21 MR. MANHEIMER: Sure.

22 This is Eddie Manheimer speaking.

23 Can you hear me?

24 MS. MCCOLLUM: Yes. It's still pretty
25 light. Go ahead again.

1 MR. MANHEIMER: Okay.

2 If you give us -- if you give us two
3 minutes, we're trying to dial in from another
4 phone account to address this. So if you can
5 just stand by for about two minutes, we should
6 be able to address it.

7 MS. MCCOLLUM: Yep.

8 (Brief pause in the proceedings.)

9 MS. MCCOLLUM: Did someone join the call?

10 MR. MANHEIMER: Hi.

11 MS. MCCOLLUM: Hey, guys.

12 MR. MANHEIMER: Hi. Can you hear us now?

13 MS. MCCOLLUM: Yes.

14 MR. McCARTHY: Much better.

15 MS. MCCOLLUM: Much better. Thank you.

16 MR. MANHEIMER: Is that better?

17 MS. MCCOLLUM: Success.

18 MR. MANHEIMER: Okay. Our sincere
19 apologies for the technical difficulty, that
20 was weird, but we're on now.

21 So, you know, look, we prepared a set of
22 materials --

23 MS. BURCH: Who is speaking?

24 MR. MANHEIMER: I think we will likely --

25 MS. BURCH: Is that you, Eddie?

1 MR. MANHEIMER: This is Eddie speaking.

2 My apologies. Eddie Manheimer speaking.

3 MS. BURCH: Thank you.

4 MR. MANHEIMER: You know, I think we'll
5 focus on the up-front sections primarily for
6 the purpose of this discussion, but if you turn
7 to Page 1, which is the process (inaudible)
8 page, it describes the process to date. And so
9 we looked at the first -- sort of the left half
10 of this page when we spoke to the JEA board
11 last time.

12 We received 16 replies to the ITN, three
13 of which did not satisfy the mandatory
14 requirements. So 13 were evaluated by the
15 evaluation committee. Of those 13, four failed
16 to meet the score minimum of 75 based on the
17 evaluation criteria, which left us inviting --

18 (Phone interruption.)

19 MR. MANHEIMER: -- which left us inviting
20 nine participants into the negotiating phase.
21 Of those nine, we received eight proposals,
22 eight revised replies.

23 MS. MCCOLLUM: Eddie, can I interrupt you
24 real quick? I'm sorry.

25 MR. MANHEIMER: Sure.

1 MS. MCCOLLUM: Was that dial from a phone
2 that you guys had or did someone dial in?

3 MR. MANHEIMER: Yeah, it was an errant
4 speed dial.

5 MS. MCCOLLUM: No, that's fine. I just
6 wanted to make sure we don't have another --

7 MR. MANHEIMER: Don't worry. Nobody else
8 dialed in.

9 MS. MCCOLLUM: Thank you.

10 MR. MANHEIMER: And so the parties that
11 submitted replies were American Public
12 Infrastructure and Argo as a consortium, we'll
13 refer to them as API-Argo; American Water Works
14 Company, which we'll refer to as American
15 Water; Duke Energy Corporation, which we'll
16 refer to as Duke; Emera, Inc., which we'll
17 refer to as Emera, along with Blackstone
18 Infrastructure Partners as a consortium; JEA
19 Public Power Partners, which is a consortium of
20 Bernhard Capital Partners Management, LP,
21 Emera, Inc., and Suez North America, and we
22 refer to them as JEA; IFM Investors PTY
23 Limited, IFM; Macquarie Infrastructure and Real
24 Assets, which we'll refer to, likely, as
25 Macquarie or MIRA; and then NextEra Energy,

1 which is NextEra.

2 So if you turn to the next page, we've
3 laid out each of the proposals. And we'll
4 discuss each of them in turn, but just to walk
5 through at a very high level the -- each of
6 bids and their value, and then we can talk in
7 more specifics.

8 NextEra provided a headline number of
9 11 billion 50 million. When you deduct what
10 they have listed as deductions from gross
11 proceeds, you arrive at a net of 6.452 billion,
12 and their proposal, in our estimation, meets
13 the minimum ITN requirements.

14 Macquarie submitted a proposal for
15 \$9 billion, with a net estimated at
16 \$4.95 billion based on the midpoint of their
17 assumptions in their proposal, and they too
18 meet the minimum financial, customer,
19 environment, and community requirements.

20 Duke Energy submitted a proposal for
21 8.6 billion, estimated net proceeds of
22 4.153 billion. They have met the minimum ITN
23 requirements for financial, customers, and
24 environment. With respect to headquarters,
25 they have not yet made a commitment as

1 requested in the ITN, which is why we list them
2 as having a question mark. And we'll discuss
3 that in more depth.

4 API had a bid of 8.4 billion, net proceeds
5 of 4 billion. And there's some questions about
6 their ability to meet the minimum requirements.

7 JEA PPP had a bid of 8.007 billion, net of
8 4.4, and they checked the boxes for the minimum
9 ITN requirements.

10 And, finally, for the whole company
11 proposals, IFM had a bid of 7.45 billion, net
12 proceeds of 3.1, and checked the boxes for the
13 minimum ITN requirements, in our estimate.

14 Then there were a number of proposals for
15 pieces of the business separately, so electric
16 and water. And I'll read those out quickly
17 just for everyone's benefit.

18 There's 5.5 billion for Emera Blackstone,
19 netting out 2.75 billion --

20 For each of these proposals, on their own,
21 they would not meet the minimum \$3 billion in
22 proceeds to the City. They would have to be
23 paired with others in order to do so.

24 For Duke, their -- they mentioned on a
25 clarification conversation that they would

1 prefer the electric only, and they estimated a
2 value at 5.25 billion, which nets proceeds, in
3 our estimate, of about 2.535 billion.

4 And then, finally, Macquarie, 5.1 billion
5 for the electric only, which breaks out to an
6 estimate of 2.805 billion in net proceeds.

7 And then, lastly, before I take a breath
8 and open up for any questions before we dive
9 deeper into assessments of the proposals,
10 American Water had a bid of 4.35 billion for
11 the water only, with net proceeds of
12 2.56 billion, and Macquarie broke out value for
13 the water at 3.9 billion, with estimated net
14 proceeds of 2.145 billion.

15 So what you see when you look at this page
16 is, you know, one high bid at over \$11 billion,
17 and then a significant amount of clustering
18 thereafter, which should help color the
19 discussion as we walk through the proposals in
20 more depth.

21 But with that summary, let me pause there
22 and see if there's any questions.

23 MS. MCCOLLUM: No questions.

24 MR. MANHEIMER: Okay. Hearing nothing,
25 let's discuss each one in turn. And I would

1 encourage anyone on my team or on J.P. Morgan
2 team or Melissa and others in the room to
3 please chime in as appropriate or desired.

4 So, for NextEra, they were the highest bid
5 for the full company. [REDACTED]

6 [REDACTED]
7 [REDACTED]
8 [REDACTED]
9 [REDACTED]
10 [REDACTED] [REDACTED]
11 [REDACTED]
12 [REDACTED]
13 [REDACTED]

14 They note -- they noted on the
15 clarification call that their proposal was

16 [REDACTED]
17 [REDACTED]
18 [REDACTED]
19 [REDACTED]
20 [REDACTED]
21 [REDACTED]
22 [REDACTED] [REDACTED]
23 [REDACTED]
24 [REDACTED]
25 [REDACTED]

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3 Let me pause there on NextEra, if there's
4 any questions or comments that folks would like
5 to make.

6 MR. BARNES: Hey, Eddie. This is Randall.

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10 MR. MANHEIMER: I would ask Melissa and/or
11 Steve to chime in on that one.

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 MR. AMDUR: Sure.

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 So it's Stephen Amdur.

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MR. BARNES: Okay. Great. Thanks.

13

So we just need to have more discussions

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MR. AMDUR: (Nods head.)

16

MR. BARNES: Okay. Thank you.

17

MR. MANHEIMER: Okay. This is Eddie

18

Manheimer speaking.

19

Moving on to Macquarie. They, as I noted

20

earlier, were willing to divide up the value

21

between electric and water and pursue either of

22

those assets independently. So, of their

23

9 billion, they proposed a value of 5.1 for

24

electric and 3.9 for water in terms of gross

25

proceeds.

1 With respect to Macquarie, you know, they
2 have -- they're an infrastructure fund, one of
3 the larger infrastructure funds in the world,
4 with significant experience in, you know,
5 owning electric utility assets in the U.S. and
6 also engaging in similar types of transactions
7 to the one contemplated here, in the U.S. and
8 around the world. They noted that they would
9 like to conduct some polling and focus groups
10 in order to gauge public perception, really as
11 soon as possible, and so -- and they said that
12 that could influence -- the outcome of such
13 work could influence their perspectives on the
14 process.

15 So I'll pause there if there are any
16 questions on that point.

17 (No response.)

18 MS. BURCH: No.

19 MR. MANHEIMER: Okay.

20 With respect to Duke, as I referred -- as
21 I mentioned earlier, they provided a proposal
22 in writing for the whole company at
23 \$8.6 billion. When we asked them on the phone
24 if they would be interested in acquiring the
25 electric only, they said yes, they would; in

1 fact, that would be their preference; and the
2 value that they would place on the electric
3 business would be five and a quarter billion
4 dollars.

5 They -- as I mentioned earlier, they
6 haven't directly responded to the question
7 regarding the headquarters. When pressed, they
8 said they would -- it would be subject to
9 further evaluation, that they haven't done
10 enough diligence on the topic, and so that's
11 the reason why there's a question mark under
12 community. But, you know, they may be -- to
13 the extent the negotiating committee deems it
14 appropriate, could be a potential partner with
15 someone else on the electric side with somebody
16 who is interested in the water side, or they
17 could look at the business from the whole --
18 from a whole company perspective.

19 I'll pause there if there are any
20 questions or comments.

21 MS. BURCH: No.

22 MR. MANHEIMER: Okay. Hearing none --
23 hearing none, I'll keep marching down the page.

24 API-Argo, their headline number was
25 8.401 billion. It is a unique solution that

1 they're proposing, although untested, and the
2 amount of cash proceeds that would be available
3 is subject to, you know, further discussion.
4 Essentially, what we heard on the phone from
5 them was that if this was a structure that was
6 interesting to them, you know, they would like
7 to work with JEA to sort of evaluate it and
8 bring it to conclusion.

9 Okay. I guess if there are no comments on
10 that proposal, I'll continue on with JEA PPP,
11 which, just to reiterate, was 8.007 billion in
12 gross proceeds, 4.4 billion in net proceeds.

13 This is essentially a concession
14 structure. It's -- you know, we note that it's
15 more complex than an acquisition, as has been
16 proposed by all the other parties other than
17 API-Argo. This, presumably, although subject
18 to further assessment and evaluation, would
19 preserve the tax-exempt status, it is unclear
20 at this point the extent to which this proposal
21 addresses some of the business constraints that
22 have been highlighted by JEA, both in board
23 meetings and in the ITN itself, and the growth
24 potential that this allows the business on an
25 ongoing basis, but the value is sort of

1 clustered in line with some of the others.
2 And this proposal would allow -- sorry,
3 this concession would allow for JEA to, you
4 know, retake control of the business after
5 50 years. So it's a 50-year agreement pursuant
6 to which the concessionaire operates the
7 business, JEA collects proceeds up front, and
8 then the business is returned at the end of the
9 50-year concession period.

10 MR. BARNES: Hey --

11 MR. MANHEIMER: Are there any questions or
12 comments on that proposal?

13 MR. BARNES: Yes.

14 This is Randall.

15 Hey, Eddie, is there any way to figure out
16 what the current value is of JEA 50 years from
17 now, precisely?

18 MR. MANHEIMER: That's a very good
19 question, Randall, and I definitely encourage
20 other -- other opinions on the subject.

21 We've -- we did -- the value that has been
22 quoted in their proposal was over a billion
23 dollars, and when we -- net present value. And
24 when we asked for, you know, what assumptions
25 are driving that \$1 billion assessment, we were

1 told approximately \$1.6 billion in EBITDA,
2 approximately a ten-times multiple on that
3 EBITDA and a 5 percent cost of capital.

4 The issue with that is 50 years out is --
5 it's very hard to assess, you know, what the
6 utility landscape will be, what utility
7 business models will look like, what the
8 condition of the JEA business will look like in
9 50 years, and so we would view that number --
10 setting aside the mechanics of present valuing
11 that to today, that value as being very
12 speculative and uncertain. And so, while the
13 value would certainly be preserved of
14 whatever -- what the business looks like
15 50 years from now, that value is very difficult
16 to determine at this moment in time with
17 accuracy.

18 MR. BARNES: Yeah. Thanks. Thanks.

19 This is Randall.

20 Yeah, it seems like sort of a really big
21 guess.

22 One other question with regard to this
23 respondent, can anyone tell me about what the
24 advantage of the tax-exempt financing is that
25 we currently enjoy versus if we were a private

1 company?

2 MS. DYKES: I can respond to that if you
3 like.

4 MS. BURCH: Yeah. Anyone.

5 MS. DYKES: This is Melissa.

6 We have done a fair amount of analysis at
7 JEA on the answer to that question, and we did
8 this analysis a few years ago in connection
9 with the lobbying efforts around tax credits in
10 particular. What we found was interest rates
11 have been so persistently low for so long, over
12 a decade, and there's so much compression
13 between the taxable and tax-exempt markets,
14 that there's very little difference in funding
15 costs on an absolute basis. It's 50 basis
16 points or less, which, as you know, is not a
17 significant difference from a borrowing cost
18 perspective.

19 When you layer in the deductibility of
20 interest in a taxable structure, you quickly
21 get to almost no difference. When you further
22 layer in the tax credits that are available to
23 taxable entities, you quickly get to a funding
24 cost advantage, actually, for taxpayers, which
25 is a nonintuitive result, and was the reason

1 for our lobbying efforts around making
2 something equitable from a tax credits
3 perspective available to tax-exempt entities,
4 which has not happened.

5 MR. BARNES: Great. Thank you.

6 I don't have any further questions.

7 MR. MANHEIMER: Okay. I will proceed now
8 with IFM. They were the lowest full company
9 bid. We had a follow-up call with them where
10 we went through and clarified their bid, as we
11 did with others, and, you know, they
12 highlighted a number of potential issues they
13 saw, as well as a substantially longer timeline
14 to complete their due diligence.

15 I'll pause there.

16 MS. BURCH: Yeah. Eddie --

17 MR. MANHEIMER: Hearing nothing --

18 MS. BURCH: On this one, I don't -- I
19 don't -- with the phone call that we had with
20 them, I don't know that it's really necessary
21 for us to go through this one. I think there
22 were too many variables that they just had not
23 looked at yet, and I'm not real confident that
24 they would be able to get up to speed any time
25 soon.

1 So you can move on to the next one.

2 That's what I'm trying to say.

3 MR. MANHEIMER: All right. You got it.

4 Okay. So for -- the next is Emera
5 Blackstone, which is the first of our
6 electric -- or our single-asset proposals. So
7 it's a consortium proposal at \$5.5 billion. We
8 learned on our clarification conference call
9 with them that they had an ability and
10 willingness to acquire the full company to
11 facilitate separating the businesses with a
12 partner following the closing, and, you know,
13 there was significant participation from both
14 organizations on that clarification call.

15 Is there any follow-up on that?

16 MS. BURCH: No.

17 MR. MANHEIMER: Okay.

18 And finally, American Water, they -- of
19 them and Macquarie, they were the high bid for
20 the water only at 4.35 billion.

21 On our clarification call with them, you
22 know, they expressed a willingness to
23 collaborate and partner with someone who is
24 interested in the other assets on, notably, the
25 electric business, but they don't have a desire

1 to own even temporarily the electric assets,
2 which colors, you know, how they could partner
3 with someone else.

4 So that is sort of the run through of the
5 revised replies themselves. Obviously, there
6 are extensive summaries that are available for
7 the review of those on the call. And we can
8 take any questions, to the extent there are
9 any.

10 (Ms. Rhode exits the proceedings.)

11 MR. MANHEIMER: You know, we also are
12 prepared to discuss, you know, ways that you
13 might think about, you know, the approach to
14 next steps, and so please let us know how you
15 would like to proceed.

16 MS. BURCH: So, on that, I think -- Eddie,
17 I appreciate you going down through the list
18 and -- of revised responses with us, but I
19 guess as we sit today, who from the finance
20 advisors' perspective would you recommend
21 moving on to the next phase, to the management
22 proposals? Who would you like to hear more
23 from?

24 MR. MANHEIMER: Well -- yeah. I mean,
25 part of the -- this is Eddie Manheimer

1 speaking.

2 You know, part of the -- that decision or
3 that recommendation depends on the objectives
4 of the negotiating team, because the
5 manageability of the process, the timing of the
6 process, the value, the certainty, those --
7 those will be the objectives that we solve for
8 and that will help guide our -- will help us in
9 determining our advice as to what we would
10 recommend as to how to proceed with the number
11 of parties and which parties to move forward
12 with. The answer would be different depending
13 on what the constraints are and what your
14 objectives are.

15 MS. BURCH: Okay.

16 So, with that said, then, I guess I'll
17 open it up to Randall and Robin to discuss with
18 you guys.

19 But, you know, what I've kind of had in
20 the back of my mind, in order to stick to the
21 original schedule that JEA had published, which
22 I think has been our goal throughout this
23 process, I would really like to see something
24 presented to the JEA board by the end of
25 January. I feel like it's possible with the --

1 with the teams that have responded at this
2 point. I know that's somewhat aggressive, but
3 I think it's important from, you know, the
4 perspective of trying to stick to the schedule
5 and making this kind of a seamless -- a
6 seamless transition here. That I'd like to --
7 I'd like to see it to go to the JEA board by
8 the end of January. So I don't know how you
9 guys feel about that.

10 And then we can kind of back up from
11 there -- whatever that date is, back up from
12 there, you know, as far as what next steps are,
13 where things need to come in and conversations
14 need to be had and all of that.

15 MR. BARNES: This is Randall.

16 I agree. I mean, I think we can move
17 expeditiously on this.

18 Going through the list, you know, there
19 were three that I thought clearly would drop
20 off the list. And that's just my opinion. But
21 we've already mentioned IFM, that they didn't
22 seem quite as engaged as some of the others,
23 and I thought, you know, their valuation was
24 very much on the low end.

25 And then the other two structures, the

1 API-Argo structure is just extremely complex.
2 I think, in reading through their revised
3 replies and also in the conversation, to make
4 it work the best, I think it would require a
5 lot of things that would be hard to line up,
6 including cooperation with the pension funds.
7 There would be a lot of risk, potentially, on
8 the pension funds. And, again, they were
9 wanting to sell those equity assets.

10 MS. BURCH: I think the risk on that one,
11 for me, is the biggest factor.

12 MR. BARNES: Right.

13 MS. BURCH: There's too much risk that
14 they're trying to keep on the City for a
15 transaction like this.

16 MR. BARNES: Right. It's -- I think it's
17 just kind of off the table.

18 MS. BURCH: Not just that, but they have
19 never done it before.

20 MR. BARNES: Especially for an asset of
21 this size and complexity.

22 MS. BURCH: Right.

23 MR. BARNES: I think it might work for a
24 smaller asset with less complexity, but this is
25 far too complex for that. So I think that one

1 in particular doesn't make a lot of sense.

2 The JEA PPP proposal, while very creative
3 I think, you know, one of the key points that
4 it isn't clear that it satisfies is that it
5 allows JEA -- or would not allow JEA to explore
6 growth opportunities that I think are necessary
7 for a utility company that's moving into the
8 future, and I worry that it would not be able
9 to facilitate that out into the future.

10 And, you know, in addition, there's some
11 other very complex issues around that
12 transaction that would entail some risk and
13 some -- many unknowns that I just don't think
14 it really makes sense to move forward with them
15 either.

16 MS. BURCH: Okay.

17 MR. BARNES: So then it gets down to -- if
18 you guys agree, then there are five other firms
19 that are still in the mix in different ways,
20 some for just one asset or another. And so I
21 guess the question is, how do we want to
22 approach it? Do we want to cut it down to a
23 very small number of bidders or to have a few
24 more that we continue through the process and
25 see and maybe give them a hard -- you know, we

1 have a disparity in the bids, and we give them
2 some language in some way that says you guys
3 need to sharpen your pencils because there's
4 some other folks out there with better bids,
5 and maybe they decide to drop out.

6 MS. BURCH: Yeah. So on that point,
7 let's -- I'd like to toss it back to Eddie and
8 the team on the phone.

9 So as far as the timeline that we've
10 mentioned, getting something to the JEA board
11 by the end of January, out of the teams that
12 are kind of left standing, out of the five that
13 Randall was talking about, and there's another
14 one that I want to bring up later that I think
15 is a potential, but out of those five, some of
16 them would be partnering, you know, would it be
17 possible for all of them to kind of meet that
18 deadline? And just to be clear, I'm talking
19 about NextEra, Macquarie, Duke, Emera
20 Blackstone, and American Water.

21 MR. GIARDINELLI: Stephanie, it's Todd
22 Giardinelli responding.

23 And just to ask a clarification question,
24 when you say, get something to the board, do
25 you mean signed contracts, all the contracts

1 signed and presented to the board as a done
2 deal?

3 MS. BURCH: Yes.

4 MR. GIARDINELLI: Okay. So I'll let
5 Steven from Pillsbury speak to the do-ability
6 from a timing perspective to getting all the
7 different contracts that -- the main contracts
8 and the ancillary agreements signed up at that
9 point. It is an extremely aggressive timeline.

10 I'll speak for the banks, that, you know,
11 we agree that there are five parties, five
12 individual parties that essentially would make
13 up four whole company parties, so you would
14 have to absolutely partner --

15 (Ms. Rhode reenters the proceedings.)

16 MR. MANHEIMER: -- that merit some
17 additional work and to see how their bids, how
18 they would end up, and it's a very short time
19 frame for them do that. So -- and I think in
20 order for you to be in a position to have
21 contracts that are done and fully committed,
22 you would need to have agreements and,
23 essentially, revised indications of interest at
24 the beginning of the new year. And we could
25 talk about exact dates.

1 So what that would mean is we would -- we
2 would go forward with this -- these parties,
3 yes. We would have to pick a time that -- at
4 some point in the process, we would have to
5 partner Blackstone Emera, since they are
6 bidding on just the electric, and find a way to
7 partner American Water with somebody.

8 Macquarie and Duke did submit proposals where
9 they could be bidders for just the electric
10 side rather than -- as opposed to just the
11 whole company. And so the question would be,
12 when do you partner them up? We could bring
13 them all through management presentations and
14 then partner them up. Part of that is going to
15 be what Stephen thinks is the most appropriate
16 way to try to negotiate contracts.

17 I think the bidders, when we go back to
18 them, will view that as a very aggressive
19 timeline, given the holiday season as well. We
20 think that NextEra will undoubtedly move
21 forward and try to plow through with the
22 timeline. We do see, call it, meaningful risk
23 that some of the other parties think the
24 timeline is too aggressive. And so even if you
25 start with five, you may be down to two or

1 three at that -- at that pace. But I think we
2 would get feedback from those bidders and they
3 would likely be those bidders that, while they
4 do meet the table stakes from a value
5 perspective, might think that they are, you
6 know, spending time at a -- to try to get
7 something done where it's going to be difficult
8 for them to be successful.

9 But maybe I'll turn it over to Stephen to
10 talk about timing from his perspective.

11 MR. AMDUR: Sure. And thanks, Todd.

12 I think -- unpacking the time frame
13 backwards from the end of January to today, I
14 think it would be imperative that, certainly
15 towards the end of that process, we're not
16 having conversations with this many bidders,
17 that as we reach the conclusion, we're
18 negotiating definitive agreements with no more
19 than two and --

20 MS. BURCH: I don't know what happened.

21 MR. AMDUR: Sorry. I'm not sure if you
22 lost me for a second.

23 That at the end of the process, we're
24 negotiating in earnest with no more than two,
25 with one of them being sort of the key leader

1 in the clubhouse that we're trying to finalize
2 documents with, and one that we view as a
3 viable backup that we're trying to maintain for
4 competitive purposes but, honestly, we are
5 negotiating, truly, to get to the end zone with
6 one bidder in the lead.

7 I think in order to get there from the
8 beginning of the new year, we need to receive
9 definitive agreements from each potential
10 participant in the process in connection with
11 that end of December, early January request for
12 revised replies. That would include fully
13 marked-up versions of a definitive purchase
14 agreement, as well as ancillary agreements.

15 I do believe that, while aggressive, if we
16 were to have clarity at that point in time on,
17 sort of, clear number 1 and clear number 2, or
18 even better, I suppose, a 1 and a 1A, that --
19 that we could charge with -- towards the finish
20 line. I think an ongoing competitive dynamic
21 between two bidders is helpful at that point in
22 time to let us get to an end conclusion. I
23 think we probably would need a little bit of
24 time in that early January period, much like we
25 did with the bidders just now, for

1 clarification calls on their bids to figure out
2 who would -- included potential legal terms
3 that might or might not be reasonable to take
4 to the end and might be able to be winnowed
5 back with some further discussion.

6 But unpacking, again, further from
7 December, that means that we need to be in a
8 position that all participants who we want to
9 get into the January time frame are narrowed to
10 a list from whom we can request definitive
11 proposals for marked-up agreements.

12 So what that really means, to complete the
13 thought, is that if we are going to suggest two
14 bidders that they pair, we need to do so at a
15 time frame that permits us to request that they
16 give us definitive agreements by the end of the
17 month, which gives us some time, but not a ton
18 of time from today.

19 MR. BARNES: This is Randall.

20 One question I have -- I mean, a number of
21 the revised replies mentioned a number of due
22 diligence items they would need to complete.
23 Do those need to be completed prior to them
24 executing the agreements?

25 MR. AMDUR: Yes.

1 MR. BARNES: That's what I thought.

2 MR. AMDUR: Yes.

3 MR. BARNES: And so -- I don't recall.

4 Perhaps someone could talk about -- seems like
5 I remember 30 days, 45 days, hearing language
6 like that. Is -- do you think that we could
7 push on that or what are the thoughts on how
8 quickly they could be able to do the due
9 diligence they need to do?

10 MR. AMDUR: Well -- I'll start, and then
11 would invite others to chime in.

12 From today till the end of January is
13 about 60 days, plus or minus a couple,
14 obviously. I think, based upon the feedback
15 from the bidders, all of them have suggested
16 that they could complete diligence, if not in
17 exactly that time frame, close -- very close to
18 that time frame. And the due diligence
19 process, as soon as we receive instruction from
20 the negotiation team or if we receive
21 instruction from the negotiation team to invite
22 participants to review data and materials,
23 other materials, I think the respondents would
24 all be prepared to proceed in parallel with
25 marking up definitive agreements and doing

1 their other work.

2 MR. BARNES: Got it.

3 Generally, would they -- in parallel,
4 would they be willing to submit best and final
5 offers until the due diligence has been
6 completed? How does that generally work?

7 MR. AMDUR: I don't believe they would
8 view submitting best and final offers that are
9 truly best and final while diligence
10 information that's material to them remains
11 outstanding. I think they would have a problem
12 doing that.

13 MR. BARNES: Right.

14 MR. AMDUR: They undoubtedly could
15 complete a substantial amount of diligence
16 between now and the end of the month. I
17 suspect with, you know, the potential exception
18 of understanding the full treatment of Vogtle,
19 I believe most, if not all, of their material
20 due diligence questions should be sufficiently
21 answered before the end of the month for them
22 to have a degree of high certainty that there
23 would not be further material due diligence
24 considerations that would affect their bid in a
25 material manner.

1 It just went on mute again.

2 But, certainly, while they continue to
3 have outstanding and unanswered due diligence
4 requests, I think it would not be uncommon for
5 bidders to subject their proposals to
6 completion of confirmatory due diligence and --
7 in the subsequent few weeks.

8 MR. BARNES: Okay. Thank you.

9 MS. BURCH: Okay. So it sounds like
10 pretty much whoever -- whoever we ask to kind
11 of move forward should be able to meet the
12 deadline. Yes, it's aggressive. Yes, it's a
13 lot of work and all of that. But if they want
14 to be a part of it, then they will make it
15 happen somehow. So that's what I'm getting
16 from Stephen's comments right now.

17 MR. AMDUR: I think that's correct. I
18 think it is worth highlighting the bank's
19 comments that there may be participants who,
20 while they can do it, choose not to do it
21 because of a perception that it will be a lot
22 of work over a short period of time for a deal
23 that they do not feel like they are in
24 sufficient position to be competitive for.

25 MS. BURCH: Right.

1 MR. AMDUR: And so I think that has a real
2 potential ramification that should be taken
3 into account.

4 MS. BURCH: So -- thank you.

5 So, on that point, I guess I will throw
6 this out to Robert and Ben. As far as
7 communication to whoever the group is that we
8 request to come for the management
9 presentations, what -- I guess, what are your
10 recommendations on how we communicate to them;
11 you know, listen, we're inviting you to the
12 management presentations, but because we want
13 to, you know, have the opportunity to provide
14 you more information and then, obviously, hear
15 back from you, team X, you know, what you
16 think, whether you can get there in January; is
17 there a way to communicate to them sooner
18 rather than later that, you know, yes, we're
19 inviting you for the management presentations,
20 but, just so you know, you are significantly,
21 you know, far from the top number that we
22 received in replies?

23 So that way, you know, if they do choose
24 to move forward, you know, they are very aware
25 of what the risk is for them, you know, that

1 they -- that they would have to evaluate and
2 determine whether they want to go any further
3 in the process.

4 MR. HOSAY: Yeah.

5 Stephanie, this is Robert.

6 I think that the -- you and the
7 negotiation team could absolutely relay that
8 message to the respondents, and if you wanted
9 to get assistance with that from the
10 procurement team there, they could -- they
11 could help put that together and review it with
12 you guys and then send it out. I think that
13 would be fine.

14 MS. BURCH: Okay. All right. Because
15 I -- you know, I'm with Stephen. At the end of
16 the day, we can't be negotiating with five
17 teams. You know, it's got to be narrowed down
18 to one or maybe two at that point. And it's
19 going to happen I think through the process,
20 you know, whether it's on our side making a
21 choice or it's through the proposer making a
22 choice. So ...

23 MR. BARNES: Yeah, I agree.

24 This is Randall, in case you couldn't
25 tell.

1 I agree with that. I think we should --
2 is the best way to communicate through the
3 procurement team here, do you think?

4 MS. BURCH: In my opinion, I feel like it
5 is, just simply because they're going to be,
6 you know, providing an invitation to certain
7 teams, and I think -- I feel like -- unless
8 counsel advises otherwise, but I feel like it
9 would be better for them to know before, you
10 know, inviting 20 people on their team to come
11 to Atlanta in less than a week for management
12 presentations, you know, whether even just that
13 is an expense that they want to take on in
14 order to continue moving forward.

15 So I feel like I would like procurement to
16 explore with the attorneys, you know, how that
17 should be worded, whether it's in an e-mail or
18 on a conversation or whatever. I would prefer
19 an e-mail so that it's in writing to the teams,
20 but I would ask you to explore that with the --
21 with Foley on, you know, what the best approach
22 is.

23 MS. McCOLLUM: Yep. All right. I've got
24 that for action.

25 MS. BURCH: Okay.

1 MS. RHODE: And, Stephanie, this is Lynne
2 Rhode.

3 Just to piggyback on what Robert said, can
4 you give a little clarity from the team just to
5 make sure, when you say inviting to management
6 presentations, that's -- at this time, are you
7 still envisioning leaving open the potential
8 for talking with any of the respondents?

9 MS. BURCH: Yes. Lynne, to your point
10 there, absolutely. I think we need to leave it
11 open. We don't want to necessarily cut anybody
12 right now unless they end up making that choice
13 for themselves, but absolutely. At this time,
14 we're inviting you for management
15 presentations.

16 MR. AMDUR: And may I suggest that the
17 banks be looped into the process of preparing
18 that feedback for the bidders, as well? I
19 think they're very skilled in delivering those
20 messages appropriately to provoke the correct
21 results.

22 MS. BURCH: Yeah. So my expectation --
23 yes, I did say for you to work with Foley, but
24 my expectation is that procurement would work
25 with all the advisors on what that

1 communication looks like.

2 MR. MANHEIMER: This is Eddie speaking.

3 With respect to that communication, is
4 that communication for all parties in the
5 process or communication only for those parties
6 who will not be continuing for the time being?

7 MS. BURCH: So I think it's for the -- I
8 think it's what you did not say there. I think
9 it's for the parties who would be moving on,
10 who we would be requesting to come to the
11 management presentations.

12 MR. MANHEIMER: Got it.

13 And your preferred approach is to put --
14 have that communication occur by e-mail?

15 MS. BURCH: Correct.

16 So we need to talk about the parties that
17 get invited. Are we clear on that? Are there
18 any other --

19 MR. McCARTHY: So there's going to be
20 parties that get invited and then parties that
21 get invited that we notify that there's a gap?

22 MS. BURCH: Yeah.

23 MR. McCARTHY: Okay.

24 MS. BURCH: Correct. A significant --

25 MR. McCARTHY: That was all --

1 MS. BURCH: A significant gap.

2 MS. MCCOLLUM: And through this

3 communication, just to be clear, you would like

4 for procurement to work through explaining the

5 timeline using that end date in January --

6 MS. BURCH: Yes.

7 MS. MCCOLLUM: -- and suggesting all the

8 different things that need to happen --

9 MS. BURCH: Yes.

10 MS. MCCOLLUM: -- along the way between

11 now and January, like the document markups -- I

12 just kind of made some notes -- scheduling

13 management presentations --

14 MS. BURCH: Yes.

15 MS. MCCOLLUM: -- further negotiations if

16 needed, question and answer, that kind of

17 stuff?

18 MS. BURCH: Yes, that's exactly right.

19 MS. MCCOLLUM: We'll help -- we'll help

20 facilitate what that schedule looks like and

21 we'll actually facilitate that for you guys

22 after you approve it.

23 MS. BURCH: Great. Great.

24 MS. MCCOLLUM: Okay.

25 MS. BURCH: Thank you.

1 MR. MANHEIMER: And this is Eddie
2 speaking.

3 We suspect, although we don't know, that
4 that e-mail communication will generate some
5 surprise on the part of the respondents in
6 terms of the timeline, and so we should expect
7 that they will have follow-up questions, and we
8 should figure out amongst the appropriate
9 parties, you know, what the correct way to
10 address those follow-up questions would be,
11 meaning what mode of communication.

12 MS. MCCOLLUM: It's really up to you guys.

13 MS. BURCH: Can I ask how you did it
14 before? Like, when you dealt with the regular
15 question and answer period, how did you provide
16 answers to the questions?

17 MS. MCCOLLUM: We -- we had a log. It was
18 very scripted. We gave them, you know, kind of
19 deadlines and timelines to answer questions,
20 but it was -- it was just a lot of information
21 they were getting, and so we gave them some
22 time to do that. I envision us doing something
23 like that for, like, a question and answer
24 period again, but that would come after the
25 management presentations.

1 MS. BURCH: Right.

2 MS. MCCOLLUM: So, really, it's however
3 you guys want to do this type of question and
4 answer. It's not like a -- necessarily a
5 process, like, we would follow.

6 MS. BURCH: Uh-huh.

7 MS. MCCOLLUM: It's more, do you want to
8 work with us and send an e-mail, do you want to
9 have a negotiation session to talk about it,
10 like we did on Monday --

11 MS. BURCH: I think -- yeah. And I think
12 right now, just until we get to that point, I
13 don't know that we can anticipate what those
14 questions are going to be, you know, what
15 they're going to look like, whether it's
16 something that is very simple for procurement
17 to answer as far as, you know, where the
18 meeting is going to be, or if it's more
19 complicated. I think we might have to deal
20 with that kind of on a come-as-we-go basis.

21 MS. MCCOLLUM: We'll guide you. I mean,
22 if it's a process type --

23 MS. BURCH: Yeah.

24 MS. MCCOLLUM: If it's involving process,
25 then procurement can handle that kind of stuff.

1 MS. BURCH: Yeah.

2 MS. MCCOLLUM: And we can work with you
3 guys individually to -- go ahead.

4 MR. HOSAY: And, Stephanie, the
5 respondents know --

6 This is Robert.

7 The respondents know to follow the process
8 in the ITN, there's a designated contact, a
9 designated point of contact if there's a
10 question, and then that point of contact can
11 handle the information appropriately if there's
12 a question.

13 MS. BURCH: Right.

14 MR. HOSAY: And if there's things that
15 need to be addressed in a -- in a, you know,
16 negotiation session, then certainly the
17 negotiation team has the ability to do that if
18 necessary. So I think that that can be handled
19 just, you know, under the ordinary process.

20 MS. BURCH: I would agree.

21 Okay. All right. So I guess we need to
22 discuss as far as who we foresee going to the
23 management presentations.

24 So, based on the discussion so far, it
25 sounds like the five that we would for sure

1 invite would be NextEra, Macquarie, Duke, Emera
2 Blackstone, and American Water.

3 MR. BARNES: Yes.

4 MS. BURCH: Robin?

5 MR. SMITH: I agree with that.

6 MS. BURCH: All right.

7 Well, I also would like to talk with you
8 guys about JEA PPP.

9 MR. BARNES: Okay.

10 MS. BURCH: I understand the structure is
11 complex. It's a totally different agreement
12 that maybe legal has not really contemplated
13 yet, and that would be a heavy lift for them,
14 for a concession agreement, to get it done in
15 that timeline, but based on the type of
16 structure that they have proposed, I feel like
17 it's really important, because I -- and let me
18 put it this way, because there are two kind of
19 alternate structures that have been proposed,
20 the muni-IPO and then this one with the
21 concession agreement.

22 The muni-IPO, if you look at the chart
23 that was provided to us, there's four question
24 marks, you know, across that chart. I feel
25 like that's way too much risk for the City to

1 even consider, you know, moving forward. To
2 me, that just does not -- that just does not
3 fly. There's way too much risk there.

4 So looking at the concession agreement
5 one, it checks all those boxes on the minimum
6 requirements right there.

7 So, going back to my comments, I
8 understand it's a heavy lift, but I feel like
9 it's important for us to look at everything and
10 give it, you know, a good once over, and I
11 would really like to see that team also invited
12 to the management presentations. I think this
13 one obviously is kind of at the bottom based on
14 their response, but I think it's important that
15 if it's -- if they're interested in moving
16 forward in the process, we give them that
17 opportunity.

18 And I know it's not a great option to have
19 six management presentations to have to do in
20 four days, but I have confidence in our JEA
21 team that they can get it done.

22 And, you know -- and in saying that, I
23 don't foresee all six moving forward. I think
24 that they will self-select out at some point.
25 I imagine this team will be one of them. But I

1 really feel, because of the type of structure
2 it is and it checks all the boxes on that sheet
3 there, that I think that we need to -- I feel
4 very strongly that we need to at least invite
5 them to the process.

6 MR. SMITH: Yeah. I mean, for me, that's
7 the one that I have the most questions on.
8 But, you know, I -- there's a -- it's a well
9 thought out plan. There's a lot there to dig
10 into; whereas the API-Argo, it seems like the
11 questions are more -- you know, they don't --
12 the plan is not really fully formed yet.

13 MS. BURCH: Right. They haven't baked it.
14 MR. SMITH: Exactly.

15 I mean, as far as the first five we
16 mentioned, it's really hard to, you know, look
17 at the different teams and say -- it's hard to
18 not invite all five.

19 MS. BURCH: Right. Yeah, I agree with
20 that.

21 They're -- they are bunched together more
22 than I was expecting. I thought that I would
23 see more separation between, you know, top two
24 or three and the rest of them, but they're
25 bunched together a lot more than what I was

1 expecting.

2 MR. SMITH: Yeah. And when you -- you
3 know, when you start doing the math, doing
4 teaming, you know, there's not that much delta
5 between the possible different teams.

6 MS. BURCH: Right. Right. I agree.

7 MR. BARNES: Yeah. I'm fine with having
8 them continue, inviting them to continue.

9 You know, again, I think, you know, just
10 looking at it from a from a -- if you weren't
11 into the details, you might think this is one
12 of the better proposals, potentially.

13 MS. BURCH: Right.

14 MR. BARNES: If you didn't understand, you
15 know, how the value way out to the future is
16 very speculative, you didn't understand that
17 there's still some questions that need to be
18 answered around the City contribution -- you
19 know, they've got a City contribution over
20 three years. They said they would continue it,
21 but that's not a guarantee. That's subject to
22 negotiation, perhaps on a yearly basis. Could
23 be they say, yeah, we're going to negotiate,
24 it's going to be zero. You know?

25 MS. BURCH: Right.

1 MR. BARNES: A lot of risk in that type of
2 scenario. But it is a pretty creative idea
3 because, at the end of the day, the City could
4 retain ownership of its utility and it still be
5 tax exempt.

6 I know currently, as Melissa stated, the
7 borrowing costs are really low and we may
8 actually be -- would have been better off not
9 being tax exempt --

10 MS. BURCH: Yeah.

11 MR. BARNES: -- the last several years.

12 MS. BURCH: Well, and that's something
13 that I really want to explore.

14 MR. BARNES: Right.

15 MS. BURCH: And I don't think we have
16 enough information at this point. If what
17 Melissa, you know, said earlier, you know,
18 holds true, then that's a pretty simple one to
19 take off the list. If it's not going to help
20 us save in costs, then there's not as much
21 value there. So ...

22 MR. BARNES: Right. Yeah. No, I'm
23 perfectly willing to have them continue and to
24 sharpen their pencils a little bit, I think.

25 MS. BURCH: I would love to see -- you

1 know, see them actually doing models for cost
2 runs and stuff like that.

3 MR. BARNES: Sure.

4 MS. BURCH: So, with that, another thought
5 that I had had is, all right, if we invite six
6 to management presentations, is there a way for
7 us kind of immediately -- after the management
8 presentations, to ask a few of them to submit
9 their revised numbers within, like, a week of
10 the management presentations, something to that
11 effect, to where that would help us then narrow
12 down even further to see whether -- because
13 here's the thing: The reason why I said
14 earlier for the communication to the bidders to
15 say, you know, we want to invite you to the
16 management presentations but you are really far
17 apart from our top number, not only is that
18 going to help them decide whether they want to
19 go forward, but also, if they do move forward,
20 they get more info that they're saying is too
21 speculative right now, they can't give us hard
22 numbers because they don't have enough info.
23 Well, once we give them all of the info, they
24 sharpen their pencils, can they come back and
25 give us a number that's closer to that top

1 number that would encourage us to either keep
2 them or not keep them at that point?

3 MR. BARNES: Before I answer that, I guess
4 a question I have is, can we, today, give them
5 access to all the information that we have on
6 the shared drive? Is that something that we
7 can direct them to today? Are we comfortable
8 with giving that to all these firms or --

9 MS. BURCH: So I anticipated doing that
10 when we invited them to the -- to the
11 management presentations.

12 MR. SMITH: Are you talking about just the
13 ones that we're going to invite moving forward?

14 MR. BARNES: Right.

15 MS. BURCH: Right.

16 MR. BARNES: Because, I mean, my concern,
17 I just -- you know, we've got to get them
18 rolling on due diligence --

19 MS. BURCH: Right. I agree.

20 MR. BARNES: -- on this timeline.

21 MS. BURCH: I agree. But, yeah, I think
22 that's totally possible.

23 MR. BARNES: Because they are going to get
24 a lot more information next week.

25 MS. BURCH: Yeah. Right.

1 MR. BARNES: I just worry -- I don't
2 worry, I wonder how different their -- it could
3 be different because of the fact that we've
4 told some of them, hey, you guys are not really
5 at the top. It could be a different response.
6 But I wonder how different it would be unless
7 they had had time to do more due diligence.
8 And so I just don't know --

9 MS. BURCH: So maybe do the invitation
10 without the, you know, advice attached to it?

11 MR. BARNES: No. I guess what I'm saying
12 is, like, how different their -- if we asked
13 them to provide offers, revised offers, like,
14 the week after next, I just don't know how
15 different it would be. And maybe it would.
16 Maybe our advisors could opine on that.

17 MR. MANHEIMER: So, Randall, this is Eddie
18 speaking, and certainly welcome opinions of
19 others in the room, but, you know, one thing
20 that I would sort of, you know, suggest with
21 respect to this discussion, I think there's a
22 lot to what you're saying in that how much more
23 information will they actually have in two
24 weeks to really firm up their proposal in a
25 manner that gets us comfortable with the fact

1 that's that where it will hold and not, you
2 know, come back down again. And this is true,
3 by the way, for any party, not just JEA PPP.

4 You know, they will go through management
5 presentations. They will have had some
6 opportunity to, you know, do some more due
7 diligence, but, you know, if we're saying you
8 need to move your value up in order to stay in
9 the process, they may just do that to stay in
10 the process. And, you know, the overarching
11 theme that I think, you know, we just want to
12 make sure, you know, folks are aware of is it
13 will be -- it's an aggressive timeline in and
14 of itself. You know, with the number of
15 parties that we're contemplating, it is -- it's
16 going to be tight. And so, you know, again,
17 it's just something to consider.

18 Something to think about is, you know, if
19 you're thinking about sort of the beginning of
20 January as an opportunity to further down
21 select, it's helpful -- I don't know that we're
22 going to get much two weeks before that in
23 order to further down select. And even the
24 next month, with six parties, will be not an
25 insignificant challenge for -- for this team.

1 MS. BURCH: So maybe there's no value in
2 asking for a revised number a week after the
3 management presentations, we wait until --

4 MR. BARNES: Maybe we could --

5 MS. BURCH: -- January.

6 MR. BARNES: Could we set a deadline or
7 something, like a date where we will be asking?
8 Is that smart?

9 MS. BURCH: For what?

10 MR. BARNES: For revised --

11 MS. BURCH: Numbers?

12 MR. BARNES: Yeah. Because that kind of
13 says, hey, you've got between now and then to
14 do a lot of due diligence. I don't know,
15 that's a -- I'm just throwing that out there.

16 MR. AMDUR: I think what was suggested in
17 order to sort of drive the process to an end of
18 January date would be a specific date by which
19 bidders would be told to present revised
20 valuation as well as revised draft agreements.

21 MR. BARNES: Okay.

22 MR. SMITH: We need to give them that date
23 as soon as possible so that they know that.

24 MS. MCCOLLUM: And it could be a part of
25 the timeline that you guys had asked us to put

1 together.

2 MS. BURCH: Right.

3 MR. BARNES: Yeah, I think it should be.

4 MS. BURCH: So, Stephen, are you saying
5 they give a revised number at the same time
6 they give us their document revisions?

7 MR. AMDUR: Correct.

8 MS. BURCH: Okay.

9 MR. AMDUR: You could certainly ask for
10 them to do those at different times or staged
11 differently, but given sort of the timing that
12 we're discussing, I -- I'm not sure that
13 there's tremendous value in obtaining and
14 moving one of those dates much earlier.

15 MS. BURCH: Uh-huh.

16 MR. AMDUR: I'd invite the banks, if -- if
17 there's anyone who views a -- a target of
18 somewhat earlier in December as providing
19 additional value as opposed to December 31st,
20 January 3rd. I'm not sure exactly which date
21 was being suggested.

22 (No response.)

23 MS. BURCH: Okay. So I guess on that
24 point, I mean, I'm -- I'm okay with that. We
25 just need to figure out what that date is.

1 MS. MCCOLLUM: I mean, I think that's part
2 of the timeline that we can --

3 MS. BURCH: Put together.

4 MS. MCCOLLUM: -- figure out and get you
5 guys to approve, individually or working with
6 us, and make sure you guys are all comfortable
7 with it.

8 MS. BURCH: Yeah.

9 MS. MCCOLLUM: But there's a lot of things
10 that are going to have to happen, so let us
11 kind of draft something for you to look at from
12 a process standpoint.

13 MS. BURCH: Okay.

14 MS. MCCOLLUM: And then we'll get you guys
15 to approve that separately.

16 MS. BURCH: Okay. All right.

17 Are we all on the same page with
18 inviting --

19 MS. MCCOLLUM: Six.

20 MS. BURCH: -- the six that we've
21 discussed?

22 MR. BARNES: Yes.

23 MR. SMITH: Yes.

24 MS. BURCH: You're okay with that?

25 MR. SMITH: Yes.

1 MR. BARNES: Yeah. I just would like to
2 get them rolling with this communication,
3 giving them access to the materials that they
4 need, letting them know that they are
5 serious -- that we're serious and they're in
6 the -- you know, they're in the running here,
7 and also that they're going to need to move.
8 And then, you know, the ones that are, you
9 know, lower bids, that they're going to have
10 to -- I hate to use "sharpen your pencil."
11 It's like --

12 MS. BURCH: I know. And we've said it
13 probably three times already.

14 (Simultaneous speaking.)

15 MS. MCCOLLUM: Are you going to identify
16 that group?

17 MS. BURCH: The six?

18 MR. McCARTHY: No, the ones that we're
19 going to sharpen the pencil on.

20 MS. BURCH: Well, it would be all of them.

21 MR. McCARTHY: All of them?

22 MS. BURCH: Yeah.

23 MS. MCCOLLUM: I mean, what they were
24 saying -- what you were saying at the end, when
25 we create our timeline, you want us to not do

1 the one that you were suggesting a week after
2 and just have everyone do it at the end?

3 MS. BURCH: Right. Have everyone do it.

4 MR. McCARTHY: When we notify the ones
5 moving on, are we going to -- are they going to
6 be the same notification or is it going to be
7 different to the ones that --

8 MS. BURCH: It will be the same.

9 MR. McCARTHY: It will be the same to all
10 six?

11 MS. BURCH: Yeah.

12 MR. McCARTHY: Okay.

13 MR. BARNES: Everybody needs to sharpen
14 their pencils.

15 MS. BURCH: Yeah. It will be the same.

16 MS. MCCOLLUM: So the communications will.
17 The ones that we'll send out to -- for you guys
18 to look at as a draft, with the help of the
19 SMEs, will just be about the management
20 presentations, any materials, like the
21 production of the data room you guys just
22 talked about giving them access to additional
23 due diligence information, and that timeline to
24 give them an idea of what we're looking at.

25 MS. BURCH: Okay.

1 MR. BARNES: And I'm thinking more about
2 the communication. Should they be the same
3 communication or -- I don't know. Because I
4 don't want to scare people away.

5 MS. BURCH: I mean, I think it -- well, I
6 kind of do, in a way.

7 MR. BARNES: I don't want to scare
8 everybody away.

9 MS. BURCH: Not everybody, but I think the
10 ones who are really far apart from the top, I
11 think it's important to let them know that they
12 have a lot of ground to make up, so they need
13 to be --

14 MR. BARNES: I agree with that.

15 MS. BURCH: -- prepared to move forward if
16 that's the case.

17 MR. BARNES: Maybe -- maybe the
18 negotiation -- we are the negotiation team.
19 Maybe the advisors, in working with the
20 procurement representatives, can be smart about
21 that and we'll have a chance to --

22 MS. BURCH: That's what I was hoping.

23 MS. MCCOLLUM: You will absolutely be able
24 to review it.

25 MR. BARNES: Yeah. Okay.

1 MR. SMITH: And we have to also
2 acknowledge the possibility that NextEra,
3 through this process, and their highly -- their
4 number is highly susceptible to some different
5 variables, they could potentially go the other
6 direction.

7 MS. BURCH: Yeah.

8 MR. BARNES: That's right.

9 MR. SMITH: So that's why I just wanted to
10 make sure that -- especially if they get the
11 word that they're way out ahead of everybody
12 else.

13 MS. MCCOLLUM: They --

14 (Simultaneous speaking.)

15 MR. SMITH: If they get the feeling that
16 they're way out ahead of everybody else.

17 MS. BURCH: Right.

18 MR. SMITH: So, again, how the strategy of
19 notifying them goes out, I'm open to
20 suggestions. That's not something that I'm an
21 expert at.

22 MR. BARNES: Right.

23 MR. SMITH: That's just -- you know, what
24 would be my concern is that if there's a
25 separate message that goes to those that are --

1 have a lower number, that, you know, somehow we
2 would jeopardize what is now the highest
3 number.

4 MR. GIARDINELLI: I think -- it's Todd
5 Giardinelli.

6 We agree wholeheartedly with that comment.
7 And I would say it's very atypical to just send
8 e-mails to folks; one reason is that sometimes
9 the conversations are much more nuanced than
10 just an e-mail, and the other is it's far more
11 likely that these e-mails would leak because
12 they get forwarded than a conversation. And so
13 what we wouldn't want is that, you know, these
14 e-mails go back to the other bidders because,
15 you know, bankers get released because bidders
16 drop out of the process, and then, lo and
17 behold, the one that didn't get the message
18 that they are far behind knows that they are
19 far ahead.

20 MR. BARNES: Right. No, that's a good
21 point.

22 MR. AMDUR: It's Steve.

23 I would love for Foley to chime in, but as
24 Todd suggested, it's not uncommon in these
25 processes for an oral conversation by the

1 advisors of bankers to participants to give
2 them the layout of next steps, as well as some
3 nuanced color to both keep the ones in the lead
4 thinking that it's a competitive game that they
5 need to stay competitive with as well as to
6 encourage the ones who are a little farther
7 behind to catch up.

8 And, certainly, the folks on the phone are
9 very good at doing exactly that. So if there's
10 a way that complies with the procurement code
11 that's permissible, I would certainly suggest
12 that's worth exploring.

13 MS. BURCH: Okay.

14 MR. McCARTHY: You mean with the
15 negotiation team in that call as well?

16 MS. BURCH: No, it would just be -- what
17 he's saying is the advisors.

18 MR. AMDUR: Yeah. I don't know whether
19 that's required in order to have that call take
20 place.

21 MS. BURCH: Why isn't that just a
22 conversation that procurement has with their
23 designated rep?

24 MR. AMDUR: I would invite the Foley team
25 to comment on --

1 MS. RHODE: Robert, could you advise on
2 the -- on the normal protocol for going back to
3 a bidder with -- for a request to hone in on
4 certain things?

5 MR. HOSAY: That --

6 MS. RHODE: Go ahead.

7 MR. HOSAY: Absolutely, Lynne.

8 This is Robert speaking.

9 So, ordinarily, those conversations would
10 occur in a face-to-face conversation or
11 negotiation session, but there's nothing wrong
12 with an e-mail providing general direction.

13 And so I think it really is -- you know, we'd
14 just need to be -- you know, there are
15 absolutely concerns. E-mails get forwarded.

16 You obviously don't want to jeopardize the
17 process and jeopardize your ability to
18 negotiate that value, right?

19 And so -- but at the same time, there's
20 nothing wrong with an e-mail. You know, I
21 think that procurement should just look at that
22 closely. We're glad to look at that as well.
23 If you want to send an e-mail out, I think
24 that's fine. In general, I don't think you
25 want to have a lot of content in an e-mail, but

1 I think providing general direction could be
2 just fine.

3 So if -- you know, detailed direction,
4 feedback, and negotiation tactics and
5 strategies should absolutely be handled in a
6 negotiation session and face-to-face. Is that
7 helpful?

8 MS. BURCH: Well -- so let me ask this,
9 then, because it sounds like the point of
10 having an actual conversation with one of the
11 proposer teams is so that an e-mail doesn't get
12 leaked with information in it. So we have --
13 procurement has a conversation, or the
14 advisors, whichever one is more appropriate has
15 a conversation with the proposer saying, hey,
16 you're getting invited to the management
17 presentations, just want to let you know that
18 you are, you know, very far apart from number
19 one or the highest bid at this point, just
20 wanted to let you know that so that, you know,
21 as you move forward, you keep that in mind.

22 But then as far as the process and general
23 direction and whatnot, what if that is written
24 up and then put into the -- the site, so that
25 they all have access to the same document? If

1 you're worried about an e-mail.

2 MR. SMITH: But it will have different
3 meeting times and locations.

4 MS. BURCH: But that information can be
5 given over the phone because they're going to
6 have to work with them on -- because they're
7 not all going to be available at whatever time
8 we give them. That will take some
9 coordinating.

10 MR. McCARTHY: We have basic logistics
11 conversations with them throughout the process.

12 MS. BURCH: Right.

13 MR. McCARTHY: Jenny and I do.

14 MS. BURCH: Right.

15 MR. McCARTHY: So that was already
16 established.

17 MR. BARNES: This is Randall.

18 I think the main concern with the e-mail
19 is if you're going to give any sort of, like,
20 directional guidance or anything like that in
21 the communication. I think if we were just
22 sending an e-mail that said here's how you get
23 to the site, here's the schedule coming up,
24 you're invited to the meeting, stuff like that,
25 and everybody got the same e-mail, I think

1 we're probably fine for that part of the
2 e-mail.

3 And maybe what we should just do -- I
4 don't know -- I think what I heard Robert say a
5 minute ago is that any discussion should be in
6 a strategic -- whatever you call this thing,
7 negotiating session.

8 I think maybe we should just --

9 MR. HOSAY: Yeah. Let me -- let me just
10 interrupt you there.

11 So you've got a negotiation session coming
12 up with the respondents, right? The management
13 presentations are a negotiation session. So
14 you could certainly, you know, relay
15 information there as a part of that session.

16 MR. BARNES: Sure, Robert.

17 This is Randall.

18 But, you know, we need to let them know
19 that they're -- you know, this is about letting
20 them know, hey, you're still in the process,
21 and maybe, you know, hey, look, we're going to
22 send you an e-mail with all the details that
23 you need to get to your -- to the information
24 and also, you know, where the location of the
25 meetings are and all that stuff. I mean, maybe

1 it's as -- I mean, it would be -- it's so
2 difficult to have these negotiation sessions,
3 but if we need to have six more that take five
4 minutes to call --

5 MS. BURCH: Right. That's what I want to
6 avoid.

7 MR. BARNES: -- each of these firms, maybe
8 that's what we need to do.

9 I -- in my personal -- you know, not
10 personal, but in City business when I'm
11 awarding or talking to someone, I generally do
12 like to do it on the phone because it's easier
13 to convey a message. And it's probably not
14 wise, after some discussion, to communicate
15 some sort of strategic point in an e-mail,
16 because that could get out, but we could
17 communicate it verbally on the phone.

18 So, ideally, we wouldn't have to have six
19 sessions. If we could -- and maybe the
20 procurement rules allow that we could direct
21 the experts or advisor team to make these calls
22 for us just to say what you said a minute ago
23 about hey, you know, you're not close to the
24 top bid, or something like that. But if, in
25 fact, we can't do that, I would just suggest

1 maybe we have six 15-minute calls with the --
2 with the firms.

3 MR. McCARTHY: That would have negotiation
4 team members and advisors?

5 MR. BARNES: Yes.

6 MR. AMDUR: So, Robert and Ben, can the
7 negotiators, if they so choose, delegate the
8 authority to contact the six selected
9 respondents to procurement and the banks and
10 other advisors to reach out to them and give
11 the nuanced conversation to let them know that
12 they are still in the process but to improve
13 their bid as necessary? Is that something that
14 negotiators can delegate to those folks?

15 MR. HOSAY: Yeah, no.

16 So the way I think this needs to be done
17 is -- it sounds like there probably needs to be
18 a call set. If you could -- you can certainly
19 relay some information in an e-mail and invite
20 them and provide them some guidance.

21 It sounds like there may be -- more of you
22 want to provide them more guidance than maybe
23 is appropriate for an e-mail.

24 So my recommendation is set a meeting, a
25 negotiation session with them later this week,

1 if that's what the timeline requires, and do
2 it -- do it there in a negotiation session.

3 MS. BURCH: Okay. So --

4 MR. SMITH: And if I could alternatively
5 offer a suggestion, we could just invite the
6 six and then at those sessions let them know.

7 MS. BURCH: Uh-huh.

8 MR. SMITH: You know, I understand
9 wanting -- there's logistics getting the whole
10 team to travel to Atlanta on short notice and
11 all that. I get that. You know, there may be
12 some benefit, just sort of a friendly benefit
13 to letting them know where they are in the
14 process.

15 MS. BURCH: Uh-huh.

16 MR. SMITH: But at the same time, trying
17 to jam that conversation into 15 minutes six
18 times over tomorrow may be a lot more clumsy
19 than basically having a half a day in a room
20 with these people and have them much more --

21 MS. BURCH: I think the thought --

22 MR. SMITH: Again, I'm not -- you know,
23 strategy is not my forte here. So that's
24 just --

25 MS. BURCH: Yeah. I get it, but I think

1 the thought was that there may be a couple who,
2 if they're given that information, they know
3 that they can't get much closer than what they
4 are, and so they may choose not to make that
5 trip. They may choose now, just, you know, no,
6 we're not going to -- we're not going to keep
7 going, is what I'm trying to -- is what I was
8 attempting to accomplish. So that at the end
9 of the day, we might have four sessions in
10 Atlanta, not six, if that were the case.
11 That's what I was trying to get at.

12 MR. SMITH: I understand that.

13 MS. BURCH: But if it's too unwieldy,
14 then, you know, we can do it another way.

15 MR. SMITH: I just wouldn't want to -- a
16 bidder who maybe is not as far as he appears to
17 be away, discourage them from coming, you know,
18 and continuing the process.

19 MS. BURCH: Yeah.

20 Well -- and it was only -- yeah.

21 MR. SMITH: And again, you know, what --
22 how do we, you know -- we said that, you know,
23 things like, you're not even close, you're way
24 behind. I mean, how -- those are very
25 qualitative words. You know --

1 MS. BURCH: Okay. We need to come to a
2 decision. So -- I'm tired of talking about
3 this topic. So what are we -- what are we
4 going to do here? Who wants to give us some
5 direction?

6 Melissa, we haven't heard from you on this
7 topic yet. So what would your recommendation
8 be?

9 MS. DYKES: A clarifying question for
10 Robert in order to make this recommendation,
11 but, Robert, if there's a negotiating session
12 that occurs, can the negotiating team invite
13 subject matter experts to be part of
14 conversations with respondents so that they can
15 communicate information to respondents within a
16 negotiating session?

17 MR. HOSAY: The negotiators -- the
18 negotiation team has access -- can have access
19 to subject matter experts, and the subject
20 matters experts can provide guidance in a
21 negotiation session.

22 MS. DYKES: So --

23 MR. HOSAY: So I think the answer to your
24 question is yes.

25 MS. DYKES: Okay. So make sure you're

1 comfortable with this, then, as a suggestion.
2 One path is to invite the advisors into the
3 sessions that you would have with respondents
4 and have them assist in having those
5 conversations and, because there is some art in
6 relaying the information --

7 MS. BURCH: Right.

8 MS. DYKES: -- have them assist with
9 relaying the information. But that way, that
10 information gets relayed, out of respect to the
11 respondents, ahead of time and they can make an
12 informed decision as to whether or not to
13 proceed.

14 MS. BURCH: All right.

15 So I think that's -- that's where I'm
16 leaning as well. I think we need to just set
17 up 15-minute calls. We can knock it out in two
18 hours, hopefully, maybe tomorrow afternoon. I
19 don't know if advisors are traveling at that
20 time, what your schedule is and whatnot,
21 whether people can be on the call or whatnot,
22 but I think let's just do it that way.

23 I'd rather them know sooner rather than
24 later so that they can make that decision and
25 we will have a clearer picture going into next

1 week what that looks like.

2 MR. SMITH: Okay.

3 MR. BARNES: Yeah.

4 MS. BURCH: That is my preference.

5 MR. BARNES: I agree.

6 MS. BURCH: Okay.

7 MR. SMITH: So what about -- just for
8 clarity, the three that we're not moving
9 forward with, we're not going to schedule calls
10 with them tomorrow?

11 MS. BURCH: Correct.

12 MR. SMITH: Okay.

13 MR. BARNES: Two.

14 MS. BURCH: It's two.

15 MR. SMITH: Two, excuse me.

16 MS. BURCH: Yeah.

17 MR. McCARTHY: Okay. So what time frame
18 is good for you tomorrow?

19 MS. MCCOLLUM: Might I -- well, why don't
20 I suggest from a process standpoint, can I take
21 that -- can John and I take that and try to
22 figure out the schedule? Between the advisors,
23 you, respondents, it's going to take a little
24 bit of coordinating with the six. Thursday
25 might be --

1 MS. BURCH: Yeah, because you're going
2 to --

3 MS. MCCOLLUM: -- a better time. Maybe we
4 can do it Thursday morning instead of Wednesday
5 afternoon.

6 MR. SMITH: Only because we told everyone
7 we'd let them know on Wednesday.

8 MS. BURCH: Wednesday. We told everybody
9 that.

10 MR. BARNES: Surely, someone can get on
11 the call for 15 minutes.

12 MS. BURCH: Yeah. It's just -- they don't
13 need 21 people on the phone, you know?

14 MR. McCARTHY: I think the respondents
15 will be fine. I think Jenny was thinking about
16 the larger numbers that we would have to
17 coordinate with. But we'll work on tomorrow
18 if --

19 MS. BURCH: What do you mean, the larger
20 numbers?

21 MR. McCARTHY: For the advisors.

22 MS. MCCOLLUM: For the advisors.

23 MS. BURCH: For us?

24 MR. McCARTHY: Uh-huh.

25 MS. MCCOLLUM: Yeah.

1 MR. AMDUR: Question for the banks on the
2 phone: Are folks available to have calls with
3 respondents tomorrow afternoon?

4 MS. BURCH: From 2:00 to 4:00.

5 MR. MANHEIMER: Yes.

6 MS. BURCH: What's your travel schedule?

7 MR. AMDUR: I'm going back tonight.

8 MS. BURCH: Tonight you are? Okay. So
9 you would be available tomorrow from 2:00 to
10 4:00?

11 MR. AMDUR: Yes.

12 MS. BURCH: Okay.

13 MR. McCARTHY: Six calls is an hour and a
14 half, right?

15 MS. BURCH: Yeah.

16 MR. McCARTHY: Okay.

17 MS. BURCH: So even if we have to spread
18 them out --

19 MR. McCARTHY: I'll just leave a little
20 bit of -- five minutes in between.

21 MS. BURCH: Right.

22 MS. McCOLLUM: Does that work with your
23 schedule?

24 MS. DYKES: I'm happy to check.

25 MS. BURCH: Yes. I think you need to be a

1 part of it if the advisors are going to be on.

2 MS. DYKES: Yes.

3 MS. BURCH: Okay. 2:00 to 4:00.

4 (Simultaneous speaking.)

5 MS. MCCOLLUM: Okay. So we have quite a
6 bit of direction from the --

7 MR. McCARTHY: I just have one
8 clarifying -- is there -- the e-mail going out,
9 is there an expectation that goes out before
10 this call or --

11 MS. BURCH: No. I don't know that that's
12 necessary. I think it's just a matter of, hey,
13 we'd like to have a negotiation session --

14 MR. McCARTHY: So we'll just do that
15 verbally when we set up the calls --

16 MS. BURCH: Yeah.

17 MR. McCARTHY: -- and not send out an
18 e-mail between now and tomorrow afternoon.

19 MS. BURCH: Right.

20 MR. McCARTHY: Okay.

21 MR. BARNES: I would suggest that we, on
22 the calls, get a verbal, hey, we'd like to move
23 forward, and we'll send you an e-mail with the
24 information. Do you think that --

25 (Simultaneous speaking.)

1 MR. McCARTHY: We're going to call them
2 this afternoon and get their availability
3 Thursday between 2:00 and 4:00.

4 MS. BURCH: Wednesday.

5 MR. McCARTHY: I'm sorry. Thank you.
6 Wednesday between 2:00 and 4:00.

7 We talked earlier about an e-mail going
8 out, and I just want to make it -- make sure
9 we're on the same page that we're not --

10 MS. BURCH: I think the e-mail is --

11 MR. McCARTHY: We're not going to send
12 that e-mail out now.

13 MS. BURCH: No, because I think the e-mail
14 is going to take a different --

15 MR. McCARTHY: Okay.

16 MS. BURCH: It's going to be written
17 differently at this point, since --

18 MR. McCARTHY: But that will be after the
19 calls tomorrow?

20 MS. BURCH: Right. It will be after the
21 calls, correct.

22 MR. McCARTHY: All right.

23 MS. BURCH: And I don't know, Randall, if
24 they will be able to tell us on the phone.

25 MR. BARNES: Yeah, you're right.

1 MS. BURCH: You know, just relating that
2 information to them.

3 MR. BARNES: You're right.

4 MS. BURCH: I think --

5 MR. BARNES: But we should be prepared to
6 send them the e-mails --

7 MS. BURCH: Yes.

8 MR. BARNES: -- as soon as the calls are
9 over.

10 MS. BURCH: Yes.

11 MR. BARNES: And the -- it would just be
12 all the information they need to know to move
13 forward and the schedule.

14 MS. BURCH: Yes. Agreed.

15 MR. BARNES: I agree.

16 MS. McCOLLUM: So include the schedule in
17 our discussions as well and suggest
18 (inaudible).

19 MS. BURCH: All right.

20 MS. McCOLLUM: We can also discuss the due
21 diligence and the data room with them on those
22 calls.

23 MS. BURCH: They'll get access to it as
24 soon as we send them the e-mail, right?

25 MS. McCOLLUM: Uh-huh.

1 So that just kind of -- you guys -- you
2 covered everything in the agenda. We kind of
3 were all over the place, but we talked about
4 developing a timeline, get the marked-up --
5 document mark-ups, and then production of the
6 data room, which is really important, you know,
7 for them to be able to do the due diligence.

8 So we will get all of that covered. And
9 we've got some good direction from you all.
10 And we'll get you -- would you like to see
11 verbiage, you know, from us and the SMEs kind
12 of drafted on what the -- what will be
13 discussed at the six calls prior to --

14 MS. BURCH: Yeah.

15 MS. McCOLLUM: We can talk with you guys
16 offline individually.

17 MS. BURCH: I think that's important,
18 yeah.

19 MS. McCOLLUM: Okay. Get you guys
20 comfortable with that.

21 MS. BURCH: Yeah.

22 MR. McCARTHY: So would you like to have
23 access to SMEs for that, those conversations?

24 MS. BURCH: Yeah.

25 MR. McCARTHY: Okay.

1 MS. BURCH: Yeah, SMEs and advisors --
2 MS. MCCOLLUM: Okay.
3 MS. BURCH: -- if we have conversations.
4 I mean, you might be able to just send it
5 to us over e-mail and have us look at it. I
6 don't know that -- it's really just reviewing
7 an agenda, right?
8 MS. MCCOLLUM: Well, I was -- I've got --
9 it would be the timeline and then any kind of
10 discussions that you guys would want to have
11 with the respondents tomorrow afternoon, some
12 of the language.
13 MS. BURCH: Okay. I see what you're
14 saying.
15 (Simultaneous speaking.)
16 MS. BURCH: Do you want us to come in at
17 1:30, then, to have --
18 MR. McCARTHY: Well, it would have to be
19 individual sessions, unless we did it --
20 MS. BURCH: Well, that's why I'm saying do
21 a strategy session at 1:30 ahead of the calls
22 to prepare and make sure we're all on the same
23 page.
24 MR. SMITH: That's a good idea.
25 MS. BURCH: Is that okay?

1 MR. McCARTHY: That sounds good.

2 MS. BURCH: That way, we can review the
3 agenda then. If there's any last-minute
4 changes, we can make it and --

5 MS. MCCOLLUM: I think we'll probably
6 still do it at 2:00, and then start the calls
7 2:30 to 4:00.

8 MS. BURCH: That's fine. Yeah.

9 MR. McCARTHY: We'll schedule some time
10 for just --

11 MS. BURCH: Half an hour before whenever
12 they start.

13 MS. MCCOLLUM: Okay. That works.

14 MS. BURCH: All right. Are we missing
15 anything at this point?

16 MS. MCCOLLUM: I think -- I think that is
17 it.

18 Is there any other open discussion before
19 we adjourn?

20 MS. RHODE: Just that I'll be walking
21 around and collecting the hard copies,
22 including your notes on them. If there are any
23 notes that include information from the revised
24 replies, I'll need to collect those as well to
25 maintain the confidentiality of that. And

1 these will be kept as records, like all of the
2 records. Understood?

3 MS. BURCH: Yes.

4 MS. RHODE: Thank you.

5 MS. MCCOLLUM: Okay. All right. Thanks,
6 guys.

7 MS. BURCH: Hang on. Hang on. Carla has
8 a question.

9 MS. MILLER: I just have a comment that
10 I'm pleased that you moved to the phone
11 conversations yesterday that will be recorded
12 for Sunshine purposes instead of nuanced
13 conversations on the phone, which would not, so
14 that's great.

15 And sending out material ahead of time is
16 fine to the negotiators, like be prepared, here
17 is your written information, but any
18 communication back or between them is not
19 acceptable under the Sunshine Law. So one-way
20 direction for them to be prepared is okay.

21 MR. McCARTHY: Okay. Thank you.

22 MS. MCCOLLUM: Okay. All right. Thanks,
23 guys.

24 Anything from you on the phone?

25 MR. MANHEIMER: Nothing further from the

1 banks.

2 This is Eddie.

3 MS. MCCOLLUM: Thank you.

4 All right. Meeting is adjourned.

5 Appreciate everybody's time.

6 (The foregoing proceedings were adjourned

7 at 3:45 p.m.)

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1 CERTIFICATE OF REPORTER
23 STATE OF FLORIDA)
4 COUNTY OF DUVAL)
5
67 I, Diane M. Tropia, Florida Professional
8 Reporter, certify that I was authorized to and did
9 stenographically report the foregoing proceedings and
10 that the transcript is a true and complete record of my
11 stenographic notes.

12

13

14

15 DATED this 2nd day of January 2020.
16

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18 Diane M. Tropia
19 Florida Professional Reporter
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