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**From:** Dykes, Melissa H. - President/COO <dykemh@jea.com>  
**Sent:** Thursday, August 15, 2019 12:53 PM  
**To:** 'Powers, Ted'  
**Subject:** Scampi - Checklist 4830-7405-6096 v.1 mhd comments  
**Attachments:** Scampi - Checklist 4830-7405-6096 v.1 mhd comments.docx

My comments are marked

DISCLOSURE OF THIS DOCUMENT IS A VIOLATION OF 127-19 (ITN) STRATEGIC ALTERNATIVES

**PROJECT SCAMPI – CHECKLIST**

**Immediate Action Items**

1. VDR
2. CIP and financial model
3. Environmental reports
4. McKinsey engagement
5. Nassau County and St Johns Interlocal Agreements
6. IE retention

<u>Task/Document</u>	<u>Signatories</u>	<u>Responsible Party</u>	<u>Approving Party</u>	<u>Status/Notes</u>	<u>Timing</u>
<b>I. <u>PSC Matters</u></b>					
1. Engage with PSC on Structure	n/a	JEA (H. Vinyard), Foley (C. Kise), Pillsbury (A. Weissman)	A. Zahn		C. Kise to have discussion with PSC 8/14
<b>II. <u>Vogtle Matters</u></b>					
1. Structuring Memo	n/a	Pillsbury (A. Weissman), JEA (H. Vinyard), Foley (K. Hyde), HK	A. Zahn	<ul style="list-style-type: none"> <li>Pillsbury sent draft 8/3</li> <li>Consider whether to update memo after Foley meeting with PSC.</li> </ul>	
2. Tax analysis for tax remediation related to Project Remedy		JEA (R. Wannemacher), PFM, HK	A. Zahn	PFM performing analysis	
3. [Settlement Agreement]		JEA (H. Vinyard), HK, Pillsbury	A. Zahn		
<b>III. <u>Pension Matters</u></b>					
1. Engage in collective bargaining	n/a	JEA (M. Dykes)	M. Dykes	<ul style="list-style-type: none"> <li><del>4 different unions engaged in collective bargaining</del> 8/12 Tentative agreements with all 5 CBU's 8/13</li> </ul>	<a href="#">Tentative timing: contracts finalized 9/6, ratified 9/20, introduced at Council for approval after (normal cycle)</a>
2. Hold "shade" meeting with City Council	n/a	JEA (M. Dykes)	M. Dykes	Complete	Held 8/13
3. Pension advisory committee meeting	n/a	JEA (M. Dykes)	M. Dykes	<a href="#">First meeting complete. Committee scheduled follow-up meeting 8/26 for further discussion</a>	To be held 8/26 <sup>44</sup>
4. City Council meeting		JEA (M. Dykes)	M. Dykes	<ul style="list-style-type: none"> <li>Opportunity for public comment</li> </ul>	To be held 8/27

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				• Employment relations focused upon ensuring appropriate turnout	
5. Pension Board meeting	n/a	JEA (M. Dykes)	M. Dykes		To be held 8/29
6. City Council Meeting to consider pension legislation	n/a	JEA (M. Dykes)	M. Dykes		To be held 9/10
7. Agreements		JEA (M. Dykes), Foley	M. Dykes	<ul style="list-style-type: none"> <li>• 45 agreements in principal (economics) reached week of 8/125</li> <li>• Contracts will include both impact bargaining of employment protection related to recapitalization and pieces based upon strategic review as well as new 3-year contracts (no separate impact bargaining)</li> </ul>	
<b>IV. ITN Process Matters</b>					
1. Respondent outreach	n/a	JPM, MS			
2. Phase I Financial Model	n/a	JEA (R. Wannemacher), JPM, MS	R. Wannemacher	JEA and client having meeting 8/14	
3. Regulatory consultant report	n/a	FTI		<ul style="list-style-type: none"> <li>• FTI reviewing background materials</li> <li>• Advisors to discuss rate base assumptions</li> <li>• JPM to provide model to FTI</li> </ul>	
4. Independent engineer report	n/a	Leidos			
5. Confidential Information Presentation	n/a	JEA (R. Wannemacher), JPM, MS, Pillsbury, Foley, McKinsey	A. Zahn	JPM bringing draft to meeting on 8/14	
6. Management presentations	n/a	JEA (R. Wannemacher), JPM, MS, Pillsbury, Foley, HK, McKinsey	A. Zahn		

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7. Scripts/talking points	n/a	JEA (K. Stewart), JPM, MS, Pillsbury, Foley, HK	A. Zahn	Ongoing workstream	
8. [Environmental report]		JEA (M. Dykes), JPM, MS	M. Dykes	Melissa, Herschel, JPM, and MS to discuss	
<b>V. <u>Diligence Matters</u></b>					
1. Review interlocal agreements for ROFR	n/a	JEA (H. Vinyard), Pillsbury, JPM, MS	A. Zahn		
a. St. Johns County	n/a			<ul style="list-style-type: none"> <li>• Parties to discuss ways to manage right to purchase</li> <li>• Total Net Investment is ~ \$291M</li> <li>• JPM putting deck together for meeting 8/20</li> <li>• Drafting letter to commence 90 day period</li> </ul>	
b. Nassau County	n/a			<ul style="list-style-type: none"> <li>• Parties to discuss ways to manage right to purchase</li> <li>• Total Net Investment is ~ \$69M</li> <li>• Drafting letter to commence 90 day period</li> </ul>	
c. [Others]	n/a				
2. Manage easements, rights of way, etc.	n/a	JEA (M. Dykes), Foley, Pillsbury	M. Dykes	Parties to discuss best way to manage easements, rights of way, etc.	
3. Review block grants used to fund infrastructure improvements	n/a	JEA (M. Dykes), Foley, Pillsbury	M. Dykes		
4. Respondent NDA	<input type="checkbox"/> JEA <input type="checkbox"/> Respondent	JEA (L. Rhode), Pillsbury	A. Zahn	In process.	

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5. Sample diligence request list	n/a	Pillsbury, JPM, MS		JEA sent comments 8/1	S. McNall assigning responsibilities
6. Populate Data Room	n/a	JEA (S. McNall), JPM, MS, Pillsbury, Foley, Nixon, HK			
<b>VI. Strategic Transaction Matters</b>					
1. IPO analysis	n/a	Pillsbury, JPM, MS		In process.	Targeted completion is February 2020
2. Coop analysis	n/a	Pillsbury, JPM, MS		In process.	Targeted completion is February 2020
3. Principal Transaction Agreement	<input type="checkbox"/> JEA <input type="checkbox"/> Respondent	JEA (H. Vinyard), Pillsbury	A. Zahn		
4. [Ancillary Agreements]		JEA (H. Vinyard), Pillsbury	A. Zahn		
5. Fairness Opinions		JPM, MS			
<b>VII. Employee Matters</b>					
1. Form Employee Protection and Retention Program Agreement	<input type="checkbox"/> JEA <input type="checkbox"/> Employee	JEA (J. Kendrick), Pillsbury	A. Zahn	<ul style="list-style-type: none"> <li>• <a href="#">Form Final</a></li> <li>• Executed for appointed <a href="#">employees</a></li> <li>• Form to be revised based on collective bargaining; <a href="#">revised form to be executed by BU employees once bargaining is complete, supplement to be executed by appointed employees</a></li> </ul>	
2. Form Long-Term Performance Unit Agreement	<input type="checkbox"/> JEA <input type="checkbox"/> Participant	JEA (J. Kendrick), Pillsbury	A. Zahn	<ul style="list-style-type: none"> <li>• Form Final</li> <li>• JEA preparing allocation</li> </ul>	Anticipated to be entered into agreements October/November

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<b>VIII. ITN Timeline Matters</b>					
1. Deadline for Respondents to submit written questions	n/a				9/3/19
2. Anticipated posting date for answers to Respondents' questions	n/a				9/16/19
3. Deadline to submit Replies and all required documents	n/a				9/30/19
4. Anticipated bid opening					9/30/19
5. Anticipated Notice of Intent to Negotiate					10/14/19
6. Anticipated Negotiation Phase					10/15/19 – TBD
7. Notice of Intent to Award					TBD
<b>IX. Approval/Regulatory Matters</b>					
1. Talking points for Board and City Council		JEA (A. Zahn), Foley, Pillsbury, HK, JPM, MS	A. Zahn		Mid-March 2020
2. Board		JEA (A. Zahn), Foley, Pillsbury, HK	A. Zahn		Mid-March 2020
3. City Counsel		JEA (A. Zahn), Foley, Pillsbury, HK	A. Zahn		Mid-April 2020
4. Referendum		JEA (A. Zahn), Foley, Pillsbury	A. Zahn		August 2020
a. Submission of ballot measures	n/a	JEA (A. Zahn), Foley	A. Zahn		Mid-April 2020
5. PSC		JEA (R. Wannemacher), Foley	A. Zahn		

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6. FERC		JEA (L. Rhode), Pillsbury	A. Zahn		
7. HSR		JEA (L. Rhode), Pillsbury	A. Zahn		
8. FCC		JEA (L. Rhode), Pillsbury	A. Zahn		
9. [Bondholders] <sup>1</sup>		JEA (R. Wannemacher), Nixon, HK	A. Zahn		
10. [NRC] <sup>2</sup>		JEA (L. Rhode), Pillsbury, Nixon	A. Zahn		
11. [CFIUS]		JEA (L. Rhode), Pillsbury	A. Zahn		
12. [Others]					
<b>X. Other Matters</b>					
1. Working Group List	n/a	Pillsbury		Updated draft sent 7/29	
2. [Ethics Opinion]		JEA (H. Vinyard), OGC	H. Vinyard		
3. Procurement issues	n/a	JEA, Foley (R. Hosay)	H. Vinyard		
<b>XI. Engagement Matters</b>					
1. McKinsey Consulting Subcontract Agreement	<input type="checkbox"/> McKinsey <input type="checkbox"/> Pillsbury	JEA (H. Vinyard), Pillsbury, McKinsey	• A. Zahn	• McKinsey sent revised draft 8/14 • JEA reviewing	
a. McKinsey NDA	<input type="checkbox"/> McKinsey <input type="checkbox"/> Pillsbury			Form agreed	

<sup>1</sup> Not likely, if a sale is to a corporate buyer, as bonds would need to be fully defeased/redeemed.

<sup>2</sup> If Project Remedy is successful, NRC approval would be necessary, if a sale triggers a transfer of the operating license.



<u>Task/Document</u>	<u>Signatories</u>	<u>Responsible Party</u>	<u>Approving Party</u>	<u>Status/Notes</u>	<u>Timing</u>
b. Statement of Work	n/a			<ul style="list-style-type: none"> <li>• McKinsey sent revised draft 8/14</li> <li>• JEA reviewing</li> </ul>	
2. Leidos Engagement Letter	<input type="checkbox"/> Leidos <input type="checkbox"/> Pillsbury	Pillsbury, JEA (S. McInall)	A. Zahn	Leidos sent revised draft 8/14	
3. FTI Engagement Letter	<input checked="" type="checkbox"/> FTI <input type="checkbox"/> Pillsbury			<ul style="list-style-type: none"> <li>• Form agreed</li> <li>• Pillsbury sent final draft to JEA 8/13 for approval</li> </ul>	
4. Intralinks Master Services Agreement	<input type="checkbox"/> Intralinks <input type="checkbox"/> Pillsbury <input type="checkbox"/> JEA	Pillsbury, JEA (L. Rhode), JPM	A. Zahn	Form agreed	
a. Work Order	<input type="checkbox"/> Intralinks <input type="checkbox"/> Pillsbury <input type="checkbox"/> JEA			Form agreed	
5. Pillsbury Engagement Letter	<input type="checkbox"/> JEA <input type="checkbox"/> Pillsbury	JEA (H. Vinyard), Pillsbury	A. Zahn		
6. Foley Engagement Letter	<input type="checkbox"/> JEA <input type="checkbox"/> Foley	JEA (H. Vinyard), Foley	A. Zahn		
<b>XII. Completed Matters</b>					
1. Resolutions for Scenario 3		JEA, Foley, Pillsbury		Complete 7/23/19	
2. Resolutions for Employee Protection and Retention Program		JEA, Pillsbury		Complete 7/23/19	
3. Resolutions for Long-Term Performance Unit Plan		JEA, Pillsbury		Complete 7/23/19	
4. Resolutions for CEO and Non-CEO Executive Employment Agreements		JEA, Pillsbury		Complete 7/23/19	
5. CEO Employment Agreement	<input checked="" type="checkbox"/> Green <input checked="" type="checkbox"/> Zahn <input checked="" type="checkbox"/> Rhode	JEA, Pillsbury		Complete	

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	<input checked="" type="checkbox"/> Wannemacher				
6. Non-CEO Executive Employment Agreements	<input checked="" type="checkbox"/> JEA <input checked="" type="checkbox"/> Employee	JEA, Pillsbury		Complete	
7. Resolutions for Employee Terminations and Separation Agreements		JEA, Pillsbury		Complete 7/23/19	
8. Separation and Transition Agreements	<input checked="" type="checkbox"/> JEA <input checked="" type="checkbox"/> Employee <input checked="" type="checkbox"/> Expenditure <input checked="" type="checkbox"/> Chief Legal Officer	JEA, Pillsbury		Complete	
9. Resolutions for Pension Revision Legislation		JEA, Foley		Complete 7/23/19	
10. JEA Long-Term Performance Unit Plan	n/a	JEA, Pillsbury		Complete 7/23/19	
11. Letter to Employees	<input checked="" type="checkbox"/> Zahn	JEA, Pillsbury, Foley		Complete	
12. JPM Engagement Letter	<input checked="" type="checkbox"/> JEA <input checked="" type="checkbox"/> JPM	JEA, JPM, Pillsbury		Complete 7/24/19	
13. MS Engagement Letter	<input checked="" type="checkbox"/> JEA <input checked="" type="checkbox"/> MS	JEA, MS, Pillsbury		Complete 7/23/19	
14. Talking points for PSC	n/a	JEA, Pillsbury, Foley		Pillsbury provided final draft 8/9	
15. Invitation to Negotiate for Strategic Alternatives ("ITN")	n/a	JEA, JPM, MS, Foley, Pillsbury		Posted 8/2	
a. Attachment 1 – Respondent's Certification		JEA, JPM, MS, Foley			
b. Attachment 2 – Conflicts of Interest Certificate		JEA, JPM, MS, Foley			
c. Exhibit A – JEA Procurement Code		JEA			

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d. Exhibit B – 2018 Annual Report		JEA			
e. Exhibit C – Electric System 2018 Annual Disclosure Report		JEA, JPM, MS, Foley			
f. Exhibit D – Water and Wastewater System 2018 Annual Disclosure Report		JEA, JPM, MS, Foley			
g. Exhibit E – March 2019 Quarterly Analysis of Financial Performance		JEA, JPM, MS, Foley			
16. Rules of the Road	n/a	Foley		Draft sent 7/22	
17. Potential Respondent List	n/a	JEA, JPM, MS		Final	

**Glossary**

<i>Board</i>	The Board of Directors of JEA
<i>Foley</i>	Foley & Lardner LLP, Florida counsel to JEA
<i>FERC</i>	Federal Energy Regulatory Commission
<i>FTI</i>	FTI Consulting, Inc., consultant to JEA
<i>HK</i>	Holland & Knight LLP, litigation counsel to JEA
<i>Intralinks</i>	Intralinks, Inc., data room provider
<i>JEA</i>	JEA
<i>JPM</i>	J.P. Morgan Securities LLC, financial advisor to JEA
<i>Leidos</i>	Leidos Engineering, LLC, independent engineer
<i>McKinsey</i>	McKinsey & Company, consultant to JEA
<i>MS</i>	Morgan Stanley & Co. LLC, financial advisor to JEA
<i>Nixon</i>	Nixon Peabody LLP, bond counsel to JEA
<i>NRC</i>	Nuclear Regulatory Commission
<i>OGC</i>	City of Jacksonville, Office of General Counsel
<i>Pillsbury</i>	Pillsbury Winthrop Shaw Pittman LLP, counsel to JEA
<i>PFM</i>	PFM Financial Advisors LLC, tax consultant to JEA
<i>PSC</i>	Florida Public Service Commission