

1 Introduced by Council Members Love and Gaffney:
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4 **RESOLUTION 2018-**

5 A RESOLUTION EXPRESSING THE CITY COUNCIL'S
6 OPPOSITION TO THE SALE OF JEA AT THIS TIME;
7 PROVIDING AN EFFECTIVE DATE.
8

9 **WHEREAS,** events around the country during the last 12 months
10 have highlighted the value of a municipally-owned utility company
11 that is highly responsive to local needs. For example, On October
12 14, 2017, a total of 14 nursing home residents in Hollywood,
13 Florida died as a result of a failure by the local private utility
14 to restore power to the facility after an outage caused by
15 Hurricane Irma; and in New Jersey and New York the local investor-
16 owned utility, Consolidated Edison, came under fire this year for
17 its lack of responsiveness to the community after that area was hit
18 hard by back-to-back storms causing widespread power outages; and

19 **WHEREAS,** in September 2017, by comparison, JEA crews worked
20 tirelessly around the clock for more than a week to repair and
21 replace downed poles and wires and to restore power to local
22 customers from the outages caused by Hurricane Irma; and

23 **WHEREAS,** had Jacksonville's citizens been reliant upon a large
24 investor-owned utility company serving large swaths of Florida
25 and/or other East Coast states also affected by the powerful
26 hurricane, it is likely that the city would not have been such a
27 high priority for power restoration in comparison with other more
28 highly populated areas, and our citizens may have suffered without
29 power for much longer in comparison to the relatively quick
30 restoration achieved by the local municipal utility focused on our
31 city; and

1 **WHEREAS**, the community presence of JEA is not only found in
2 its responsiveness during times of disaster, there is additional
3 value to JEA's community presence: 1) JEA employs over 2000
4 employees locally; 2) JEA has a downtown headquarter; 3) JEA board
5 meetings are open to the public and afford public comment periods;
6 4) JEA annually submits its budget to the City Council and the
7 locally elected officials scrutinize the budget and capital
8 programs; 5) electric water and sewer rates are set locally by the
9 JEA board and not the Public Service Commission in Tallahassee; and
10 6) JEA Neighbor to Neighbor Program assists those in need with
11 utility bill assistance; and

12 **WHEREAS**, in addition to JEA being a large local employer and
13 having a community presence, JEA also contributes monetarily and
14 through partnerships with the City of Jacksonville, as noted in the
15 Council Auditor Report #807 dated March 22, 2018; 1) JEA partnered
16 with the City for a Joint Projects Agreement so that utility and
17 drainage projects could be accomplished at the same time thereby
18 avoiding overlapping construction costs and multiple traffic
19 disruptions; 2) JEA makes an annual contribution to the City of
20 Jacksonville's general fund, the fiscal year 2017-2018 contribution
21 totaled \$116,629,815; 3) since 1997 JEA has invested over \$3
22 billion to improve the City Water/Sewer utility; 4) pursuant to the
23 2016 interagency agreement between the City and JEA: a) JEA
24 contributed \$15,000,000 to be used in conjunction with a
25 \$15,000,000 match from the City for water and sewer infrastructure;
26 b) JEA transferred 30.34 metric tons of Total Nitrogen Water
27 Quality Credits to the City (valued at \$2,086,767 per year); and c)
28 JEA committed to contributing a maximum annual amount of \$1,000,000
29 for sewer projects that the City undertakes to meet its
30 environmental obligations; and

31 **WHEREAS**, the discussion on the sale of JEA has caused

1 uncertainty for the JEA workforce, rate payers and community
2 stakeholders; and

3 **WHEREAS**, deciding not to sell JEA can bring stability into the
4 lives of the hard-working and dedicated employees of our utility;
5 and

6 **WHEREAS**, the JEA Board Chairman, Alan Howard, at the February
7 14, 2018 Special Council Meeting opined that it would be a "waste
8 of time" and cause "a lot of angst in the community, if there
9 wasn't a consensus on the front end" that the sale of JEA should be
10 pursued; and

11 **WHEREAS**, Council Members have inquired and been advised about
12 how to provide the direction and the "consensus" that the JEA Board
13 Chair invited at the February 14, 2018 meeting; now therefore

14 **BE IT RESOLVED** by the Council of the City of Jacksonville:

15 **Section 1. Opposition to the Present Consideration of**
16 **sale of JEA.** The City Council recognizes the significant amount of
17 resources that all sides, the City of Jacksonville, the JEA Board,
18 the citizens, and the potential purchasers, would need to be
19 expended in order to ascertain the viability of the sale of JEA,
20 assessing the JEA assets and liabilities. The City Council desires
21 to provide consensus to marketplace and workplace to avoid "wasting
22 time" and creating "angst" in both of those areas. For these
23 reasons, Council provides the consensus that the sale of JEA will
24 not be supported at this time.

25 **Section 2. Effective Date.** This Resolution shall become
26 effective upon signature by the Mayor or upon becoming effective
27 without the Mayor's signature.

1 Form Approved:

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4 Office of General Counsel

5 Legislation Prepared By: Margaret M. Sidman

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