

REASON

ANOTHER VIEW



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JEA:
Don't sell
precious
asset

By Preston Haskell

While the recent dialogue and debate concerning the potential sale of JEA has in certain ways been productive and valuable, it has now become unduly divisive and distracting. It is time to end this unproductive discussion so that our community and its leadership can return its focus to other important matters.

Although no single, comprehensive study has been made on this subject, it is clear that consideration of asset values, unresolved liabilities facing JEA, potential future costs to ratepayers and many intangible factors demonstrate that selling JEA is not in our city's best interests.

In seeking to determine the likely market value of JEA's electric utility it should first be noted that the idea of selling JEA has been floated several times over the past three decades, and each time was found unworthy of further pursuit. Little has changed in the capital markets or the electric utility industry that would make a current sale significantly more attractive. Indeed, revenues and profits for the last five years have been flat or down for the entire industry, including JEA. It is simply not a growth industry where buyers are aggressively seeking acquisitions.

Given this environment, customary valuation metrics such as multiple of net income, multiple of rate base and multiple of book value consistently produce net sale proceeds after discharge of debt and other transaction costs of approximately \$2.5 to \$3.0 billion. But these metrics do not consider major JEA liabilities such as the Plant Vogtle debacle, the potential pension liability, nor costs associated with the shutdown of the St. Johns River Power Park and discharge of its debt. Taking these into consideration reduces the proceeds by as much as \$1 billion.

Using a rather generous figure of \$2.2 billion of net proceeds, and assuming this amount were used to discharge the city's bonded debt or invested in marketable securities, a budgetary benefit of approximately \$110 million annually would result. However, an investor-owned utility would pay property taxes to the city of approximately \$45 million but would not pay the current JEA contribution of \$92 million (electric utility only), resulting in a revenue reduction of \$47 million annually. Thus earnings or other benefits from the estimated \$2.2 billion of net sale proceeds, minus \$47 million per year or its equivalent, would be the net result of the transaction.

However, an investor-owned utility would have to pay state and local taxes, higher interest on its debt as a taxpayer vs. non-taxable borrower, federal and state income taxes and a return on

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Candles and flowers mark an impromptu memorial site set up by friends after the murder of Jillian Barrios. [PROVIDED BY BEATRIZ MEJIAS]

Orange Park murder remains unresolved

By Andrea Davis

Note to readers: This is part of a series of columns on cold cases. For more information, see the website, projectcold-case.org.

It was 5:39 a.m. The sun hadn't even come up yet. After a night of dancing and celebrating the birthday of a Jacksonville friend, all Jillian Berrios wanted to do was go home, climb into bed and sleep before waking up to her kids.

That never happened, because at that moment, her life came to an end.

Beatrice Mejias believes someone out there knows information needed to bring the person who killed her friend to justice. There was a witness — a passenger in Berrios' car who saw everything that happened to her the night she died. But the passenger refuses to talk, fearing she will be next.

"Jillian, or Jilly Beans to those who were close to her, was the type of person to give the shirt from her back

if needed. She was a sweet, outgoing and humble type of person," said Mejias, who still lives in Orange Park. "Her death has left a huge hole in the lives of those who knew and remember her."

Berrios' life came to a sudden halt in the early morning of Oct. 19, 2013.

The 27-year-old was dropping off a friend at her home in Orange Park after a night of dancing at clubs, the last of which was the Taboo Bar and Grill, where they were celebrating a friend's birthday.

When the two women arrived at the friend's Loring Avenue home, they came face-to-face with a black man who fired five shots into the car, killing Berrios and injuring the passenger.

The man sped away in a red hatchback.

The passenger, whom police still have not named, escaped with minor injuries and was taken to Orange Park Medical Center.

Orange Park Police Chief Gary Goble said in a news release issued days after the shooting that the survivor's

identity was being withheld for her protection. Today the case has gone cold.

Berrios was born and raised in the Chicago area and moved to Florida with her family when she was in middle school.

She attended Orange Park High School where she graduated in 2004, before attending Everest University pursuing a degree in business. But she dropped out of school after she got married.

Berrios was the mother to a daughter and a son, both under the age of 10, at the time of the death.

She started work as a tax analyst in September 2013 in Orange Park, with a woman who would become her best friend, Amanda La Hawaiiiana.

"She did a lot of things for fun. We would go out to karaoke, play pool, go the Spanish clubs just so we could dance salsa," said La Hawaiiiana. "We always had a little get together so that our kids could play together."

Vanessa Lopez said Berrios was the type of person who

never let a friend down.

"She would drop everything in a single moment just to be at their side," Lopez said. "She was the type of person that everyone she met loved. She never held a grudge."

Berrios also didn't get into trouble or fight with people. That's why friends and family do not understand why she was a victim.

A beautiful Puerto Rican woman, Berrios loved to spend time with her children. On the other hand, she'd seldom turn down an invitation to go salsa dancing with friends.

"She had an effervescent smile," said Carlos Colon, a childhood friend who remembers Berrios preparing to compete in pageants as a young child.

"Her smile is the one thing I will remember most about her, and her laugh, even from an early age, it is still unforgettable," said Colon, who resides in Indiana.

Berrios' family still maintains a memorial page for her

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Barbara Bush bravely supported AIDS patients

By Tom Rosshirt

My brother Matt died of AIDS 26 years ago, passing away in his bed in my parents' home in Houston.

It was a bad time for people with AIDS. There was nothing much you could do for an AIDS patient but hold his hand. And many people still thought you could get AIDS by touching

As Matt was dying, we were befriended by a man named Lou Tesconi, a volunteer from the local AIDS organization.

In early 1989, Lou got a call from the White House. First lady Barbara Bush was planning to visit Grandma's House, a home for infants with AIDS. It was one of her first outings, and Lou was

asked to join a team of people to brief her privately before the event.

During the briefing, Lou told me that he said to Bush: "It is a fantastic thing that you are holding these babies with AIDS. But the country sees them as innocent and the rest of us with AIDS as guilty. The whole suffering AIDS community needs a collective embrace from you today."

She walked over to Lou and gave him a big hug.

After the briefing, the first lady took a tour of the facility as she talked to the press. She hugged, kissed and played with three little girls and then nailed the message: "You can hug and pick up babies and people who have ... HIV. ... There is a need for compassion."

Bush wrote of this visit in her memoirs. She noted that "even then, people still thought that touching a person with the virus was dangerous."

Lou had a buzz from that hug that never went away.

In the fall of 1991, I got a call from a friend that Lou had gone into the hospital again. He didn't have to tell me that it was for the last time.

I called the White House and asked whether I could speak to the first lady's office. I was a nobody press secretary on the Hill. Suddenly, I was speaking with the first lady's press secretary, Anna Perez, who had accompanied Bush to Grandma's House that day.

I explained Lou's condition and said, "It would be so

comforting for him to receive a letter from Mrs. Bush."

A few days later, I went to see Lou in the hospital. As soon as he saw me, he reached beside his bed with a slow and shaky hand and pulled out a letter: "Look what I got," he said.

The letter was unflinching and full of love from the first lady. She didn't duck the issue that Lou was dying. She used it as a pivot to say, "Well-done."

And the bottom, in her own hand, she wrote to Lou that his life mattered, that he had made an impact.

Thank you, Mrs. Bush.

Tom Rosshirt was a national security speechwriter for President Bill Clinton and a foreign affairs spokesman for Vice President Al Gore.

Mourning a First Lady



Amanda Gross holds the hands of her 6-year-old son, Patrick Henry, Tuesday as they pray outside of the Houston gated community where former first lady Barbara Bush died earlier in the day. "I have read him stories about more first ladies than presidents," Gross said. [KAREN WARREN/HOUSTON CHRONICLE VIA AP]

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on Facebook. They maintain a billboard in Orange Park, on the corner of Blanding Boulevard and Wells Road near the Orange Park Mall, desperately searching for answers and trying to raise awareness of cold cases such as Berrios'.

She didn't have a large family, but she was close to her sister and her friends. Her friends, even now, play an influential role, helping to look after her children. Her daughter, Jayleen, lives with her father, while her half-brother resides with Berrios' mother and sister.

"They still share memories of their mother with the kids," said La Hawaiiana. "Jayleen remembers what it was like to have her mother around and took the death hard, but with the love from her family she is slowly moving on."

Police are still working the case with the assistance of the Florida Department of Law Enforcement.

Someone knows the answers needed to solve this case.

Berrios was a woman who danced the night away with friends, celebrating life, only to meet the end of hers in just a matter of minutes.

She left behind a trail of broken hearts and memories, fueling the need to get this case solved so she can rest in peace.

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Lily Lines: New citizens are an inspiration

By The Washington Post

Brief items on issues of special interest to women from The Washington Post:

Supreme Court Justice Ruth Bader Ginsburg administered the oath of citizenship to 201 new Americans at the New-York Historical Society on Tuesday. In a speech, Ginsburg spoke about her family, explaining that her father, Nathan Bader, came to the United States from Russia when he was 13 "with no fortune."

"My father and grandparents reached as you do for the American Dream," Ginsburg said. "As testament to our nation's promise, the daughter and granddaughter of these immigrants sits on the highest court to the land, and will proudly administer the oath of citizenship to you."

Huge revenge porn case resolved

In early April, a California

Supreme Court Justice Ruth Bader Ginsburg administered the oath of citizenship to 201 new Americans at the New-York Historical Society on Tuesday. In a speech, Ginsburg spoke about her family, explaining that her father, Nathan Bader, came to the United States from Russia when he was 13 "with no fortune."

court awarded a woman \$6.4 million in a revenge-porn case that lasted four years, The New York Times reported last week. The woman, who was listed as Jane Doe in court documents, sued her former boyfriend, David K. Elam II, after he began to post sexually explicit photos and videos of her on the Internet. Jane Doe endured threats and at times feared for her life.

The judgment — which included \$450,000 for copyright infringement since the woman took the photos herself and later registered ownership — is one of the largest of its kind.

Senate: Birth to veteran

Tammy Duckworth, D-Ill.,

gave birth to a baby girl last week, marking the first time a sitting senator has delivered a child. Duckworth and her husband, Bryan Bowlsbey, named their daughter Maile Pearl Bowlsbey after Bowlsbey's great aunt. Pearl Bowlsbey Johnson was an Army nurse during World War II. Duckworth is also an Army veteran: She served in the Iraq War as a helicopter pilot.

On top of taking care of her growing brood — Duckworth gave birth to her first daughter, Abigail, in 2014 — the Democrat will be fighting for a Senate rule change so that she can bring her newborn to work. Typically, only senators, designated aides and other officials are allowed to be on the Senate floor, where votes take place.

Equal pay case in court

Monday, the U.S. Court of Appeals for the 9th Circuit ruled that employers cannot justify paying a woman less than a man doing similar work because of her salary history — a move advocates say will help close the wage gap between the sexes.

In 2012, Aileen Rizo, who trained educators on how to better teach math, sued her employer of three years, the Fresno County Office of Education, after learning her male colleagues made significantly more money than she did, despite having less experience. Her lawyers argued that considering prior compensation when setting a worker's pay perpetuates gender disparities and defies the spirit of the Equal Pay Act.

In the opinion, Judge Stephen Reinhardt agreed, writing: "We now hold that prior salary alone or in combination with other factors cannot justify a wage differential."

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equity — all of which JEA does not pay. While a new owner may realize certain economies of scale and territorial adjacency, JEA itself enjoys similar savings through joint purchasing with other city agencies and use of the combined utilities billing system. There is only one potential purchaser whose service area is adjacent to JEA's. Thus a new owner would have to find operational savings or new revenue of several hundred million dollars annually. The most obvious sources of new income would be rate increases.

The water and sewer utility is not considered here as it is unlikely that a buyer could be found for both utilities, and the issues surrounding them are quite different and should be considered separately.

Other potential negative impacts would include curtailment of JEA's financial support for initiatives such as the Cecil Field Commerce Center, port improvements, the city's Preservation Project and synergies with the water and sewer utility.

There are numerous intangible factors to consider as well. Jacksonville would lose an important, locally headquartered corporate citizen, whose personnel are active in nonprofit organizations and volunteer their time to many causes and events. JEA's past participation in economic

and industrial development efforts would be diminished. Employees and employment could be adversely affected. Response to customer complaints and storm damages and outages may well be determined by remote decision makers, unfamiliar with local priorities.

If the current discussions, solicitation and other sale preparations continue, major policy and strategic decision-making by JEA would be suspended or curtailed. Recruitment and retention of top management during a period of uncertainty that may last as long as two years would be difficult. In particular, recruiting a highly qualified replacement for JEA's recently departed CEO would be extremely challenging.

Taken as a whole, these factors would make a successful sale of JEA almost impossible. We cannot afford to let this divisive and distracting process drag on, both in terms of expense and diversion from other important issues. Engaging valuation consultants, advisers, investment bankers and lawyers can cost millions of dollars even before actual proposals from buyers are received. Preemption of staff and officials has already been divisive and costly, while friction between the executive and legislative branches of our government is embarrassing and counterproductive. Instead of continuing this unproductive and futile process, our community and its leadership should turn its attention to more pressing issues and seek

to heal the wounds inflicted by and among various individuals and entities.

And equally important, we should get behind JEA and strive to make it even more valuable. This could include asset sales, adoption of new technologies, better utilization of the fiber cable and conduit network, balance sheet improvements and burying overhead lines. The ultimate result would be not only an efficient, effective and low-cost electric utility, but a locally owned and managed institution that would be an important resource in the growth and progress of our city.

Preston Haskell is a leader in the Jacksonville business and civic community and a former chairman of the JEA board.