

OHIO AIR QUALITY DEVELOPMENT AUTHORITY

Mike DeWine
Governor

Members

James S. Simon
Chairman

Michael H. Keenan
Vice-Chairman

Ted Celeste
Michael F. Curtin

Ex Officio

Lance D. Himes, Interim Director
Ohio Department of Health

Laurie Stevenson
Ohio Environmental Protection Agency

Executive Director
Christina O'Keefe

Secretary-Treasurer
Christina O'Keefe

Legal Counsel
Stephen J. Smith, Esq.

Programs
Project Development and Financing
Clean Air Resource Center

The regular meeting of the *OHIO AIR QUALITY DEVELOPMENT AUTHORITY* will be held on Tuesday, October 13, 2020 at 10:00 am via video conference.

The meeting will be conducted in accordance with open meeting laws within the State of Ohio. During the current state of emergency and to protect employees, partners and the public, the Authority is offering video conference access and a call line as an option to attend the meeting remotely. To help ensure capacity on this conference line, please RSVP to info@aqda.state.oh.us with your interest to participate.

To access the meeting by video, choose this link: [Join Microsoft Teams Meeting](#)

**To access the meeting by telephone,
dial: 614.721.2972,,968 605 14#**

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OHIO AIR QUALITY DEVELOPMENT AUTHORITY



TUESDAY, OCTOBER 13, 2020

TENTATIVE AGENDA

The meeting will be conducted in accordance with open meeting laws within the State of Ohio. During the current pandemic and to protect employees, partners and the public, the Authority is offering video conference access and a call line as an option to attend the meeting remotely. To help ensure capacity on this conference line, please RSVP to info@aqda.state.oh.us with your interest to participate.

To access the meeting by video, choose this link: [Join Microsoft Teams Meeting](#)

To access the meeting by telephone, dial: 1 614-721-2972 Conference ID: 968 605 14#

1. [Welcome and Introduction of Guests](#) [Chairman](#)
2. [Minutes September 8, 2020](#)
3. [Resolution 20-34 \(CARC\)](#) [QT Equipment](#)

A resolution authorizing the issuance of not to exceed \$337,400 Air Quality Revenue Bonds of the State of Ohio in order to assist Q.T. Equipment Company in the financing of costs of air quality facilities in order to promote the public purposes of Chapter 3706, Ohio Revised Code; providing for the assignment of revenues for the payment of the bonds; authorizing the execution and delivery of a loan agreement, an assignment of loan agreement and the bonds; and authorizing and approving related matters.

4. [Resolution 20-35 \(CARC\)](#) [QT Equipment](#)

A resolution approving two grants from the Small Business Assistance Fund to QT Equipment for the purpose related to the eligible portions of the financing approved through Resolution 20-34. The first grant to assist in the payment of closing costs of the eligible portion of the amount financed and shall be certified as eligible by bond counsel. The second grant shall cover a portion of the principal amount not to exceed \$20,000 less eligible closing costs covered under the first part of the grant.

5. [Resolution 20-36 \(CARC\)](#) [Gault's Plaza Cleaners & Laundromat Ltd](#)

A resolution authorizing the issuance of not to exceed \$86,000 Air Quality Revenue Bonds of the State of Ohio in order to assist Gault's Plaza Cleaners & Laundromat, Ltd. in the financing of costs of air quality facilities in order to promote the public purposes of Chapter 3706, Ohio Revised Code; providing for the assignment of revenues for the payment of the bonds; authorizing the execution and delivery of a loan agreement, an assignment of loan agreement and the bonds; and authorizing and approving related matters.

6. Resolution 20-37 (CARC)

Gault's Plaza Cleaners & Laundromat Ltd

A resolution approving two grants from the Small Business Assistance Fund to Gault's Plaza Cleaners & Laundromat Ltd for the purpose related to the eligible portions of the financing approved through Resolution 20-36. The first grant to assist in the payment of closing costs of the eligible portion of the amount financed and shall be certified as eligible by bond counsel. The second grant shall cover a portion of the principal amount not to exceed \$17,042 less eligible closing costs covered under the first part of the grant.

7. Resolution 20-38 (Inducement)

Aurora Solar LLC

A resolution agreeing to issue revenue bonds of the State of Ohio to assist in the financing of the costs of the acquisition, construction and installation of Air Quality Facilities for the use of Aurora Solar LLC.

8. Resolution 20-39 (Administrative)

Green Bond Verification Service

Authorizing the executive director to execute an agreement with Sustainalytics to review and verify the Authority's Green Bonds Framework and issue a second-party opinion.

9. Resolution 20-40 (Administrative)

Revised Fee Schedule

Approving a revised fee schedule for air quality revenue bonds issued by OAQDA.

10. Executive Director's Report

Christina O'Keeffe

- R-PACE

11. Executive Session

There will be an executive session "to consider the appointment, employment, or compensation of a public employee or official per ORC 121.22(G)(1)."

12. Adjournment

OHIO AIR QUALITY DEVELOPMENT AUTHORITY

The regular meeting of the Ohio Air Quality Development Authority (“Authority”) was held remotely, on Tuesday, October 13, 2020 at 10:00 am.

As authorized through House Bill 197 as passed by the General Assembly and signed into law by Governor DeWine, the Authority conducted this meeting using online videoconferencing technology via Microsoft Teams in order to protect the public during the declaration of an emergency related to COVID-19 pandemic. A telephone number and videoconference link to the meeting was published on the Authority’s website and distributed to persons of interest prior to the meeting and in compliance with Open Meeting Laws.

These are the minutes of the meeting.

The following members were present:

Jim Simon, Chairman
Michael Keenan, Vice Chairman
Michael Curtin
Ted Celeste
Cara Dingus Brook

Ex-Officio members present:

Gene Phillips, Ohio Department of Health

The following members were absent:

Ex-officio members absent:

Laura Factor, Ohio Environmental Protection Agency

Staff present:

Christina O’Keeffe, Executive Director
Sandra Langston, Administrative Manager
Brooke Grant, Manager of Planning & Projects
Gabe Lorenz, Customer Service Coordinator

General Counsel:

Thad Boggs, Frost Brown Todd

Guests present:

Dylan Borchers, Bricker & Eckler
Blake Beachler, Calfee
Mary Sullivan, Dinsmore & Shohl
Dave Root, QT Equipment
John Kirschner, GB Solutions
Deb Hackathorn, CivicPoint
Matt Schnackenberg, PFM Financial Advisors
Madeline Fleisher, Dickson-Wright

Rob McCarthy, Bricker & Eckler
Jeff Reinkemeyer, Avangrid
Jim Gault, Gault Plaza Cleaners & Laundromat
Katie Lundy, Inspire PR Group
Jess Ensley, Inspire PR Group
Marisa Long, Inspire PR Group
Andy Holzhauser, Donovan Energy

This meeting of the Authority has been duly posted and given to all news media, organizations and other persons who requested such information in accordance and in full compliance with Chapter 3706-1 of the Ohio Administrative Code.

The Chairman called the meeting to order at 10:03 a.m.

1. The Chairman welcomed everyone.

The Chairman noted the meeting was being conducted through Microsoft Teams videoconferencing, in compliance with the Open Meetings Act and the administrative rules of the Authority.

Ms. Sandra Langston called the Roll:

Mr. Simon – Yea
Mr. Keenan - Yea
Mr. Celeste - Yea
Mr. Curtin – Yea
Ms. Dingus Brook – Yea
Mr. Phillips – Yea
Ms. Factor - absent

General Counsel confirmed compliance with the Open Meetings Act, that a quorum of six members was present, and that it remained an open, public meeting. General Counsel confirmed that the meeting was fully in compliance with state law including House Bill 197.

Chairman Simon stated that the Authority would be explicit on which item was on the table for discussion or vote, and that he would recognize members and guests by name and title during discussions or ask them to introduce themselves. Additionally, he stated that roll call votes would be taken for each vote, and that if any member left the meeting it would be noted in the minutes. As part of the orientation to the meeting, the Chairman asked Mr. Langston to provide information about Microsoft Teams software and the ground rules for the meeting.

2. Minutes – Regular business meeting September 8, 2020.

Mr. Keenan moved for approval of the minutes. Mr. Celeste seconded.

Roll call vote:

Mr. Simon – Yes
Mr. Keenan - Yes
Mr. Celeste - Yes
Mr. Curtin – Yes
Ms. Dingus Brook – Yes
Mr. Phillips – Yes

Motion passed. Minutes adopted.

The Chairman asked Ms. Langston to assist in the guests present for the meeting to introduce themselves. Ms. Langston announced all known guests and staff who were present on the meeting, and asked those not readily identifiable to introduce themselves.

3. Resolution 20-34 (CARC)

QT Equipment

A resolution authorizing the issuance of not to exceed \$337,400 Air Quality Revenue Bonds of the State of Ohio in order to assist Q.T. Equipment Company in the financing of costs of air quality facilities in order to promote the public purposes of Chapter 3706, Ohio Revised Code; providing for the assignment of revenues for the payment of the bonds; authorizing the execution and delivery of a loan agreement, an assignment of loan agreement and the bonds; and authorizing and approving related matters.

Director O’Keeffe introduced this Resolution for QT Equipment, a manufacturing company based in Summit County. They intend to install two low-emission spray paint booths for financing not to exceed \$337,400. She also acknowledged the accompanying Resolution 20-35 related to the grant assistance not to exceed \$20,000 for the project. She introduced Dave Root from QT Equipment.

Mr. Root thanked the Authority for opportunity to present his project. He said they are located in Akron and build custom work trucks for industrial purposes. They have service facilities in Columbus, Ohio and Lakeland, Florida but have their headquarters in Akron, Ohio. They currently have 41 employees and build about 140 custom work trucks per year. They build trucks for companies including ALL Crane, Kokosing Construction Company, Walt Disney, and Kiewit. He stated that they currently paint in a separate facility, which involves a lot of moving equipment back and forth. They paint and spray bed liner in-house, and he noted that their custom fabrication business has taken off in recent years.

He then described their planned expansion, which would double capacity with 18,000 square feet of additional space. This expansion includes one large downdraft spray booth for truck bodies, and a smaller booth for painting parts. He said bringing everything under one roof would help with efficiency, especially in winter. He noted that Westfield Bank was financing their project. There were currently 17 employees in their production team, and they plan to double the staff capacity to hire more employees on the production team. He further noted that their entry level pay was \$15 per hour with paid hospitalization, and that there were no furloughs, layoffs, or decrease in work hours during the 2008 financial crisis or the current COVID pandemic.

Chairman Simon thanked Mr. Root for his presentation, and noted that he grew up about four miles from their facilities.

Mr. Keenan moved to approve Resolution 20-34. Mr. Celeste seconded.

Roll call vote:

Mr. Simon – Yes
Mr. Keenan - Yes
Mr. Celeste - Yes
Mr. Curtin – Yes

Ms. Dingus Brook – Yes

Mr. Phillips – Yes

Motion passed. Resolution adopted.

4. Resolution 20-35 (CARC)

QT Equipment

A resolution approving two grants from the Small Business Assistance Fund to QT Equipment for the purpose related to the eligible portions of the financing approved through Resolution 20-34. The first grant to assist in the payment of closing costs of the eligible portion of the amount financed and shall be certified as eligible by bond counsel. The second grant shall cover a portion of the principal amount not to exceed \$20,000 less eligible closing costs covered under the first part of the grant.

Mr. Curtin moved to approve Resolution 20-35. Mr. Phillips seconded.

Roll call vote:

Mr. Simon – Yes

Mr. Keenan - Yes

Mr. Celeste - Yes

Mr. Curtin – Yes

Ms. Dingus Brook – Yes

Mr. Phillips – Yes

Motion passed. Resolution adopted.

5. Resolution 20-36 (CARC)

Gault's Plaza Cleaners & Laundromat Ltd

A resolution authorizing the issuance of not to exceed \$86,000 Air Quality Revenue Bonds of the State of Ohio in order to assist Gault's Plaza Cleaners & Laundromat, Ltd. in the financing of costs of air quality facilities in order to promote the public purposes of Chapter 3706, Ohio Revised Code; providing for the assignment of revenues for the payment of the bonds; authorizing the execution and delivery of a loan agreement, an assignment of loan agreement and the bonds; and authorizing and approving related matters.

Director O'Keeffe introduced this Resolution for Gault's Plaza Cleaners & Laundromat Ltd, a dry-cleaning company located in Knox County. They plan to replace two dry cleaning machines that use perchloroethylene, a carcinogenic solvent. Their financing is not to exceed \$85,210, and she acknowledged the accompanying Resolution 20-37 for grant assistance not to exceed \$17,042. She introduced Jim Gault, the company's owner.

Mr. Gault thanked the Authority for considering his company's project, and thanked Brooke Grant and Gabe Lorenz for their help in the application and meeting preparation process. He said that this project has been a long-term goal for the company and, considering the economic downturn that is especially affecting dry cleaners, help from OAQDA would make it much easier to move forward with the project.

He described the company's history, stating that the company was founded almost 99 years ago in Ashland, Ohio. He presented a picture of the shack that housed their first dry cleaning machine, noting that perchloroethylene was so flammable that many dry cleaners housed the machines in offsite locations. He then presented additional photos from the company's history, including a photo with his grandfather, the company's founder. He stated that the company has provided a living for four generations of his family. He then described their community involvement, stating that his company has collected, cleaned, and donated almost 20,000 coats to children in the area, in conjunction with the local Kiwanis.

He gave an overview of the project, which will replace machines installed in 1998. The new machines will affect not only the Knox County community, but their additional facility in Mansfield that collects clothes to send for cleaning to the main location in Mount Vernon. The machines include an environmentally-friendly wet cleaning system with a tensioning utility form finisher, and a Realstar KM 218C hydro carbon dry cleaning machine. The installment of the new machines will end 62 years of using perchloroethylene for his family's company.

Chairman Simon thanked Mr. Gault for sharing his story.

Mr. Celeste moved to approve Resolution 20-36. Mr. Phillips seconded.

Roll call vote:

Mr. Simon – Yes

Mr. Keenan - Yes

Mr. Celeste - Yes

Mr. Curtin – Yes

Ms. Dingus Brook – Yes

Mr. Phillips – Yes

Motion passed. Resolution adopted.

6. Resolution 20-37 (CARC)

Gault's Plaza Cleaners & Laundromat Ltd

A resolution approving two grants from the Small Business Assistance Fund to Gault's Plaza Cleaners & Laundromat Ltd for the purpose related to the eligible portions of the financing approved through Resolution 20-36. The first grant to assist in the payment of closing costs of the eligible portion of the amount financed and shall be certified as eligible by bond counsel. The second grant shall cover a portion of the principal amount not to exceed \$17,042 less eligible closing costs covered under the first part of the grant.

Mr. Curtin moved to approve Resolution 20-37. Mr. Keenan seconded.

Roll call vote:

Mr. Simon – Yes

Mr. Keenan - Yes

Mr. Celeste - Yes
Mr. Curtin – Yes
Ms. Dingus Brook – Yes
Mr. Phillips – Yes

Motion passed. Resolution adopted.

7. Resolution 20-38 (Inducement)

Aurora Solar LLC

A resolution agreeing to issue revenue bonds of the State of Ohio to assist in the financing of the costs of the acquisition, construction and installation of Air Quality Facilities for the use of Aurora Solar LLC.

Director O’Keeffe introduced this Resolution, which came through under the new Clean Air Improvement Program guidelines adopted in August. She noted that this is a new project type for the Authority, as previous renewable energy equipment approved by the Authority was -customer-sited or behind the meter. This project is a utility-scale solar facility in Van Wert County. She said these types of projects can have significant impacts on local communities. The company approached the Authority over the summer, and they have had some good conversations about the project. She said that they wanted to make sure that the application articulated the reason for OAQDA’s consideration across its technical, financial and community impact criteria. She further noted that the company had reported several letters of support from the community. This Resolution is for an inducement. If approved, the company will be expected to address and cure some items before coming back for bond financing approval in mid to late 2021. She introduced Jeff Reinkemeyer from Avangrid Renewables to present on the project.

Mr. Reinkemeyer thanked the Authority for considering the project. He introduced himself as the Director of Development for Eastern Renewables with Avangrid Renewables. He said that one of the things that kept him in this industry was the benefits posed to local communities, and that he had seen rural schools able to improve their systems and services as a result of renewable energy projects.

Mr. Reinkemeyer gave an overview of the company, stating that they are one of the largest wind operators in the U.S. They have about 7.5 gigawatts of owned and controlled wind and solar facilities across 22 states, which is approximately equivalent to about seven typical nuclear plants. They are usually the owner and operator of the facilities, and they do not usually sell their facilities after construction. The parent company is Avangrid and the parent company of Avangrid is located in Spain. He then gave an overview of their operations in the U.S., showing the states that they operate projects in. He noted that this would be their first approved solar facility east of the Mississippi.

Mr. Reinkemeyer then discussed the impact of OAQDA financing for the project, noting that there were several sets of legislation passed regarding nuclear or renewable generators. He said that in response, the Federal Electric Regulatory Commission mandated that transmission operators enact leveling policies to allow generators not included in the legislation to access support. He stated that following this, the company proceeded to review the credits and tax abatements available to renewable projects state-by-state. In Ohio, the AEZ 5727 program for alternate energy generation was viewed by the company as a state subsidy, which would inhibit their ability to participate in the PJM Capacity Program and potentially jeopardize the project. They then looked for a program that was not specific to a technology type and decided that the Authority may be a good fit.

He discussed the specifics of the project, which will be located inside their Blue Creek wind farm in Van Wert County and connect to one of their existing substations. The project will be a 46 megawatt project, leasing about 45 acres from local landowners. He presented a budget overview, discussing that it would be about a \$68 million request. They anticipate completion of the project in 2022.

Mr. Reinkemeyer discussed the potential community benefits of the project which includes \$9.5 million in landowner lease payments over 25 years, approximately 200 construction jobs, and up to two new permanent technician jobs. Additionally, there would be a PILOT payment of \$9,000 per Megawatt (MW), equating to approximately \$414,000 in the first year and \$10.35 million over 25 years. The revenues from this would support Van Wert County, Union Township/Fire District, Crestview School, Vantage Point Vocational School District, and the Tri County Mental Health District. He showed two letters of support for the project from the Van Wert County Commissioners and Union Township Trustees.

Mr. Reinkemeyer stated that the environmental impact would include not emitting odors or airborne toxins, carbon dioxide emissions offset by 85 million pounds per year, and that the project would be fully decommissioned after the lifespan of the installation.

Mr. Celeste asked what kind of response the company received from local landowners, along with owners of neighboring properties. Mr. Reinkemeyer said that the company engages with neighboring homesteads in “good neighbor” agreements, which allow them to participate in the project. He further stated that they held a community night for the project in 2018 and planned to do another in 2021, and that there were no negative comments about the solar project in the 2018 event.

Mr. Keenan asked if the project decommissioning was inevitable or if there were plans for other options. Mr. Reinkemeyer replied that sometimes these projects are repowered rather than decommissioned, depending on community support and technology, but if the project was decommissioned, the technology would be fully removed from the site and a surety bond would be taken for guarantee. Mr. Keenan asked if the surety was to assure that the project was fully completed. Mr. Reinkemeyer said that the surety bond was usually acquired before obtaining the building permits.

Mr. Keenan asked if the company had a pro forma estimate for the real property tax exemption from the OAQDA bonds. Mr. Reinkemeyer said that he did not have the number in front of him but noted that the exemption was essential for project viability. Mr. Keenan asked what the differential would be between the PILOT payments the company was intending to make and what the tax revenue would be without it. Mr. Reinkemeyer introduced Dylan Borchers of Bricker & Eckler, who said the PILOT payments were higher than existing agricultural taxes on the land, but they would need to circle back on the precise number. Director O’Keeffe said this item was identified in the inducement resolution that needed to be addressed before the company would be able to return for a bond resolution, and that the Authority appointed PFM as its financial advisor for this project to validate the numbers.

Mr. Celeste moved to approve Resolution 20-38. Mr. Curtin seconded.

Roll call vote:

Mr. Simon – Yes
Mr. Keenan - Yes

Mr. Celeste - Yes
Mr. Curtin – Yes
Ms. Dingus Brook – Yes
Mr. Phillips – Yes

Motion passed. Resolution adopted.

8. Resolution 20-39 (Administrative)

Green Bonds Verification Service

Authorizing the executive director to execute an agreement with Sustainalytics to review and verify the Authority’s Green Bonds Framework and issue a second-party opinion.

Director O’Keeffe introduced this Resolution, which followed previous direction by the Board in seeking the ability to attach the “Green Bond” designation to the Authority’s air quality revenue bonds. She stated that the Authority’s financial advisor, PFM assisted in the development of a Green Bond Framework, which must be consistent with the principles of the International Capital Markets Association. This process requires a Second Party Opinion to verify the framework. This Resolution follows an RFP that was issued in September, from which the Authority received four qualified bids. The chosen firm was Sustainalytics, who submitted the best and most cost-effective bid. Director O’Keeffe stated that they have 25 years of experience and a diverse portfolio of Green Bonds verification in the US including one issuer in Ohio, American Municipal Power (AMP). She further stated that they provided a reasonable fee arrangement for consideration, and that the Resolution is for \$16,750 to perform the analysis of the Green Bond Framework with a draft opinion to be delivered for consideration at the January board meeting.

Mr. Keenan moved to approve Resolution 20-39. Mr. Curtin seconded.

Roll call vote:

Mr. Simon – Yes
Mr. Keenan - Yes
Mr. Celeste - Yes
Mr. Curtin – Yes
Ms. Dingus Brook – Yes
Mr. Phillips – Yes

Motion passed. Resolution adopted.

9. Resolution 20-40 (Administrative)

Revised Fee Schedule

Approving a revised fee schedule for air quality revenue bonds issued by OAQDA.

Director O’Keeffe introduced this Resolution, which considers a revised fee schedule for bond issuances by the Authority. She reminded members of the presentation about the need and scope for evaluation of the fee schedule during the September board meeting, which was rooted in a need for increased revenue stability as well as to remain competitive with peer issuers in Ohio and around the country. Following that, an educational session was conducted in mid-September with the Board

Members to provide a more detailed briefing and answer questions. She noted that the fee schedule was attached as Exhibit A for the Members' review. The revised fee schedule has a proposed effective date of January 1, 2021 to provide notice to existing projects and applications already in the process to utilize the current fee schedule as well as communicate the revised fee schedule to new, prospective applicants.

Mr. Keenan stated that the board discussion on the revised fee schedule had been robust and he is pleased with the process. Chairman Simon agreed and said the workshop session was very useful.

Mr. Keenan moved to approve Resolution 20-40. Mr. Celeste seconded.

Roll call vote:

Mr. Simon – Yes

Mr. Keenan - Yes

Mr. Celeste - Yes

Mr. Curtin – Yes

Ms. Dingus Brook – Yes

Mr. Phillips – Yes

Motion passed. Resolution adopted.

10. Executive Director's Report

Director O'Keeffe gave an update on the transition plan for her extended leave. She said she would be on leave from the second half of October through the end of the year, with a potential part-time return in mid to late December and full-time return at the start of 2021. She thanked Brooke Grant for taking on the role of Interim Executive Director and Secretary-Treasurer during her leave, noting that she would oversee all operations, staff, and projects, along with being signatory to documents and point of contact for external stakeholders. Director O'Keeffe also thanked Chairman Simon for serving as the government affairs and media point of contact during her leave.

Director O'Keeffe further noted that OAQDA Fiscal Officer Dawn Pertner has been on leave since September 14, and that Ms. Pertner would be returning on a part-time basis on November 10 and full-time in December. Director O'Keeffe acknowledged Lynne Barker, who is working with the Authority as temporary staff through the end of the year to support Ms. Pertner. Chairman Simon said the discussion about Director O'Keeffe's leave started several months previously, and he thanked her for the steps she has taken to ensure that the transition will be smooth.

Director O'Keeffe said that OAQDA staff is continuing to telework through at least January 4, 2021 under the guidance of the Governor. She said the situation would be re-evaluated near the end of the year and we will follow the Governor's guidance. She also said the December board meeting may be considered for cancellation in November, and that projects in the queue were planned to appear at either the November or January meeting. She said the Authority submitted the biennium budget proposal on September 15, and that this would be the focus for Ms. Pertner upon her return. Director O'Keeffe further noted that Inspire PR Group is working with several media outlets to schedule interviews so they can learn about the role of the Authority and its programs. She had a two video calls the previous week with Columbus Business First and Gongwer. She said additional meetings will be scheduled when

she returns from her leave. Further, she said Inspire PR Group developed some informational brochures about OAQDA's programs and those brochures will be placed on the website. Chairman Simon noted that there is uncertainty about whether the legislation authorizing virtual meetings will be extended so that is another reason to consider cancelling the meeting. If necessary, the Authority would hold a meeting, but he noted that it might resemble the precautions taken for the March meeting.

- R-PACE

Director O'Keeffe introduced the next topic of discussion, which was Residential Property Assessed Clean Energy (R-PACE). This financing type allows property owners to avoid some of the up-front costs of energy improvements by using a voluntary special assessment that would be paid off over time. She noted that the Authority had participated in multiple transaction that utilized commercial PACE as part of their financing, but the Authority approved these projects based on their ability to serve as Air Quality Facilities. She said that there had been interest expressed with OAQDA from R-PACE lenders looking for program sponsors in Ohio, including a presentation to the board in Fall 2018 and recent discussion during the board retreat in February 2020. However, under its current statute, OAQDA does not have the ability to participate in the role being requested of the agency. In late spring and early summer, OAQDA was made aware of legislation under development by the Legislative Service Commission under the direction of Representative Bill Seitz and Representative Shane Wilkin, which would expressly authorize OAQDA to serve as a sponsor of statewide R-PACE. The draft legislation would not allow for approved projects to receive the tax exemption associated with OAQDA bonds. She said there has been correspondence between the Representatives and select interested parties, and that no legislation has yet been introduced in the General Assembly.

Director O'Keeffe stated that the Authority has been doing due diligence to try to understand the impact of R-PACE on the agency. With the assistance of the Authority's government affairs representative Deb Hackathorn and General Counsel Thad Boggs, a list of questions has been identified including the policy impact on OAQDA's mission, which has always been focused on the industrial and commercial sectors, what implementation would look like including OAQDA's responsibilities and costs, and the financial and legal aspects. She said OAQDA has enlisted the help of its financial advisor PFM, to understand the market demand for this type of program and to outline any other financial-related questions or areas of concern including consumer protections. Director O'Keeffe stated that a list of the questions that have been identified was presented to OAQDA Members in the electronic board packet for the meeting. She acknowledged Deb Hackathorn to speak further about the topic. Ms. Hackathorn stated that they have had tried to convey to Representatives Seitz and Wilkin that the Authority is going through its due diligence process, and that some aspects encouraged the Authority to do additional research and raise additional questions. She said these steps may have contributed to a bill not yet being introduced, but that it would be useful to continue to develop the board's position and direction. She noted that this would allow for keeping the legislators apprised of the Authority's due diligence process, and that there is eagerness among the legislators to see potential legislation through before the end of the 2020 session.

Mr. Keenan stated that the idea of the program is worthwhile but would be transaction-intensive, and that he had been involved in some commercial PACE transactions at the City of Dublin and OAQDA. He expressed concern about the cost and staffing of this program versus the potential revenue, and that his level of interest in the Authority managing the program would depend on the legislature's willingness to fund the costs of the program. He further stated that while the Authority served at the pleasure of the lawmakers, he encouraged concern during the due diligence process.

Mr. Curtin asked why there is a sense of urgency for the legislation to require something by the end of the session, and said the Authority has not had a chance to do the necessary level of due diligence on this program. Chairman Simon thanked Mr. Curtin and Mr. Keenan for their input and said that in conversation with General Counsel, the option was raised of the Board to put forth a motion regarding the potential legislation and program. He read the text of the drafted motion as follows:

To express the sense of the Authority that the executive director should continue monitoring the status of legislative proposals concerning residential PACE; that the executive director should investigate potential administrative, financial, and stakeholder impacts, including such impacts if any of a residential PACE program on the Authority's effective pursuit of its existing programs; and that the Authority remains a neutral but interested party until further action by the Authority board.

Chairman Simon and others stated the intent is to convey to the legislature that the Authority is taking the proposal seriously, while trying to understand the impacts. The Authority is not taking any position at this time other than to go through the due diligence process and understand the implications. General Counsel added that a prepared text could be helpful to provide the sense of the Board that can be conveyed by Director O'Keeffe and others agency representatives as it relates to the program and legislative activity.

Ms. Dingus Brook said she agreed with everything regarding timing, and asked if there were any questions that should be raised about the opportunities that could be presented to OAQDA by this legislature through the increased staffing or resources that OAQDA could be given as a result. Director O'Keeffe said timing is important, especially as it relates to the much-needed bandwidth necessary to evaluate the proposed program more fully. Mr. Keenan asked if any urgency among legislators may be connected to larger discussions about the future of House Bill 6. Ms. Hackathorn said that there were energy policies being considered that may appear friendlier to the use of renewables and alternate energy in response to these larger discussions, but noted that Residential PACE had been discussed prior to activity over the summer involving House Bill 6 even in the last two years. Mr. Curtin said the essential question to ask is, what is the problem for which OAQDA is the solution.

Mr. Phillips encouraged the Authority to be prepared to know what resources would be needed should the program be assigned, and to be prepared to advocate for those resources. Ms. Hackathorn added that she and Director O'Keeffe had repeatedly been expressing to legislators that OAQDA's team is small and bandwidth is limited, and that it could be difficult to take on another program if additional resources were not given to the agency. Chairman Simon said this item is important, especially considering that OAQDA has not yet received reimbursement for costs associated with House Bill 6. Mr. Phillips said the Department of Health has tried to ensure it requests startup funds during the first year or two until fees were collected, whenever a new program is placed at the agency. Chairman Simon asked when fees will begin to be assessed for the House Bill 6 program. Director O'Keeffe stated that fees would begin on customer utility bills starting January 1, 2021, with the first payment authorization occurring after the first quarter of 2021 for the facility's performance in the same quarter of 2020. Mr. Keenan asked if there was any activity expected before the election. Ms. Hackathorn said the General Assembly was not in session until after the election.

Chairman Simon asked if the Board was comfortable with taking a motion on the language prepared by General Counsel.

Mr. Curtin moved to express the sense of the Authority that the executive director should continue monitoring the status of legislative proposals concerning residential PACE; that the executive director should investigate potential administrative, financial, and stakeholder impacts, including such impacts if any of a residential PACE program on the Authority's effective pursuit of its existing programs; and that the Authority remains a neutral but interested party until further action by the Authority board. Mr. Keenan seconded.

Roll call vote:

Mr. Simon – Yes
Mr. Keenan - Yes
Mr. Celeste - Yes
Mr. Curtin – Yes
Ms. Dingus Brook – Yes
Mr. Phillips – Yes

Motion passed.

Chairman Simon thanked the Members for their input.

- General Counsel

Director O'Keeffe introduced the next discussion item, which was focused on conversations that had taken place between General Counsel and herself, along with Chairman Simon and Vice Chairman Keenan. She said they wanted to evaluate the scope of services for General Counsel to ensure that there is alignment between the direction by the Board and the RFP done in 2014 that selected Frost Brown Todd, and to ensure that there is alignment on the fee structure. She worked with General Counsel and identified, based on work performed to the benefit of the Authority in 2020, some refinements that could be made to the scope of services. Additionally, General Counsel had a proposal for the fee structure.

As General Counsel, Thad Boggs thanked Chairman Simon and Director O'Keeffe. He stated that Frost Brown Todd has served as General Counsel for the past six years. He described the history on their fee structure; from 2015 through 2019, the services agreement included a fee structure where the first 40 hours of work performed as General Counsel services would be a flat monthly fee of \$12,000 but allowed for any hours worked beyond 40 hours to be charged for an hourly rate of \$325. Mr. Boggs said this structure was revisited in 2019, as this system was not providing consistent expectations in terms of budgeting from the Authority's perspective since bills were consistently above the flat monthly rate. Under the new agreement, the fee schedule was a flat \$8,000 retainer for "routine" General Counsel services and an hourly rate for "non-routine" matters such as House Bill 6 related matters and rulemaking that required pre-approval by the Executive Director. Mr. Boggs said from the firm's experience and perspective of this year, the \$8,000 retainer and the routine work performed as general counsel was not aligned; therefore, they are proposing a retainer of \$12,000 per month for routine services. As part of this proposal, the \$12,000 would be a maximum General Counsel amount rather than a minimum, and it would be reviewed at the end of 2021.

Director O’Keeffe recognized transition taking place in the role of General Counsel, as Steve Smith will be retiring at the end of 2020 and Thad Boggs will be the lead beginning in January 2021. Chairman Simon asked if the \$12,000 cap would apply to things like litigation. General Counsel said items like litigation would be held out as “non-routine” services and be outside the monthly retainer and would need pre-approval by the Executive Director. He further explained that they would work with whomever represented the Authority, including the Ohio Attorney General, in the event of any litigation. Chairman Simon affirmed the process over the past two years and said it had been a transparent process. Mr. Keenan said that the arrangement discussed and put forth seemed to be fair, and that the items under the retainer seemed to be expanded under the proposal. Director O’Keeffe said that a few areas were clarified to ensure they are aligned with the RFQ, but there were not substantial changes.

Mr. Celeste asked if there was a time limit or term established to the services of General Counsel in the 2014 RFQ or if it was in perpetuity. Mr. Keenan said that the goal was to get an actual contract in place, and that there should have been an item that made the contract a year-to-year contract. Chairman Simon said there was not a time period in the RFQ, but under professional ethics rules his understanding is that General Counsel serves at the pleasure of the Authority regardless of any term stated in their contract. He said at some point it would be appropriate to have a review or issue another-RFQ for General Counsel services, but he feels it should wait until after the transition to give time for Mr. Boggs to get established. General Counsel said that the current agreement approved in December 2019 or January 2020 was for a three-year term with the ability to adjust the retainer each year, and that there is a termination provision if it is determined to go in a different direction. Mr. Keenan said there were several responses to the RFQ issued in 2014 and the finalists were Frost Brown Todd and Bricker & Eckler, and that presentations were made by the full support staff and Frost Brown Todd was selected by the board. Mr. Celeste said his question was not one of concern about existing General Counsel, but asked if it was an appropriate time, with lead counsel changing, for that question to be reopened and the Authority to conduct another RFQ. Chairman Simon expressed that it was not just Mr. Smith but the firm as a whole that was hired. Chairman Simon asked if the Board was comfortable with bringing forth a resolution at this point. Director O’Keeffe offered to bring this forward as a resolution at the November Board Meeting, with all details of terms and changes transparent in the resolution. The Authority Members agreed to that step and timing.

10. Executive Session

Chairman Simon asked for a motion to go into executive session “to consider the appointment, employment, or compensation of a public employee or official per ORC 121.22(G)(1).”

Mr. Phillips moved to go into executive session at 11:52 p.m. Mr. Curtin seconded.

Roll call vote:

Mr. Simon – Yes
Mr. Keenan - Yes
Mr. Celeste - Yes
Mr. Curtin – Yes
Ms. Dingus Brook – Yes
Mr. Phillips – Yes

Director O’Keeffe stated that the Authority would be moving into executive session, that all guests and staff would need to exit, and that the Authority would come back into public session for final business including a potential resolution and adjournment following the executive session.

Mr. Keenan left the meeting at 12:07 p.m.

Chairman Simon called the meeting back to order in open session at 12:07 p.m.

11. Resolution 20-41 (Administrative) Temporary Compensation Adjustment

Approving a temporary compensation adjustment for the Interim Executive Director and Secretary-Treasurer during planned leave of the Executive Director

Mr. Curtin moved to approve Resolution 20-41. Mr. Celeste seconded.

Chairman Simon noted that the Authority has not yet received final confirmation from the Governor’s Office that Ms. Dingus Brook is a full Authority Member, so she did not participate in motions or seconds during this meeting.

Roll call vote:

Mr. Simon – Yes

Mr. Celeste - Yes

Mr. Curtin – Yes

Ms. Dingus Brook – Yes

Mr. Phillips – Yes

Motion passed. Resolution adopted.

12. Adjournment

The Chairman adjourned the meeting at 12:10 p.m.

The regular meeting of the *OHIO AIR QUALITY*

***DEVELOPMENT AUTHORITY* will be held remotely on**

Tuesday, November 10, 2020 via video conferencing through

Microsoft Teams.