

ST. CLAIRSVILLE CITY COUNCIL

August 3, 2020 Meeting

[Teleconference format in compliance with temporary changes to Ohio's Open Meetings Act]

Jim Velas, Council President
Perry Basile, Council, 1st Ward
Mark Bukmir, Council, 3rd Ward
Terra Butler, Council, 4th Ward
Linda Jordan, Council-At-Large
Beth Oprisch, Council-At-Large
Frank Sabatino, Council 2nd Ward
Mike Smith, Council-At-Large

Kathryn Thalman, Mayor
Open, Public Service/Safety Director
Annette Williams, Finance Director
Elizabeth Glick, Law Director
Don Smithberger, Super. of General Services
Tom Murphy, Planning & Zoning Administrator

The meeting was called to order by Council President Jim Velas at 7:31pm. President Velas led Council in the Pledge of Allegiance and thanked those residents listening to the meeting.

ROLL CALL:

Basile	HERE	Oprisch	HERE
Bukmir	HERE	Sabatino	HERE
Butler	HERE	Smith	HERE
Jordan	HERE	Seven (7) Present	Zero (0) Absent

MINUTES: President Velas confirmed all councilmembers received the minutes from the July 20, 2020 meeting and July 29, 2020 special meeting. Councilwoman Oprisch asked and confirmed the changes requested. Councilman Bukmir wanted the audio verified for wording. Council Clerk made the changes prior to the meeting.

Councilwoman Butler made a motion to approve the minutes from the July 20, 2020 Council meeting; motion seconded by Councilman Basile.

ROLL CALL:

Basile	YES	Oprisch	YES
Bukmir	YES	Sabatino	YES
Butler	YES	Smith	YES
Jordan	YES		
Roll Call Vote:	Seven (7) YES	Zero (0) NO	Minutes Approved

Councilman Bukmir stated while the July 29, 2020 minutes are accurate, he did not request an Executive Session on July 20 as Councilman Basile had stated. He clarified that he thought more discussion should take place. Councilwoman Oprisch requested the minutes be amended; Councilman Basile requested the audio be reviewed. Councilman Smith asked that members be clear about their intentions in the future. Council Clerk verified the minutes are a true and accurate account of the meeting.

Councilman Sabatino made a motion to approve the minutes from the July 29, 2020 Special Council meeting; motion seconded by Councilwoman Butler.

ROLL CALL:

Basile	ABSTAIN	Oprisch	YES	
Bukmir	ABSTAIN	Sabatino	YES	
Butler	YES	Smith	YES	
Jordan	YES			
Roll Call Vote:	Five (5) YES	Zero (0) NO	Two (2) ABSTAIN	Minutes Approved

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Councilwoman Oprisch asked the significance of abstaining from a vote. Law Director Glick clarified it is neither a 'yes' or 'no' vote for whatever reason.

NEW BUSINESS: Mr. Vince Findley of American Electric Power (AEP) wholesale and Mr. Peter Protopappas of AEP OnSite Partners presented before Council about the possibility of solar generation for the City. See attached presentation.

Councilman Sabatino inquired how this would affect the City's relationship with AMP Ohio and if the City is legally able to enter into this agreement. Mr. Findley said AMP Ohio provides through contracts three different resources – none of which are behind the customers' meters. Whatever their contribution to the City is, AEP will continue to supply the remainder. AEP would continue to work with AMP Ohio. He added AEP manages most of the City's power supply and entering into a solar agreement would be allowed.

Councilman Bukmir asked what risks to the City could become of this project. Mr. Findley stated the risk is taken by AEP investing in the solar panels and technology, for example, if the panels do not perform as expected. Power generation will fluctuate over the years as well. Entering a contract for 30 years would also be a risk since laws change frequently. Mr. Protopappas added that the citizens' response to solar in their community could also be a risk, especially those who would live closest to the array. AEP would not commence this project without full support of Council and the City's constituents.

Councilman Basile, verifying the array would provide 5.5% of the City's electric needs, asked if the tax incentives offset the power generated. Mr. Findley clarified the tax benefits helps AEP lower the price of every Megawatt hour. There would be no change to the amount of energy produced by the project. The City could entertain a larger solar project, lowering the economies of scale, and lowering the Power Purchase Agreement price, but a larger project would require more land. Councilman Basile asked what savings the average homeowner would see. Mr. Findley said it would ultimately be up to the City to decide what savings may be passed to customers, keeping in mind any upgrades that may need to take place. Rate structures would be left to the City. Electricity is already one of the least costly parts of the bill itself. Councilman Basile asked if the savings would ever be negligible. Mr. Findley said that is not expected.

Councilwoman Oprisch asked why St. Clairsville is being considered for the project. Mr. Findley said he has built relationships around the State of Ohio, partnering with the company's wholesale purchaser base. The City ranks as a customer that may see the most benefit from such a project with the way its contracts are structured. With other issues happening in the City last year, AEP waited until now to present this project. Councilwoman Oprisch asked about potential locations. Mr. Findley said the site in the presentation is just a suggestion and was used as a model for how a project would appear in the City. It is currently privately owned. He and Mr. Protopappas discussed the importance of geography for solar panels. Placing near the City's distribution would be best. Multiple locations could be used, but to be competitive, one location would be desired. Councilwoman Oprisch asked about the lifespan of solar panels. Mr. Protopappas said the solar arrays typically have warranties that last 30 years. Inverters may need replaced, but not the panels themselves. It would be AEP's obligation to ensure these are running properly.

Councilman Smith asked about other cities in the state utilizing solar power. Mr. Protopappas clarified the City would be responsible for providing a site for the solar panels either through land already owned, land purchased, or land leased. An easement would be created to allow the arrays. Councilman Smith asked if this would result in lower energy costs. Mr. Findley

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confirmed that it would, stating the goal is to create a long-term hedge against rising energy costs and a means for the City to generate their own power. Councilman Smith asked about changing technology in the solar industry. Mr. Protopappas said panels typically degrade only 0.5%-1% per year. Innovations in the industry that may happen in the future could be done if the cost benefit is there, but over the last 10 years, significant developments have not happened. Battery storage may be upgraded. Councilman Smith asked about solar panels being installed on residents' houses and their ability to sell power back to the City. Mr. Findley said panels could be installed on homes, but could not speak as to what the City allows.

Council President Velas asked about acreage for the site. Mr. Protopappas said a location in the range of 3.5-6 acres is desirable. Mr. Murphy let the representatives from AEP know that zoning ordinances would apply when the project gets closer to being underway. All Councilmembers thanked the representatives for their presentation. Mr. Smithberger said he is hopeful that things may work out for AEP and the City, discussing elements to consider.

Superintendent of General Services Don Smithberger reported a few water breaks have happened. Patching streets is underway.

Councilman Sabatino said he would be in touch with Mr. Smithberger about streets to patch.

CORRESPONDENCE: Law Director Glick addressed a letter from citizens dated July 31 received by Mayor Thalman on August 3 via email. The letter requested a public response regarding comments made on private Facebook accounts by Councilman Basile and Mr. Behl. Council and media received the letter as well. The mayor does not have the authority to sanction elected public officials. Due to the issues involved and potential litigation involving the City, a letter is being drafted to the Ohio Ethics Commission requesting an official opinion. Once a response is received, Ms. Glick will update Council. Threats that have been received by Mayor Thalman, Councilman Basile and his family, and Mr. Behl and are being reported to proper legal authorities. President Velas said no further discussion on these matters will take place until a response from the Ohio Ethics Commission has been received.

REPORTS: **Mayor Thalman** expressed her gratitude to Chief Arbenz and his department for yet another drug bust. Mrs. Austin, owner of the local Chick-fil-A, provided a gratis lunch to the Police Department for their work. The mayor acknowledged and thanked various members of the City for their work and dedication. Water audit training is underway; RCAP is providing free audit software to pinpoint breaks. Information will be relayed to RCAP in 30 days. Mayor Thalman expressed her disappointment in the recent political atmosphere in the City. She lastly recommended Brad Breisch as the newest member of the Board of Architectural Review. Mr. Murphy said he is a property owner in the Historic District, project manager for Breisch & Crowley, and part-owner of Three Labs Salvage. He is very familiar with construction, having studied architecture.

Councilwoman Oprisch made a motion to approve the mayoral appointment of Mr. Breisch to the Board of Architectural Review; motion seconded by Councilwoman Jordan.

ROLL CALL:

Basile	YES	Oprisch	YES
Bukmir	YES	Sabatino	YES

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Butler	YES	Smith	YES
Jordan	YES		
Roll Call Vote:	Seven (7) YES	Zero (0) NO	Motion Approved

Councilwoman Jordan asked when Council can meet in person again. Law Director Glick said we are still under the governor's restrictions on social gatherings. Conducting meetings at the Recreation Center would not be conducive due to its acoustics. Councilwoman Butler said she received communication from Daniel Grady of the Health Department that Council meetings could resume in person if the City is able to enforce social distancing and follow all other mandates from the governor's office. Further guidance will be sought.

Police Chief Matt Arbenz reported results from a drug investigation that resulted in two arrests last year came back positive for 55 grams of fentanyl. A press release was made informing the public of the dangers of this drug. Those suffering with drug addiction issues can stop at the Police Department anytime for assistance. Another drug raid was performed recently. There were 254 calls for service in July. Council expressed their gratitude to Chief Arbenz and the force.

Finance Director Annette Williams has been working to secure COVID-19 grant money for the City. No specific amount is known for the reimbursement. Water collection and RITA collection reports to be forthcoming.

Planning & Zoning Administrator Tom Murphy reported the Board of Zoning Appeals approved the conditional use requested by Campbell Oil/Bellstores. Construction is slated to begin mid-2021, investing over \$4 million in the project. Enumerators have commenced training for the Census. He reported the current self-response rate is 71.7%.

COMMITTEE REPORTS:

Finance Chair Mike Smith said financials will be discussed at the next meeting. He would like the committee to meet before the next Council meeting. Councilman Sabatino requested he be updated and involved in financial discussions.

Utilities Chair Beth Oprisch said 18 utility payment plans are in place totaling \$12,995.46. She also thanked Anita and her staff for their work. Ms. Robinson said all payment plans are set to be paid off by the end of the year. Seven utility disconnections continue in the City: six vacant properties and one likely vacant. She also advertised the City's use of CodeRED to alert residents of various emergency situations including: boil orders, power outages, weather alerts, etc. Residents are encouraged to sign up by contacting the utilities office.

Councilwoman Butler discussed the credit card surcharge when paying utility bills online.

Police Chair Mark Bukmir said he spoke with Chief Arbenz and decided a meeting was not necessary at this time; one will be held in the near future. Members will be contacted.

Streets – North Side Chair Terra Butler asked Mr. Smithberger to address issues on North Sugar Street.

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Streets – South Side Chair Beth Oprisch: No report

Safety Chair Terra Butler: No report

Building and Grounds Chair Perry Basile asked if committee members would be open to meeting next week to discuss issues.

Planning Commission Chair Frank Sabatino: No report

Fire Chair Frank Sabatino reported the Fire Board met on Wednesday, July 22. Two part-time employees were removed. One full-time and one part-time employee were hired. An \$11,000 grant was received for a simulator and a \$3,000 grant was received to replace equipment. Next meeting will be held Wednesday, August 26 at 3pm at the ECOESC building.

Recreation Chair Linda Jordan reported the last of the Tuesday evening concert series will be tomorrow. Wednesday evening will be the fishing tournament. Registration is open for flag football, but subject to restrictions. Next meeting will be Monday, August 17. Councilwoman Oprisch confirmed social distancing has been followed at the concerts.

Park District Chair Linda Jordan said the next meeting will be Monday, August 10 at the park.

ORDINANCES & RESOLUTIONS:

Law Director Elizabeth Glick announced the three pieces of legislation before Council. Ordinance No. 2020-22 is on its third reading. Ordinance No. 2020-26 and Resolution No. 2020-27 are both on their second reading. The original date of ‘July 20, 2020’ on Resolution No. 2020-27 has been omitted from the legislation and will be replaced by the candidate’s start date.

Councilman Sabatino discussed the salary and vacation time listed in Resolution No. 2020-27. He noted Mayor Thalman’s remark that the Service/Safety Director candidate set the salary himself. He stated that this is in violation of the City Charter under salaries and bonds. Regarding vacation time, he compared the credited discrepancy between Ms. Williams’ past public service and the candidate’s private service. Councilman Sabatino also stated he received much feedback from constituents concerned about this Resolution.

Law Director Glick advised these matters be discussed in Executive Session. Councilman Sabatino recommended the legislation be tabled, allowing the Finance Committee to meet and recommend a figure. President Velas confirmed any changes made to the legislation will result in the issuance of a new resolution.

EXECUTIVE SESSION was requested per ORC §121.22(G)(1) to discuss personnel matters. A motion was made by Councilman Sabatino to enter Executive Session; seconded by Councilwoman Oprisch.

ROLL CALL:

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Basile	NO	Oprisch	YES
Bukmir	YES	Sabatino	YES
Butler	YES	Smith	YES
Jordan	YES		
Roll Call Vote:	Six (6) YES	One (1) NO	Executive Session entered 9:54pm

Councilman Sabatino made the motion to exit Executive Session and resume open Regular Session; seconded by Councilwoman Butler. Regular Session resumed at 10:58pm.

A motion was made by Councilman Basile to approve Ordinance No. 2020-22; seconded by Councilwoman Oprisch.

ORDINANCE No. 2020-22: AN ORDINANCE ESTABLISHING GENERAL LIMITATIONS ON BURNING WITHIN THE CITY OF ST. CLAIRSVILLE

ROLL CALL:

Basile	YES	Oprisch	YES
Bukmir	YES	Sabatino	YES
Butler	YES	Smith	YES
Jordan	YES		
Roll Call Vote:	Seven (7) YES	Zero (0) NO	Motion Carried

Ordinance No. 2020-26 was read for its second reading.

ORDINANCE No. 2020-26: AN ORDINANCE PROHIBITING THE FEEDING OF WILDLIFE WITHIN THE CITY OF ST. CLAIRSVILLE

A motion was made by Councilman Basile that the rules requiring three separate readings be suspended on Resolution No. 2020-27 and that the resolution be passed on an emergency basis; seconded by Councilwoman Butler.

RESOLUTION No. 2020-27: A RESOLUTION CONFIRMING THE APPOINTMENT OF JEREMY GREENWOOD AS THE DIRECTOR OF SAFETY AND PUBLIC SERVICES FROM AND AFTER _____; AND, DECLARING AN EMERGENCY

ROLL CALL:

Basile	YES	Oprisch	YES
Bukmir	NO	Sabatino	NO
Butler	YES	Smith	YES
Jordan	NO		
Roll Call Vote:	Four (4) YES	Three (3) NO	Emergency passage failed

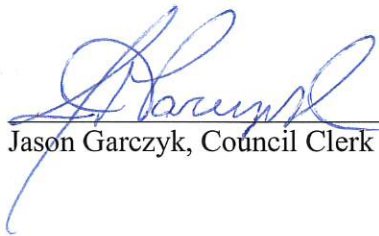
Councilwoman Oprisch requested a special meeting be called to read Resolution No. 2020-27 for its third reading. President Velas said three members of Council must give written request to conduct a special meeting.

OLD BUSINESS: No old business

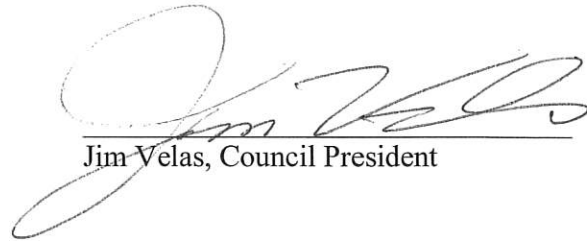
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ADJOURNMENT: With no further action to take and there being no further business to come before Council, Councilman Basile made a motion to adjourn. Meeting adjourned at 11:07pm.

Next meeting will be Monday, August 17, 2020 at 7:30pm via teleconference.



Jason Garczyk, Council Clerk



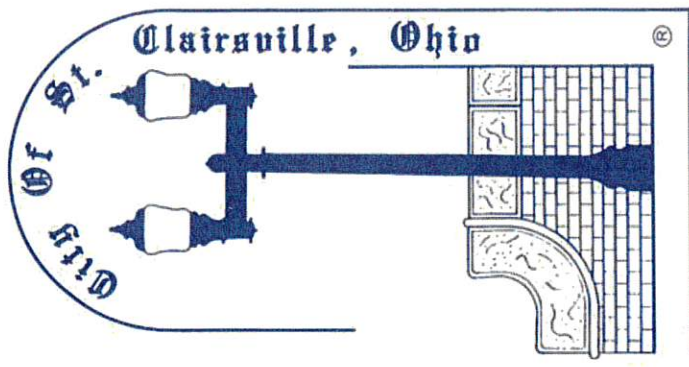
Jim Velas, Council President

**AEP ONSITE
PARTNERS**

**AEP ENERGY
PARTNERS**

City of St. Clairsville Solar Field and Power Supply Update

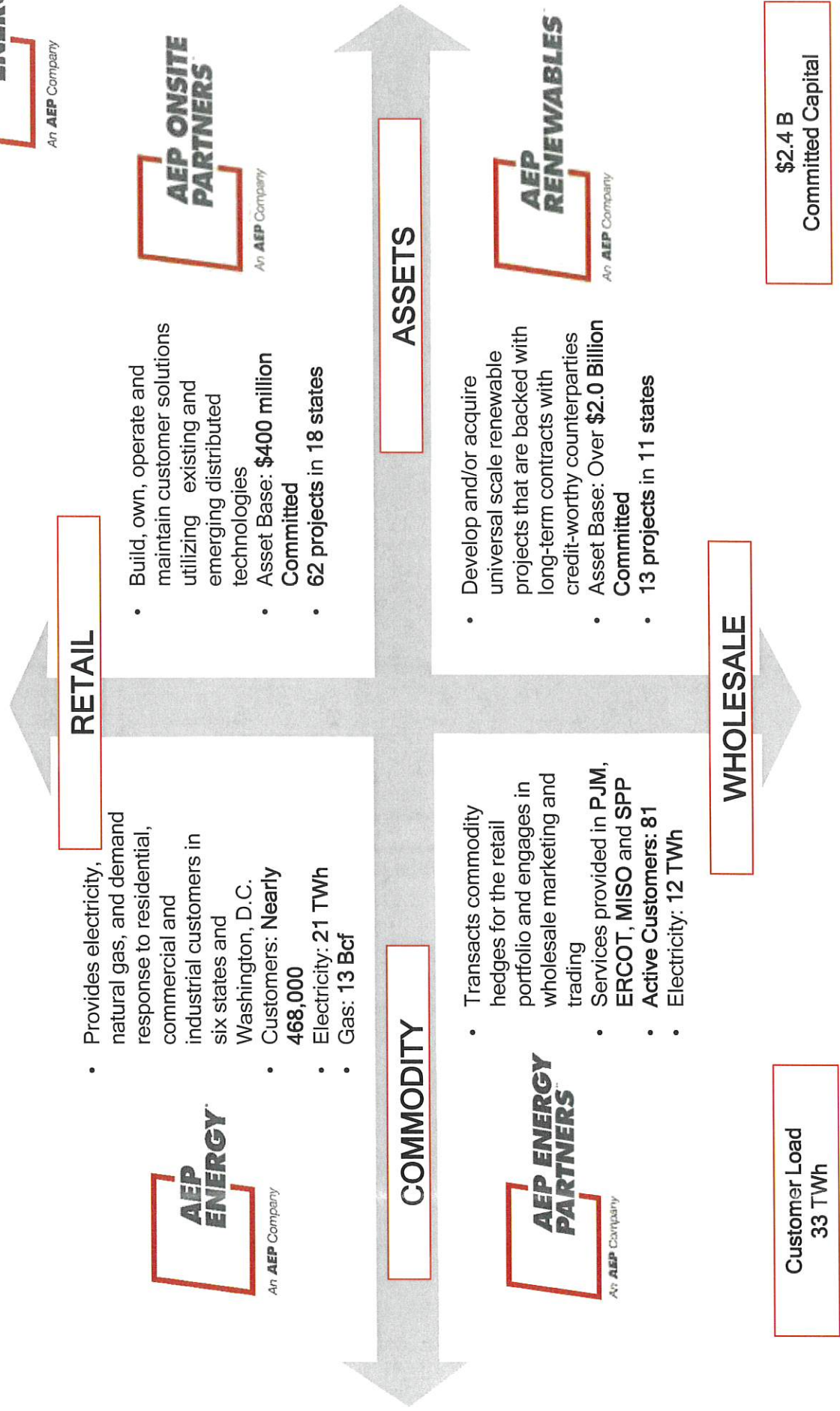
August 3, 2020



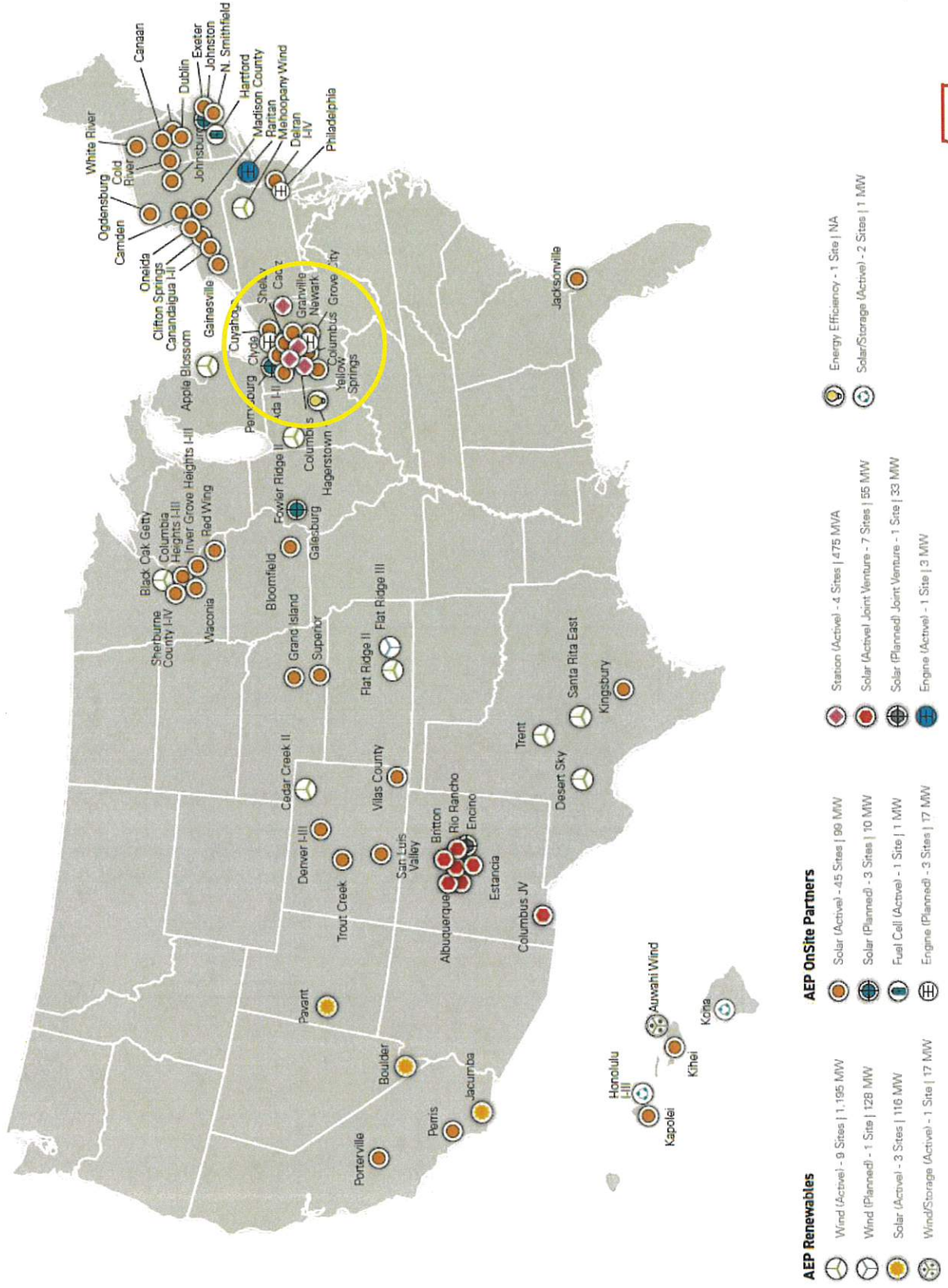
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Competitive Businesses Strategy and Operations



Competitive Businesses Presence



Solar Works – Direct Benefits

Ohio Northwestern University (2.1 MW-DC):



City of Clyde, Ohio (3.5 MW):



City of Shelby, Ohio (2.55 MW-DC):



Direct Cost Reductions:

- Reduces escalating transmission costs
- Reduces escalating capacity charges
- Reduces energy consumption and losses

Wholesale Benefits:

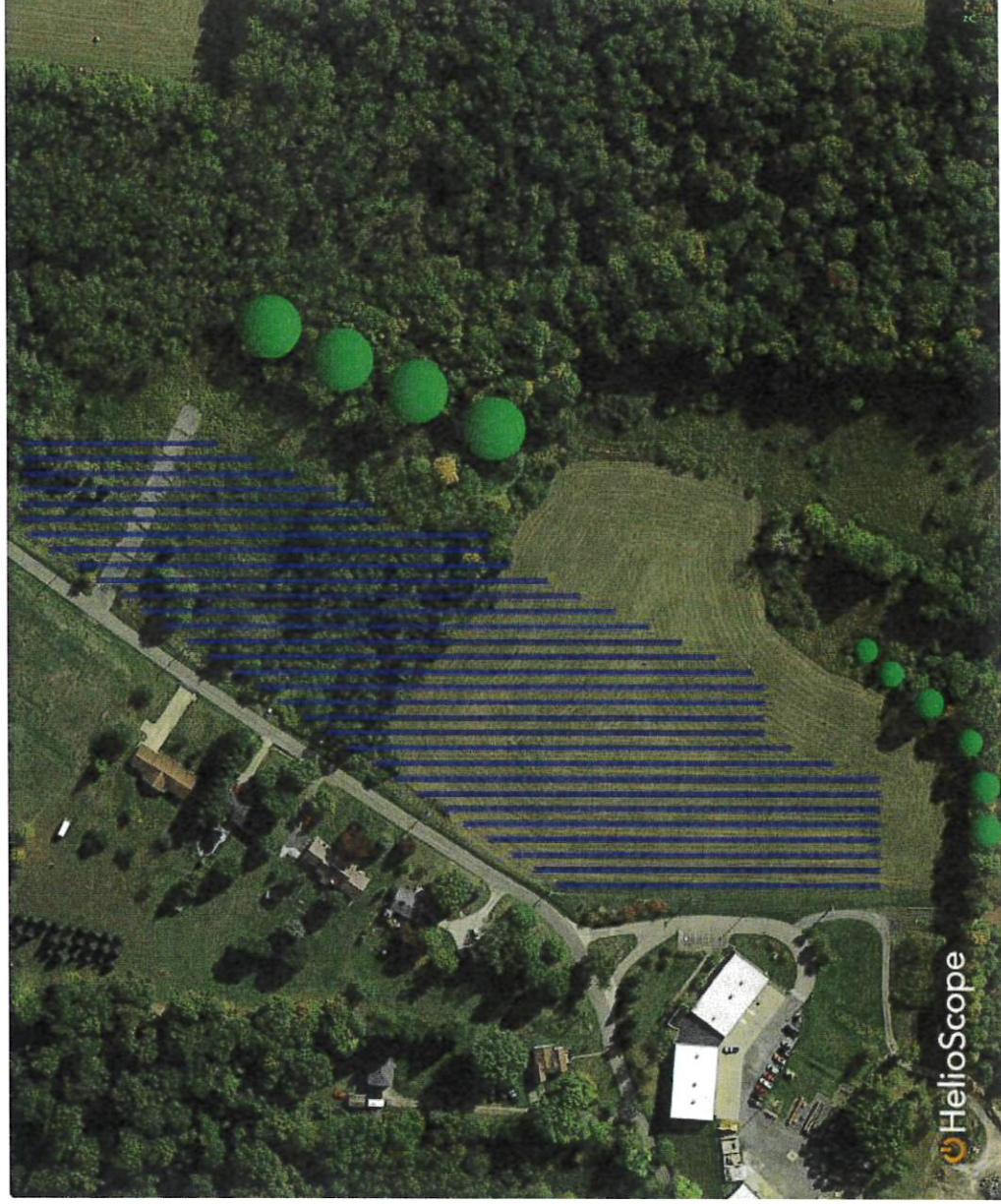
- Reduces market energy exposure
 - Reduction in residual load shape cost
- Reduces escalating Capacity costs
- Reduces escalating Transmission costs
- Reduces PJM Ancillary costs
- Provides Ohio Solar RECs

Solar Works – Indirect Features

- **Marketing/PR**
 - Visible demonstration of clean energy
 - “Walk the Talk” on clean energy
- **Community member’s interest**
 - Aligns with cost effectiveness and carbon reduction
- **Attracting companies**
 - Potential stimulus for securing corporate locations
- **Price and Renewable Portfolio Standard hedge**
 - Creates a long-term fixed price hedge on Energy & Capacity
- **Generates additional property tax revenue**
 - PILOT taxes may also benefit the region as property taxes do



Proposed 1.95 MW-DC PV System



Reservoir Rd, St Clairsville, OH 43950

Deal Details

AEP OnSite Partners

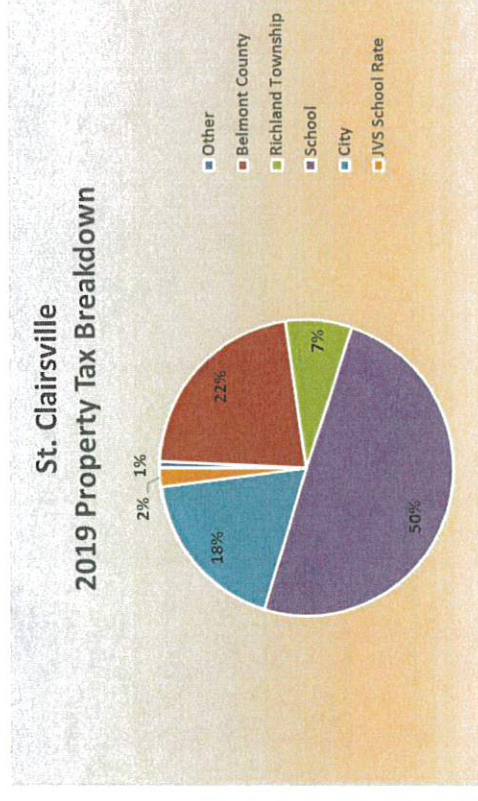
- Build, own, and operate the facility under a 30-year PPA
 - **AEP Solar Investment ~\$2.5 M**
 - **1.95 MW-DC/1.50 MW-AC (5.4 acres)**
 - **Fixed price** certainty over the life of the project
 - **30-yr** estimated savings of up to **~\$2.9 M** in avoided power supply cost savings
 - A portion of the annual Property tax may stay local

AEP Energy Partners

- Include the solar project as a Behind-the-Meter resource in the power supply contract
- Includes a wholesale extension for longer-term power price stability
 - AEP will assume all variability in the solar production risk

St. Clairsville, OH

- Provides land at no cost and pays SB232 PILOT (Payment in Lieu of Taxes) Taxes ~\$10,500/Year
- Retains all Behind The Meter benefits (Transmission, Ancillaries and Capacity)
- Provides support and interconnect to the solar project as well as any required utility and zoning approvals (AEP to provide the Step-up transformer)

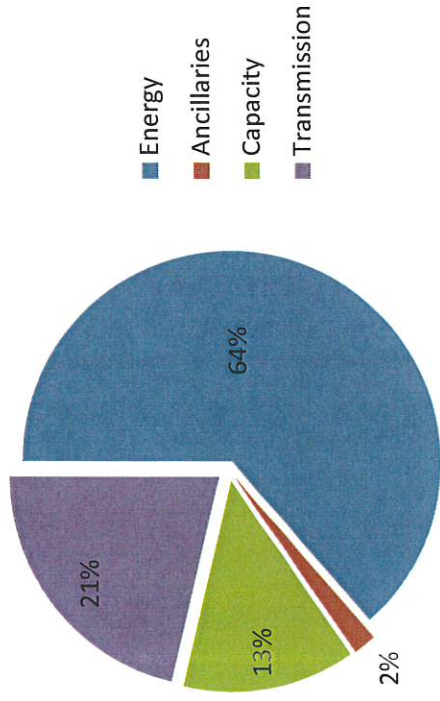


AEP Wholesale Power Supply Cost Breakdown

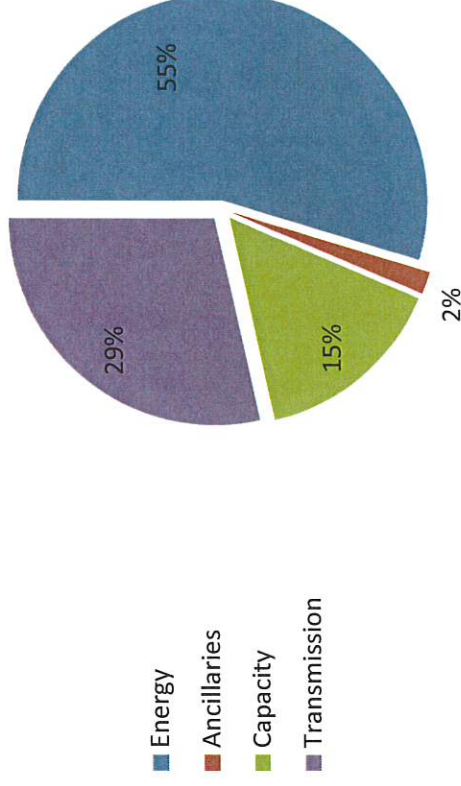
A solar project can serve as a portion of the portfolio strategy by providing a long-term hedge to its Capacity, Transmission, Ancillary and Energy costs.

- Wholesale charges are based on a mix of fixed demand and variable energy charges
- Wholesale charges include Energy, Transmission, Ancillaries, and Capacity
- All these items make up the AEP-PJM wholesale power supply charges

Estimated 2020 Cost Profile

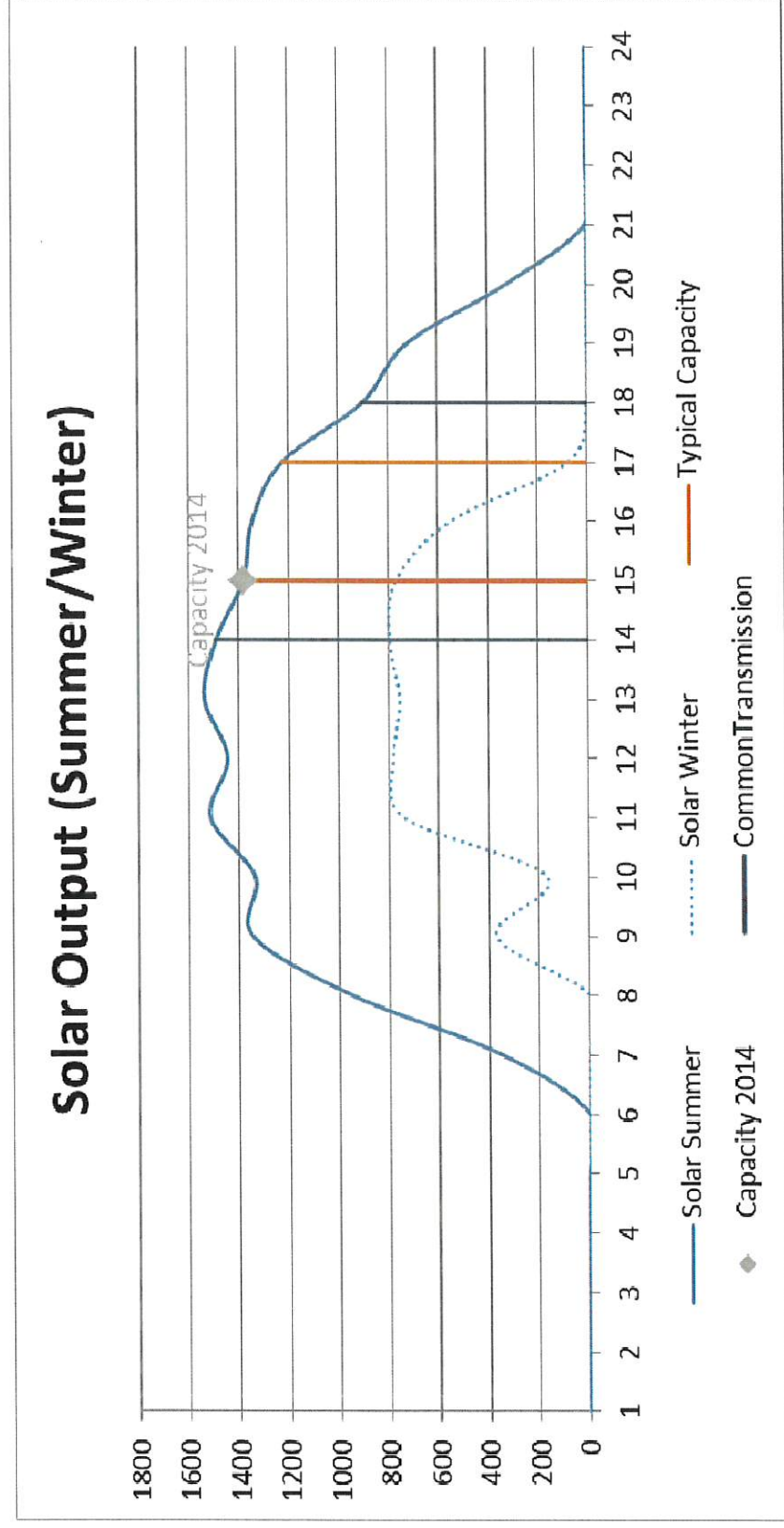


Estimated 2030 Cost Profile



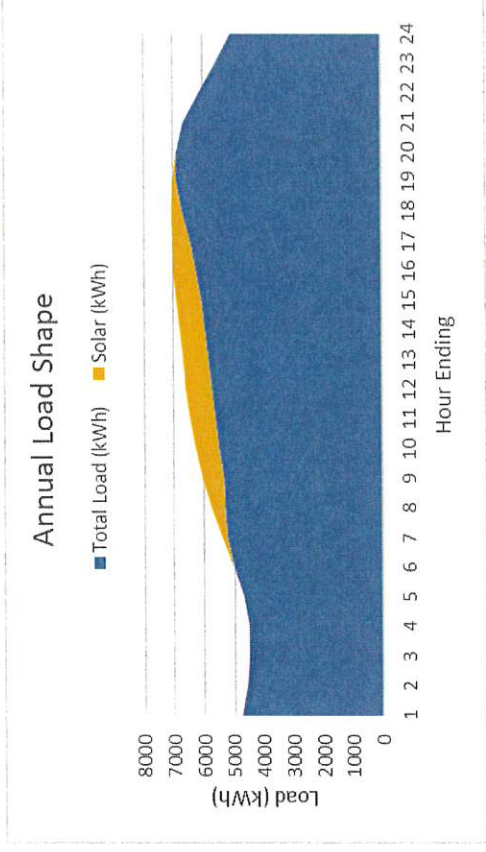
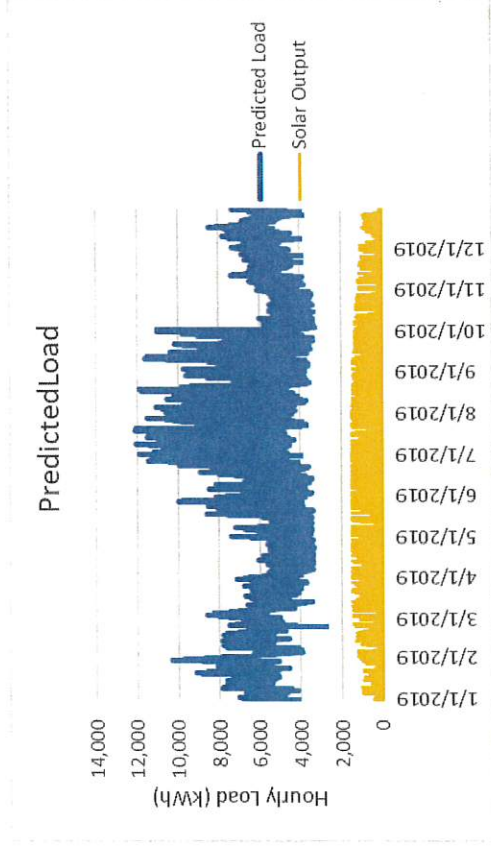
- Note: These charts represent the estimated AEP portion of the total power supply costs

Tracking Improves Capacity and Transmission Impact



Solar Impact: 1.95 MW-DC/1.50 MW-AC Tracking System

The solar output and load shape is shown below.



Billing Determinant	Average Solar Impact
Capacity (MW)	0.812-1.365 = ~ 0.983 MW
Transmission* (MW)	0, 0.993-1.043 = ~ 1.025 MW
Estimated 2019 Energy (MWh)	2,895 MWh

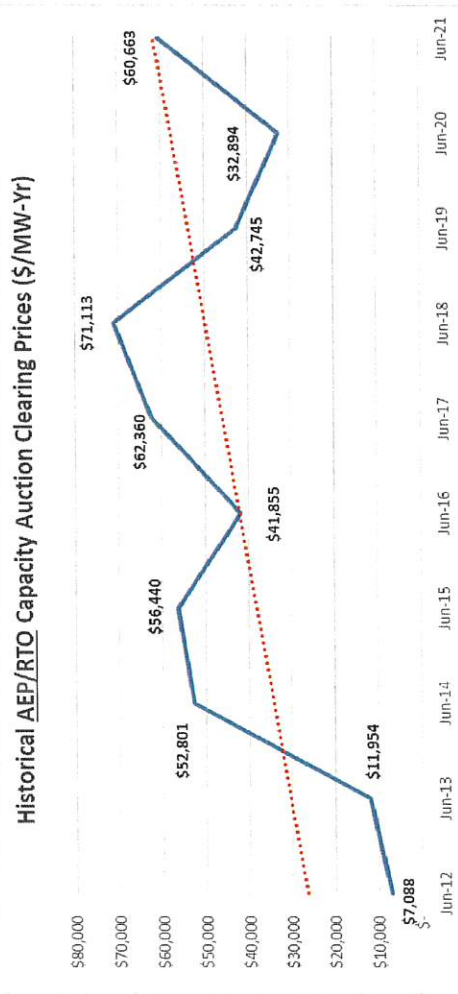
	Jan-19	Feb-19	Mar-19	Apr-19	May-19	Jun-19	Jul-19	Aug-19	Sep-19	Oct-19	Nov-19	Dec-19	Total
Monthly Energy (MWh)	4,955	4,178	4,241	3,429	4,012	4,300	5,662	5,022	4,457	3,646	3,985	4,497	52,384
Solar Output (MWh)	113	149	240	301	336	350	349	339	284	210	127	95	2,895
Percent of Total	2.3%	3.6%	5.7%	8.8%	8.4%	8.1%	6.2%	6.8%	6.4%	5.8%	3.2%	2.1%	5.5%

* Transmission peaks that occur during winter years result in almost no Transmission savings, see Appendix A

Transmission & Capacity Costs Are Increasing

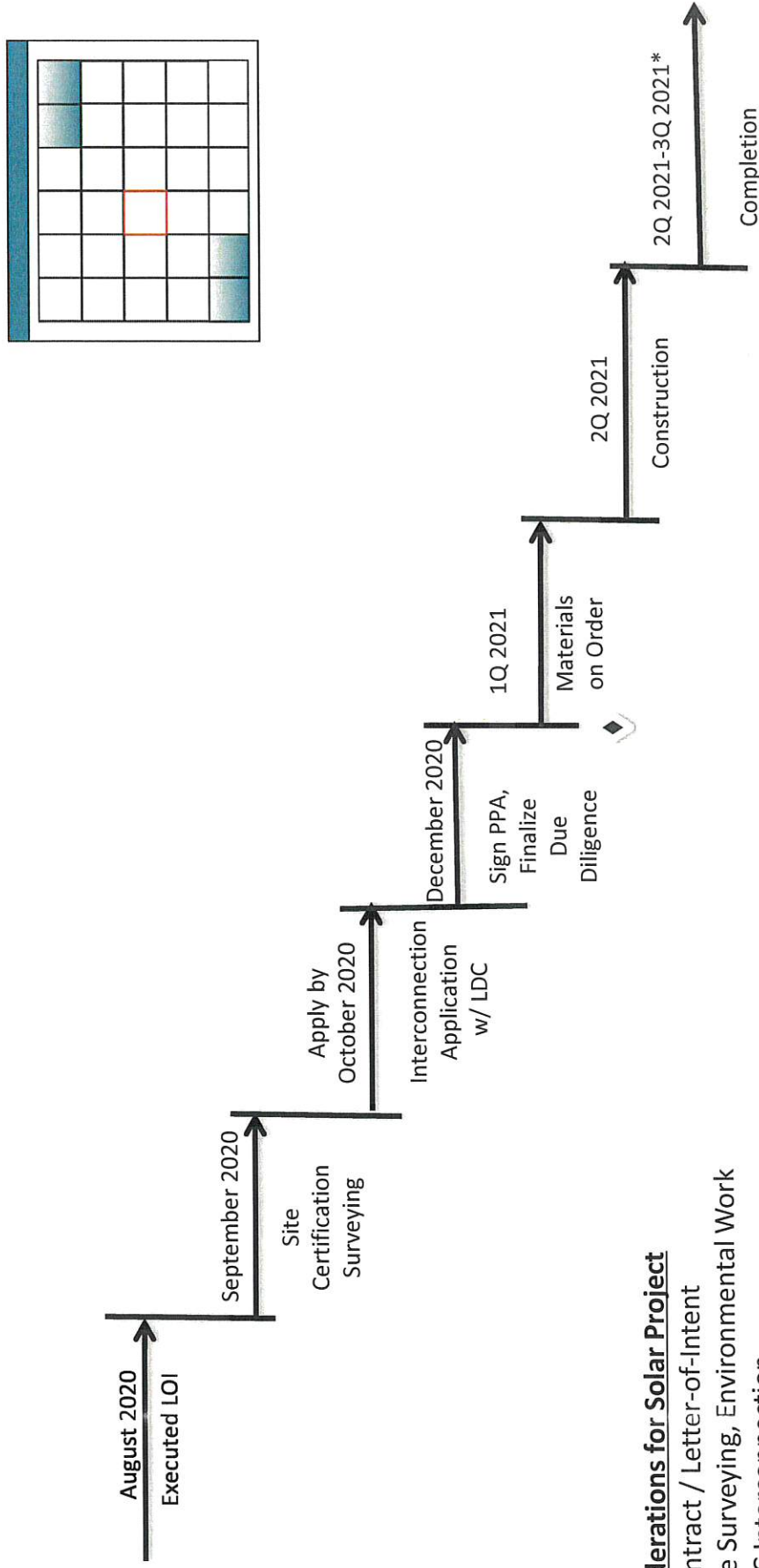


Year	AEP NITS Rate (\$/MW-Yr)	% YoY Change
Jun-12	\$22,707	
Jun-13	\$27,431	21%
Jun-14	\$32,035	17%
Jun-15	\$37,597	17%
Jun-16	\$41,438	10%
Jun-17	\$56,991	38%
Jun-18	\$59,818	5%
Jun-19	\$65,923	10%
Jun-20	\$80,306	22%
Average 8-yr % ->		17%



Year	AEP/RTO Zone	Capacity Rate (\$/MW-Year)	% YoY Change
Jun-12		\$7,088	-86%
Jun-13		\$11,954	69%
Jun-14		\$52,801	342%
Jun-15		\$56,440	7%
Jun-16		\$41,855	-26%
Jun-17		\$62,360	49%
Jun-18		\$71,113	14%
Jun-19		\$42,745	-40%
Jun-20		\$32,894	-23%
Jun-21		\$60,663	84%

Solar Project Timeline (10-16 Months)



Considerations for Solar Project

- Contract / Letter-of-Intent
- Site Surveying, Environmental Work
- LDC Interconnection
- Material Lead Times
- Construction

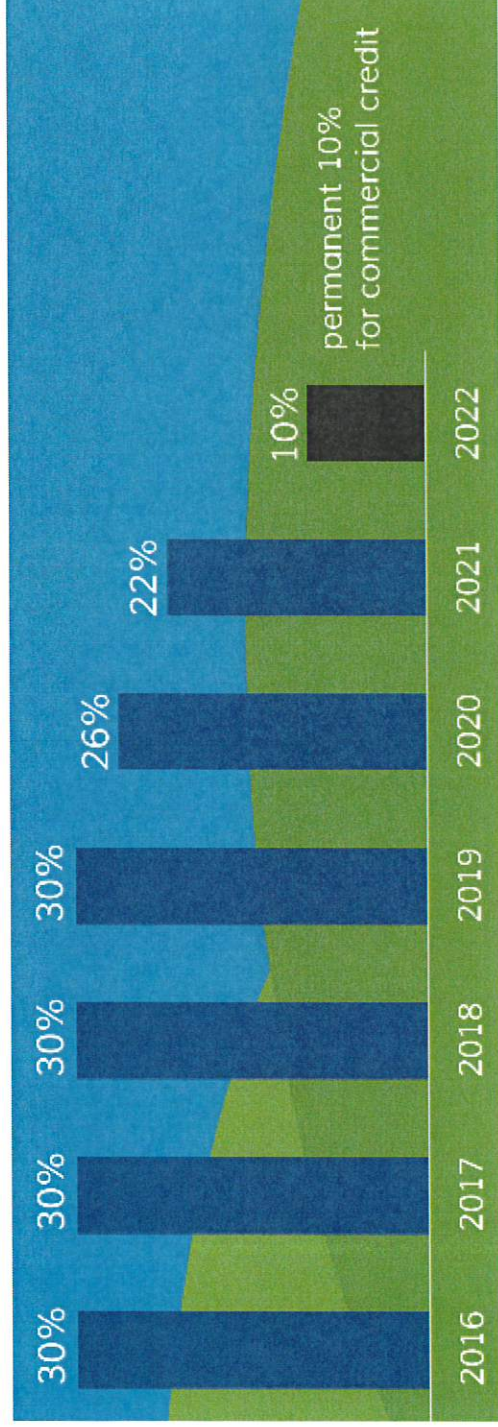
*Completion depends on pending site specific re-zoning/ COVID-19 impacts/weather

Final to-do items

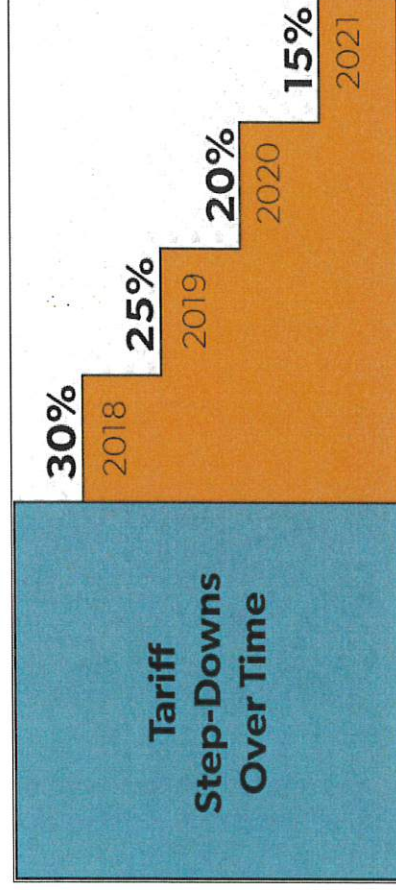
- St. Clairsville Audited Financial Statements
 - Need updated 2019 financial statements
- Solar Project
 - A Letter of Intent (LOI) needs to be executed in order to start the solar due-diligence work
 - Begin project reviews, Site and Engineering Survey, confirm final Project costs, etc.
 - Negotiate a Solar PPA
- Wholesale Energy Extension
 - To be completed upon execution of the Solar PPA

Appendix A - Tax Credits are expiring..

- Investment Tax Credit (Solar ITC) and Production Tax Credit (Wind PTC)



- Section 201 Trade Case & Import Tariffs



Appendix B – Shelby Online Solar Portal

OUR IMPACT: MONTH MONTH LIFETIME

LIFETIME

YEAR

MONTH

WEEK

FIVE DAY

DAY

DAY

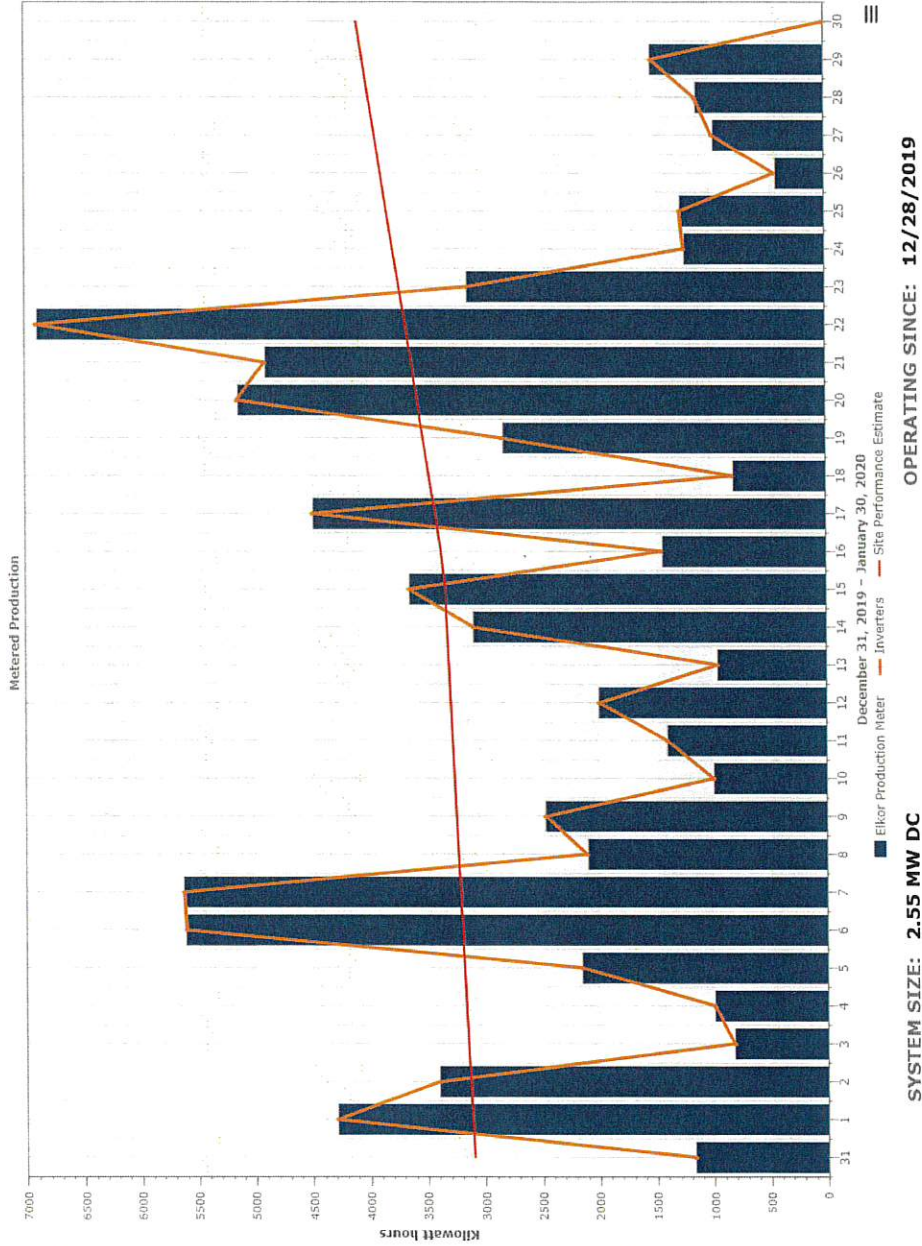
DAY

DAY

DAY

DAY

DAY



POWER

3.73 kWh
TODAY

75.8 MWh
THIS MONTH

75.8 MWh
THIS YEAR

77 MWh
LIFETIME

trees
1,340
Trees planted

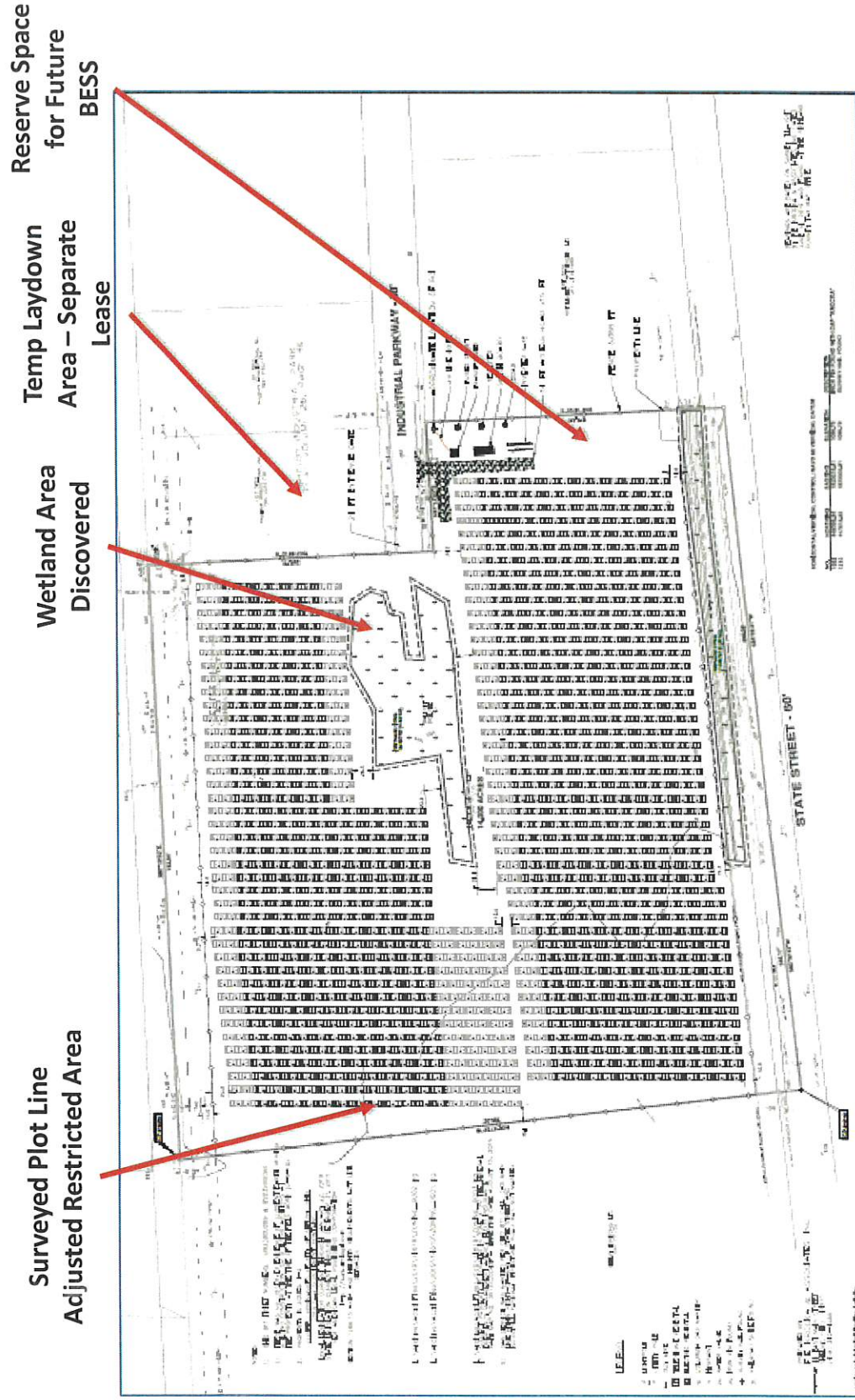
gas
5,879
Gallons of gasoline

energy
75.8 MWh
energy produced

water
37,882
Gallons of water



Appendix C – Shelby Final Design & Construction



Questions?



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