SPECIAL COUNCIL MEETING
MONDAY, JULY 28, 2025 – 6:00 PM

CALL TO ORDER

President Jim Fodor called the Special Council Meeting to order at 6:00 PM. City Council convened for a special meeting in Council Chambers – Courtroom #1.

ROLL CALL FOR ATTENDANCE

Councilpersons Derrick Abney, Nick Augustine, Lori DiNallo, Jim Fodor, and Christine Shoop were present. Paul Hach arrived at 6:01 PM. Mr. Rodriguez was not able to attend.

Mr. Fodor asked for a motion to excuse Mr. Rodriguez from tonight's meeting.

Mrs. DiNallo made a motion to excuse Mr. Rodriguez from tonight's meeting, seconded by Mrs. Shoop. All Council Members were in favor by answering "Aye". Motion carried.

Other City Staff in attendance: City Manager Doug Lewis, Assistant City Manager Tony Zampedro, Law Director Jim Lyons, Finance Director Bill Parkinson, Electric Superintendent Joe Price, and Clerk of Council Samantha Danielson.

APPROVE AGENDA AS SUBMITTED

Mr. Fodor asked for a motion to approve the agenda.

Mr. Augustine made a motion to approve the agenda, seconded by Mrs. Shoop. All Council members were in favor by answering "Aye". Motion carried. Agenda approved.

LEGISLATION:

ITEM #1 ORDINANCE

***1st Reading* – An Ordinance amending appropriations of the City of Painesville, State of Ohio for the fiscal year beginning January 1, 2025 and adopting the operating budget, and declaring an emergency.**

Finance Director Bill Parkinson spoke on this piece of legislation. He stated the item I have for your consideration is to adjust the overall appropriations by $1.85 million. In 2024, the Cuyahoga County Green Energy was awarded $129 million in grant funds by the Federal EPA to support and construct roughly 63 megawatts of solar in the Greater Cleveland area between the years 2024 and 2029. Of that $129,000,00 and 63 megawatts, City of Painesville is a sub recipient of $80 million. The city is expected to generate at least 25 megawatts of power from the solar field. Cuyahoga County is the fiscal agent for this grant. The grant is on a reimbursement basis, so as the city spends money, he will submit those documents to the county for reimbursement. Very recently, First Solar, which is the company that makes the panels, made the city aware that it had panels available now, and requested the city to place a $1.85 million deposit to secure the purchase of those solar panels. The Electric Construction Fund 732 currently has an unencumbered balance of $3.26 million. He proposed to increase the appropriations of Fund 732 by $1.85 million and use that unencumbered cash balance to make that deposit with First Solar. Then when that deposit is made, he would resubmit those expenses to the Cuyahoga County Green Energy Grant. Those monies would be repaid back to the City of Painesville and put back into Fund 732. It was clarified that the final purchase price is $9.250 million. The $1,850,000 is the down payment, and then the balance will be approximately $7.4 million which will be due upon final receivable of the panels. However, it was explained that the panels will be delivered throughout a period of time. The city may get five megawatts every month until the city reaches the 25 megawatts that we've ordered.

Electric Superintendent Joe Price explained the size and storage plan. The city will be able to store the panels inside and out at the storage yard at CRE, and if not CRE, there is space at the plant and at the Richmond Road substation. In regard to delivery, the city may receive five megawatts, and then in six weeks, may receive another five. The money will keep cycling in and out, until which time we may have to take some short-term lending to finish the purchase. The city expects to be on a regular basis having money cycled back in.

A concern was brought forth regarding spending the money and using the grant dollars, that the priority would be the battery, because that could be used no matter what occurs with the federal funding, and the federal funding was somewhat precarious. Another concern was that the city does not have consultants in place yet, and is worried about the technology of the panels. How often do they change? How long are these going to be stored? Why are they selling them so fast? That's all interrelated. Should the City be buying the panels before we have the consultants on board? And should we really be buying the panels prior to the battery? Mr. Priced explained this is the most recent technology, and it's not going to change. If the city puts these panels in

today, 10 years from now, they're still going to be functioning 20 years from now. Their warranty goes out for 25 years. We're in an evolution state. They're using what's called a Series Seven now, the ones that were installed in Brooklyn in 2019, same company was a series two. So that's what we're working with today, which is the most recent technology. It was explained that because of the finalization of the budget in Washington and the changes, the IRS tax credits were given until June 30th. The city must get 5% of the project underway and construction being built by June 30 next year to protect and to safe harbor those tax credits. There is a rush to order panels. Companies have ordered hundreds of megawatts of panels, and then suddenly they have no place to put them. The factories called the city and was put as a priority since the city was not expecting the panels until maybe next May, which is going to be very short timeline. This is just a great opportunity for the city to get the panels and the fastest time to receive them. The battery is going to be worked on as well, and the city plans to bring somebody on soon to do that. They'll be done simultaneously.

Assistant City Manager Mr. Zampedro explained one of the other pieces too was the Big Beautiful Bill that was passed in Congress early in July, basically putting time frames in that did not exist before, relative to the tax credits, relative to the panels themselves. One of the things that happened is that the city has been communicating with Cuyahoga County and working with consultants that were both part of the pre-grant team and post-grant team. First Solar was the preferred company, and we now have this opportunity to get to the front of the line. That was our biggest worry with the passage of the bill, was whether the city would have to wait for panels. The first-time deadline that was put in place is what's called FEOC, which is Foreign Entity of Concern. He explained if stuff is built by or any part of it by China that is now going to not be safe harbored after January 1st of 2026, so if the city gets panels now, which are BABA compliant, Build America, Buy America Act. We're waiting for the rules from the EPA to come out. They're in that 60-day rulemaking period now, post bill. It becomes applicable January 1, 2026, the city buys our panels before that, we will be in safe harbor. There's no concern. The other time frame that was important, that the city had to have 5% of our investment, basically in production, and with the panels, we do certainly feel we will be able to do that by July 4th of 2026, which is a year from the bill, which was passed July 4th this year. All the sources we're saying the federal funding seems relatively stable right now, but we don't want to run afoul of not being able to meet these milestones, because then it's when it becomes a little precarious. The city feels quite confident we're going to meet the milestones. The biggest hold-up in this project has been land acquisition. Significant progress has been made between West Creek and Diamond Shamrocks representatives. They expect to have contractual language done by September. The city expects to be in position before the end of this year to have our rights. A map was given to council. It was originally, the city envisioned them in Operable Unit (OU) 14, which is the large sulfate basin, but the EPA and Diamond Shamrock preferred not to disturb that area and have some additional testing to do. OU 7 is capped, as required, as remediated, and that is the acreage that the city intends to put the solar panel arrays on. That is across the river in Painesville Township, and part of the project will include the installation of poles and lines to energize it and bring it into the into our system. The city can start working towards that end once we know that we're under contract for that area, and all that goes towards that 5% so we can start building the infrastructure to get to OU 7.

City Manager Doug Lewis did state the city did go out for an RFQ for consultants to design and engineer the project. For the battery project, the city needs to design the interconnect to the battery which will be one of the things that they will be working on. Then once the city knows that we have the panels, they'll also be able to do the design and engineering, and the property will be able to do the design and engineering for the actual installation of the solar panels, which we are required to get in five megawatts installed by June 30th of next year. It doesn't have to be functional, but it must be installed. These are the deadlines the city is working towards in order to get the tax credits for this project. Mr. Zampedro explained how the tax credit process is and its importance.

A question regarding the amount of megawatts was brought forth - we're purchasing solar panels at this time, 25 megawatts, is that all we need to purchase? Mr. Price explained that 25 megawatts is a lot of panels. We know we're going to at least do a minimum of 25 if they allow us to adjust the battery. If worst case scenario comes out, or best-case scenario, we decide we're only going to, or the EPA will only allow us to do the 10 megawatts in the batteries. We're going to take the full 35, we'll place a second order for the additional 10 megawatts, whether they'll be safe harbor or not. At least we'll be able to Safe Harbor both projects. The city is going to do at minimum, 25 megawatts, at maximum 35. Ideally, with 20 megawatts of battery, which was a calculation the city did going through the grant process. It is believed the city will be successful in getting that adjustment, because it makes the most sense for the power utility. Another question was brought forth - we will have five megawatts installed, but not functional by June 26th, if we have 25, why aren't we putting all 25 in there? Mr. Price explained it comes down to the transformers. Mr. Lewis stated we talked with Senator Marino and Representative Joyce

regarding the BABA requirements and about trying to purchase these panels and as much of the battery as we could in the state of Ohio. This allows us to do that and keep Ohioans employed.

Mr. Zampedro explained to one of the other questions was, why the solar first and not the battery? The battery, the rules on the batteries, the tax credits for those aren't set to expire until 2032 so the city has plenty of time to buy the batteries and still be in a safe harbor with them for the tax credit, so that, if that wasn't nearly the concern as it was with the solar panels. Mr. Price explained that First Solar is the only manufacturer in Ohio, so only the film is coming from overseas.

Mr. Parkinson clarified that the finance department will handle all of the grant revenue and expenses, and purchase orders. They will assist Mr. Price with the requisitions and the purchase orders. We'll work very closely with Mr. Price's department with this. It was clarified that the city has received reimbursement for previously submitted funding. A special fund is already set up for the solar project with a project number in the financial system. Information can be put in the system, and that'll show everybody all the receipts and all the expenditures. Cuyahoga County is the fiscal agent and reviews any documents.

Mr. Abney moved to suspend, seconded by Mrs. Shoop.

On roll call, Mrs. DiNallo, Mr. Hach, Mrs. Shoop, Mr. Abney, Mr. Augustine, and Mr. Fodor answered "Yes". Motion carried.

Mr. Hach moved to adopt, seconded by Mrs. DiNallo.

On roll call, Mrs. DiNallo, Mr. Hach, Mrs. Shoop, Mr. Abney, Mr. Augustine, and Mr. Fodor answered "Yes". Motion carried 6-0.

ORDINANCE 21-25 is ADOPTED.

ITEM #2 RESOLUTION

***1st Reading* – A Resolution authorizing and directing the City Manager to enter into an agreement with Cuyahoga County and/or the Compass Engineering, the procuring agent for Cuyahoga County, for the purchase of solar panels, and declaring an emergency.**

Assistant City Manager Tony Zampedro spoke on this piece of legislation. He stated the city is permitted to sort of piggyback on a properly vetted contract with another municipality or political subdivision. Cuyahoga County contracted with Compass, and Cuyahoga County and Compass are able to and have been approved to buy the first solar panels that the city desires. They are the broker/negotiator for the county which was hired two years ago. The panels that the city wants are there. Cuyahoga County was going to take six megawatts of them. Cuyahoga deferred because their projects changed a little bit and are going to a less heavy panel because they're looking at a rooftop installation as a segue. Painesville has had conversations with Compass, with Cuyahoga County and with First Solar. This is the vehicle by which the city is able to use the contract that Cuyahoga County and Compass had with First Solar and apply it for our own purposes, without our own lengthy bidding process in place. The Ohio Revised Code allows us to "piggyback" onto that contract. The EPA has approved the City of Painesville "piggybacking" off the Cuyahoga County's contracts.

The questions and answers that were discussed at tonight's meeting are attached to the minutes.

Mrs. Shoop moved to suspend, seconded by Mr. Hach.

On roll call, Mr. Hach, Mrs. Shoop, Mr. Abney, Mr. Augustine, Mrs. DiNallo, and Mr. Fodor answered "Yes". Motion carried.

Mrs. Shoop moved to adopt, seconded by Mr. Hach.

On roll call, Mr. Hach, Mrs. Shoop, Mr. Abney, Mr. Augustine, Mrs. DiNallo, and Mr. Fodor answered "Yes". Motion carried 6-0.

RESOLUTION 41-25 is ADOPTED.

ITEM #3 RESOLUTION

***1st Reading* – A Resolution authorizing and directing the City Manager to advertise for an RFQ for professional services of an energy and CPRG grant program design and implementation consultant for the electric plant and distribution system, a battery energy storage system, and a solar generation system as outlined in the CPRG "Municipal Empowerment for Clean Energy and Conservation" grant, and declaring an emergency.**

Assistant City Manager Tony Zampedro spoke on this piece of legislation. He clarified this is a professional service contract to help the city with the grant requirements and includes a climate pollution reduction analysis. This is for a technical expertise on both the grant

requirements, the scientific analysis and tax benefits and implications that the city is trying to preserve for both us and for our residents. The city is looking for various proposals from consultants and will vet the various groups to move the project forward.

Mrs. Shoop moved to suspend, seconded by Mr. Augustine.

On roll call, Mrs. Shoop, Mr. Abney, Mr. Augustine, Mrs. DiNallo, Mr. Hach, and Mr. Fodor answered "Yes". Motion carried.

Mrs. Shoop moved to adopt, seconded by Mr. Augustine.

On roll call, Mrs. Shoop, Mr. Abney, Mr. Augustine, Mrs. DiNallo, Mr. Hach, and Mr. Fodor answered "Yes". Motion carried 6-0.

RESOLUTION 42-25 is ADOPTED.

ADJOURNMENT

Mr. Fodor asked for a motion to adjourn the Special Meeting.

Mrs. Shoop moved to adjourn the Special Meeting, seconded by Mr. Augustine. All Council Members were in favor by answering "Aye". Motion carried to adjourn the Special Meeting at 6:38 PM.

Meeting adjourned at 6:38 PM.

Samantha Danielson
Clerk of Council

Jim Fodor
President of Council

Questions about Electric Grant

1) Why do we need to buy the material by the end of July?
   i. **Cuyahoga County has negotiated a favorable price estimated to be 13% below forecasted pricing.**
   ii. **The offer from First Solar is time limited, we have requested a 1-week extension.**
   iii. **Order now, they can move us up in the queue for entire order delivery by December 2025. Otherwise, delivery summer of 2025 which in effect eliminates IRS direct pay tax credits.**

2) How much do we need to spend / purchase at this time? **$1,850,000.00 down payment, balance of $7,400,000.00 ($9,250,000.00 total purchase) due upon delivery.**

3) What do we need to purchase? **Solar panels only at this time, 25MW only at this time. We will store at Painesville secure site(s) until needed, with the initial location being the CRE PROPERTY.**

4) Where will this money come from? **Electric Construction Fund. Upon payment, reimbursement request will be submitted. We are in the process of identifying favorable loan options for the upcoming larger reimbursable expenditures.**

5) Where are our co-grantees in the process? Are they also buying panels in July? YES, Cuyahoga County is purchasing 6MW, orders will be separate however made at this time.

6) How secure is the funding for this grant from the Federal Government? **100% of the Federal Funds have been encumbered by the recipient (Cuyahoga County) and remain encumbered.**

7) Have we/co-grantees spent any money and have been reimbursed? **YES, and YES. Painesville to date has been reimbursed for invoice paid.**

8) Who is the manufacturer of the panels? **First Solar, located south of Bowling Green, Ohio. Panels meet Build America Buy America (BABA) certification. Company is not a Foreign Entities of Concern (FEOC) concern.**

9) Who in the City of Painesville is actually in charge of overseeing the Solar Project ;
   a) Finances? **Painesville Finance Director Bill Parkinson.**
   b) Meeting grant requirements? **YES, Electric Superintendent Joe Price and Assistant City Manager Tony Zampedro and Energy/Grant Consultant to be hired.**
   c) Day to Day construction of the Solar Project? **Electric Superintendent Joe Price and Owner's Representative to be hired.**

10) Does the grant have a finance page that shows how the money is to be spent? If so, can council members have a copy? **We will obtain a copy of what was submitted in the grant application and provide it. The total overall grant funding is $80 million for the City of Painesville. See attached.**

11) Should Painesville City look into insurance to help protect our investment? How much would this cost? **TBD. The Finance Director Parkinson has contacted the city carrier Jackson Deacon and notified the carrier of the added risk to determine added cost (if any) to insure. Finance notes the current policy is up for renewal in September 2025, the carrier has not expressed a concern and pricing will be provided after the carrier assessment.**

12) If we purchase these solar panels now with loan money on bond issues, when can we be reimbursed for the purchase? Is it when the product is delivered in 2026 or when the order is filed? **Painesville will be reimbursed as money is spent. We will receive reimbursement of the downpayment when finance provides proof of payment made, the same will be true of the balance when due. We are exploring options for financing and will present the best option to City Council.**

13) How much will this Bond issue cost us for the year we wait for our reimbursement?
   a. Dollars waiting until delivery
   b. Dollars waiting at order date
   There will be a need to short-term borrow of funds. We are currently exploring the best option available for a short-term financing.

14) **With technology improving so quickly could buying these panels now, prior to working with the consultant, limit our options in regards to the battery?**
We have ZERO CONCERN regarding this. This is the proven technology. First Solar has been doing this for

15) **Why did the administration wait so long to present legislation for a consultant? Shouldn't this have been requested right after we received the grant. This opportunity to take advantage of a short-term delivery of panels was first proposed by Cuyahoga County to the Electric Superintendent on July 21, 2025. We also have been waiting for the land to be acquired by West Creek Conservancy and significant progress has been made in this regard this month. Lastly, for both the pre-grant award and the immediate post-grant award time period we have been**

working with the grant team which is made up of technical specialists. Due to the accelerated timeframes put in place THIS MONTH by the federal government, we now find ourselves accelerating our process as regards this project.

16) **Is Cuyahoga responsible for the same terms in the grant as us? YES**

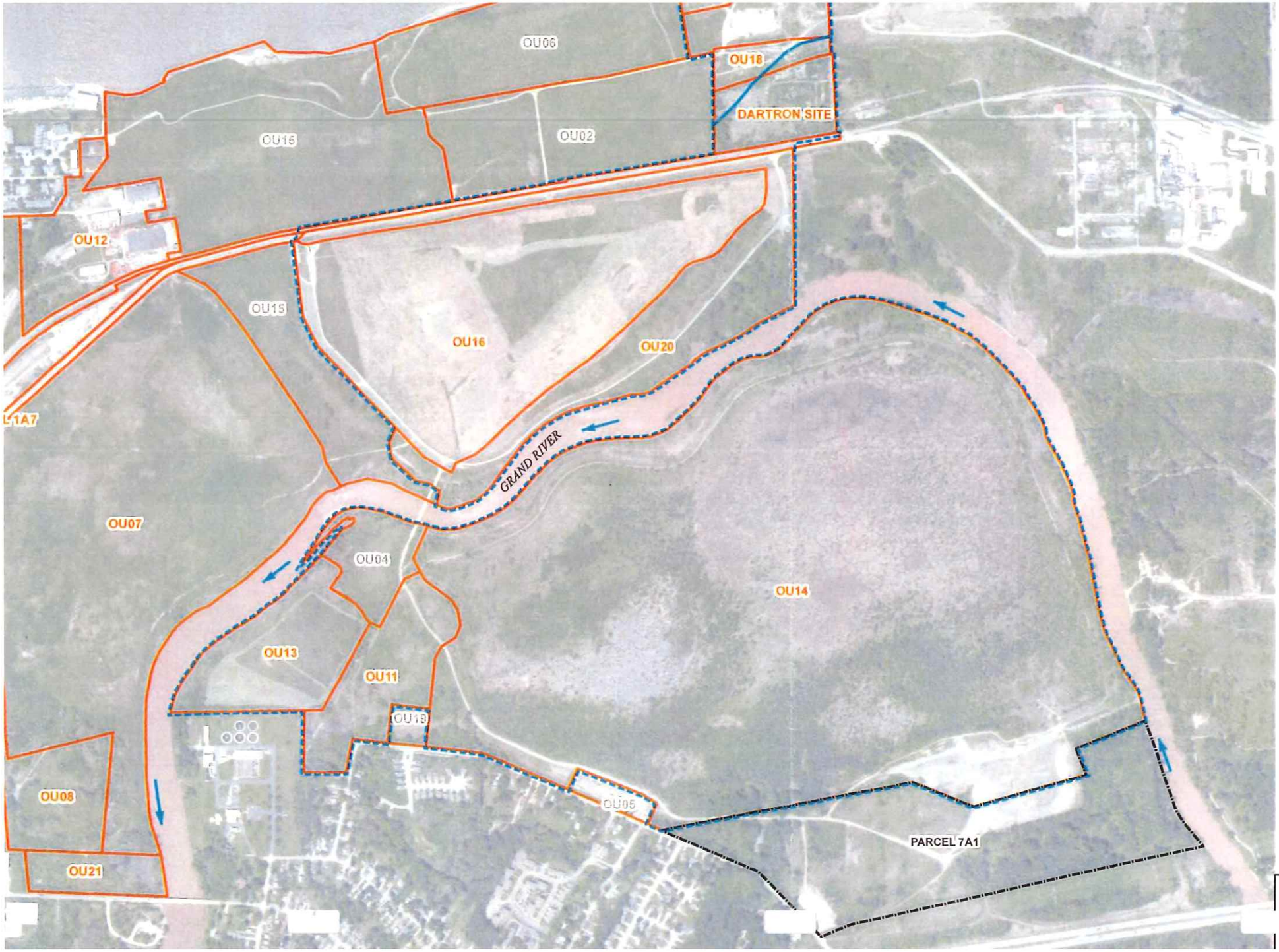
17) **How can we improve our communication with our grant partners so that we do not have to continue rushing to pass legislation and playing catch up? Communication is not lacking. We have met biweekly, now triweekly, and as often needed same day when an issue or interest arises. Dates of the meetings are included in the Electric Department weekly report to the CM.**

18) How long do we expect them to be stored before we install them?

Contractor dependent on design, permitting, and groundbreaking. We must have 5 MW installed, but not functional, by June, 2026.

19) Why the discount? **FIRST SOLAR located in Bowling Green OHIO, aware of this project from a site meeting with the Superintendent Joe Price, Plant Manager Paul Morton and Operations Manager Dana Hendricks, made FIRST SOLAR aware of this project and our desire to BUY OHIO BUILD OHIO. FIRST SOLAR wants to play a role in this all OHIO project! The PRICE is right, *the greater importance is the shorten delivery time is what is driving the urgency of this order*.**

20) Risk for using the technology? **NONE!!!! We are insistent on using tried and true proven technology to meet the needs of Painesville Electric and its' customers into the near future as we know the viability of continued use of the coal burning function of the Plant will soon expire with or without availing ourselves of the CPRG Grant.**



RI/FS ACTIVE OPERABLE UNIT BOUNDARY

OU1N-LAKE, OU1N-RIVER, AND OU1S BOU

ou_scale_to_ground

PARCEL 7A1

NOTES

1. OPERABLE UNIT 1 IS GROUNDWATER BENEATH C OPERABLE UNITS. OU1 IS SUBDIVIDED INTO OU1N-L AND OU1-SOUTH.

2. OU1N-LAKE IS GROUNDWATER BENEATH OU3 AND PORTIONS OF OU18 AND THE DARTRON SITE.

3. OU1N-RIVER IS GROUNDWATER BENEATH OU16 A PORTIONS OF OU18 AND THE DARTRON SITE.

4. OU1-SOUTH IS GROUNDWATER BENEATH OU4, OU

5. AERIAL IMAGERY SOURCE: KUCERA INTERNATION

N

0 900

SCALE IN FEET

HALEY ALDRICH

FORMER DIAMOND SHAMROCK PAINES
1897 FAIRPORT NURSERY ROAD
PAINESVILLE, OHIO 44077