

MINUTES OF MEETING  
OHIO WATER DEVELOPMENT AUTHORITY  
January 28, 2010

Chairman Joyce called the monthly meeting of the Ohio Water Development Authority to order on Thursday, January 28, 2010. The meeting was held at the Ohio Water Development Authority, 480 South High Street, Columbus, Ohio 43215. In attendance were James P. Joyce, Chairman; Lessie Milton Jones, Vice-Chairman; Gloria Fauss and Brian Hicks; Drew Bergman represented Chris Korelski, Director of the Ohio Environmental Protection Agency (OEPA); and Tracy Allen represented Lisa Patt-McDaniel, Director of the Ohio Department of Development (ODOD). Others in attendance were Ryan Callender, Bond Counsel, Squire, Sanders & Dempsey (SSD); Scott Stubbins, Financial Advisor, RBC Capital Markets; Marty Sweterlitsch, General Counsel, Benesch, Friedlander, Coplan & Aronoff. Staff members included Steven J. Grossman, Executive Director; Scott L. Campbell, Secretary-Treasurer; Todd E. Skruck, Senior Accounting Manager; Robyn McComb, Senior Accounting Manager; Ken J. Heigel, Chief Engineer; Sue Smith Farmer, Chief Loan Officer; and Gina M. Sopp, Administrative Office Assistant.

Visitors Included

Name	Company Name
Bob Selak	Thompson Hine
Richard Weiss	Morgan Stanley
Bill Daley	Morgan Stanley
Greg Swartz	Piper Jaffray
Diane Paauwe	Piper Jaffray
Mark Kim	Fidelity
Cheryl Schultz	Huntington National Bank
Rita Merry	Huntington National Bank
Eric Erickson	Fifth Third
Jim Miehls	Fifth Third
Rob Mellinger	Citi
Lara DeLeone	Key Bank
Eric Rockhold	JP Morgan
Jim Kelly	JP Morgan
Michael Gagnon	Mesirow Financial
Brad Sprague	Prism
Ron Shankman	Aramas Financial
Jamie Lang	Huntington Investment Co.
Jennifer Blaser	Peck Shaffer
Osee Pierre	Siebert Brandford Shank
Brian King	Cabrera Capital Markets
Mark Miller	Rice Financial
Chris Collier	Edward Jones
Joe Lopez	Baird
Dennis Golem	Wells Fargo

Mr. Campbell reported that the notice of the Ohio Water Development Authority meeting had been posted in the Statehouse Pressroom (Legislative Correspondence Association) in compliance with the "Sunshine Law".

**I. APPROVAL OF MINUTES**

Chairman Joyce noted that Mr. Campbell would explain a change to the December Minutes from what was previously mailed to the Board.

Mr. Campbell reported that of the 70 loans that were presented for approval at the December 10, 2009 meeting, Sandusky County was actually presented with the wrong local governmental agency name under the WPCLF Loan Program. The correct name is Sandusky Township Sewer District which has been reflected in the current copy of the December Minutes in the Board books.

Mr. Campbell noted that this is a small WPCLF loan for approximately \$600,000, \$300,000 of which is ARRA 100% principal forgiveness. He entertained questions from the Board regarding this change; there were no questions or comments.

Chairman Joyce called for a motion to approve the December 10, 2009, regular Minutes of Meeting with the correction to the WPCLF loan for Sandusky Township Sewer District.

\*\*\*\*\*MOTION\*\*\*\*\*

Mr. Hicks so moved.  
Seconded by Mr. Bergman.

AYES: Joyce, Fauss, Hicks, Allen, and Bergman  
NAYS: None

Chairman Joyce called for a motion to approve the January 14, 2010, Minutes of Special Meeting.

\*\*\*\*\*MOTION\*\*\*\*\*

Ms. Fauss so moved.  
Seconded by Mr. Bergman.

AYES: Joyce, Fauss, Hicks, Allen, and Bergman  
NAYS: None

**II. LOCAL GOVERNMENTAL AGENCY PROGRAM**

Approval of Projects

Ms. Farmer advised the Board of four Local Government Agency loans this month, three for construction and one for planning. The following projects were approved:

1. City of Avon Lake requested \$3,060,835 with an interest rate of 3.27% for 20 years, for installation of a new sanitary sewer and conversion of the existing combined sewer to storm sewers. The project will eliminate combined sewer overflows into Lake Erie.

## II. LOCAL GOVERNMENTAL AGENCY PROGRAM CONT'D

### Approval of Projects Cont'd

2. Guernsey County requested \$113,084 with an interest rate of 3.27% for 20 years, for construction of waterlines in Valley Township.
3. Village of Milford Center requested \$54,000 with an interest rate of 4.27% for 5 years, for design for 4,600 feet of waterline replacement along Reed Street, Mill Street and Short Street; and water plant renovations including rehabilitation of the iron filter and an addition of a generator.
4. City of Upper Sandusky requested \$16,240,446 with an interest rate of 3.31% for 30 years, for construction of a new water treatment plant and elevated storage tower.

### \*\*\*\*\*RESOLUTION\*\*\*\*\*

For the Local Government Agency Program loans, Mr. Bergman moved for approval of Resolution 03-10 authorizing cooperative agreements for planning and construction of wastewater and water management facilities between certain named political subdivisions of the State of Ohio and the Ohio Water Development Authority.

Seconded by Mr. Hicks.

AYES: Joyce, Fauss, Hicks, Allen, and Bergman

NAYS: None

Ms. Jones arrived at 10:38 a.m.

## III. COMMUNITY ASSISTANCE PROGRAM

### Approval of Projects

Ms. Farmer advised the Board of four Community Assistance Fund loans this month. The following projects were approved:

1. Village of Attica requested \$150,000 with an interest rate of 2.00% for 30 years, for legal expenses and penalties associated with a lawsuit between the Village and their contractor related to construction of a new water treatment plant and reservoir. Construction was funded by USDA Rural Development.
2. Village of Caldwell requested \$85,698 with an interest rate of 2.00% for 20 years, for replacement of waterlines along State Route 78, State Route 821 and County Road 56 due to relocation to accommodate ODOT planned improvements.
3. Village of Caldwell requested \$81,920 with an interest rate of 2.00% for 20 years, for replacement of sewers along State Route 78, State Route 821 and County Road 56 due to relocation to accommodate ODOT planned improvements.
4. Coshocton County requested \$383,007 with an interest rate of 1.00% for 30 years, for construction of a collection system to serve the unincorporated areas of Fresno and Pearl north of West Lafayette. The project will serve 80 residences and Pearl Valley Cheese. Sewage will be treated by the Village of West Lafayette's wastewater treatment plant.

**III. COMMUNITY ASSISTANCE PROGRAM CONT'D**

Approval of Projects Cont'd

Ms. Fauss inquired about Attica's legal expenses asking if this is a normal expense to include in a loan.

Ms. Farmer responded that the Authority has the ability to pay legal expenses. These are normally paid through the total project cost. In Attica's case, they received funding for their project from USDA Rural Development and OWDA; a lawsuit came afterward which had to be settled. It is to the Authority's advantage to assist Attica in paying these expenses through a loan so they do not have to take \$100,000 out of their funds to pay it.

\*\*\*\*\*RESOLUTION\*\*\*\*\*

For the Community Assistance Program, Mr. Allen moved for approval of Resolution 04-10 authorizing cooperative agreements for the construction of sewage treatment facilities, interceptor sewers and sewage collection systems, and water supply and distribution systems between the Ohio Water Development Authority and certain named local governmental agencies determined by the Authority to be unable to finance such facilities and systems at a market rate of interest without undue hardship upon the users of such systems.

Seconded by Ms. Fauss.

AYES: Joyce, Jones, Fauss, Hicks, Allen, and Bergman

NAYS: None

**IV. UNSEWERED AREA PLANNING LOAN PROGRAM**

Approval of Supplements

Ms. Farmer advised the Board of one Unsewered Area Planning Loan Program supplemental loan this month. The following project was approved:

1. Village of Phillipsburg requested a supplement of \$40,000 to the original loan amount of \$16,400 for 10 years, for preliminary planning of a new wastewater collection and treatment system. The Village has failing on-site treatment systems. The supplement is to complete soil borings.

\*\*\*\*\*RESOLUTION\*\*\*\*\*

For the Unsewered Area Planning Loan Program supplemental loan, Ms. Fauss moved for approval of Resolution 05-10 authorizing supplements to cooperative agreements for design of wastewater management facilities between certain named political subdivisions of the State of Ohio and the Ohio Water Development Authority.

Seconded by Mr. Hicks.

**IV. UNSEWERED AREA PLANNING LOAN PROGRAM CONT'D**

Approval of Supplements Cont'd

\*\*\*\*RESOLUTION CONT'D\*\*\*\*

AYES: Joyce, Jones, Fauss, Hicks, Allen, and Bergman  
NAYS: None

**V. LOCAL ECONOMIC DEVELOPMENT LOAN PROGRAM**

Approval of Projects

Ms. Farmer advised the Board of one Local Economic Development Program loan this month. The following project was approved:

1. City of Wooster requested \$2,750,000 including interest for the first 5 years at 1.00% and the remaining term at 3.00% interest for a total of 15 years. The principal amount of the loan is amortized over 15 years. The loan is for construction of a biotower (trickling filter) and upsize of the sewer line from the Frito-Lay facility to the City of Wooster's Water Pollution Control Plant. The project is designed to remove 80% of the soluble portion of the CBOD load from Frito-Lay to the City's plant.

Ms. Farmer referred to the Board books noting the Authority has received a letter of support for this project from the Ohio Department of Development. The project will produce a savings to both Frito Lay and the City of Wooster as well as retention of existing jobs for Frito Lay.

\*\*\*\*\*RESOLUTION\*\*\*\*\*

For the Local Economic Development Program loans, Mr. Bergman moved for approval of Resolution 06-10 authorizing cooperative agreements for construction of wastewater and water management facilities between certain named political subdivisions of the State of Ohio and the Ohio Water Development Authority.

Seconded by Mr. Allen.

AYES: Joyce, Jones, Fauss, Hicks, Allen, and Bergman  
NAYS: None

**VI. WATER POLLUTION CONTROL LOAN FUND PROGRAM**

Approval of Water Pollution Control Loan Projects

Ms. Farmer advised the Board of five Water Pollution Control Loan Fund Program loans this month, all for construction. The following projects were approved:

**VI. WATER POLLUTION CONTROL LOAN FUND PROGRAM CONT'D**

Approval of Water Pollution Control Loan Projects Cont'd

1. Metropolitan Sewer District requested \$47,500,000 with an interest rate of 3.25% for 20 years, for construction of improvements to the secondary treatment train at the Mill Creek Treatment Plant.
2. Metropolitan Sewer District requested \$41,950,629 with an interest rate of 3.25% for 20 years, for construction of improvements to the primary treatment facilities at the Mill Creek Wastewater Treatment Plant.
3. Northeast Ohio Regional Sewer District requested \$41,183,049 with an interest rate of 3.25% for 20 years, for construction of a new renewable energy facility at the Southerly WWTC.
4. Northeast Ohio Regional Sewer District requested \$21,181,455 with an interest rate of 3.25% for 20 years, for construction of the Lee Rd. intercommunity relief sewer from Warrensville Heights to the City of Cleveland. Collection of all flows will discharge into the Mill Creek Storage Tunnel. The project includes two WRRSP projects: Orchard Hills Restoration and Preservation (\$1,725,000) and East Branch of the Rocky River Ecosystem Protection (1,071,400).
5. City of Toledo requested \$10,762,353 with an interest rate of 3.25% for 20 years, for construction of sewer separation improvements in the Lockwood/Devilbiss Area as required by a US EPA Consent Decree.

\*\*\*\*RESOLUTION\*\*\*\*

Ms. Jones moved for adoption of Resolution 07-10 authorizing the Water Pollution Loan Control Loan Fund agreements between certain named political subdivisions, the Director of the Ohio Environmental Protection Agency, and the Ohio Water Development Authority, for financing construction, operation and ownership of wastewater facilities pursuant to Ohio Revised Code 6111.036.

Seconded by Mr. Allen.

AYES: Joyce, Jones, Fauss, Hicks, Allen, and Bergman

NAYS: None

Approval of Linked Deposit Bank

Mr. Campbell gave a brief history of the WPCLF Fund's Linked Deposit Program which was created in the early 1990's. Through this program, the Authority buys a Certificate of Deposit from a participating bank at a reduced interest rate. That bank in turn makes a loan to a private entity who is engaging in some sort of non-point source pollution prevention project. The participating bank is essentially passing this subsidy on to the private entity. When the original resolution was passed for this program, it stipulated that each bank that wanted to participate needed Board approval in order to do so.

The Authority is requesting a motion to authorize Metamora State Bank to be added to the list of participating banks for the Water Pollution Control Loan Fund Linked Deposit Program.

**VI. WATER POLLUTION CONTROL LOAN FUND PROGRAM CONT'D**

Approval of Linked Deposit Bank Cont'd

Mr. Campbell entertained questions from the Board regarding this request.

Ms. Jones inquired as to how the Authority vets the bank that is asking to be approved.

Mr. Campbell responded that the original resolution did not require any vetting process other than they need to be a financial institution. What is in the Authority's favor is that this deposit would fall under the Public Funds Deposit law which stipulates that the first portion of the deposit is insured by the FDIC's current limit. For any portion that is above the FDIC insurance limit, the bank has to collateralize the value of the CD with an independent collateral agent. The Authority receives the independent collateral reports. For example, the first \$250,000 is guaranteed by the FDIC and anything above that would be collateralized by the bank with an independent collateral agent.

Ms. Jones commented that if you had 5 banks who want to take part in this process; how do you determine which bank is going to become a part of the process?

Mr. Campbell responded that the banks come to the Authority through Ohio EPA. The bank requests to participate in the program and Ohio EPA then produces the Participating Bank Agreement and sends it to the Authority for approval. Once the agreement has been approved, the bank is eligible to lend to the borrower so they can begin doing projects.

Chairman Joyce added that the borrower's project has to be approved by Ohio EPA as a non-point source project first.

Mr. Grossman noted that Ohio Department of Natural Resources, as well as the soil and water conservation groups, are also involved in this process.

Mr. Campbell stated that the majority of these projects are farmers that are purchasing no till drills to prevent runoff; or they may be cattle farmers who are constructing projects to prevent manure runoff.

Chairman Joyce called for a motion to add Metamora State Bank to the list of participating banks for the Water Pollution Control Loan Fund Linked Deposit Program.

\*\*\*\*\*MOTION\*\*\*\*\*

Mr. Hicks so moved.  
Seconded by Ms. Jones.

AYES: Joyce, Jones, Fauss, Hicks, Allen, and Bergman  
NAYS: None

Mr. Grossman referred to the two page chart in the Board books which details how well Ohio EPA and the State of Ohio are doing with ARRA funding as of January 26, 2010.

