

MINUTES OF MEETING
OHIO WATER DEVELOPMENT AUTHORITY
April 29, 2010

Chairman Joyce called the monthly meeting of the Ohio Water Development Authority to order on Thursday, April 29, 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; Brian Hicks and Loree Soggs; Drew Bergman represented Chris Korelski, Director of the Ohio Environmental Protection Agency (OEPA); and Cathryn Loucas represented Sean D. Logan, Director of the Ohio Natural Resources (ODNR). Others in attendance were David Goodman, Bond Counsel, Squire, Sanders & Dempsey (SSD); Scott Stubbins, Financial Advisor, RBC Capital Markets; Sara Evans, 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 |
| Jim Kelly | JP Morgan |
| Brian King | Cabrera Capital Markets |
| Nicole Cottrell | Clark Schaefer Hackett |
| Larry Weeks | Clark Schaefer Hackett |
| Richard Weiss | Morgan Stanley |
| Bill Daly | Morgan Stanley |
| Ted Sobal | Ramirez |
| Rita Merry | Huntington National Bank |
| John Skunza | City of Columbus |
| Shai Markowicz | Citigroup |
| Ron Shankman | Prism |
| Greg Swartz | Piper Jaffray |
| Matt Elwood | Goldman Sachs |
| Sandy Pae | Goldman Sachs |
| Ned Flynn | Jefferies |
| Mark Fisher | Stifel Nicolaus |
| Patrick King | Stifel Nicolaus |
| Tom Liu | Bank of America Merrill Lynch |
| Marc Kamer | Peck Shaffer |
| Tammie Champion | Bank of New York |
| Bobbi Fisher | Squire, Sanders & Dempsey |
| Kym Arnone | Barclays |
| Rachel Belton | Barclays |
| David Reiff | Ohio EPA/DEFA |
| Matthew McAuliffe | PNC |
| Jamie Lang | Huntington Investment Co. |
| Kathleen Clark | Fifth Third Securities |
| Eric Erickson | Fifth Third Securities |
| Mark Miller | Rice Financial |

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 called for a motion to approve the March 25, 2010, regular Minutes of Meeting.

*****MOTION*****

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

AYES: Joyce, Jones, Hicks, Soggs, Bergman and Loucas
NAYS: None

Mr. Grossman noted that Ms. Sweterlitsch is on vacation; therefore, Ms. Sara Evans from Benesch is attending the meeting in her place.

II. INDUSTRIAL PROJECTS

A. Waste Management, Inc.

Resolution Approval for First Supplemental Indenture for Series 2007 Bonds

Mr. Heigel noted that Waste Management, Inc. is requesting approval of a resolution for a supplemental indenture to the Series 2007 bonds. Mr. Heigel introduced Mr. Bob Selak, representative for Waste Management.

Mr. Selak noted that this is an amendment of the 2007 Indenture relating to the 2007 Bond issue, in order to alter one of the variable interest rate modes that bonds can bear while they are issued under the Indenture. The First Supplemental Indenture and related tax documents are being authorized because this constitutes a re-issuance for tax purposes.

This transaction is virtually identical to what the Authority approved for the Waste Management 2005 bonds last year when they were remarketed. The current transaction reflects changes that will be made in connection with the June 1 remarketing when the current 3 year interest rate period ends.

Mr. Selak entertained questions from the Board; there were no questions or comments.

*****RESOLUTION*****

Mr. Bergman moved for approval of Resolution 28-10 authorizing the execution and delivery of a First Supplemental Indenture relating to the State of Ohio (Ohio Water

II. INDUSTRIAL PROJECTS CONT'D

A. Waste Management, Inc.

Resolution Approval for First Supplemental Indenture for Series 2007 Bonds Cont'd

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

Development Authority) \$25,000,000 Solid Waste Revenue Bonds (Waste Management, Inc. Project), Series 2007 and authorizing and approving related matters.

Seconded by Ms. Jones.

AYES: Joyce, Jones, Hicks, Soggs, Bergman and Loucas

NAYS: None

III. LOCAL GOVERNMENTAL AGENCY PROGRAM

Approval of Projects

Ms. Farmer advised the Board of eight Local Government Agency loans this month, six for construction and two for planning. The Akron and Columbus loans have a separate Resolution to avoid a conflict of interest for one of the Board members. The following projects were approved:

1. Village of Butler requested \$805,000 with an interest rate of 3.86% for 30 years, for construction of a 200,000 gallon elevated storage tank and associated waterlines.
2. City of Cambridge requested \$250,000 with an interest rate of 3.86% for 5 years, for purchase and installation of a sewage sludge press for the City's existing wastewater treatment facility.
3. Village of Grafton requested \$100,000 with an interest rate of 3.86% for 5 years, for installation of 610 linear feet of waterline along Yarmouth Road.
4. Greenfield Township Water & Sewer District requested \$100,600 with an interest rate of 4.36% for 5 years, for design of a force main to connect the District to Fairfield County Utilities. The District is currently being served by the City of Lancaster. Rates guaranteed by the County will provide a cost savings to the District.
5. Village of Oak Hill requested \$106,200 with an interest rate of 4.36% for 5 years, for design of replacement of the Village's existing water distribution system. The system currently experiences 45% water loss and has had 23 breaks in the last two years.
6. Rural Lorain County Water Authority requested \$8,670,632 with an interest rate of 3.86% for 20 years, for installation of automatic read water meters for the entire district.

*****RESOLUTION*****

For the Local Government Agency Program loans, Mr. Bergman moved for approval of Resolution 29-10 authorizing cooperative agreements for planning and construction of wastewater and water management facilities between certain named political subdivisions

III. LOCAL GOVERNMENTAL AGENCY PROGRAM CONT'D

Approval of Projects Cont'd

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

of the State of Ohio and the Ohio Water Development Authority.

Seconded by Ms. Jones.

AYES: Joyce, Jones, Hicks, Soggs, Bergman and Loucas

NAYS: None

Continuation of Approval of Projects

7. City of Akron requested \$750,000 with an interest rate of 3.86% for 20 years, for replacement of waterlines in Cambridge Street, between Hadden Road and Harvard Street, due to roadway construction that will lower the roadway. This could result in waterline freezing if the waterlines remained in their present position.
8. City of Columbus requested \$2,240,705 with an interest rate of 3.36% for 20 years, for replacement of a failing embankment and an addition of an internal baffle embankment in Lagoon No. 1 at the Hap Cremean Water Plant.

*****RESOLUTION*****

For the Local Government Agency Program loans, Mr. Hicks moved for approval of Resolution 30-10 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. Soggs.

AYES: Jones, Hicks, Soggs, Bergman and Loucas

NAYS: None

ABSTAIN: Joyce

IV. COMMUNITY ASSISTANCE PROGRAM

Approval of Supplements

Ms. Farmer advised the Board of one Community Assistance Program supplemental loan this month. The following project was approved:

1. Village of Caldwell requested a supplement of \$28,947, to the original loan amount of \$85,697.65 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. The supplement is to relocate the master meter used to convey water to Pure Water, a satellite district of the Village.

IV. COMMUNITY ASSISTANCE PROGRAM CONT'D

Approval of Supplements Cont'd

*****RESOLUTION*****

For the Community Assistance Program supplemental loans, Mr. Soggs moved for approval of Resolution 31-10 authorizing supplements to cooperative agreements for wastewater and water management facilities between certain named political subdivisions of the State of Ohio and the Ohio Water Development Authority.

Seconded by Mr. Bergman.

AYES: Joyce, Jones, Hicks, Soggs, Bergman and Loucas

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 Mansfield requested \$1,770,000 with an interest rate of 1.00% for 15 years, for construction of water, sewer and storm sewer lines for the 100-acre Miller Industrial Park, and expansion of a military base at the Mansfield Lahm Airport.

*****RESOLUTION*****

For the Local Economic Development Program loans, Mr. Hicks moved for approval of Resolution 32-10 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 Ms. Loucas.

AYES: Joyce, Jones, Hicks, Soggs, Bergman and Loucas

NAYS: None

VI. 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:

VI. UNSEWERED AREA PLANNING LOAN PROGRAM CONT'D

Approval of Supplements Cont'd

1. Village of West Lafayette requested a supplement of \$15,000 to the original loan amount of \$80,000 for 10 years, for design of upgrades to the Village's existing wastewater treatment plant to serve the area in the County from Pearl and Fresno. The supplement is to design a replacement of the operations building which is necessary due to the expansion.

****RESOLUTION****

For the Unsewered Area Planning Loan Program supplemental loan, Ms. Jones moved for approval of Resolution 33-10 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 Ms. Loucas.

AYES: Joyce, Jones, Hicks, Soggs, Bergman and Loucas

NAYS: None

VII. WATER POLLUTION CONTROL LOAN FUND PROGRAM

Approval of Water Pollution Control Loan Projects

Ms. Farmer advised the Board of six Water Pollution Control Loan Fund Program loans this month, five for construction and one for planning. The Columbus loan has a separate Resolution to avoid a conflict of interest for one of the Board members. The following projects were approved:

1. City of Defiance requested \$3,783,966 with an interest rate of 3.25% for 20 years, for construction of sewer separations in the Group 5 area in accordance with the City's CSO Long Term Control Plan and draft Consent Order.
2. Montgomery County requested \$1,436,126 with an interest rate of 3.25% for 20 years, for modification of the existing sludge thickener tanks at the County's Western Regional Water Reclamation Facility by increasing side-wall depth, improving tank floor slope and providing thickener make-up process water.
3. Trumbull County requested \$100,720 with an interest rate of 0.00% for 20 years, for construction of 1,400 linear feet of sanitary sewer along Bedford Road in Brookfield Township to serve 14 existing single family residences.
4. City of Willard requested \$221,448 with an interest rate of 1.00% for 20 years, for construction of a replacement sewage lift station located on US Route 224.
5. City of Willoughby requested \$295,550 with an interest rate of 3.20% for 5 years, for a comprehensive analysis of all feasible alternatives necessary to eliminate the bypass at the Willoughby-Eastlake Water Pollution Control Center and any overflows in the collection system.

VII. WATER POLLUTION CONTROL LOAN FUND PROGRAM CONT'D

Approval of Water Pollution Control Loan Projects Cont'd

****RESOLUTION****

Mr. Hicks moved for adoption of Resolution 34-10 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. Bergman.

AYES: Joyce, Jones, Hicks, Soggs, Bergman and Loucas
NAYS: None

Continuation of Approval of Projects

1. City of Columbus requested \$5,075,306 with an interest rate of 3.25% for 20 years, for construction of new headworks at the Jackson Pike Wastewater Treatment Plant. The project includes the Berliner Park decommissioning project.

****RESOLUTION****

Ms. Jones moved for adoption of Resolution 35-10 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. Soggs.

AYES: Jones, Hicks, Soggs, Bergman and Loucas
NAYS: None
ABSTAIN: Joyce

Approval of Supplements

Ms. Farmer advised the Board of two Water Pollution Control Loan Fund Program supplemental loans this month. The following projects were approved:

1. Miami County requested a supplement of \$210,058, to the original loan amount of \$298,689.50 and an ARRA principal forgiveness loan for \$698,689.50, all for 20 years, for construction of sewers in Concord Township north of Troy. Project costs will be assessed. The supplement is to allow for re-sewering of a trailer park that is being served by the project. The existing sewers are connected to the storm sewers.

VII. WATER POLLUTION CONTROL LOAN FUND PROGRAM CONT'D

Approval of Supplements Cont'd

2. City of Port Clinton requested a supplement of \$54,979 to the original loan amount of \$2,790,335 for 20 years, for improvements to the City's existing wastewater treatment plant to increase hydraulic and treatment capacity from 1.5 mgd to 2.0 mgd by: upgrading the headworks, secondary treatment components, disinfection equipment and sludge handling facilities. The supplement is for electrical work.

****RESOLUTION****

Ms. Loucas moved for adoption of Resolution 36-10 authorizing supplements to the Water Pollution Loan Control Loan Fund loan 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. Bergman.

AYES: Joyce, Jones, Hicks, Soggs, Bergman and Loucas

NAYS: None

VIII. FINANCIALS

Audit Presentation

Mr. Campbell noted that the annual financial audit of the Authority has been completed for 2009. Mr. Larry Weeks and Ms. Nicole Cottrell from Clark Schaefer Hackett will present the results of the audit today. This afternoon during the Program Review, the results that are in the financial statements will be discussed.

Mr. Campbell thanked Mr. Skruck and Ms. McComb for their hard work, diligence and expertise in order to meet the March 31 deadline.

Mr. Campbell introduced Mr. Weeks and Ms. Cottrell.

Mr. Weeks and Ms. Cottrell thanked the Board for the opportunity to present and asked the Board to refer to the copy of the Annual Report. They summarized the results of the audit and presented the required disclosures to the Board.

Mr. Weeks and Ms. Cottrell commended the Authority's staff for achieving a clean opinion through adherence of compliance with government and general auditing standards; and for providing all necessary documentation and assistance in keeping the audit timing to a minimum. They also commended the Authority staff on their professionalism and quality of work.

