AVON LAKE COMMUNITY IMPROVEMENT CORPORATION
MINUTES

Regular Public Meeting
Avon Lake City Hall Council Chambers
and Virtual
April 21, 2023
9:00 A.M.

I. Attendance

Directors attending in person were Mayor Zilka, Councilman Arnold, Ron Kovach, and Ted Esborn. Attending virtually was Steve Luca. Janice Lapina and Ross Vincent were absent.

II. Approval of Minutes from March 10 Meeting

Approval of minutes from the March meeting was deferred because Janice Lapina had changes that Ted Esborn had not yet made to the minutes.

III. Update on CIC Finances

Ted Esborn reported that the account balance was $39,891.55

IV. Status Update since March Meeting from ALERG

a. Demolition Update on Progress Since Last Meeting

Dan Rogatto said, Good morning, everyone. For those in the room that don't know me I'm Dan Rogatto, the site manager for ALERG at the Avon Lake Power Plant.

Today we'll go through the April report and we've got some good news and some bad news. The bad news starts, unfortunately, with safety. We had a subcontractor report an injury on March 10. He had his middle finger caught between the tube sheet and that device you see there, which is hydraulically operated. It crushed the end of the his finger, cracked the bone a little bit, and obviously cut the skin.

We did a complete investigation of what happened. This was an employee who had more experience running the device who was called down and he was working with a group that had a jammed machine. We are going to do additional training, and each crew that's working will always have a bilingual person on the crew, because language barrier was a factor in the injury. We don't like to see anybody get hurt and obviously our subcontractor doesn't want to see anybody get hurt.

The second item is repair of the turbine floor. That was another safety issue that happened in the process of getting some of the generator rotors out of the turbine room. The floor was damaged. And so what we did is immediately shut down all vehicle activity on the turbine room floor until we can assess

the damage. And what we did is we installed plates across between the railroad tracks to give added support. And we actually restricted all vehicle activity. All activity is going to stay within those two barriers as far as vehicle traffic or tow motor traffic.

We had roughly 45,000 accident free hours up to the March 10th date. But we start the clock over. Now we're at 6720. Our safety committee continues to meet biweekly and we are focused on the incident investigation and relaying what happened and looking for any other similar things.

Dick Shields asked Mr. Rogatto if he could talk about the security issues

Mr. Rogatto replied, yes, that's one of the ones I wanted to focus on too. We recently had a break in. We've had a few, but the most recent one was last week on April 12th. We had someone come on site obviously looking to steal copper. They went through a hole in the fence between the park. They actually took one of the little golf carts and we believe they were trying to transport material with the golf cart. They ended up getting it stuck on the West side of the plant in between the precipitator on the West side and the little tract of land between the plant and park. We saw that in the morning, we called the police, they reported right away, they took down some evidence. We had installed trail cameras in various spots around and we got a picture. Perfect portrait of this guy's face. So we've turned that over to Avon Lake police and they're alerting all the surrounding areas, but he had two pieces of large copper wire in his hand. Almost looking like he was posing for the camera.

We shut down power around the plant, and darkness promotes people trespassing. We have worked with our security guards, making sure they're making good rounds and getting around so that they might be able to see somebody.

The good news is on the abatement side. We are making a lot of good progress around the plant on abatement since our last report about the abatement of boilers 9 and 10 was completed on April 6. The abatement of the B House—that's what we call boilers 1 through 8—was completed on April 15th. They started the abatement on boilers 11 and 12 and those are planned to be completed by May 12th and May 19th, and they've also even started abatement on the admin building just this past weekend.

We've removed 1,500 tons of friable asbestos as of earlier this week and 200 tons of non-friable asbestos. We have not recently had any visits from the EPA as far as our asbestos abatement, but the new Northeast Ohio director is going to be on site here the first week in May. So we're sure he'll be touring around, looking at how the asbestos abatement is going.

Moving on to the demolition update, I'm sure people that have driven or walked along Lake Rd. have really seen the progress on the West side of the plant. There's a lot more blue sky on the horizon, a lot less building material there. We are anticipated to be done with that precipitator on April 28th, which is a week from today. Then they're going to be moving over to the duct work that's just to the east of the precipitator and starting to remove that ductwork and steel work. So again, more exposure to the lake and more exposure to the horizon.

On April 12th, we shut down the power on the east side of the plant. When you've been running a plant for almost 100 years, you're used to having power 99% of the time. It's totally different when you walk out and around and it's pitch black. It's like going camping and that there's no moon out. We are doing some partial shutdowns on Lake Rd. starting May 5th, they'll be removing the transmission lines from east to west, going across Lake Rd. They're planning on doing one set a week. This should go through the

week of May 22nd. So their goal there is to be done by June 1 when ODOT is requesting that they're all done with any traffic control. But it's just going to be partial shutdowns, they're not going to close the road. They're telling me they're just going to stop traffic for a short period of time, drop the lines and then open the traffic back up. This will be different than what happened last year when we shut the road down for four days or so.

As far as schedule, the only thing that's changed is a little bit is that we have on the asbestos abatement. We've pushed that out a couple of weeks. They found some additional asbestos around boilers 11 and 12 when they started doing some metal removal. To support the demolition, they found some more asbestos that wasn't visual at the time of the inspection.

b. Environmental Update on Remediation Progress Since Last Meeting

Gary Deigan provided the environmental update. Good morning, everybody, he said. We're here on the day before Earth Day, and this project certainly warrants honorable mention as an investment in the Earth Day cause. We have delivered an updated phase one environmental site assessment as well as a completed draft phase two environmental site assessment. And these are both good news documents. They really are. This property was underneath a layer of coal for many, many, many years. If there were any environmental sins on that property, they would have been taken care of by the coal. So the fact is that we removed the coal and the land is testing out very favorably from an environmental standpoint. It makes complete sense so we don't see the need for cover systems across that property to remove that coal and get down to virgin soil. Same with the coal pile runoff ditch and the coal pile runoff ponds. Those have been cleaned down to either the shale there that exists underneath there or clean clay, and sampling analysis has confirmed all of that. So now what we do have left behind on the property is a combination of clay soil shale, some ballast stone that came off the railroad areas, and what we call coal fines, coal fines that couldn't be recovered in the reclamation process. So they're a mixture of soil and coal fines. We have a stockpile on the order of 40,000 cubic yards of this material, we have the opportunity, in consultation with Ohio EPA, to simply manage that soil on site safely. We've done analysis and gone back and forth with Ohio EPA and they said a good soil management plan on that property would be to utilize that coal fines and soil mixture beneficially. So we're working with a local civil engineering firm--Bramhall. They've been doing our work through field survey layouts. I've asked them to work on an alignment for a multi-use trail that crosses Lake Rd. at the bridge. This creates a recreational opportunity for folks to get from Walker Rd. to the lake's edge.

We want environmental risk reduction, not just environmental risk transfer. And every week we benchmark it, we ask ourselves what environmental risk reduction occurred this week. And we talk about it and if we're not satisfied with the qualification quantification of that risk reduction, we've put an action item together to make it better the next week.

We recognized there's a lot of underground tunnels that move out to Lake Erie. So those were pathways that we wanted to cut off. And early on, the demolition contractor would put divers in the water and we studied how can we cut these pathways off so that we have risk reduction while doing the work. That's environmental risk reduction. The other thing is we went to the B House, which is the oldest boiler with the triple stacks. That had been out of service for 20-30 years. When we arrived to do abatement of asbestos there was a layer of 5-6 inches of dust on every surface. So, we had to take a look at how are

we going to manage that risk because it was real risk not only to the workers that dust was high in lead content and it contained asbestos fibers. We could have washed it down the floor drains and made it out to the ponds. That would have been an acceptable approach, it would have met the regulations But we decided that was just transferring the risk from inside to outside. So we mobilized our abatement contractor with high volume vacuum and containment measures and negative pressure and HEPA filters on all these vacuums. And we pulled all that dust out of that B house. We made a safer work environment for the workers, made a safer work environment for the Community. Sustainable solutions, that's what this concept is all about.

Last meeting there was a graphic presented. That was not our graphic. But nonetheless it was presented. And it left a little doubt, perhaps in people's minds, whether we're doing the right thing from an environmental investigation standpoint. What we've done is identify areas in a phase one environmental site assessment. What's identified in your phase one becomes your basis for where you investigate in a phase two. And this is just the east side of the main power plant north of Lake Rd. But what we've done is we've overlaid all our boring locations that we did in the identified areas that Mister Shahmir raised as a question mark last time. And you can see the cluster of borings and monitor wells are substantial and they are present wherever those intense uses were in the past. Where there's a potential for release or a likelihood of release, that's exactly what our phase two scope of work has been undertaking. And as I mentioned in previous meetings, we're going to continue that as demolition progresses and we gain access to new land areas that are not as accessible safely. Now these buildings are taken down. We'll go back in, we'll find where there was fuel storage, where there was transfer of chemicals or liquids and we'll further investigate that. I want you to know that we are using a comprehensive investigation approach. It's very much compatible with some of the comments that were made by others. And I think another good piece of news is that the Ohio Department of Natural Resources and their geologic survey have done a study and the reason that we're finding good information on these properties is because the properties have very low permeability. An almost impervious shale layer that was placed there years and years ago by glacial activity and it makes for the best protection of groundwater and the environment that you could want underneath the power plant. This layer of shale is very difficult to penetrate. 250 to 500 feet thick in this part of Ohio. And that's not my data. Does it mean we're not going to have to manage some areas. Of course not. We have some areas to manage and we will manage them as the demolition proceeds. There's been some slight exceedances during around fuel tanks, probably in the old days before the due care standard was in existence.

The other point here is that the geologic survey had looked at groundwater vulnerability as a result of that geology that's underneath this plant. They've mapped out in the whole state of Ohio. We have one of the lowest criteria for groundwater contamination. The director of the Northeast District of Ohio EPA is coming out on May 3rd to tour the site. While the EPA director is here on May 3rd, you can see our folks doing the groundwater sampling work. That's all I have for today and. I appreciate your time.

Ted Esborn said thanks, Gary. I think we can break for questions here.

Rob Shamir with Environmental Affairs Advisory Board said I've got a question regarding the last few slides. If you look at the photos of the construction, which are readily available, you see massive fractures that run east-west as well as north-south. Seismic studies don't change. They are geological information. When you look at general studies, when you look at the data, I'd like to know what's your

stance on the pictures that you've looked at? And then when you mentioned the fly ash that were being removed—were those fly ash impoundments inspected for leaks? Were the cluster wells installed to see if there were leaks in that area? And then we also have discussed that the area of the coal pile –my question is what are the depths of the groundwater?

Ted Esborn said all right. Thank you, Mr. Shahmir, for collecting your questions like that.

Gary Deigan replied to Mr. Shahmir, saying I'll be very brief in terms of a 1975 or historic photo of a potential fracture in the shale. I care about what we're in, real time today. Real time today suggests that I go to the potential source area where contamination could exist. I test downstream. From that I test upstream and I do it with borings to go into the shale 20 feet, 25 feet until I get refusal. And I test at the surface. And at the lower levels of that bore. So to me that is exactly the exposure pathways we should be concerned with—the ones that are right near the source areas, and when I say source areas, I mean potential contamination source areas. To speculate on conditions that existed during construction, that's not that important to me. If we were to see shale that was soft or fractured that we were able to move that drill rig right through it, yes, we would make notes of that and we would just make adjustments to that, the depths of our wells vary anywhere from 15 feet when we refuse to go any deeper because the drill rate couldn't do it. Or as low as 25 feet. And to me, those are reasonable levels to find the first migration pathway that would exist from the surface or a shallow underground condition to examine the property deeper than that.

Ron Kovach said you talk about drilling to rejection or drilling to refusal. That also means water or contaminants could not leak through that.

Mr. Deigan said absolutely, that's exactly what I mean.

Mayor Zilka said there was a list of items you dealt with. You dealt with transformer oil. Did you talk about that? I don't remember hearing.

Mr. Deigan replied, absolutely, the transformers have all been drained. The oil has been put in totes. It then gets sent to what we call a secure secondary containment area. That's curbing and if that tow were to leak or be ruptured by a forklift, that would have secondary container for the oil that goes off site for either recycling or disposal.

c. Redevelopment Update

Dick Shields of Avison Young introduced himself, saying that he and Don Lydon have responsibility for doing the redevelopment and marketing the property. First of all, we've transmitted additional comments and revisions to the redevelopment agreement to the City for action and with our Counsel ready to move forward with the completion and execution and your adoption of such an agreement. Gary indicated we do have certain buyers under NDA and letters of intent being negotiated; we hope sometime in the next 30 to 45 days to have some action on our first sales of property. Toward that end, we also are responsible for the cell phone tower leases that are on the property. And if you drive along Lake Rd. you can see the temporary replacement cell power that's been erected by AT&T next to our trailer or at the substation there. That allows them to abandon stack #9. This is to relocate that service on temporary basis across the street and allow us to move forward.

Mayor Zilka asked Mr. Shields if he informed the city of the tower being erected?

Mr. Shields replied, we mentioned that a number of times to AT&T and AT&T, it said they were taking the necessary actions regarding that and you know on our calls, we clearly laid that out and they assured us that they're doing everything the way it's supposed to be done so.

Ted Esborn added, Mayor, I know the building department has kept me in on a correspondence with a party that is relocating what was on one of the towers, so it may be that is what they're talking about.

Mr. Shields continued: So in our last meeting, I presented the revised master plan that. We took the Turbine hall and turned that into a park and what we've done since then is we've refined that to do 2 things. Number one is to provide a link on the Zilka Bridge to provide a bike and pedestrian pathway across Lake Rd. and down to the lake. And we've modified the plan and parcels to provide an easement and location for pathways, working with Metro Parks and the city. The second thing we did was we took the previous plan we had shown you and we developed a parcelization plan to try to identify the potential land uses in areas associated with this revised plan. We had not updated that at the time. And so this identifies a series of conceptual parcels, as it were. We had simplified the roadway plan to not have a continuous roadway going through and to create a park or the potential for a park on the former foundation. That could be public or it could be private development also, but at the present time I'm showing this as public parcels. As we go through the city's normal process to review the plan and the potential for this thing, this will also allow us to work with the interested parties regarding the acquisition and redevelopment of this public plan for park purpose. And I think that with Metroparks and city and any other interested party, we now have some boundaries that we can use to talk about what is it, who is it, how will it happen and how will it be financed. And I think that this then would give us also the framework to entitle the property as we move beyond the redevelopment.

V. Development Agreement Proposal Update

Todd Davis said that the City did receive the revised comments from ALERG with respect to the reimbursement agreement, I've provided my comments to the city law director. We're waiting for response, we're hopeful that we'll be in a position to have an agreement very shortly. With approval of the comments that I suggested, which I think are minimal, we should be able to move forward.

VI. Comments from Avon Lake Environmental Affairs Advisory Board (EAAB)

Rob Shahmir re-introduced himself and said that he was presenting a few questions on the eastern and northeastern part of the property. I'm focused on the transformer repair house maintenance shop and the water treatment waste ponds fill area. Those areas are all PCB potentials as well as other dense non active phase liquids and other contaminants of concern. Again, this is the maintenance shop. This is the transformer repair shop. The thing is about environmental studies, phase ones--It's all about history. It's all about what has happened on the site. That is fundamentals of phase one assessment. You look at what has happened. So this is the area of the transformer repair house. All these photos are available in the library. This is the sewer line. If you look at the bottom of the left hand photo, it says the sewer line for the transformer repair house. This is running East West from the transformer repair house towards

the plant towards the maintenance shop. These are clay pipes. What you do see is a deep trench with clay pipes that tie back into a transformer repair house. That is the transformer repair house, that train trolley is General Electric's delivery of a transformer to the site that comes from the Pittsfield, MA works, which is the GE facility. All the PCB's that were put into Transformers came out of that facility. So we know that PCB's and Transformers containing PCB's were brought into the site. Now these are the notes we have Transformers that have contained PCB's. We have clay pipes in the sewer lines for the transformer repair house and the transformer repair House sewer line goes east West. So it actually goes towards the plant and towards Powdermaker Creek. Our question here is whether the area under and around the transformer repair house be investigated? Will the sewer line area be investigated? And will the how to how to make a Creek be? Inspected and investigated 4 PCBS within the transection zone of those sewer lines. Again, these are historical information. They don't change once you build it. You utilize those information for future studies and closures and. This is what is used in the industry. Now the other area is the ponds. Retention ponds. There was a significant volume of fill that was utilized to fill this area. Concrete has a lifespan of about 50 to 100 years. So what you have then is a lot of acidic material running through and running around. Have they been inspected for leaks around the pond? Now I would like to take a step back and reflect on this geology. It doesn't change in 100 years. In 1000 years, a million geology effectively is a function of Mother Nature. The Earth rebounds. You have fracture patterns that occur. These are geology 101 fundamentals.

I have spent a portion of my life in oil and gas. If refusal meant that there is no transfer or transmission, I would be out of business. Refusal means that my auger is not able to penetrate. I have to put on a drill bit and I have to start drilling. Refusal doesn't mean that there is no liquid transfer from one layer to another. If that was the case. All the shale coal people would be out of business. Our concerns are PCB's. PCB's by nature are denser than water. They find the path of less resistance. These are fundamentals that require attention and this is what is required to be incorporated into the data quality objective of any phase two investigation. So these are our concerns. Nothing more, nothing less. We wish you nothing more than success, but what we want is clarity in data collection, clarity in approach.

VII. Meeting Schedule

a. May 12
b. June 9

Councilman Arnold asked if anyone was able to comment on the acquisition of Charah at all today? Obviously, that's been the news recently and I just wanted to clarify because you know as this process is going on, you know when I first saw that I got a little nervous. And then just because it's changed, but it looks like it's a good thing. But Scott, would you be able to comment on that?

Scott Reschly replied that he can make some comments. We had had some recent press releases about an extension of our fourth quarter financials filing that with the SEC. Over the last four or five months, our board and our CEO had been looking for long term strategy. I'll even back up and probably give a little bit more color. Charah had previously been a privately held company from 1987 all the way till 2018. In 2017, Charah was acquired by a private equity company called BCP. This took Charah public. But remained about 70% ownership of Charah through that time from 2018 until now. So while we were a public company, we were pretty much held by 11 primary investors. BCP was looking to exit their

investment and finish monetization of their investment. And therefore, we needed a more long term strategic partner that would continue to help us see the growth that we want to grow to. Obviously we've got a lot of projects going on across the United States. Bottom line, we needed to find a long term partner that that wanted to continue to see us grow. And so we started that process again four or five months ago. And that culminated here with the signing of definitive sale agreements on Monday. SER Capital is a is another private equity company. Their history is really all from the electric utility industry, so they know Charah. They were clients or they were purchasers of our services because they worked for companies like Duke Energy, Vistra, Exelon, to name a few. So they were historical purchasers of our services, so they knew the quality of work that we brought for environmental sustainability. They knew that the culture of safety that we brought to the table, all the things that you hear Dan and Gary mentioned here in the in the meeting today. So it's going to be a very good strategic partner, not just a financial partner, but a good strategic partner. They're going to acquire 100% of the shares. There's still a process that has to go through since signing those definitive agreements, it's probably about 60 to 90 day process. So it's an exciting time for us, exciting time for our employees and for our customers. It's a good thing for us and we're happy and pleased with it.

VIII. Adjournment

Ron Kovach made a motion to adjourn the meeting, Ted Esborn second. Motion passed, 5-0. Meeting adjourned.