



**OFFICIAL MINUTES OF THE OXFORD MAYOR AND COUNCIL MEETING  
WORK SESSION  
MONDAY, JULY 19, 2021 – 6:30 PM  
VIA TELECONFERENCE**

**ELECTED OFFICIALS PRESENT:**

David Eady – Mayor  
George Holt – Councilmember  
Jim Windham – Councilmember  
Lynn Bohanan – Councilmember  
Laura McCanless – Councilmember  
Jeff Wearing – Councilmember

**STAFF PRESENT:**

Marcia Brooks – City Clerk/Treasurer  
Jody Reid – Utilities & Maintenance  
Supervisor

**ELECTED OFFICIALS NOT PRESENT:**

Avis Williams – Councilmember

**OTHERS PRESENT:** Holly Bisig (Municipal Electric Authority of Georgia Power (MEAG)), Steve Jackson (MEAG), Michele Jackson (MEAG), Art Vinson, Laurie Vinson, Michael McQuaide, Phone Number 803-606-9124 (name unknown).

**Agenda (Attachment A)**

**1. Mayor's Announcements**

- Mayor Eady announced the passing of community member Nancy Murdy.
- City Manager Matt Pepper is out on leave due to the birth of his child on July 12, 2021. Mr. Pepper has accepted a position as Assistant City Manager with the City of Snellville. His last day with the City of Oxford will be August 11, 2021. The City is aggressively recruiting for a qualified individual to fill the position. Several candidates have already submitted resumes and applications. The deadline is July 30, 2021. Mayor Eady will provide more details in an Executive Session tonight.
- The City of Oxford is now the owner of about 32 acres of property, about four being in the City of Oxford and twenty-eight being in the City of Covington. The purchases also position the City of Oxford against potential encroachment from industrial development and related impacts from noise. These actions also further the City's action to protect the Dried Indian Creek corridor. James Windham asked if the City plans to ask the City of Covington to cede the twenty-eight acres to the City of Oxford. Mayor Eady stated that he expects that will occur as soon as the City can take the administrative steps necessary to complete that process.

## 2. Committee Reports

- a. Trees, Parks and Recreation (TPR) Board  
Mayor Eady stated that he reached out to the TPR Board and Sustainability Committee concerning the grass in Asbury Street Park. They agreed that the grass is being cut too short. Jody Reid advised that he communicated with the landscape company and ask them to raise the decks on their mowers until the grass is three inches. He also advised that they would start the organic fertilizing program that had been discussed. Laura McCanless also discussed invasives in highly visible areas. This issue is still being discussed. Mayor Eady asked the TPR Board to initiate a systematic plan for removal of invasive species along Oxford streetscapes and trails and replacing them with native species plants.
- b. Sustainability Committee – Michael McQuaide stated the committee is excited to be undertaking the restoration of the Dried Indian Creek corridor through application of the grant from the Georgia Outdoor Stewardship Program. The Committee's work has been focused on efforts that gain merit for that program. Mayor Eady has received word from Congressman Hank Johnson's office that a Congressional earmark project for the Dried Indian Creek Protection and Connectivity Initiative at the level of \$900,000 is in the Transportation and Infrastructure Appropriations Bill the committee is working up. It is one of several projects Congressman Johnson has included in the bill. Mayor Eady also advised that he has met with the intern engaged for the summer by the Sustainability Committee. He presented his findings on sustainability plans in other cities to Mayor Eady. Marcia Brooks stated that a survey on Dried Indian Creek will be going out this month with the utility bills.
- c. Downtown Development Authority (DDA) – Mayor Eady stated that the DDA is continuing to work on their plans for the greenspace improvements.
- d. Committee on Race – Mayor Eady stated that Mark Auslander is in town to film segments around the City about contributions from people of color over the years. Emory is considering a monument in tribute to slaves and others who made sacrifices in their contributions to the City.
- e. Planning Commission – The City has engaged with the Northeast Georgia Regional Commission (NEGRC) to develop the text changes for the zoning amendments proposed by the Planning Commission.

## 3. Solar Power Purchase Contract (Attachment B)

Representatives from MEAG presented an update on the solar power purchase option that was discussed with the City Council in 2020. Steve Jackson stated that the size and developer of the project have changed due to interest from MEAG participants at less than 100 megawatts. The original developer had based their participation on commitments of about 150 megawatts. They consequently raised their prices to the extent that MEAG felt it was no longer a viable proposal for participants.

MEAG terminated discussions with the original vendor and went back to some of the other vendors they had received proposals from. They now have a viable and executable power purchase agreement (PPA) with a developer for an eighty-megawatt agreement. The cost is \$25.91 per megawatt hour, which is less than what was expected in the prior agreement. The cost is fixed for a term of twenty years. Another advantage is that the infrastructure connects to a MEAG power substation, which provides MEAG with control over the interconnectivity. Consequently, the structure of the project is more economical.

Before MEAG can commit to the power purchase contract, they need commitments from participants in the form of an executed contract. They do have a subset of the forty-nine participants in Georgia already interested.

Mr. Jackson also noted that the PPA is for 80 megawatts of power, no more and no less. If interest levels are received above the 80 megawatts, participants' request will be scaled back using a formula in the PPA.

Security provisions are the same as in other contracts. There is also a 25% step-up clause. This means if a participant defaults on the agreement, the other participants will be required to pay up to 25% of their monthly payment to make the developer whole. MEAG has never had to institute a step-up provision and they do not expect it to be instituted, but it is a way to provide assurance to the developer that their participation is worthwhile and that they can obtain low-interest financing for the infrastructure because of the security the participants are providing. It also allows MEAG to issue economic bonds. In addition, the power is sold on the open market to generate revenue, and each participant contributes money to an escrow account from which payments would be made.

There is no fixed cost associated with this initiative, no debt being issued, and no demand or capacity payment to the developer. Participants only pay for energy used. The price is very economical, and not quite as efficient as nuclear power operationally, but is more economical than natural gas or coal.

MEAG is requesting that participants who sign up execute a resolution. They have provided a template for this purpose. They have also provided an opinion of counsel to show to the developer that the participant's counsel has reviewed all legal requirements and approves participation in the agreement from a legal perspective. MEAG would like to have these two documents along with the power purchase contract executed and returned to them by mid-August. MEAG will then take the PPA to their board for approval.

Laura McCanless noted that the new provider, Pineview Solar, has an incorporation date of a few days ago. She asked if MEAG had researched other projects they had been involved in, and if they feel confident that Pineview Solar has the ability to undertake this project. Steve Jackson stated that each project is a limited liability company. The developer is hep Peak Clean Energy, a large German organization. The company hep

purchased Peak Clean Energy in 2019, which has been working on renewable energy projects for a number of years. MEAG Power feels very confident in the ability of the developer to follow through.

James Windham stated that he has more confidence in the project knowing that a German company is behind it because they have more experience in such projects.

Mayor Eady asked Holly Bisig and Michele Jackson to discuss the economic impact of the proposal and the role solar power plays in our portfolio.

Michele Jackson stated that the slide provided to the City Council is essentially the same analysis that was provided to the City in August of 2020. It is a comparison of the cost of MEAG's ten-year plan, which is their plan of record, and the latest results of running the integrated resource plan with the City of Oxford committing four megawatts capacity of solar. Four megawatts of solar capacity produces about 10,000 megawatt hours per year. Putting 10,000 megawatt hours of solar into the system results in a significant savings by avoiding purchases of power on the market and by using less economic resources.

Starting in 2024, the City will see a savings of about 1.5% in costs. As time goes by and market rates for other sources increase while the cost of the solar energy stays flat, it is anticipated that cost savings will be up to more than 5% energy cost savings by 2030. Mayor Eady added that the capacity that would be added is expected to offset the anticipated shortage by taking Wansley offline. Entering into the contract should reduce or eliminate the need to purchase additional capacity at market rates.

Steve Jackson stated that the benefit of eliminating Wansley is the elimination of some fixed costs. As stated previously, the solar plan avoids any fixed costs other than the payments for power used.

Laura McCanless pointed out that there is a step-up agreement in the City's current agreement, so it is not something new. Mayor Eady added that before a City pays, MEAG will make a concerted effort to collect the money from the defaulting participant. Steve Jackson stated that if a City has to make a step-up payment, the City will be reimbursed when the defaulting participant pays what they owe. MEAG will also bring other participants on board to cure the default and make the developer whole, which can help minimize a participant's step-up cost.

Jeff Wearing asked what percentage of the City's portfolio four megawatts is. Michele Jackson stated she does not have the latest numbers in front of her but thinks it is a significant percentage. Oxford's capacity usually runs about 4 megawatts. Since four megawatts of solar capacity provides 2 megawatts of power, it would cover about 50% of the portfolio. Mayor Eady stated that it goes a long way toward decarbonizing the City's portfolio and stabilizing the City's cost, since the need to purchase electricity at market prices should be eliminated or reduced.

Mr. Wearing asked if there is a lot of down time in generation of solar power because of clouds, rain, etc. He does not believe that 50% of the City's portfolio needs to be invested in solar energy.

Ms. Jackson acknowledged Mr. Wearing's concern but stated that the other resources would serve as backup when the solar resources are not sufficient. Mayor Eady added that MEAG does a good job of optimizing the resources to ensure that participants use the resources that are most efficient for them at various times, and solar would be used in Oxford during the daytime hours. Mr. Jackson stated that the maximum load would be required in the summer during the day, which is also when solar power is generated most efficiently, especially in the southeast United States. Mayor Eady stated that a small percentage of the City's power also comes from hydroelectric resources through the Southeastern Power Association (SEPA).

Mr. Wearing expressed concern that the City would be paying for four megawatts of solar and only getting two megawatts of actual capacity. He also mentioned that there would be many gray days in winter that would not generate good solar power. Mayor Eady stated that the cost quoted per megawatt hour is on par with the cost for power generated by natural gas, which is much more volatile than the fixed price for solar power.

Holly Bisig stated that the City would only pay for power when it is buying the power from solar generation. James Windham stated that efficiency of the cells capturing the solar energy is only reduced to about 70-80% on cloudy days. They are not inoperable on cloudy days. Mr. Jackson stated that the City has a good mix of other reliable energy resources in its portfolio, including nuclear, hydroelectric, and coal from Plant Scherer. As coal becomes less viable, it will be transitioned out of the resource mix.

Mayor Eady stated that MEAG has a commitment to carbon neutrality by 2050. As older resources like coal roll off, they will continually be evaluating their mix to achieve that goal.

Art Vinson asked if the twenty-year contract accommodates provisions for inflation. Mr. Jackson stated that there is no adjustment provision for the price. It is a flat rate for twenty years. He also mentioned that utilizing renewable energy provides for energy credits. In twenty years, the City can renew the contract or walk away from it.

Mr. Vinson asked if there is a provision in the contract for the City of Oxford to terminate the contract if the cost becomes less optimal. Mr. Jackson stated there is not a termination clause in the contract based on economic changes. The contract is designed this way to provide the developer with the assurance that they will be paid for the commitments they are making. The termination clause only covers failure to perform under the terms of the contract. Mayor Eady added that the City's existing commitment for Plant Scherer includes physical plant costs that must be paid regardless of whether the resource is being used. The solar contract requires payment only if the resource is used, with no financing of physical assets.

George Holt asked if the City is obligated to purchase four megawatts. Mayor Eady advised that the City pays only for what it uses. Mr. Holt then asked what the significance is of the four megawatts. Mayor Eady stated that the City has an obligation to maintain their maximum capacity plus 15%. Even though the City usually uses about four megawatts, it must commit to around five megawatts to meet that requirement.

Steve Jackson stated that the City must commit to the maximum capacity to meet its demand. When solar is operating, MEAG will adjust other resources, so the system is balanced. The same would apply for Oxford's set of those resources. If the City is not using the solar power generated, it is being sold to someone else, and the City gets credit for the purchase.

Mr. Holt asked what happens if there is not a customer readily available to purchase the power not used by the City of Oxford. Mr. Jackson stated that they evaluate the needs of their forty-nine participants and see where the excess power can best be used, and other participants purchase it.

Lynn Bohanan asked what the disadvantage(s) is/are of agreeing to the contract. Ms. Jackson acknowledged that technology obsolescence is a risk. But the solar panel farms being set up now have a thirty-year life. The twenty-year deal is a good hedge against technology obsolescence. Other risks are a collapse in market prices; a sunny day when the City can't use its energy generated and there are not other participants that will make up the difference.

Another factor to consider is this contract will result in the generation of renewable energy certificates which have monetary value. Under the solar proposal the City of Oxford will be able to claim a large percentage of its system as renewable energy. This is something very important to Oxford College.

Mr. Windham asked what the City can do with the renewable energy certificates. Ms. Jackson stated that the certificates substantiate the claim that they are using renewable energy. They could also be marketed to customers for them to purchase. Ms. Jackson offered to provide a template for sales of renewable energy credits. Steve Jackson advised there is also a market for the certificates, and they could be used to fund a project in the City.

Mayor Eady requested a pause on the discussion of renewable energy credits so that other items on the agenda can be addressed. The City will need to vote on the resolution and contract in the August Regular Council Meeting. He thanked the representatives of MEAG for their attendance and participation in the meeting.

#### 4. **Local Option Sales Tax (Attachment C)**

Mayor Eady stated that Jerry Roseberry was instrumental in ensuring that Oxford's portion of the Local Option Sales Tax (LOST) supplied the City a significant amount of revenue. It is now time to renegotiate the percentages cities will receive with Newton

County. By the end of 2022, a new agreement between Newton County and the cities will need to be in place. The city managers in the County began meeting several months ago to discuss how they could position the cities for strong negotiations.

In speaking with experts, they discovered there are several criteria for determining apportionments. In the past, Newton County has used population as the method for determining the apportionments. One of the things Mayor Roseberry was able to do was ensure that the City of Oxford retained the same percentage in the last agreement as the one before. Consequently, the City's apportionment has been just over three percent for twenty years.

An engagement letter was sent to the City Councilmembers as part of proposal from a consulting service. The engagement letter lists eight criteria that can be used to determine the apportionments, one of which is population.

George Holt stated that the data the consultant is proposing to gather is information that is already public knowledge and data that the City already has. He does not see the need to hire a consultant to provide the data. Mayor Eady stated that the City Managers are bringing the proposal to their City Councils to hire the consultants to gather all the data and put it into a format that can be presented during negotiations within the context of the criteria. The total cost is \$33,600 plus travel expenses. The City of Covington is willing to pay most of the cost and the rest would be divided between the other cities. The cost to the City of Oxford would be \$2,800.

James Windham stated he does not see why the City Managers cannot compile this data, as this is what they are paid for. He feels there are other consulting services that may serve us better.

Mr. Holt stated that we need to hire someone who can negotiate effectively with the County; the City has the data.

Laura McCanless asked who would be designated to negotiate the LOST apportionments. Mayor Eady advised that the city managers and mayors of the cities would meet with representatives from the Newton County Board of Commissioners, and at that time, the cities would present their arguments for their selected approach. He also stated that the data is not assembled and in front of the City Council in a form that can be presented to anyone. The City Managers felt that a unified approach to compiling and presenting the data would be a better way to negotiate. Although a city may believe one of the criteria is best for them, the cities would come to a consensus for the negotiation.

Ms. McCanless asked what the LOST money is used for. Mayor Eady stated that it goes into the general fund and pays for office staff salaries, police officer salaries and equipment, streets and parks maintenance, and other general fund expenses. She expressed surprise at the current percentages. She feels that we are competitors with other cities in the County. Mayor Eady stated that the cities cannot go into this

negotiation as competitors. The conversations between the cities about conflicting policies driving their desired apportionments need to occur before going to Newton County. A unified front must be presented by the cities during negotiations. He does not think our City Manager has the time to gather the data. The point of the proposal is to outsource the data analysis piece of the negotiations.

Ms. McCanless agreed that the City is in a difficult position with its City Manager situation, but she believes the priorities of the various cities will drive which criteria they want to use and which services the money pays for in their cities. Mayor Eady agreed and stated that the analysis needs to be done to put that data in front of everyone so they can make sound decisions.

Mayor Eady stated he wants the process to be fair to all, and he believes that a strict population apportionment will not be fair. The proposed analysis would provide a common operating picture across all criteria, the way the pie can be sliced, the implications of using a particular criterion, and why that criterion may or not be the best one. The analysis would be provided by an objective third party that is not biased for or against any one city. The cities will need to come to a consensus about what criteria are best for all of them. He advised that Matt Pepper did speak to Jerry Roseberry, who stated that the biggest task is to get the City of Covington on board, and they are very enthusiastic about hiring the consultants.

Mayor Eady stated that this proposal needs to be voted on in August so that the contract can be executed for the data analysis. If the City of Oxford votes not to participate, the City of Covington will go forward with the analysis, which may or may not have any information of value to the City of Oxford.

Ms. McCanless does not feel that someone could be hired to gather the data to analyze the viability of the criteria for \$2,800.

Mr. Holt stated that he understands that Mayor Eady may not feel comfortable entering into the negotiations without the data, and although he disagrees with it, he recommends going forward with it. He also stated that with the City of Covington on board, the other cities are almost obligated to participate. Mayor Eady stated that his approach is very similar, and he wants to ensure that the City of Oxford can go to the table with the data that is needed.

**5. Building Permit Services Contract (Attachment D)**

James Windham asked that this discussion be tabled to give him more time to gather information.

**6. Work Session Meeting Review**

- a. Vote on Solar Purchase Power Contract in August
- b. Vote on LOST Data Analysis in August



7. **Executive Session**

The City Council entered Executive Session at 8:30 p.m. to discuss personnel matters.

8. **Adjourn**

**James Windham made a motion to adjourn the meeting at 9:00 p.m. George Holt seconded the motion. The motion was approved unanimously (6/0).**

Respectfully Submitted,



Marcia Brooks  
City Clerk/Treasurer