

The Council for the Village of Monroeville met on Tuesday, 2/25/25, at 6:00 PM, for a special meeting for the purpose of discussing a new electric service agreement for a proposed data center at the Industrial Park, to review & approve requisitions over \$5000, and to consider the Mayor's recommendation to remove Chief Earl from probation.

Present at roll call:
Chris Raftery
Mark Miller
Sue Rogers
Tammy Schlachter
Bob Whitacre
Sam Wiley

and: Joseph Galea, Mayor
Tom Gray, Village Administrator
Bonnie Beck, Fiscal Officer
Heather Alicea, Administrative Specialist
Jim Barney, Solicitor

Also attending: John Courtney and Scott Wieging, from Courtney & Associates; John Coyle (present via telephone); Jim Ehrman; Alyshea Galea (present until 6:05pm); and Cindy Wilson (entered the meeting at 6:24pm).

APPROVAL OF AGENDA

Sam Wiley made a motion, seconded by Sue Rogers, to approve the agenda as presented. Motion carried with no discussion.

Council member Tammy Schlachter had previously asked to be excused from tonight's meeting, but was able to attend.

ELECTRIC SERVICE AGREEMENT PROPOSAL

Tom Gray, John Courtney, John Coyle and Jim Barney spoke about a new electric service agreement for a proposed data center at the Industrial Park.

Tom presented his packet that was previously distributed to Council and expressed his interest in an AI data center being added to the Industrial Park. This will allow revenue to be distributed to both the General Fund and the Electric Fund. Discussions began in October 2024, when Digital Decimal Currency, LLC made an inquiry about procuring land in the Industrial Park for a data center. Discussions were had between Glen Hammersmith, the Village and all of the legal representatives. The Village has gathered a statement of qualifications from Digital Decimal Currency, LLC, and a statement which shows the benefit of having an AI data center here in the Village. The data center will create jobs, including construction jobs, and bring an income stream to the Village. It will also be environmentally friendly. The initial load will be 30-megawatts, which will bring in several thousand dollars per month in energy charges to the Village, and the kilowatt hour tax, which will be distributed to the General Fund. As this project grows, it could increase to 73-million kilowatt hours per month, which will bring 6-digit figures into the General Fund on a monthly basis. The data center is not a "here today, gone tomorrow" type of installation. Having the data center will solidify the Village's future going forward. Everything that is needed in the Village is triggered from this type of installation. Digital Decimal Currency, LLC also has community funds that are available for different causes. The site plan that was provided in the packet depicts the existing buildings located on the property. The modules that will be constructed would ramp this project from 30-megawatts up to 100-megawatts. The individuals that have formed Digital Decimal Currency, LLC have assured Tom they have their financing in place for the infrastructure and they have their investors in line to complete the data center portion. It's a matter of facilitating the approval of the ESA (electric service agreement). The Village will work with Decimal to make sure the installation is done in a timely manner, in order for the power to be turned on. The first 30-megawatts will be a line extension, at 69 kV from Herbert substation, and is at Decimal's expense. The entire scope of work to get this off the ground is not at the Village's expense. The Village will have some ancillary cost with AMP and First Energy, but not anything that would take the Village outside of the ballpark.

John Courtney spoke and said one of the key things is that the Village is not being asked to put any capital funds towards this project. Decimal has agreed that they will make all of the improvements at their expense. The 69 kV line that will come from Herbert substation to the site will be paid for by Decimal. John intends for the facility to become part of AMPT during this process, but initially, Decimal will pay for the line. Decimal will build their own substation. The Village is going to make some money off this as well. The initial 30-megawatts generates about \$80,000 per month in kilowatt-hour tax and about \$22,000 per month in service fees for the Village delivering the power. The customer will pay the kilowatt-hour tax in their bill, and those funds will be distributed to the General Fund and stay in the General Fund. When Decimal increases to the 100-megawatt level, the kilowatt-hour tax becomes more than a quarter of a million dollars per month and \$79,000-\$80,000 per month in total for service fees. This will allow the Village to do some things they haven't been able to do in the past. The contract has been worked on for the past four months. The collateral requirements have been tightened, which requires the customer to put up a fair amount of collateral in advance of taking service and in advance of any future purchases going forward.

Tom pointed out that Decimal is going to have generators on site. Consistent with a data center, they will be off peak, but they will go to their generation when the Village's transmission and capacity cost start to ramp up, in order to avoid interruptions. This was made part of the negotiations that took place.

Jim said there are a few things about this ESA that are different than the previous one. Decimal has current control over the existing crypto site. They've been making payments the last nine months, at \$400,000 per month, and they've never missed a payment. They are much more sophisticated than the Village's previous ESA partner. Like John Courtney said, Decimal has to put up collateral before they can begin. Worst case scenario, if Decimal gets a month or two behind in payments, the Village can flip the switch to disconnect power and collect on the collateral. The Village is in a good position with this ESA and Jim is confident that this is going to work for the Village.

John Coyle said that he thinks that on the whole, the agreement is fair and represents an opportunity for the Village. If the project doesn't work out for any reason, the Village doesn't have a great deal of risk, and is better protected under this ESA than the predecessor, especially with the collateral that was put up. Decimal has a proven track record of paying their bills timely. This project will provide a lot of benefits to the Village in the coming years.

Sam asked if the initial 69 kV line install will be sufficient for 100-megawatts, and asked if there will be additional line installations. Tom said the initial 30-megawatts of capacity to the Decimal substation is going to be served behind the meter. When the AMP reinforcement project gets underway and is completed, the 30-megawatt behind the meter will revert to part of the AMPT reinforcement project. All of the power will ultimately come from the new AMPT switching station. The AMPT reinforcement project will be able to handle the 100-megawatt capacity. A dual circuit comes in, creates the ring bus and the existing 69-kV behind the meter will be repurposed.

Sam said an aerial view of the area showed road and parking. It looks like this will connect coming east and into where the Monroeville Local Schools track road goes in, almost as if they are connecting across the ditch. Tom said the site plan that was originally approved in 1986 shows the road coming in. The metes and bounds of the road are almost in centerline with the two trees that are there. Sam asked if it will connect across the ditch. Tom said it would if Decimal follows through with the design that is in the packet. All of this will have to be brought to the Planning Commission. Tom doesn't want a free-flowing traffic pattern from Ridge Street to the Industrial Park as a cut-through, and Decimal recognizes that as well.

Bob asked how this project was brought to Monroeville, and asked if there are other communities doing this. John Courtney said Decimal was already a part of the existing crypto mining site, which got them interested in doing a data center here. There are other communities that have been approached by other companies to do AI data centers. These kinds of companies tend to prefer working with a municipality because they are able to implement things a little quicker. Jim said the price for electricity is low in Monroeville and there is good infrastructure here. The weather here is conducive as well. The land was available and everything came together. John Courtney said these types of companies need high-speed fiber internet, which Monroeville has. Tom said Decimal has been in contact with Verizon, who now owns Frontier. The existing internet is large in capacity, but it won't be able to handle the growth beyond 30-megawatts. At that point, Verizon has high speed nodes outside our community that are designed for this type of service. Decimal and Verizon/Frontier will be negotiating to bring that gigabit capacity to the site to facilitate the data transfer.

Mark asked how many jobs this will create. Tom said the initial jobs will be 45 construction workers to start the project and 26 in the first phase of the 30-megawatts. It will mellow from there, to 21 technical and 20 support staff. More employees will be added as the megawatts increase. The Mayor asked if the construction contractors will be local or brought in from somewhere else. Tom said Decimal will be made aware of the local entities that are available for hire. The Mayor pointed out that the employees who will be working there will be paying income tax, which is another contribution towards the General Fund.

The Mayor discussed the collateral that Decimal has to put up. John Coyle said the ESA addresses collateral in two different sections, so that the Village doesn't get stuck with unpaid bills, which is what happened with Gray Matter. John said they tried to bullet-proof the agreement as much as they could. The Mayor acknowledged that the ESA was structured in a way that will protect the Village should anything go bad.

Sam asked if there is a risk or downside that he isn't seeing. John Courtney feels that the ESA addresses any risk issues. The Village isn't putting up any capital. John Coyle pointed out that if the project doesn't go anywhere, the Village has the option to terminate the agreement after four years. The ESA also has the provision that a minimum bill must be paid whether electricity is consumed or not, which puts the pressure on Decimal. Jim reminded Council that the electricity can be turned off if the bill is unpaid and the collateral covers way beyond that. Mark asked if the price of the collateral goes up if Decimal increases to 100-megawatts. John Courtney said yes. For example, if there is a 30-megawatt load, the Village gets 3-months' worth of collateral. If that goes to 100-megawatts, the Village gets 3-months on the 100-megawatts. Decimal has to post that collateral as they grow. The Village also requires that Decimal post collateral to make up for the difference of

the strike price of that purchase and the market. If the energy had to be sold at a loss, Decimal has to post collateral to cover during the length of the transaction.

ORDINANCES & RESOLUTIONS FOR PASSAGE

The Mayor asked for a motion to suspend the rules for the following legislation. Sam Wiley made that motion, seconded by Mark Miller. Motion carried with no discussion.

Ordinance 2025-03 *An Ordinance authorizing the execution of any documents necessary to enter into an Electric Services Contract with Digital Decimal Currency, LLC, to establish a data mining facility in the Village, and declaring an emergency* was presented for passage. Sam Wiley made a motion, seconded by Chris Raftery, to pass Ordinance 2025-03 by title only. Motion carried with no discussion.

Scott Wieging said the back-and-forth on this agreement was incredible. The ESA protects the Village legally, monetarily and physically. The agreement is good and fair to both sides. John Coyle, John Courtney and Scott Wieging exited the meeting at 6:43pm.

APPROVAL OF REQUISITIONS

The Mayor asked Tom to explain to Council the list of requisitions over \$5000: Main Lite, \$64,899, for the Gerber Lee substation to solar field fiber optic cable installation project; Powerline Supply, \$66,870, for 5 GOAB switches and 5 motor operators for both substations' riser pole exit feeds; Powerline Supply, \$6955.70, for 25 fiberglass dead-end arms; Mereduc, \$15,670, for 25 stock poles; Brownstown, \$49,288, for 22 various kVa pole mount transformers; Duncan & Allen, \$100,000 for Gray Matter legal services; RA Bores, \$88,000, for 5 directional drill projects to bury conduit; and Kiley's Tree Service, \$23,400, for tree trimming and removal. Bonnie said a few hundred dollars more will need to be added to the requisition for Kiley's, as there was a tree stump that wasn't removed last year but will be removed this year.

Bonnie asked for Council's approval for a requisition for the Huron County Sheriff's Office, in the amount of \$6120, for dispatching services. Bonnie found out that the levy isn't covering the cost of dispatching services anymore, so the Village will have to pay \$510 per month for those services. The Mayor asked why the levy isn't covering the cost anymore. Bonnie said she received a letter from the Huron County Commissioners and they want those funds to be used elsewhere.

The Mayor asked Jim if the Village is going to get any kind of reimbursement of the legal fees that have been expended due to Gray Matter. Jim said they are certainly working hard on that issue, but nothing is guaranteed. Bob asked if Gray Matter is still solvent. Jim said they've asked the court to appoint a receiver because the Village feels that Gray Matter is insolvent. Jim said we are waiting on the court's decision, but our preference for the receiver is Decimal.

Sam Wiley made a motion, seconded by Chris Raftery, to approve the requisition requests from Bonnie and Tom. Motion carried with no discussion.

MAYOR'S RECOMMENDATION

The Mayor said that Bonnie pointed out to him Chief Earl has reached the end of his probationary period. The Mayor feels that the Chief has done a stellar job and is hereby recommending that Chief Earl be appointed to the position of the Chief of Police on a permanent basis and in doing so, that his pay be increased by .50 per hour, effective 2/14/25. Mark Miller made that motion, seconded by Sue Rogers. Motion carried with no discussion.

ADJOURNMENT

There being no further business to discuss, Sam Wiley made a motion, seconded by Sue Rogers, to adjourn. Motion carried with no discussion. The meeting adjourned at 6:57 PM.

Heather Alicea, Admin. Specialist

Joseph Galea, Mayor

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