

**MINUTES OF MEETING
GREEN CORRIDOR PACE DISTRICT**

A meeting of the Board of Directors of the Green Corridor PACE District was held on Monday, May 14, 2018 at 10:00 a.m., at the Offices of Ygrene Energy Fund Florida, 3390 Mary Street, Suite 124, Coconut Grove, Florida.

Present and constituting a quorum were:

Mayor Phillip Stoddard	South Miami - Assistant Secretary
Commissioner Vince Lago	Coral Gables - Assistant Secretary
Councilmember Hochkammer	Pinecrest - Assistant Secretary
Mayor Eugene Flinn	Palmetto Bay - Assistant Secretary
Vice Mayor Sean Brady	Miami Shores

Also present were:

Paul Winkeljohn	Executive Director/District Manager
Chad Friedman, Esq.	District Counsel
Jeff DeCarlo	Attorney
Crystal Crawford	Ygrene Energy Fund Florida, LLC
Supria Sachar	Ygrene Energy Fund Florida, LLC
Jody Finver	Solar United Neighbors

FIRST ORDER OF BUSINESS

Roll Call

Mayor Flinn nominated Mayor Stoddard as Chairman for this meeting.

On MOTION by Mayor Flinn, seconded by Commissioner Lago, with all in favor, appointing Mayor Stoddard as Chairman for this meeting, was approved.

Mayor Stoddard called the meeting to order and Mr. Winkeljohn called the roll and stated that a quorum was present.

Mr. Winkeljohn suggested advertising future meetings for 10:05 a.m. to facilitate parking.

SECOND ORDER OF BUSINESS

**Approval of the Minutes of the
February 12, 2018 Meeting**

Mayor Stoddard asked for any additions, corrections or deletions to the February 12, 2018 minutes. Councilmember Hochkammer noted that she was a Council Member, not a Commissioner. Minor corrections to the minutes, submitted by Ygrene and Mr. Winkeljohn, were incorporated.

On MOTION by Mayor Flinn, seconded by Mayor Stoddard, with all in favor, the Minutes of the February 12, 2018 Meeting, as amended, were approved.

THIRD ORDER OF BUSINESS

Public Comments

There being none, the next item followed.

FOURTH ORDER OF BUSINESS

Discussion and Action Items

- a) **Consideration of Resolution #2018-09 Approving the Proposed Fiscal Year 2019 Budget and Setting the Public Hearing**

Mr. Winkeljohn presented Resolution #2018-09 and discussed the budget. He recommended setting the public hearing in September for final adoption of the budget, to provide flexibility to refine the budget.

The budget included the following:

1. Delineating savings from prior year funding, as future years allocations for certain projects
2. Setting a \$75,000 per year funding level through October, for the solar partnership, which was requested at the last meeting and was an increase of \$5,000.
3. Starting next year's funding on October 1 at \$80,000, with an additional marketing program of \$20,000, for a total amount of \$100,000, to be budgeted on an annual basis.
4. Allocating \$25,000 for Building Neighborhoods Energy Efficiency

Mr. Winkeljohn stated that the rankings and priorities from the Building Neighborhoods Energy Efficiency, requested by the Board, should be completed by next month.

Discussion ensued regarding the public hearing date.

Mayor Stoddard wanted an energy review before allocating \$25,000 for Building Neighborhoods Energy Efficiency or renewing the project. There was Board consensus for Mr. Winkeljohn to obtain an energy audit.

On MOTION by Commissioner Lago, seconded by Mayor Flinn, with all in favor, Resolution #2018-09 Approving the Proposed Fiscal Year 2019 Budget and Setting the Public Hearing for September 17, 2018 at 10:00 a.m., at this location, was adopted.

The August meeting would be cancelled.

Mr. Winkeljohn requested formal action from the Board to approve the draft Solar United Neighbors (SUN) agreement for the remainder of the fiscal year and authorization for execution, based on the Attorney's review and the resolution of minor details.

On MOTION by Mayor Stoddard, seconded by Commissioner Lago, with all in favor, authorization to execute the Miami-Dade Solar United Neighbors Co-op Agreement for the remainder of Fiscal Year 2018, was approved.

• **Solar Report** (*This item was taken out of order*)

Ms. Jody Finver of SUN, updated the Board on the following:

- From the 969 people that learned about solar, 606 people signed up to participate, 94 people signed contracts and 946 kilowatts were installed.
- After the workshop that Miami-Dade County offered to installers to try to improve the permitting process, SUN sent a survey to installers throughout

the State of Florida for input. The responses were not positive. Another survey would be distributed.

- SUN asked that the District go for the gold Sole Smart Certification and engage with the Solar Foundation to streamline the permitting process, allowing for turnaround of permits in three days, versus waiting three weeks to a month-and-a-half to get permits, which were ultimately rejected. If the Miami-Dade County permitting process was difficult to navigate, the cost for solar would increase.

At Mayor Stoddard's request, Ms. Finver would provide the locations and dates for the summer Co-op and a copy of a letter that would be sent to residents.

b) Consideration of Resolution #2018-10 Authorizing Amendments to the First Supplemental Trust Indenture

Mr. DeCarlo presented Resolution #2018-10, changing the interest rates offered to consumers and making future amendments to the indenture.

On MOTION by Mayor Flinn, seconded by Mayor Stoddard, with all in favor, Resolution #2018-10 Authorizing Amendments to the First Supplemental Trust Indenture was adopted.

c) Ratification of Engagement Letter with Grau & Associates to Perform the Audit for Fiscal Year Ending September 30, 2015

Mr. Winkeljohn stated that the Board selected Grau & Associates as auditor, to perform the 2015 audit through the Request for Proposals (RFP) process. The audit would be based on \$2.5 billion in financing, not just operating revenues and expenses, but annual assessment payments. All 88 contracts were audited and broken out into interest and principal payments, as well as Ygrene's reports and bank statements from Zion Bank. The 2014 audit was not yet ready for distribution.

Mayor Stoddard asked if Grau's qualifications, past history and relevant litigations or malfeasance were taken into account. Mr. Winkeljohn noted that Mr. Tony Grau was the most qualified District auditor in the State of Florida and performed audits

quickly, to provide to the State in a timely manner. The remaining audits would not take long to complete.

On MOTION by Mayor Stoddard, seconded by Mayor Flinn, with all in favor, the Engagement Letter with Grau & Associates to perform the Audit for Fiscal Year Ending September 30, 2015, was ratified.

Mr. Winkeljohn sent an email to the Board regarding a lawsuit filed by the Florida Department of Economic Opportunity (DEO), against the District for failure to file audits on a timely basis. No court date was set and an administrative extension was requested. The following timeline was provided.

- 2014 Audit: Essentially complete. Two or three corrections must be completed prior to completing 2015 Audit.
- 2015 Audit: 90% complete.
- 2016 Audit: Expected to be complete by the end of September. By year end, the District's audits will be up to date.

FIFTH ORDER OF BUSINESS

Staff Reports

a) Attorney Report

Mr. Friedman reported that the District was sued by the State for not filing timely audits; however, the District was permitted to have an extension to respond to the lawsuit, by the end of the month. There may be a further extension; however, management was in constant communication with the State and a timeline was provided. If the Board wanted to discuss legal strategy, a separate Executive Session should be scheduled.

Mayor Stoddard asked if the Executive Session was necessary for the Board to provide direction. Mr. Friedman stated that an Executive Session was not necessary, due to the auditor confirming that all audits, from 2014 through last year's audit, would be completed in six months, with the State receiving an audit at the end of each quarter. If the audits could not be completed in six months, an Executive Session would be held.

May 14, 2018

Green Corridor PACE District

Mr. Winkeljohn noted that PACE was not required to register like a typical District and audits were submitted voluntarily, in the past.

Mr. Friedman noted seven foreclosure actions, where the District has a lien. The District was dismissed from four foreclosures, because the lien was a special assessment and was considered a lien of senior priority. Three foreclosures were pending. Several memberships and Tax Collector agreements were in process.

Mayor Stoddard asked if attorney's fees should be increased, as it was lower than last year. Mr. Friedman did not believe so but could not anticipate additional bond work.

Mayor Stoddard asked about including storm surge protections into the PACE financing, such as water hookups could be included and wondered if the District could engage Kristian Jacobs to include these items, since the State was not forthcoming with funding and she was going before the legislature in the next session.

Mr. Friedman recalled that the Board previously authorized the filing of a Declaratory Statement for seawalls; however, the DEO did not want jurisdiction over PACE's Declaratory Statement. Contractors wanted seawalls to be included in the PACE program, but it was at the Board's discretion. Mayor Flinn proposed jointly funding the seawalls for those who wanted to pay for it, even if the improvement was going into an easement or right-of-way (ROW) or establishing a Special Taxing District. Mr. Friedman advised that the PACE Statute stated that the improvement must be affixed to the property. If the Board wanted to amend the bill to allow for utility lines into PACE's ROW, the legislation must be amended.

Mr. Friedman will speak with Ygrene, particularly those working with Ms. Jacobs, to discuss the status of a Bill she was introducing and the inclusion of these items. If there was pushback, Board Members could speak with Ms. Jacobs individually.

Mr. Winkeljohn asked about the status of the bond. Mr. DeCarlo reported the bonds were issued in series with different interest rates, and since the last meeting, 10 different series of bonds were issued out of 21 bond issues. He was transferring the assets from the 2017 indenture to the new indenture that would secure the bonds.

b) Third-Party Administrator Report

Ms. Crawford, Vice President in Program Development and Oversight for Ygrene, presented the Ygrene monthly reports for March and April. New reporting options were discussed at the February meeting. In response to Mayor Stoddard's desire for detailed information, customers would receive a 30-page report of what occurred in participating cities, counties and projects around the state, for commercial and residential, energy savings and kilowatts being produced, status reports on projects from application to completion, structure information, how the customer heard about the program, the number of denials and the reason and contractor information. Mayor Stoddard suggested rotating the headers 90 degrees, collapsing the columns, sending as an Excel spreadsheet and a yearly report, versus monthly.

Ms. Crawford reported that since the February meeting, the following jurisdictions were added: An unincorporated area and 13 cities in Brevard County, two cities in Osceola and Citrus Counties, commercial areas in Cape Coral and Ft. Myers in Lee County, Monroe County, including Key West and Edgewater in Volusia County. The program was active in Brevard County. Manatee and Hernando Counties would be added on May 22 and Sarasota County in June. Ygrene was working with Pinellas County to get residential approval.

Regarding the securing of the bonds, Ms. Crawford reported that the closing was on April 27 for \$340.5 million in assets, which was an industry record in the PACE industry. The California program contributed 51% and Florida contributed 49%. It was the first PACE transaction that received a Standard & Poor's (S&P) rating of AA. Ms. Sachar noted that this was the first time that S&P rated PACE, because it was a new asset class. Ms. Crawford heard from others in the industry that it was a good deal for the quality of the assets, because they were solid and collectable. Ygrene's commitment to the program was to have capital available as needed.

c) Manager Report

Mr. Winkeljohn stated that the final budget would be adopted at the September meeting and asked the Board Members to inform him of any funding opportunities. The

before and after photos of their work, so that Ygrene could confirm the suitability of the improvement for the property and that the construction was completed as contracted.

SIXTH ORDER OF BUSINESS

Financial Report

a) **Summary of Invoices**

On MOTION by Mayor Flinn, seconded by Commissioner Lago, with all in favor, the May 14, 2018 Summary of Invoices were approved.

SEVENTH ORDER OF BUSINESS

Board Member Requests

In response to a Board Member question, Mr. Winklejohn noted that the next meeting was on September 17, 2018. If the Board needed to take action on lawsuit with the State, a special meeting would be held.

Discussion ensued and at the Board's request, Mr. Friedman called for an Executive Session to discuss the lawsuit filed by the State of Florida Department of Economic Opportunity (DEO), against the Green Corridor Property Assessment Clean Energy District, Case #2018CA574, in the Circuit Court of Leon County, Florida. The time and date of the Executive Session will be announced at a separate time, and notice would be provided in accordance with the law. The purpose of the Executive Session was to seek legal advice on litigation expenditures and settlement strategy.

EIGHTH ORDER OF BUSINESS

Adjournment

On MOTION by Mayor Stoddard, seconded by Councilwoman Hochkammer, with all in favor, the meeting was adjourned.


Secretary / Assistant Secretary


Chairperson / Vice Chairman