Documenters

Utilities Committee

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Summary

- The committee postponed renewing the lease for Cleveland Public Power's (CPP) Eastside Service Center until what Committee Chair Brian Kazy called "off-table" discussions are held. The possibility of consolidating operations into the West 41st Street facility was discussed.
- The committee postponed renewal of the Community Choice Aggregation Program due in part to larger issues around sustainable energy at the statewide level.
- The committee received a status update for the January-March 2024 time period from DigitalC about its efforts to provide broadband services to Cleveland residents.

Follow-Up Questions

- Sometimes when covering meetings it seems as though department directors and other attendees are surprised by the line of discussion from committee members (like the way the discussion developed around CPP's Eastside Service Center). Is that common? Is that mainly grandstanding and self-aggrandizing behavior from council members, or do meeting discussions develop in surprising and unanticipated directions?
- The data displayed in the [DigitalC presentation](#) was hard to follow and difficult to relate to the goals of their performance-based contract with the city. Could the committee provide simple charts or graphs for DigitalC to complete so we could easily see progress on specific goals?
- I was surprised when Kazy mentioned that no final contract had been signed with DigitalC. The Signal Cleveland [article](#) from September 2023 said that DigitalC "had a history of falling short of its promises," and I felt skepticism of the company from committee members during the meeting. How likely is it that no contract will

be signed? How likely is it that DigitalC will walk away from the project (despite reassurances by CEO Joshua Edmonds to the contrary)?

Notes

The meeting began promptly at 10 a.m. An agenda had been posted online before the meeting. Chairperson Kazy, Vice Chair Jenny Spencer, and Council Members Michael Polensek, Kevin Bishop and Kris Harsh were present. Council Members Deborah Gray and Danny Kelly were absent (Kelly was excused due to jury duty).

Extending the lease for Cleveland Public Power's Eastside Service Center

The committee spoke with Director of Public Utilities Martin Keane and David O'Neill (executive managing director with Hanna Commercial Real Estate) about an ordinance to extend the lease for Cleveland Public Power's (CPP) Eastside Service Center for five years (with an option to extend for an additional five years). The lease is with City Rose Ltd. for the space at 14100 Darley Avenue. The rent would be $250,000 per year, the same cost it's been since 2000, said Commissioner of Real Estate Susanne DeGennaro.

Kazy asked about building a new city-owned facility instead of leasing and was told by O'Neill that CPP's very specific needs (along with a high occupancy rate in the market) made building a new facility difficult.

Polensek said he felt the center had inadequate landscaping and signage. Keane said that this would be discussed in negotiations with the landlord.

Polensek introduced a motion removing the additional five-year renewal option from the ordinance.

A discussion emerged about leaving the facility entirely and consolidating into the facility at West 41st Street. The possibility of cost saving from consolidation was balanced against the desire for CPP to have an East-Side presence near customers in that part of town.

After discussion, Polensek withdrew his motion, and Kazy said they would hold a private meeting ("off-table", "powwow") with Keane at CPP offices and would return to the legislation at the next committee meeting in two weeks.

Contract renewal for Community Choice Aggregation Program

Director of Sustainability and Climate Justice Sarah O'Keeffe appeared before the

committee regarding an [ordinance](#) to extend the city's [Community Choice Aggregation Program](#) through the Sustainable Ohio Public Energy Council (SOPEC). This program provides renewable energy to clients and has saved an average of $275 per customer for eligible Cleveland families and small businesses, she said.

O'Keeffe and Keane sought to renew the contract for two years due to the difficulty in getting bids and in an attempt to get price stability for customers (a "fixed reasonable price," per Keane).

Kazy expressed frustration with O'Keeffe and Keane about both the legislation being submitted as an addendum ("not a clean piece of legislation at all") and about the late, last-minute nature of the submission.

Harsh discussed the "incredibly volatile" sustainable energy space in Ohio (for example, Harsh mentioned [HB6 prosecutions](#) and the former [PUCO director dying by suicide](#)).

The committee took no action. It will revisit this issue during the next meeting in two weeks on May 2.

Status report on Digital C broadband contact

[DigitalC](#) CEO Joshua Edmonds and other company executives appeared before the committee to provide an update about the $20 million performance-based contract the company was awarded in September 2023.

Kazy informed the committee that DigitalC still doesn't have a signed contract with the city, and without a final contract, DigitalC couldn't get paid. Edmonds said that he understood this, that the contract should be signed soon, and that DigitalC was "committed to doing what we said we're going to do."

Edmonds and DigitalC executives showed a [video](#) that provided updates about DigitalC activities this year. The video showed a wide discrepancy in coverage by city wards as the company builds out its service capacity in stages. The video emphasized building a resilient network that would automatically reconnect customers when they lose service.

During the discussion between the committee and DigitalC executives, it appears the two main goals for Quarter 1 (January-April 2024) were:

Goal #1: 875 new subscriptions (based on a yearly goal of 3,500 new subscriptions
[Editor's note: Edmonds disputed that 875 was a goal and said the company maintains the goal for the year].

Actual: 305 new subscriptions through March (although Edmonds said there were hundreds more in April).

Goal #2: 1,200 new residents trained

Actual: 755 residents trained through March. (Edmonds speculated this shortfall could be due to DigitalC partners taking time to begin training sessions).

Council Members Spencer and Harsh discussed with Edmonds how the [upcoming end of the Affordable Connectivity Program (ACP)](#) might affect DigitalC.

Edmonds said that the loss of the $30 ACP discount might be a "morbid win" for DigitalC in their work in signing up new customers. Harsh suggested looking at the number of new unique addresses connected in order to: 1) enable verification of Internet connections without sharing sensitive information with city government, and 2) count both single-family homes and apartment buildings (a single address could comprise one household or multiple households). Edmonds said he had no problem with counting unique households.

After discussion, Kazy said that Edmonds would return to the committee in June or September (either before or after [council's summer break](#)) for another status update.

<u>Other items</u>

Other items addressed and approved during the committee meeting included:

- Authorization for the Department of Public Works to purchase PVC pipe and other materials.
- Authorization to enter into a no-bid contract with OPEX Corp. for services related to "mail extractors, scanners, and ID assist towers". Kazy expressed his general disapproval of no-bid contacts. Keane reassured him that OPEX was a "solid" company with no previous issues.
- Authorization of the replacement of equipment at the Nottingham water treatment plant.

The meeting adjourned shortly after noon.

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