

Work Session Meeting Minutes - November 4, 2021

City Council Chambers, City Building, 16 West Scribner Avenue, DuBois, Pennsylvania on Thursday, November 4, 2021 @ 4 p.m.; Council convened at their regular Work Session with Mayor Walsh in the Chair. Other Council Members present were: Jim Aughenbaugh, Diane Bernardo, Shannon Gabriel; and City Controller, David Volpe. Also present were: City Manager, John “Herm” Suplizio; City Engineer/Public Work Director, Chris Nasuti; Code Enforcement/Zoning Officer, Zac Lawhead; and Finance Officer, DeLean Shepherd.

Absent: Councilman, Shane Dietz

Approval of Minutes
Review for Monday


Approval of Registry of Invoices
Review for Monday

Eagle Scout Presentation - Mitchell Klark

For his Eagle Scout project, Mitchell would like to put up a sign displaying fishing rules at the Juniata Lake and line disposal receptacles. The motion was made by Bernardo and seconded by Gabriel that Council approve Mitchell Klark's project as presented. Roll call vote was as follows: Aughenbaugh, yea; Gabriel, yea; Bernardo, yea; Walsh, yea. Motion passed 4-0.

City Engineer Recommendation to request that City owned Parcel 1280B0300000057 in Sandy Township be rezoned from R-A Residential Agricultural to C-HLI Commercial Light Industrial Highway. This property is located behind the current Dr. Doolittle Complex. The motion was made by Aughenbaugh and seconded by Gabriel that Council accept the City Engineers recommendation to request that City owned Parcel 1280B0300000057 in Sandy Township be rezoned from R-A Residential Agricultural to C-HLI Commercial Light Industrial Highway. Roll call vote was as follows: Aughenbaugh, yea; Gabriel, yea; Bernardo, yea; Walsh, yea. Motion passed 4-0.

Carbon Credits



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07/08/2021

FOREST CARBON AGGREGATION INITIATIVE (City of DuBois and Eddy Foundation) SUMMARY OF KEY TERMS	
Initiative	The SIG Forest Carbon Aggregation Initiative (the “Initiative”) will consist of one or more forest carbon aggregation projects (each a “Project”) for the development, funding and aggregation of participating private forest lands within a defined geographical or inventory area. The projects will generate carbon credits for the U.S. voluntary carbon market and distribute proceeds to landowners according to a pre-agreed distribution formula.
Sponsor	The Initiative is sponsored by Spatial Informatics Group LLC, a California limited liability company (“SIG”) with expertise and track record of successful development of forest carbon programs. SIG may co-sponsor the initiative in various geographies with local origination partners such as land trusts.
SPV	SPV. The Initiative will establish a special purpose entity to develop one or more forest carbon projects and participate in carbon markets on behalf of forest landowners. Carbon Pool. The SPV will serve as the aggregator of carbon rights from participating landowners to pool carbon rights into a single project entity and reduce transaction costs. Carbon credits will be issued to the SPV, and after payment of project costs and fees, net proceeds of carbon credits sales will be distributed to participating landowners according to a formula agreed in the landowner agreement. Project Proponent. The SPV will act as the project proponent under the applicable forest carbon standard for purposes of registering forest carbon project(s) and developing carbon credits. Project. The SPV (through the Manager) will establish one or more forest carbon pools for aggregation of forest carbon assets on behalf of forest landowners. Each pool will be developed as a separate forest carbon aggregation project under an applicable voluntary carbon methodology. The Manager will oversee development of the projects, generate carbon credits, market and negotiate carbon credit sales with buyers, and distribute participation shares to landowners upon issuance of carbon credits and receipt of sales proceeds.
Manager	The SPV will contract with SIG (the “Manager”) to be the manager of the carbon project(s) under a management services agreement.
Landowner Enrollment	Overview. Forest landowners may participate by enrolling forest land acreage in a specified project. Upon enrollment, landowners will transfer carbon rights associated with the enrolled acreage to the SPV and agree to abide by the terms and conditions of a landowner agreement. Projects and Cohorts. The SPV may establish one or more cohorts (i.e., a group of landowners enrolling in a project at the same time) for each project under the Initiative. Party Relationships. Landowners will have no ownership interest in the SPV, although each landowner will have entered into a landowner agreement with the SPV. As a key feature of the Initiative, Landowners will not have any business or legal relationship with other participating landowners. However, each landowner will receive a distributive share of proceeds from the SPV from sales of carbon

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	<p>credits according to the formula in the landowner agreement. The profit-sharing formula will be the same for all participating landowners in the same project. The SPV will ensure that each participating landowner abides by the terms and conditions of the landowner agreement and applicable Forest Carbon Standard to maximize collective generation of carbon credits from enrolled acreage for the benefit of all participating landowners.</p> <p>Enrollment: Participating landowners will enroll in a project by agreeing to a landowner agreement. Landowners will adopt a forest management plan (similar to a timber management plan) and contribute necessary carbon rights, easements and/or development rights to the project. The minimum acreage for project enrollment will be [2,000] acres. Each landowner will continue to use its land consistent with the forest carbon management plan.</p> <p>Withdrawal: Landowners may enroll and withdraw from a project according to the rules of the applicable methodology and the landowner agreement. In general, landowners will be free to withdraw their land from a project, but will forfeit certain economic benefits and pay a withdrawal fee equal to any charge imposed by the Forest Carbon Standard methodology plus transaction costs incurred by the SPV. Non-compliant landowners may be removed from a project and charged the cost of invalidation or withdrawal, sponsor expenses, and a withdrawal fee.</p> <p>Risk Pool: Landowners will not be penalized for involuntary carbon losses on their land due to wildfire, pests, etc., which will be covered by insurance or a buffer pool.</p> <p>Profit-sharing: Payments will be made to all landowners enrolled in a project on an aggregated project-by-project basis according to a formula specified in the landowner agreement, based on acreage, forest carbon value, duration enrolled, and other factors. The Manager may establish an internal pool of options, insurance or other mechanisms to hedge risk of landowner withdrawal or non-compliance.</p>
Manager/Development Services	<p>Project Manager: The Manager will provide development and management services to generate carbon credits from each forest carbon project. The management services agreement allows landowners to remove the manager for cause. The term "Cause," as defined in the management services agreement, means (i) material failure to perform the management services, (ii) gross negligence or illegality, or (iii) intentional or willful action or inaction that is inconsistent with reasonable commercial standards of fair dealing.</p> <p>Services: Development services provided by the Manager will include the following:</p> <ul style="list-style-type: none">• Project Listing. The Manager will list the project with the applicable forest carbon program.• Registry Account. The Manager will set up necessary carbon trading accounts.• Forest Carbon Inventory. The Manager will prepare the initial Forest Inventory.• Project Modelling. The Manager will model and prepare the initial and annual data reports.• Verification. The Manager will manage the third-party verification (auditing) process, including site visits.• Registry Review. The Manager will submit or upload verification documents to the applicable forest carbon program, respond to inquiries from program staff, and otherwise manage the project review process.

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	<ul style="list-style-type: none">• Issuances: The Manager will otherwise arrange for the verification and issuance of carbon credits generated by each project.• Buffer Pool: The Manager will manage the process of calculating carbon credits required to be set aside in the forest carbon buffer pool.• Information: The Manager will keep landowners apprised of the progress of each project, including milestones and progress of action items.• Sales and Marketing: The Manager will manage the marketing and sales of carbon credits generated by the project to third-party buyers.
Landowner Obligations	Landowner will be responsible for harvest and forest management on the property and complying with the rules of the carbon credit program for the applicable time period (i.e., 40 years for ACR projects) unless the landowner withdraws early according to the rules set forth in the landowner agreement.
Project Funding	<p>The SPV will advance all project costs necessary for development of the project (other than Landowner Costs) for the first [10] years of the project, subject to reimbursement of Reimbursable Project Costs. Project costs will be detailed in a pro forma and include:</p> <ul style="list-style-type: none">• initial carbon inventory;• carbon models and modelling;• preparation of project documentation;• initial verification and subsequent verifications;• any second verification(s) associated with conversion of carbon credits;• insurance, transferor retirement fees;• third-party costs or fees of legal, accounting or technical advisors to the projects; and• taxes imposed on sale of carbon credits.
Reimbursable Costs	<p>Certain project costs will be reimbursed as project expenses from proceeds of carbon credit sales prior to distribution of net proceeds to the parties, including:</p> <ul style="list-style-type: none">• fees and other payments to subcontractors, agents, consultants or other third-party service providers (including financial or legal advisors) and transactional documents for each project;• amounts paid to third-party verifiers for verification, desk review verification or double verification;• amounts incurred and payable to the applicable forest carbon standard and/or registry, including costs for listing the project, annual maintenance fees, registry fees for issuance, transfer and cancellation of carbon credits, or payments or reimbursement for project reversal;• amounts paid to a third-party inventory crew for installation of the initial network of plots, work related to verification responses, and annual re-measurements; and• costs of enforcement of landowner conditions necessary to maintain the integrity of the project(s). <p>the SPV may allocate general costs across multiple landowners using a reasonably fair allocation method in its discretion taking into consideration carbon stocking and carbon credits generated by participating acreage;</p> <p>The following costs will not be reimbursable:</p>

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	<ul style="list-style-type: none">internals costs, including employment, overhead, or legal or financial advisors for internal matters of the SPV, the Manager or the landowner not properly attributed to the project;liability insurance procured by the Manager;property taxes, levies, fees, insurance and other payments in connection with any landholdings, including under any mortgage, lease, sub-lease, or other similar contractual arrangement;taxes and fees, which may be levied on or with respect to any party's share of proceeds from carbon credit sales;financing, operation, maintenance and monitoring costs associated with the land, forest management, or enrolled property; andany property boundary surveying or marking as required for compliance with the forest carbon standard.
Landowner Costs	Landowner is responsible for the following costs: <ul style="list-style-type: none">personnel and overhead, including its legal or financial advisors;management of the landowner's property or timber, including implementation of any forest management plan;property taxes, levies, fees, insurance, and other payments imposed in connection with the landowner's property, including under any mortgage, lease, sub-lease, or other similar contractual arrangement;financing, operation, maintenance and monitoring costs associated with the landowner's property;creation or compliance with conservation or other easements or restrictions on the landowner's property;property boundary surveying or marking even if required for compliance with the applicable forest carbon standard; andtaxes imposed on the landowner's share of proceeds.
MRV Reserve	After the 10 th reporting period, project expenses shall be paid from the MRV Reserve in an amount determined by the SPV in its discretion and reimbursed to the MRV Reserve as project expenses in a like manner, which reimbursements shall replenish the MRV Reserve. Any funds remaining in the MRV Reserve associated with that project shall be distributed to the participating landowners in the same proportion as landowner share of proceeds.
Development Fee	The Manager will receive [X%] of the net proceeds of each sale of carbon credits from the project as compensation.
Term	The Manager will support the project during the entire duration of the project under the applicable carbon program, which for ACR projects is 40 years.
Forest Carbon Standard	American Carbon Registry
Carbon Credit Sales	Carbon credits generated by the projects will be sold to voluntary market buyers such as companies looking to offset their carbon footprint for sustainability purposes, foundations, brokers, or other carbon market participants. The Manager will use best efforts to sell carbon credits in advance "forward" contracts.
Initial Closing	On or about August 15, 2021
Legal Counsel	Williamson Law + Policy
MISCELLANEOUS	

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Confidentiality	Except to the extent required by law or as otherwise agreed by the parties in writing, the parties will keep confidential all information obtained with regards to the Initiative, the commercial details of all preliminary discussions and negotiations, this term sheet and the potential agreement. This term shall be binding. See non-disclosure for details.
General Terms and Conditions	To be supplied with definitive agreement(s).
Liability	The Manager will be liable for gross negligence or wilful misconduct only up to the amount of [insured amount].
Insurance	The Manager will carry standard professional liability insurance and ensure that third-party verifiers have similar insurance.
Representations and Warranties	The parties will make standard representations and warranties, and each landowner may be required by the forest carbon program to make certain attestations.
Governing Law/Jurisdiction	[TBD]
Exclusivity	[TBD]

DISCLAIMER: None of the materials contained herein amounts to investment advice or a recommendation to enter into any proposed indicative transaction. Neither the Sponsor nor its respective affiliates provide accounting, tax or legal advice; such matters should, together with the suitability of a potential transaction or investment, be discussed with your own advisors and/or counsel. This Term Sheet does not constitute a solicitation of an offer to buy any security nor does it constitute an offer to sell or a solicitation of an offer to buy such securities by anyone in any jurisdiction in which such offer or solicitation is not authorized, or in which the person making such offer or solicitation is not qualified to do so.

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The motion was made by Gabriel and seconded by Bernardo that Council authorize the City Manager to move forward with negotiations. Roll call vote was as follows: Aughenbaugh, yea; Gabriel, yea; Bernardo, yea; Walsh, yea. Motion passed 4-0.

Liberty Bell

City Manager Suplizio received a letter from Josiah Jones from Visit Clearfield County, Mr. Jones stated that they are partnering with PA 250. With Council's permission, they plan to install a liberty bell here in DuBois in the flower garden located at the Pershing Lot. The bell will be approximately 3 ft. high and all costs will be covered by them; although they may need some help securing the stand the bell sits on. Estimated date for installation is late 2025 to go along with the 250-year anniversary of the state of Pennsylvania. The motion was made by Gabriel and seconded by Aughenbaugh that Council authorize moving forward with the project. Roll call vote was as follows: Aughenbaugh, yea; Gabriel, yea; Bernardo, yea; Walsh, yea. Motion passed 4-0.

Fee Schedule for Abandon & Blighted Properties

Review for Monday

Planning Commission Recommendations: *Review for Monday*

- Barber Financial - 196 W. DuBois Avenue - Lot Consolidation
- Barber Financial - 196 W. DuBois Avenue - Land Development

Duck Capture

City Manager Suplizio was contacted by Kyle Van Why, Wildlife Disease Biologist, USDA Wildlife Services (717) 236-9451 concerning a duck capture for Avian Influenza sampling. Mr. Van Why would like to capture ducks in the City Park for testing. The sampling season runs between November and February; they are trying to capture in the Park in November or December. They will give us the date for the capture once it is established; the launcher makes a loud bang when it launches. The motion was made by Gabriel and seconded by Aughenbaugh that Council gives Mr. Van Why permission to capture ducks in our City Park for testing. Roll call vote was as follows: Aughenbaugh, yea; Gabriel, yea; Bernardo, yea; Walsh, yea. Motion passed 4-0.

Mayor Edward L. Walsh

"We are beginning a new era in DuBois." He went on to say that he would like a motion to have City Manager, John "Herm" Suplizio sit down with Sandy Township Manager, Shawn Arbaugh, to begin the process of consolidating the two municipalities. The motion was made by Aughenbaugh and seconded by Gabriel that Council authorize City Manager, John "Herm" Suplizio, to sit down with Sandy Township Manager, Shawn Arbaugh, to start the process of consolidation. Roll call vote was as follows: Aughenbaugh, yea; Gabriel, yea; Bernardo, yea; Walsh, yea. Motion passed 4-0.

City Engineer/Public Works Director - Chris Nasuti

November 19th should be the end of construction on Park Avenue for the fall.

Councilwoman Diane Bernardo

Halloween weekend, she and Councilwoman Gabriel enjoyed judging the parade.

City Manager - John "Herm" Suplizio

- 400 people attending the haunted walk and over 600 we're at Trunk or Treat
- Mr. Selfridge, 544 Locust ST, stopped in just before Work Session requesting a Handicapped Parking space, we will put it on the agenda for Monday but everyone should take a look. 544 Locust ST

ATTEST:



APPROVED:

