

LIVINGSTON COUNTY BOARD
AGRICULTURE AND ZONING COMMITTEE
MINUTES OF THE AUGUST 7, 2012 MEETING

The committee chair called the meeting to order at 6:45 p.m. in the Livingston County Offices' Meeting Room, on the second floor of the Pontiac Public Library building at 211 E. Madison St., Pontiac, Illinois and roll call was taken.

Present: Eldon Ruff, Dee Woodburn, Bill Flott, Daryl Holt, Bruce Koerner, Tim Shafer and Bob Young

Absent: None

Others

Present: Livingston County Board Chair Bill Fairfield, Livingston County Farm Bureau Representative Dennis Haab, County Planning Commission Office Representative Chuck Schopp, Non-committee County Board Member John Yoder, Livingston County Administrative Resource Specialist Alina Hartley, County Attorney Tom Blakeman, Ryan Ammermann and Kristin Swenson from Gamesa, April Myer from Algonquin Power Co., and Pauline Doohan an attorney from Baker and McKenzie.

Committee Chair Eldon Ruff noted the proposed agenda. Then Bill Flott moved, seconded by Dee Woodburn, that the agenda be approved. This motion carried with a voice vote of all ayes.

Committee Chair Eldon Ruff brought to the committee's attention the minutes from the last meeting. Then Tim Shafer moved, seconded by Daryl Holt, that the minutes of the July 10, 2012 committee meeting be approved as presented. This motion carried with a voice vote of all ayes.

Minonk Wind Ownership:

The committee members were provided with a copy of the Minonk Wind special use approval condition copy number 16, assignment. This approval condition was then addressed by representatives of Gamesa and Algonquin Power. Ryan Ammermann from Gamesa Energy presented copies of the informational boards he was planning on presenting to the committee. Mr. Ammermann then introduced Kristin Swenson from Gamesa, April Myers from Algonquin Power Co. and Pauline Doohan an attorney from Baker and McKenzie all representing the proposed ownership interests in the Minonk Wind Farm project. Mr. Ammermann also provided a copy of a binder with a title of the Minonk Wind, LLC Ownership Transfer Documentation Package.

Mr. Ammermann then addressed some questions that he had heard about the Minonk Wind project, beginning with a question about how the area EMT's and emergency responder's are

trained to respond to potential incidents at the wind farm site. Mr. Ammermann explained their current training and event simulation program. Mr. Ammermann then related that the contractor for this project, Mortenson, was planning on an education program for children in the grades of 4 through 6, attending schools in the Minonk Wind area. In regard to public safety, Mr. Ammermann communicated that the special use permit for this project in a way works in addressing public safety, along with road agreement language. Mr. Ammermann then explained about how this permit and language is carried out with temporary road closures, signage etc. In regard as to who would maintain the Minonk Wind project, Mr. Ammermann explained as to how Gamesa has a twenty year commitment to maintaining the Minonk Wind project. This maintenance of this project will create 10 to 12 full time jobs in the area. In reply to a question as to how someone can find out about these jobs, it was mentioned that jobs and the application process are posted on the Gamesa web site, that AWEA has a job opening link on their wind site, and that some schools such as Iowa Lakes College and IIT have programs to train wind farm technicians.

Mr. Ammermann then began to address the main intent of their presence at this meeting, the ownership structure of Minonk Wind, LLC. Mr. Ammermann then explained that they are not seeking assignment of this project, but new ownership interests in this project. Mr. Ammermann then began to comment on his explanation boards, as part of this presentation. The first board was a presentation title board. The second board explained the Minonk Wind, OOC – Special Use Permit. Board three showed the present Minonk Wind, LLC ownership. As part of this board presentation Mr. Ammermann noted that Algonquin Power is to end up with 51% interest of Minonk Wind LLC with Gamesa maintaining 49% ownership interest. Remarks were made about how the box relating to Wind Energy Construction Holding I, LLC, was created to address the construction financing of the Minonk Wind LLC project. The fourth board addressed the existing Algonquin Poser and Gamesa Energy Transaction Structure. The difference in boards 3 and 4 were highlighted. The fifth board addresses Algonquin Poser and Gamesa Energy Proposed Transaction Structure Pre-COD. (COD – Commercial Operating Date). Pre-COD was explained that this would be the period when the turbines are being tested, after the turbines are erected before they are commercially producing electricity. Board 6 Algonquin Power and Gamesa Energy Proposed Transaction Structure Post-COD was then explained. Board 7 explained the Minonk Wind, LLC- requested Action in compliance with the special use approval. Board 8 provided contact information for Duane Enger of Gamesa and April Meyer. Mr. Ammermann then stressed about how this is a good project because of the interest shown in the investors.

Questioning from the information presented on the boards then took place, beginning on what interest the Institutional Investors, JP Morgan and Morgan Stanley have on this project. These institutional investors are also providing a hedge on the purchase of the power for this project. The tax values this project creates is the interest in the institutional investors. An explanation was made as to how this investment would be Algonquin Power's first US wind asset. Pauline Doohan then explained that the institutional investors would be preferred stock holders and that the remaining stock would be common stock. The preferred stock holders are to receive 90 % of the project benefits the first two years, then flipping after two years with the preferred stock holders getting 5% of the project benefits, and the common stock holders receiving 95% of the benefits.

The rights of the institutional investors were then discussed. It was explained that the institutional investors would only keep consent rights on financing and/or sale of the project. It was then explained that the IRS and FERC have approved this project ownership arrangement. A discussion then took place in regard to this request coming back to the committee for a recommendation for the September County Board meeting. Mr. Blakeman and Pauline Doohan will work on drafting an appropriate resolution for that meeting.

Solid Waste Issues:

A monthly synopsis of landfill information and correspondence was presented to the committee members. The Livingston Landfill Open House on August 17th, 2012 from 11 am to 2 pm was noted to the committee members.

Current host fee information was made available to the committee members.

Wind Energy Conversion System Issues:

The committee members were provided one page copy of some information presented at the July 17-18 Advancing Wind Power in Illinois Conference. This information reflected on the trends for wind energy 2012 and beyond. With the production tax credit expiring, and issues with power purchase agreements and financing, the worst case scenario could be a 100% drop in the development of new wind energy. A discussion among all present then took place on how long it takes for a project to have all of its aspects approved. (The Minonk Wind project took about eight years from when the project was initiated to now when it is being constructed.)

Budget Request:

Mr. Schopp presented his budgets that reflect the same line item amounts as the current year. His previous capital budget request for planning document updates was discussed.

Other Issues: None

Public Comment: None

Then Daryl Holt moved, seconded by Bill Flott, that the meeting be adjourned. This motion was approved unanimously.

This meeting was adjourned at 7:40 p.m.

Charles T. Schopp, Administrator
Livingston County Regional
Planning Commission