

THURSDAY, FEBRUARY 11, 2010
NINE FORTY-FIVE A.M.

UNITED STATES OF AMERICA
STATE OF ILLINOIS
COUNTY OF WILL

County Executive Walsh called the meeting to order.

Member Blackburn led in the Pledge of Allegiance to our Flag.

Roll call showed the following Board members present: Bilotta, Adamic, Deutsche, Laurie Smith, Weigel, Dralle, Wisniewski, Kusta, Maher, Blackburn, Goodson, Brian Smith, Gould, May, Rozak, Konicki, Seiler, Brooks, Stewart, Winfrey, Babich and Moustis. Total: Twenty-two.

Absent: Anderson, Singer, Traynere and Wilhelmi. Total: Four

COUNTY EXECUTIVE WALSH DECLARED A QUORUM PRESENT.

Member Babich made a motion, seconded by Member Winfrey, the Certificate of Publication be placed on file.

Voting Affirmative were: Bilotta, Adamic, Deutsche, Laurie Smith, Weigel, Dralle, Wisniewski, Kusta, Maher, Blackburn, Goodson, Brian Smith, Gould, May, Rozak, Konicki, Seiler, Brooks, Stewart, Winfrey, Babich and Moustis. Total: Twenty-two.

No negative votes.

THE CERTIFICATE OF PUBLICATION IS PLACED ON FILE.

EXECUTIVE COMMITTEE
James Moustis, Chairman

Member Moustis presented Resolution #10-28, Declaring Vacancy in County Board District #3.



**Executive Committee
Resolution #10-28**

**RESOLUTION OF THE COUNTY BOARD
WILL COUNTY, ILLINOIS**

DECLARING VACANCY IN COUNTY BOARD DISTRICT #3

WHEREAS, Susan C. Riley was a District #3 Will County Board Member since 1992,
and

WHEREAS, due to the recent resignation of Susan C. Riley effective January 31,
2010, the State Statute requires the County Board to declare a vacancy in Will County Board
District #3.

NOW, THEREFORE, BE IT RESOLVED, that the Will County Board hereby declares
a vacancy in Will County Board District #3, due to the resignation of Susan C. Riley.

BE IT FURTHER RESOLVED, that the vacancy be filled within sixty days of the
vacancy date by appointment of the County Executive, with the advice and consent of the
County Board, and the appointee shall be a member of the same political party of the same
County Board District, that Susan C. Riley was at the time of her election to the Will County
Board.

BE IT FURTHER RESOLVED, that the appointment shall be until the next General
Election, at which time the County Board seat shall be filled by election.

Adopted by the Will County Board this 11th day of February, 2010.

Vote: Yes ___ No ___ Pass _____ (SEAL)

Nancy Schultz Voots
Will County Clerk

Approved this ____ day of _____, 2010.

Lawrence M. Walsh
Will County Executive

Member Moustis made a motion, seconded by Member Dralle to approve Resolution
10-28.

Voting Affirmative were: Bilotta, Adamic, Deutsche, Laurie Smith, Weigel, Dralle,
Wisniewski, Kusta, Maher, Blackburn, Goodson, Brian Smith, Gould, May, Rozak, Konicki,
Seiler, Brooks, Stewart, Winfrey, Babich and Moustis. Total: Twenty-two.

No negative votes.

RESOLUTION #10-28 IS APPROVED.

Member Moustis presented Resolution #10-29, Authorizing the County Executive to Execute the Third Amendment to the Host Agreement and Agreement for Operation/ Development of the Will County Landfill (a.k.a. Prairie View Landfill), and Attached Landfill Gas Purchase Agreement Between the County of Will and Waste Management Renewable Energy, L.L.C. and Waste Management of Illinois, Inc.

Member Moustis pointed out we are going to be discussing these matters, we will be taking no action on the actual agreements until, probably the next County Board Meeting a week from today. There will be ample time for everyone to give input. You will get the information today so it will give you additional time for you to go through them.



**Executive Committee
Resolution #10-29**

**RESOLUTION OF THE COUNTY BOARD
WILLCOUNTY, ILLINOIS**

AUTHORIZING THE COUNTY EXECUTIVE TO EXECUTE THE THIRD AMENDMENT TO THE HOST AGREEMENT AND AGREEMENT FOR OPERATION/DEVELOPMENT OF THE WILL COUNTY LANDFILL (a.k.a. PRAIRIE VIEW LANDFILL), AND ATTACHED LANDFILL GAS PURCHASE AGREEMENT BETWEEN THE COUNTY OF WILL AND WASTE MANAGEMENT RENEWABLE ENERGY, L.L.C. AND WASTE MANAGEMENT OF ILLINOIS, INC.

WHEREAS, Will County is the owner of the Will County Landfill, also known as the Prairie View Landfill, located at 29755 S. Prairie View Drive, Wilmington, Illinois; and

WHEREAS, Waste Management of Illinois, Inc., (hereinafter known as Operator) will construct, operate and maintain the Landfill Gas Management System (hereinafter defined) including all costs associated therewith in accordance with the "Host Agreement and Agreement for Operation/Development of the Will County Landfill (a.k.a. Prairie View Landfill)", entered into on the 2nd day of June 1997; and

WHEREAS, an Amendment to the Host Agreement was made and entered into on the 13th day of December, 2001; and

WHEREAS, a Second Amendment to the Host Agreement was made and entered into on December 3, 2003; and

WHEREAS, Resolution #09-299 authorized the County Executive to renegotiate the Will County Host Agreement with Waste Management to Accomplish a Renewable Energy Plant and Leachate Recirculation at Prairie View; and

WHEREAS, the Landfill (hereinafter defined) generates Landfill Gas (hereinafter defined), produced from the decomposition of refuse within the Landfill and consisting primarily of methane and carbon dioxide; and

WHEREAS, Will County owns the Landfill Gas produced from the Landfill; and

WHEREAS, Waste Management Renewable Energy, LLC (Developer hereinafter identified) is an affiliate of Operator that is agreeing to cooperate with Operator in fulfilling its obligations pursuant to the Host Agreement; and

WHEREAS, Section 1.1 of the Host Agreement provides that, if Will County does not desire to develop a methane gas to electricity conversion plant fueled by methane gas extracted from the Landfill (“LFG”) and Developer desires to develop said plant, then Will County and Developer shall enter into good faith negotiations with respect to the specifications and a revenue sharing agreement for such plant; and

WHEREAS, Will County does not desire to develop a methane gas to electricity conversion plant fueled by Landfill Gas and further agrees that Operator may act through its affiliated company, Developer, to develop the energy facility; and

WHEREAS, Operator wishes to construct a Renewable Energy Facility in cooperation with its affiliated company, Developer, and to purchase from Will County the Landfill Gas collected from the Landfill by Operator for use as fuel in such facility, and Developer further wishes to occupy and improve the Site as more fully described in accordance with the terms and conditions hereof and of that separate Lease which is attached hereto; and

WHEREAS, the Developer and Operator agree to all of the terms in the attached Landfill Gas Purchase Agreement for Renewable Energy Facility at the Prairie View Landfill; and

WHEREAS, the attached Landfill Gas Purchase Agreement will be considered part of the Host Agreement and Agreement for Operation/Development of the Will County Landfill (a.k.a. Prairie View Landfill); and

WHEREAS, the parties hereto desire to amend the Agreement per the attached amendment; and

WHEREAS, the Will County Board has reviewed and recommends approval of the “Third Amendment to the Host Agreement and Agreement for Operation/Development of the Will County Landfill (a.k.a. Prairie View Recycling and Disposal Facility)”, and a Landfill Gas Purchase Agreement Between the County of Will and Waste Management Renewable Energy, L.L.C. and Waste Management of Illinois, Inc.

NOW, THEREFORE, BE IT RESOLVED, that the Will County Board hereby authorizes the County Executive to execute the attached Third Amendment to the Host Agreement and Agreement for Operation/Development of the Will County Landfill (a.k.a. Prairie View Recycling and Disposal Facility)”, and a Landfill Gas Purchase Agreement

Between the County of Will and Waste Management Renewable Energy, L.L.C. and Waste Management of Illinois, Inc.

BE IT FURTHER RESOLVED that the Preamble of this Resolution is hereby adopted as if fully set herein. This Resolution shall be in full force and effect upon its passage and approval as provided by law.

Adopted by the Will County Board this 18th day of February, 2010.

Vote: Yes___ No___ Pass_____ (SEAL)

Nancy Schultz Voots
Will County Clerk

Approved this _____ day of _____, 2010.

Lawrence M. Walsh
Will County Executive

**THIRD AMENDMENT TO THE HOST AGREEMENT AND
AGREEMENT FOR OPERATION/DEVELOPMENT OF THE WILL COUNTY LANDFILL
(a.k.a. PRAIRIE VIEW LANDFILL)**

Recitals

WHEREAS, Waste Management of Illinois, Inc., (hereinafter known as Operator) has constructed, and operates and maintains the Landfill Gas Management System (hereinafter defined) including all costs associated therewith in accordance with the "Host Agreement and Agreement for Operation/Development of the Will County Landfill (a.k.a. Prairie View Landfill), entered into on the 2nd day of June 1997; and

WHEREAS, an Amendment to the Host Agreement was made and entered into on the 13th day of December, 2001; and

WHEREAS, a Second Amendment to the Host Agreement was made and entered into on December 3, 2003; and

WHEREAS, Resolution #09-299 authorized the County Executive to renegotiate the Will County Host Agreement with Waste Management to Accomplish a Renewable Energy Plant and Leachate Recirculation at Prairie View;

WHEREAS, the Landfill (hereinafter defined) generates Landfill Gas (hereinafter defined), produced from the decomposition of refuse within the Landfill and consisting primarily of methane and carbon dioxide; and

WHEREAS, Will County owns the Landfill Gas produced from the Landfill; and

WHEREAS, Waste Management Renewable Energy, LLC (Developer hereinafter identified) is an affiliate of Operator that is agreeing to cooperate with Operator in fulfilling its obligations pursuant to the Host Agreement; and

WHEREAS, Section 1.1 of the Host Agreement provides that, if Will County does not desire to develop a methane gas to electricity conversion plant fueled by methane gas extracted from the Landfill (“LFG”) and Developer desires to develop said plant, then Will County and Developer shall enter into good faith negotiations with respect to the specifications and a revenue sharing agreement for such plant; and

WHEREAS, Will County does not desire to develop a methane gas to electricity conversion plant fueled by Landfill Gas and further agrees that Operator may act through its affiliated company, Developer, to develop the energy facility; and

WHEREAS, Operator wishes to construct a Renewable Energy Facility in cooperation with its affiliated company, Developer, and to purchase from Will County the Landfill Gas collected from the Landfill by Operator for use as fuel in such facility, and Developer further wishes to occupy and improve the Site as more fully described in accordance with the terms and conditions hereof and of that separate Lease which is attached hereto; and

WHEREAS, the Developer and Operator agree to all of the terms in the attached Landfill Gas Purchase Agreement for Renewable Energy Facility at the Prairie View Landfill; and

WHEREAS, the attached Landfill Gas Purchase Agreement will be considered part of the Host Agreement and Agreement for Operation/Development of the Will County Landfill (a.k.a. Prairie View Landfill),

WHEREAS, the parties hereto desire to amend the Agreement per the attached amendment; and

NOW, THEREFORE, in consideration of the mutual covenants and agreements contained herein, and in reliance on the Recitals set forth above (which are incorporated herein by reference), the parties agree as follows:

1. Section 1.1 is hereby amended to include the attached Landfill Gas Purchase Agreement
2. In all other respects, the parties acknowledge that the Agreement is in full force and effect. The parties have caused this Third Amendment to be executed on the date referenced hereinabove.

COUNTY OF WILL

OPERATOR

By: _____

By: _____

Its:

Its:

ATTEST: _____

Member Moustis made a motion, seconded by Member Maher to place Resolution #10-29 on the floor.

Voting Affirmative were: Bilotta, Adamic, Deutsche, Laurie Smith, Weigel, Dralle, Wisniewski, Kusta, Maher, Blackburn, Goodson, Brian Smith, Gould, May, Rozak, Konicki, Seiler, Brooks, Stewart, Winfrey, Babich and Moustis. Total: Twenty-two.

No negative votes.

RESOLUTION #10-29 IS PLACED ON THE FLOOR.

County Executive Walsh stated, as Member Moustis says that today is a process that we are dealing with two Resolutions. The first is specific to the Gas to Energy Facility and the accompanying Landfill Gas Purchase Agreement that will be added to our Host Agreement, if it receives your approval. The second Resolution would amend the Siting Ordinance to allow Waste Management to practice leachate recirculation at the Prairie View Landfill. It is vitally important to know the Board is not being asked to vote on these two Resolutions today. The session is for informational purposes for County Board Members and the Public. The only action contemplated today is moving these Resolutions to the County Board Agenda for next week's regularly scheduled County Board Meeting.

Mr. Matt Ryan, Chief of Staff will lead off today's discussion on Resolution #10-29, followed by three presentations by Mr. Paul A. Pabor, Vice President, Waste Management Renewable Energy, L.L.C. He will be followed by Ms. Renee Cipriano, Attorney with the law firm of Schiff Hardin, L.L.P.; and her colleague Ms. Jane Montgomery to discuss the gas purchase agreement that has been negotiated with Waste Management. We then will follow that discussion with the Resolution #10-30, Authorizing Waste Management to allow leachate recirculation at the Prairie View Landfill. Mr. Chris Burger, of Patrick Engineering will explain the leachate recirculation process and render their expert opinion on the process Waste Management proposes. So with that, Mr. Matt Ryan if you would like to take the podium we will get started.

Mr. Matt Ryan came forward and began, thank you County Executive Walsh, Chairman Moustis. We began discussions this past summer considering the partnership with Waste Management and the County to build a renewal energy facility at the Prairie View Landfill. Our host agreement that this Board passed several years ago included a provision which provided that if Will County had not desired to develop a methane gas energy facility that the County would engage in good faith negotiations with the developer regarding the specifications and revenue sharing agreement with regard to a gas to energy plant. So as County Executive Walsh said, today we are going to be looking at two issues; the landfill gas purchase agreement and a revision of the siting ordinance that would allow Waste Management to do leachate recirculation at the landfill and I think you will see the connection between the two as we go along. We believe this is an incredibly important project from many perspectives; it is environmentally friendly, providing for the utilization of methane gas to electricity that will be sold on the grid. Mr. Paul Pabor, Vice President of Waste Management Renewable Energy, L.L.C. will elaborate on those details. In addition, it establishes a revenue stream for the County from the sale of the methane gas, under the host agreement we own to Waste Management for the production of electricity. It also includes provisions which will benefit the County in a revenue sharing agreement from the sale of that electricity to the grid, as we go down the road. As County Executive Walsh said, the discussion today will be limited to County Board Members who are anxious for

public input, it is a fairly complex agreement and there are some complex issues involved and we really felt that by giving everybody a week it will provide for more opportunity for the public and Board Members to ask relevant questions in advance of consideration of these Resolutions.

At next week's County Board Meeting there will be a public hearing for the public to comment on both of the Resolutions. It was published today so we are following the accepted guidelines of the County in considering ordinances that need to be amended. Hopefully by the end of today, you will have a lot of your questions answered and you will have the opportunity next week to ask further questions and then if the Board deems appropriate move to vote on it at next week's County Board Meeting.

We entered into these negotiations with Waste Management as partners. I think that is an important aspect to consider. They run the landfill for us. The discussion while complex were very productive and constructive and we worked through a lot of issues that were somewhat thorny at times, but we believe we came up with an agreement that will benefit both the County in the long term and Waste Management as our business partners. So with that I am going to turn this over to Mr. Paul Pabor for an overview of the project.

County Executive Walsh asked Mr. Pabor to state your name and address for the record.

Mr. Paul Pabor stated his name and address at Waste Management of 1001 Fannin St., Suite 4000, Houston, Texas 77002.

Thank you for this opportunity again. I was here, you may remember last September and we were talking about the potential for a plant being built at this landfill and the benefits to both the County and Waste Management and I'm glad to say that through a lot of effort, we are right on the cusp of getting this done and I'm going to spend today looking at a little bit of the aspects of the gas agreement and what the benefits are projected for the County.

Mr. Pabor presented a power point presentation. This presentation is on file with the Will County Clerk's Office.

Mr. Pabor continued, my last presentation I ended up with this slide and it is still our goal and I'm happy to say again as Mr. Ryan stated, though a lot of cooperation and back and forth between us and the County, I think we have achieved this goal. We both have interest in this, we both have benefits to make from this, but in the long run it is also about promoting green energy and not forsaking our obligations at the landfill for compliance. Because those go hand in hand. Again I am not going to read all of this, but just a reminder why I am here. Waste Management has a centralized group in Houston at the corporate office that manages all these power plants. We oversee the design and the construction of the plant; we market the energy and then we are responsible for operations at the plant. Landfill gas is our fuel so we can't do this in isolation and we work hand in hand with the landfill. So all the people you are use to working with at the landfill will be working with us to make this project successful.

Again, to assure that this is not the first plant we have built. We started in 1987. I had a similar slide up here last September and at that time I had that we owned 47 plants, but since then we have added another 4 plants; added to the megawatts and we still have a lot of current activity. We expect to build 8 or 10 of these per year for the next several years. So we have a lot of experience behind us in not only how to build these but how to make them operate.

I talked a little bit about how big this plant is. I said our fuel is landfill gas and so we have to size the plant based on how much fuel we have. If you put more waste in the landfill the landfill gas keeps increasing. So we size the plant based on how much gas we have right now, knowing that as the gas increases we will keep adding engines to the plant and making use of all the landfill gas that is there. The engines we use are Caterpillar's they are G3520 engines, 1.6 MW each. That is 2,300 or 2,400 horsepower, I believe. It is like the big trucks you see at the hauling competition. They are bigger than those. Each engine in terms of landfill gas we measure it by cubic feet per minute and just for a perspective each one of these engines takes 600 cubic feet per minute.

Right now we have enough gas, there is 1100 or 1200 cubic feet per minute flowing at the landfill. We measured this in a meter at the landfill. So right now there is enough for 2 of these Caterpillar engines. We expect in the next year to two years we will have enough for a third engine; and we run the gas models based on how much waste stream we are getting in, what type of waste, how much liquid is in the waste, the mix of the waste. We expect based on that gas model that we will have enough for four engines in the next four to five years. So the plant here and as reflected in the gas agreement is that we are going to build the plant with an engine bay enough to hold four engines, because we know that we will have that much gas here in the next few years. We will install three engines to start off with. Rather than making that capital investment right at the front end if we don't have enough landfill gas for four engines we will wait on that fourth engine until we have enough gas for that fourth engine and then install it.

There is more gas to come at this landfill as you keep bringing in waste. So we anticipate and this gas contract anticipates that we will eventually add engines five through eight that will be another wing onto this plant with a separate engine bay, but use a lot of the same infrastructure that we built for the first plant. The same office space, the same switchgear room, the same compressor area, so there is a lot of (inaudible) when you add that fifth through eighth engine. We expect the five and six engines to come on maybe in seven or eight years and then seven and eight engines a few years after that, so we will size the plant again for four engines and then add engines as we have gas available.

Mr. Pabor then described the graph of his presentation. The background here, the mountain looking object in the back is the gas flow curve based on the gas model that we have. You can see here in about 2009 or 2010 we are sitting at around 1,000 to 1,200 cubic feet per minute. So our current measured gas right now matches approximately what this gas model is telling us that we ought to have. Looking at 2010 the first bar, the short bar represents one engine and the second two bars are two engines and so as you can see that we could start off with two engines we are going to put in three because we expect very shortly to be able to run those three engines, then like I said by about 2014 we should have enough for four engines. Then you can see the curve keeps going up so as it

goes up and based on what we actually measure at the site, we will add the second engine bay.

Next we will talk quite a bit about leachate recirculation and you can see the curve without leachate recirculation. So regardless of what we do with leachate recirculation, as we are building the plant we expect an incremental addition of engines as we go forward. With leachate recirculation the effect is that you steepened that curve. You produce more gas earlier in the site life so essentially you can move the engine installation up by a year or two years, whatever results you get from that leachate recirculation. So there is a benefit here, we are not building any bigger plants, but we are building them earlier and pushing the revenue both to Waste Management and to the County up in time by several years.

With the Gas Purchase Agreement, Waste Management is going to put the capital up for the plant. The County has applied through a DOE grant and at your discretion they will apply part of that grant to the capital cost of the power plant and the gas payment will have two components:

First of all a \$12.00 per megawatt-hour for all the energy that we sell from the plant to the third party buyer. That \$12.00 is a flat payment fee, it does not depend on energy price, it doesn't depend on what our expenses are, it is a base payment to the landfill with a guarantee income stream to the County.

Then we are looking at a revenue sharing plan. When the energy price gets up sufficiently so that Waste Management has a return on investment on the large capital investment then we will share 50/50 with the County anything over that price. I will get into exactly what those prices are in a minute. The idea here is, I think I mentioned this here last September, we have been on your side of the fence on probably too many projects. We have a lot of old projects that were built in the 1990's where we have a third party developer and we sell the gas from our landfill to that third party developer and whatever they use it for, electricity, or pipeline quality gas, we have seen prices go way up in some cases, and we are still getting paid 10 cents or 20 cents per million BTU. We don't like those deals. So we try to put ourselves in your shoes and say what would we want from a Gas Purchase Agreement and what we like to do is share that upside, so that when energy prices do increase dramatically, which it is possible they can do, then the County is sharing in that and you are not stuck with your base payment. You are getting a revenue sharing from the higher upside.

So to just work through a few numbers here just so you get a feel for how this works: One engine like I said is 1.6 megawatts. We use a little bit of that power to power the equipment at the plant. We have a fuel skid that compresses the gas, we've got radiator fans, we have lights and air compressors, so that 5 percent is consumed within the plant. Our budgeted availability on these is pretty high, you can compare it to some utility plants it is about 92 percent. That is what we are achieving with these G3520 engines. If you go through the numbers here 1.6 megawatts times the number of hours in a year, subtract out the parasitic load and availability, each engine each year will produce about 12,250 or so megawatt hours that we will be selling to a third party. That is what your base payment would be based on what we sell to a third party. You can say to start off we have enough gas, right now for two engines and base payment at those rates would be

almost \$300,000.00 per year. Then as we add more engines that base payment keeps increasing to a point where we add four engines and the base payment is about \$600,000.00 per year. Again that doesn't rely on energy price. If we are getting an energy price of \$30.00 you are still getting that base payment.

On the revenue sharing side, there is a graduated scale in that Agreement that is based on how much the County contributes to the project. By contributing capital to the project it lowers our threshold for getting our return on investment so we can share that by contributing the grant the County shares and a higher potential for revenue sharing. At no contribution it is \$60.00 per megawatt hour. Just to convert units here, if you are use to thinking in cents per kilowatt hour, \$60.00 per megawatt hour is the same as 6 cents per kilowatt hour. I pay 11 or 12 cents, the energy capital of the world in Houston and we have high energy prices, but I pay 11, 12 or 13 cents per kilowatt hour, we will typically get paid anywhere from 3 cents to 8 cents in many of our plants per kilowatt hour, which is \$30.00 to \$80.00 per megawatt hour. If the County contributes \$1 million that revenue sharing threshold goes down. As a company we have less of an investment in the plant so we can share more on the upside. So it drops to \$53.00 per megawatt hour and at \$2 million the revenue sharing threshold it drops to \$48.00 per megawatt hour. Just a quick example here, if the County contributes \$1 million, the revenue sharing threshold is \$53.00. If our average price in a month is \$57.00, we take that \$4.00 and the County gets \$2.00 of it. You multiply that by how many megawatt hours we generate in that month, and so that revenue sharing threshold would be \$8,000.00 for that month. That is with four engines. So if it held on for that year, it would be \$100,000.00 in that year. Also, that price that we calculate there are several ways that we get revenue for these plants. One is just a straight energy payment, we deliver to the utility they pay us for the energy. In some cases we may get a capacity payment they pay us for the ability to be on-line. That is where landfill gas is a little bit different from wind and solar because we are a base load so we can get a capacity payment for these projects; and then finally a renewable energy credit, which is also included in that total price that we would share with the County.

I wanted to talk a little bit about what are the chances of us exceeding that revenue sharing threshold and this is similar to a chart that I had up last September. We were at \$30.00 for a long time and then when natural gas prices went way up we were in the \$40.00 to \$60.00 range, the contracts we have with ComEd are market based prices. That is how the system is based right now in Illinois and so they fluctuated quite a bit. You can see last year we reached a pretty sad state of affairs, we were at \$26.00 to \$27.00 for quite awhile, last year. In December they picked up to \$35.00; in January they picked to \$39.00.

I had this on here last September too, this is the Renewal Portfolio Standards in Illinois. What that does is require utilities to have a certain amount of their energy as renewable. So it adds value to renewable energy because they have to go out and buy these renewable energy credits in order to satisfy that portfolio standard. You can see as it graphs itself over time. There is a little bit of a change here, the Illinois Power Agency is now responsible for administering that and the expectation is that this summer they will have a reverse auction where renewable generators can bid in a price for renewable energy credits. In that way satisfy that Renewable Portfolio Standard.

Member Maher asked, this renewable energy is not in the State's pricing (inaudible).

Mr. Pabor responded, there is. We are selling, in fact right now the current trading price on the bottom line...the current trading price is \$10.00 to \$15.00 per megawatt hour. And so we are selling to ComEd where we are in a complete energy management system called PJM. ComEd is part of PJM, which goes all the way over to Maryland and New Jersey. If the reverse auction does not materialize in the summer, we could register within PJM and sell renewable energy credits as far away as Maryland and New Jersey, because they accept renewable energy attributes from anybody within PJM. So there are some options here on renewable energy credits, right now that price is in the \$10.00 to \$15.00 range, we sold it at that price within the past year. So we expect that going forward that is going to be at least the minimum value for these credits. To add that to the \$40.00 or so megawatt hour, where we are right now with energy, and you are getting right up to that \$50.00 or \$53.00 range for revenue sharing.

This gives you an example again of the revenue sharing threshold at the high end here, \$60.00, \$70.00 and \$80.00 that would be the County's share for a four engine plant each year. There has been a number of utilities lately in States without renewable portfolio standards like Georgia, and then in others like Ohio and Michigan where they recently got implemented where the utilities have gone out for auction for bundled energy and renewable energy credits. So you bid into there and you offer a price, they start with the lowest price and work their way up and that is exactly how Illinois will work and many of those, we have been in half a dozen of them, those prices have been in the \$60.00 to \$80.00 range. When we are looking at market pricing right now, in the \$35.00 to \$40.00 range, there is expectation still that with the renewable portfolio standard or by registering within PJM and getting access to other markets, that we are going to get that bundled price of energy of about \$50.00.

Again, the power plant is not tied to leachate recirculation, there are a lot of benefits to recirculation that Mr. Dale Hoekstra is going to speak about, about one of the side benefits to that is pushing that gas curve steeper and being able to add engines quicker.

County Executive Walsh stated, lets get your questions written down. We have a couple more speakers, lets make the whole presentation and then anybody that wants to ask a specific question of one of the speakers we'll do that. I believe that Ms. Renee Cipriano is our next speaker and Ms. Jane Montgomery.

Ms. Renee Cipriano came forward to address the Board. I think I can say good afternoon. Do you need me to state my name and address?

County Board Executive Walsh said yes.

Ms. Cipriano continued. My name is Renee Cipriano, with the law firm of Schiff Hardin, 233 S. Wacker Drive, Chicago, IL 60606.

Thank you very much, as has already been mentioned, our law firm and in particular

Ms. Montgomery and I were retained by the County to ensure that we negotiate the best landfill gas purchase agreement for the County that we could. In front of you, you will find just sort of a basic term sheet. I think you have it in your packet.

The Basic Terms of Landfill Gas Purchase Agreement is on file in the Will County Clerk's Office.

Ms. Cipriano continued, Ms. Montgomery will be walking through that terms sheet with you and obviously will be available to answer any questions that you may have. I did want to just sort of very, very quickly mention to you the benefits I see through this project. As some of you know, I was the Director of the Illinois Environmental Protection Agency for over four years. One of my big focuses at the agency were "Green Initiatives". I see this project as providing the County with a great opportunity to showcase green initiatives and to educate, not only the community, but young children on what needs to be done to protect our environment and to address greenhouse gas emissions. Because methane gas is one of the most intense greenhouse gas emissions that we face. So this is a great opportunity to take a gas to reuse it and produce something that is useable by everyone, producing a nice green gas. So with that I'm going to have Ms. Montgomery go into the specific terms of the agreement, but then obviously we are both available to answer any questions that you have.

Ms. Jane Montgomery came forward and stated her name, with the law firm of Schiff Hardin, 233 S. Wacker Drive, Chicago, IL 60606.

Negotiating this particular agreement is a little bit difficult as you heard from Mr. Paul Pabor, the electricity market is one that is in great flux at the moment. Primarily the reason for that flux is really trying to figure out whether climate change legislation is going to occur and if it occurs what effect that is going to have on the price of electricity. We can all guess that the climate change legislation is going to occur and there is going to be a price on carbon, as we hear in the news, and that will increase the price of electricity. So one of the main goals of this agreement was to make sure the County didn't get locked into something that would be a set price for a very long time, so that the County would definitely share in the benefits of those increased prices for electricity over time.

So what we have negotiated is a compromise that really gives benefits to both Waste Management and to the County. It is a 20 year agreement with some fluctuation in there, as we will walk through. Waste Management Renewable, is the developer and owner of the facility itself. They will be operating through Waste Management of Illinois through the assignment of Waste Management of Illinois rates under the Host Agreement, and will comply with all the Host Agreement terms that are required.

As Mr. Pabor noted, they are going to build a facility that will have a bay for four engine generators at the moment, it will be expandable up to eight engine generators. So there would be a different capital cost in the later years for some extra building space. That facility will comply with all laws. There needs to be permits both for the air and emissions at this facility and for the changes at the flare. As you are probably aware, the landfill gas at the moment is just being flared. Which means it is a wasted product, you are changing your emissions from a methane, which is a highly intensive greenhouse gas, to carbon dioxide through the flare, so you are essentially having a carbon neutral project. You

are not changing your carbon footprint, but you are using that gas from that wasted flared gas and turning it into energy. It is a very green project.

The net output per year of the facility is listed in the Agreement. We are going to sell three different products as Mr. Pabor mentioned. The power products are really divided into three units: capacity products, the renewable energy credit and the electricity itself. Each one has a different price. Those prices are added together to come up with how we are getting revenue out of this stream. The products can actually be sold at different times. The electrons are obviously sold immediately, because those are not savable. There is not battery so those go on the grid immediately. The other products might be sold over time. The revenue stream may fluctuate a little bit from month to month, and there is a fairly complex formula to make sure that the County gets the credits even if they are sold six or eight months after the energy is generated.

As you have heard, there is a base payment of \$12.00 per megawatt energy. That is a base payment that will be paid every month for as long as the facility is generating gas. So it is a nice stream of revenue that is guaranteed. The only fluctuation would be if the engines are not operating for some reason. These are very reliable engine generators though, and have a pretty low number of maintenance issues. They don't have maintenance issues. They are pretty much running all the time and you will have a very nice guaranteed gas payment.

The revenue sharing payment (inaudible) is based on set striking price of \$53.00. We are expecting electricity prices, as I said to fluctuate, but definitely to go up. We retained an expert economist to help us look at prices to figure out the fair price for the County would be and we went through a variety of modeling exercises and then of course negotiations with Waste Management to come to an agreement as to how that threshold would be set. It is, I think, a very nice, good fair price for the County. Over time, I would not expect the County to receive much in the way of revenue over the next two years or so from the electricity price, say by 2015 for sure you will likely be sharing in that electricity price. It really does vary a lot with what the climate change legislation is going to do and when requirements for renewable energy or other carbon pricing that might affect electricity prices overall will kick in.

Waste Management Renewable Energy is responsible for all operations, for getting the proper permits, the facility cannot operate, it actually cannot start construction until it gets its Illinois EPA permit and so that is something that is a critical item. We need to get the agreement signed so that they can submit their permits applications. That is probably a six month process. Hopefully, not longer than that for them to get that permit. So they cannot start construction until after that time.

The other negotiated items include Insurance, Indemnity and Guaranty so if the facility has any operational issues those are all taken care of for the County.

The Expansion, the pricing for the expansion beyond the fourth engine will be completely open. Because of all of this difficulty predicting what the market is, we decided to put that to another date and wait and see what the energy prices are and the costs of running this facility into the 2016 or timeframe when we are talking about adding those additional engines.

The gas will dissipate, you saw from the curves. We will go up for awhile and then we go down. Engines will be removed over time as well as added, so this revenue stream that will go up for a good 20 years and then down after a certain amount of time.

We have also relied on the Department of Energy stimulus grant that the County has applied for. That grant is a \$3 million grant. Part of which is going to be used for this facility, of about \$1 million. That \$1 million will purchase one of the engine generators and a fuel skid, which is how the gas is cleaned up so it can be burned properly. Waste Management Renewable has to comply with all the terms of the grant, whatever those happen to be; and with all the stimulus grants, some of the terms can change on almost a daily basis. Once we know exactly what those terms are, Waste Management will be complying with those terms.

The three benefits for us, as you saw, the traditional revenue sharing threshold would have been set in the range of \$60.00 or \$65.00 per megawatt hour without that grant, we have reduced it to \$53.00, which is a much more likely revenue sharing threshold than the \$60.00 might have been. We are very happy to have that grant and to have the benefits of that grant.

This is not the final agreement, we have a few little tweaks to and a couple of ancillary agreements, but it will be available shortly.

County Executive Walsh stated, we are going to open it up for discussion. We got the hand microphone down there in the front. If you have a question, indicate who you are asking the question of. Now remember we are dealing with Resolution #10-29. We are talking about Resolution #10-29, not the leachate.

Member Maher stated, I am glad to see this coming through fruition because we actually started having this discussion before the first load was dumped in the new landfill that this was something we would love to see here in the County. My question is, we talked about ComEd purchasing this gas, we have municipalities in the County of Will that actually buy bulk gas and resell it to their community. So they are actually buying it from ComEd or other programs. Would this be something that could be done for our communities...would we be able to resell this gas to our local municipalities and/or other communities that might have the potential to do some of this...the system to be able to do it?

Mr. Pabor answered, Ms. Cipriano may be able to add to this, we are required to sell to utilities, we can't sell to individuals or to other companies. So if the municipality has a municipal utility we could sell to them. But, we are required by Federal Energy Regulatory Commission to sell to the utility. We are what's called a QF, Qualifying Facility, as a small facility we have to sell to the utility.

Member Maher asked to clarify, so the municipality or the group would have to either have or create their own utility company, per se?

Mr. Pabor answered, that is right. For example, we sell to the City of North Little

Rock. They have their own utility, they buy power from Inergy and resell it to their citizens, but we can't function as an Inergy in that situation. We have to sell to Inergy or to the City of North Little Rock, because they have a utility.

Member Maher continued, I think Naperville does the same thing. They buy energy and redistribute that.

Mr. Pabor stated, we actually sell to the City of Geneva. Geneva has it's own utility so we can sell directly to the City of Geneva.

Member Maher asked, would that then put it up for bid, where we would actually be on the open market for bidding for the energy? I'm not sure how that works so that's why I'm asking.

Mr. Pabor responded, in a deregulated state like Illinois, we sell to the highest bidder. We try to get the highest market price and of course, it would be an advantage to the County to, the higher market price that we get.

County Executive Walsh asked any other questions?

Member Bilotta stated, I have a quick question. On the actual agreement itself, not the construction of the facility to recycle this energy, but as far as approving, have you considered whether an amendment to the Host Agreement or just a separate agreement...does anyone else have to approve it? For example, since it is utility related the ICC, or the ITA, the IDNR or is this something that we could pretty much amend and take care of ourselves internally? I think that's a legal question.

Ms. Montgomery responded, this is not an amendment to the Host Agreement, this is done under a separate agreement, but as a addendum agreement to the Host Agreement. As for permission to build the facility from the State Commerce Commission or anything like that, no we don't have to get that. The facility does have to have an interconnection agreement, with ComEd for some distribution lines near the facility, so there is a separate interconnection agreement that Waste Management has to enter into to get the power on to the grid.

Member Bilotta stated, from a construction aspect we are going to have the regulatory agencies supervising that. I was just curious on the agreement...it doesn't matter either way, I just wondered if we had to get another layer of approval on this.

Ms. Montgomery responded, just an air permit.

Member Bilotta continued, does this affect on the Waste Management side the operating revenues or the benefits that Waste Management will get and obviously the benefits the County gets out of it is increased revenue to the facility...is this the bottom line of the actual landfill itself going to offset some of those costs or is this totally separate.

Ms. Montgomery responded, they are totally separate.

Member Bilotta responded, totally separate okay. This is a real general broad question, on the surface this is a great thing. It is a green initiative...I think it's a win/win for everybody. What are the negatives, environmentally is there anything really that is out there...you have what 51 or 53 facilities or something like that. Have you seen anything? It sounds so good, there has to be down side.

Mr. Pabor responded, the only reason we are not building at specific landfill is because we cannot get the energy price or we don't have enough gas. (inaudible) our build out plan for the next four or five years, looking at all of our landfills and building power plants where we can. Like you said, it's hard to find anything wrong with it. It's green energy and it's a revenue stream and it's incremental to Waste Management and in a case like this it is also incremental to the County.

Ms. Montgomery responded, I would just like to add the reason they weren't done before is because power prices were too low. Because if you were in a \$20.00 market it is not cost effective to really build one of these, but with renewable energy requirements along with the costs of electricity going up, it becomes profitable for them to (inaudible).

Member Bilotta responded, then you are guaranteeing our \$12.00 per megawatt (inaudible) that is regardless of whether you produce that or not, we are going to get that. Whether you are going to make money that month or not we are guaranteed that amount. Thank you.

Member Babich stated, this is directed to Mr. Pabor...in Texas do they have the Right to Work Laws there?

Mr. Pabor answered, I don't believe they do, no.

Member Babich continued, what I'm going to get into is will the construction of the operation of the new building be union or how will Waste Management handle that?

Mr. Pabor answered, if it is required by the DOE grant the construction will be. We will have to look at the DOE grant and see what the requirements are and we will comply with whatever the requirements are.

Member Babich continued, our rate of unemployment is probably one of the highest in the State and we have a lot of good construction people out of work and I would like to see it union built.

Mr. Pabor responded, the way we work this, Waste Management operates as a general contract and we hire the subcontractors directly to Waste Management and each phase will go out for bid, the electrical, the process piping, the masonry and so typically local contactors get all that work. The person we hire for the plant, the plant will have one or two full time operators and we will also be employing (inaudible) right here in Illinois.

Member Babich asked, with the contractors have a minimum of union labor workers, (inaudible) to have on the job?

Mr. Pabor responded, I will have to confer to Mr. Dean Olson on that, that would be a requirement of the DOE grant, whatever that DOE grant requires.

Mr. Babich asked can we have that by our next meeting?

Mr. Dean Olson responded it is prevailing wage that is the requirement for the DOE grant. So I don't know if there is anything in particular for unions, it does have a prevailing wage requirement.

Member Dralle commented, I didn't mean to interrupt that discussion Member Moustis if you wanted to follow up with something about unions.

Member Moustis stated, I was just going to follow up with something that Mr. Olson said, we have annually passed our prevailing wage ordinance, that is what the County requires of all contactors that they are paying the prevailing wage. Now that prevailing wage very often falls with union wage scales, but we require the prevailing wage.

Member Dralle stated, Resolution #10-30 indicates obviously the (inaudible) the leachate recirculation.

County Executive Walsh stated we are dealing with Resolution #10-29. We will get to Resolution #10-30, but I don't want to mix up the issue of Resolution #10-29.

Member Moustis stated, I want to say that being here when we did the original Host Agreement, it was always anticipated that we would convert the gas to energy. So this was really always part of our agreement, it was just that we would address it when we actually had enough gas to produce electricity. So this has always been anticipated. Certainly prior to that and even today we are just burning off, it just goes into the environment unused and it is a waste. So we are just taking the next step of that original agreement, so now we negotiated...the County Executive Office's negotiated the terms of the actual agreement. We will address this, of course, next week. But I do think it is worth commenting for those Members who were not here when we did the original agreement, this was always part of the overall intent that we would go into energy we have now gotten that. Member Maher mentioned, I think it was two or three years ago that the Capital Improvements Committee, they brought somebody, an expert in to talk about this subject, of course at that time we were not ready, nor did we have enough gas. They also talked about the next subject, not so much leachate recirculation, what they talked about injected fluid to create additional decomposition of the waste to get the gas production up. I want to mention that this is the next step of an agreement we did a number of years ago. I don't think this is controversial at all, it's green. Of course, ten years ago green wasn't as in, but now green is the thing. So it's green, it's also a revenue producer which we all in government need additional revenue and so does Waste Management, because they can hire more of those union folks. This is, I think, very positive step.

Member Weigel asked, it was mentioned, we are getting a \$3 million grant, why is only \$1 million being pledged to this and where is the other \$2 million?

Mr. Olson responded, we went through this exercise and determined through a strategy, which started in late August. We hired CDM to go through a pretty extensive process in a limited amount of time. We developed a strategy which we submitted to the DOE, which they are happy with and have wanted us to use. However, I must say, it is still your discretion, we don't have the money yet. If you want to put more money toward this, you certainly could still do that. We have not spent the \$3 million so we have only spent \$100,000.00 so far and that was on CDM to develop that strategy and also an energy plan that will eventually bring to the County Board for a look at. That is basically why we have \$1 million in there.

Member Weigel asked, you do have plans for additional spending of that \$3 million?

Mr. Olson answered, the other \$2 million, almost, will have a revolving loan fund which we have talked to the advisory board about. We have also got an education plan, a very extensive education plan. We also have \$500,000.00 to building retro-fits this building, the other five or six buildings that the County controls, that needed it. I'm trying to think if there is anything else, but I believe that adds up to the \$2 million.

Member Laurie Smith stated, just a little comment on the prevailing wage versus the union. The only thing that I would like to make a comment on is that they are Will County residents. That would be my preference.

County Executive Walsh said very good comment.

Member May asked, could you just recap for me. I understand that one person's garbage could be another person's gold. Now how much will the taxpayers receive from Will County? There are 600,000 some people who live in Will County. How much will we get a year versus how much will the company get? Give me a ball park.

Ms. Montgomery stated, the revenue from the facility will vary based on that energy criteria.

Member May continued, when you negotiated you knew in your mind what you thought they might get, that is how you established....

Ms. Montgomery stated it is essentially with the three engines running, in the early phases, the revenue from the facility is going to vary between \$1.5 million and maybe \$2.2 million, probably.

Mr. Pabor said with four engines it's pushing \$600,000.00 per year.

Ms. Montgomery said that is the payment to the County. But the revenue from the facility is what we are talking about. The gas payment is an operating expense for the facility, so it come (inaudible). Then the rest is divided. So obviously they have capital costs, the facility will cost about \$7.2 million to construct. That will be (inaudible) right now, over the next year as the facility is constructed. Each engine costs about \$800,000.00 so every engine is an additional \$800,000.00.

Member May said, in conclusion, these are expenses, what do they get?

Ms. Montgomery said I cannot give you that number right off the top of my head.

County Executive Walsh, asked Mr. Pabor do you have an explanation? I think what she is asking is at the end of the day how will Will County fare compared to how Waste Management will fare, am I correct in my assumption?

Mr. Pabor answered, at the base payment rate it will be very close. Waste Management, of course, is making the investment and taking all the expenses. In about four or five years we are going to put another \$1 million in to overhaul all the engines. So there is a lot of expenses that come into this. The \$12.00 per megawatt hour is very standard in the industry right now. It is about \$1.00 per million BTU, which is the unit that natural gas is based on. So after all those expenses, we are going to be really close. The difference is Waste Management takes all the risks here and that if an engine does break, we have to pay the expense to get it repaired or the maintenance costs. The County has a steady stream here that is guaranteed. Waste Management's stream of net income is very close to what the County's is, but we have the obligation to take any risk associated with the power plant. It is very close.

County Executive Walsh stated, just a suggestion Mr. Pabor, before next week, we could have a very educational chart that shows, without going through...you showed us the very detailed chart up there earlier, but maybe really you are allowed to recapture your investment, which is \$7.2 million to \$8 million, before starting to share. So those kind of things, if you could put something together for us by next Thursday.

Mr. Pabor responded, I will need to get some approval for that, just based on ours as a public company, what we can divulge on that low of a unit basis on what we are making on income.

County Executive Walsh said we don't you (inaudible), bring something that you are capable of being able to show us that as partners we would like to see what...we are not asking you to divulge anything that you can't, but as a simplified method of the formula on how this is going to basically created going by what you showed us here on today's PowerPoint. That is all we ask, a simplified.

Mr. Pabor responded, I can certainly understand your perspective. I will give you what I can, just show gross revenue...show you what the County is making and what our typical expenses are.

County Executive Walsh said that's fine.

Member Adamic stated, to follow up on Member Weigel's comment, we essentially have a \$3 million grant of which \$1 million is going to this project and the other \$2 million is going to towards some other projects, if you will. Did you do the equation with either Mr. Paul Rafac or yourself, or somebody else to determine if by putting \$1 million in this project

we are better off than with \$2 or \$3 million in this project, then using that revenue to fund those other projects that you would have used for the additional \$2 million that we would have had?

Mr. Olson replied, I did not consult with Mr. Rafac about this. This was purely something that we did with CDM, the DOE. We did it with your input as well as the County Board, the Townships. We had meetings, at least two or three, where we invited stake holders to try to gather that information and ideas, and we brought that to the advisory board as well; we had a couple of meetings with them. Even though we had to do this extremely fast, it was lightening speed for this since we were starting from scratch. That is what we came up with to kind of spread the money around, so to speak. In other words, the revolving loan fund was there to allow some other folks throughout the County, whether it is government, other governmental agencies that weren't getting any money through other grants, or if it was a small business a not for profit. All of that came into play. Education we felt was vital. For this particular grant, we need to tell people how to reduce their energy consumption. That is what the focus of the grant is all about. That is why we put that component in there as well.

Member Goodson left the meeting at 11:25 a.m.

Member Adamic stated, I just wanted to make sure. Maybe we are better off putting \$2 million towards this and then with the extra revenue we would get by doing so, we could use that to fund the other programs. That is where I am going with that. I just want to make sure we have done our due diligence.

Mr. Olson replied we did not know exactly how this agreement was going to be structured at the time we did this. Now that we know it's structured in such a way, we knew the \$1 million was going to help us, we knew that...that was definite. It was just how was it going to work out. We didn't know, we just talked about Waste Management's side. You know where are the thresholds. We had this evaluation expert. They told us this is where the prices are and this is where the prices are going and if you put more capital in you are going to go to this price and we are going to share at this price. So at the time that we did that, we did not know whether or not we would share. Like I just said a few minutes ago, it is your discretion. We can go with whatever amount you want. We have not gotten any money other than the \$100,000.00 to develop that strategy. Granted it might take some time to get more money. The money we have if we revamp our strategy right now. So that might be the danger in doing that.

Member Adamic said, I thought we should just do a preliminary exercise to see if that may be better for us to do it like I just suggested or is it better to stay as it is. I know you put a lot of hard work. I know everybody here has probably put a lot of hard work and I applaud you for that. I think that over all it is a good project. It is a green project and it is something that is a win/win for I think, everybody here. Anytime we can take something that is just being wasted and put into the air and causing environmental troubles down the road. I think we are better off. Thank you very much.

Member Blackburn left the meeting at 11:27 a.m.

Member Moustis stated, I want to get back to this the discussion of our returns to both Waste Management and to the County. If I understand the presentation correctly, the gas itself is a commodity that the County owns. So we are going to sell that gas to Waste Management who generates power for \$12.00 a megawatt hour. So that is one part of the agreement that has nothing to do...that is a cost actually to the generation process. So that comes to us...there is no...I want to get back to Member May's question. Then we get to the generation, that is the part how much is Waste Management, perhaps...how much revenue they generate versus the revenue that comes to the County. So I want to separate the two, because I don't think the one is striping the sale of a commodity. In my view I don't think it actually comes into play on how the split then occurs. I'm trying to find a way to simplify this. We just talked, what is the return on investment to the County versus Waste Management. You want to talk about dollars, but I don't think that necessarily the way to answer it. I think we have to look at...because then we would be calculating in the cost. When I said return on investment that could be the capital costs and then, of course, you would have to factor in the actual operational costs, which I don't know what that is. I'm assuming it is not a huge amount. I don't know if you just have someone in there watching the engines, you may have some maintenance person, but is that a better way to perhaps answer Member May's question. If we talk on return. Of course, the more money we put in, the more investment we have, then the split changes. Also, if I understood this correctly, is you are probably going to have to give me the number again, was it \$53.00...anything at \$53.00 and below is basically the breakeven point for Waste Management.

Mr. Pabor responded, you are exactly right. That is how that number is calculated. After our expenses, after our payment to the County, we need the \$53.00 in order to get our return on investment.

Member Laurie Smith left the meeting at 11:50 a.m.

Member Moustis continued, so you calculated that \$53.00 is the breakeven point or some reasonable return on your investment? I'm assuming that at \$53.00 there is some type of return calculated in there on your capital investment, whether it be 3, 4, 5, 10 percent, whatever that may be. Is there anything that is calculated in there that is actually a return on an investment to Waste Management at the \$53.00, do you know? Or is that strictly a breakeven number.

Mr. Pabor responded, it is a breakeven from the stand point that over a 20 year period that is the price we need to get on return of investment.

Member Moustis responded, so there is a return on investment calculated in there, whatever that may be and I don't know if that is a number that you publicly put out, but I certainly think that it is something that at least the County Executive's Office should be aware of. I am just here again, trying to figure out a reasonable way of doing this. So maybe we can do it on just the return on investment. If \$53.00 is your return on investment is 5 percent, but also you take the risk. If it drops down to \$43.00 you would actually go into the negative.

Mr. Pabor responded, that is right. The numbers I put up there on energy price are not \$53.00 yet. If they don't rebound and we are paying the County, we don't get our return on investment until it gets to \$53.00.

Member Moustis continued, Member May I think that it is not just a simple answer. That is why I am bringing this up. Watching your presentation, you are anticipating a \$53.00 breakeven point, and you anticipate the market will go to \$53.00. If it doesn't, you could be negative on return for some period of time. I don't think it would be for the whole length of the agreement. Anytime it is not \$53.00 you are not making money. Could I say that?

Mr. Pabor responded, we are not on target to get our return on investment over that 20 years, that is correct.

Member Moustis stated, whatever that return may be.

Mr. Pabor continued, if in five years prices rebound and then we can get back on target.

Member Moustis asked, do you think it is unreasonable to tell us what your anticipation of return on investment is?

Mr. Pabor responded, that is another approval I have to get.

Members Seiler and Brooks left the meeting at noon.

Member Moustis continued, okay. I think that would be a satisfactory answer at least to me, if the company allows and then Ms. Mary Tatroe, State's Attorney's Office, let me ask you, if some of these number are proprietary and the don't need to be in the market, is this an appropriate discussion in the Executive session?

Ms. Mary Tatroe, responded yes. It would be appropriate to go into Executive session for that under the Open Meetings Act and the Freedom of Information Act, there are exemptions for information which companies identify as proprietary and those are not disclosable under Freedom of Information Act requests.

Member Moustis continued, so I'm asking that question because that may be an answer for the company, that we could perhaps discuss it, but it would be in Executive session and would not be disclosed to the public. I guess that was a lengthy way of me saying....

County Executive Walsh stated, if I could just simplify just a little bit. The County, as you said, Member Moustis, owns a commodity that's the gas that is generated at that landfill. We are going to be paid a certain dollar value for that gas. They are going to pay us monthly or whatever it is for that gas. Okay, to use. Then in the process of generating that gas, and creating electricity, that they have figured with our donation of \$1 million, that the threshold of \$53.00 per megawatt anything over \$53.00 they share the returns of anything of \$53.00 and if it is under \$53.00 they assume all of it. If that means that they are selling electricity at less than what is making a profit, then they assume that risk. That is where the

negotiations took place to derive at our initial investment of dollars, meaning this grant, which we still can change and put more in there if we want, which then brings that as they showed, if we put in \$2 million we could move that figure down to \$48.00. Once they hit \$48.00 we start sharing in the sale of electricity. So that is pretty much in a layman's terms a way of, I think...Mr. Pabor am I correct in that? That is kind of what I asked for, was a very simplified method, without divulging all of your issues that you can't talk about.

Mr. Pabor stated, now I understand your question.

County Executive Walsh continue, that's what I was trying to get. A simple chart that shows how that would be done. Okay?

Member Bilotta stated, I was just going to remind people, that capital cash is king. When you invest capital in anything, whatever it is a piece of property, you expect a return on the investment. Same with Waste Management. They are going to throw \$7 million in, just expecting maybe a 5 percent on that? That is \$350,000.00 per year right there alone, right off...and we are at \$600,000.00 on top of that. Combine buying the leachate from us, in their operational costs, there is not much room. I would be curious to see, I think it is something that should be in Executive session, what you expect a return on your equity (inaudible). That's all you guys decision, but I think if we had that, it would be sufficient. The company is here to make money. They are not going to go into this and not make money on your investment. If you put \$7 million into a CD I would expect that to earn at least 3 or 4 percent...long term 20 years, maybe that is 5 to 6 percent. People you have to understand that they have to make money on their investment that they put in there.

Member Maher stated, I would like to keep it simple. We are getting a 400,000 percent return on our investment. We are getting a \$400,000.00 return on our investment annually, which is over \$8 million in 20 years. Thank you. I think we should really appreciate it and I just want to ask one more question, will your CEO be coming undercover?

Member Singer asked, I understand why the question was asked today, but I think when we are dealing with publicly owned sites and stuff that we own, you know, properties, having these kinds of discussions can be positive, but I think we have to be careful about getting into a conversation where we would require to know their bottom line on a project, when we don't ask that question of a lot of our other partners, our other vendors and people that we do business with. If we own something that is not a value to us and we sell it to somebody and they find a way to make money on it, the baseline relationship is good. If we feel that what we are getting for our commodity is a fair price then what the eventual bottom line is for them to determine. I hope it is high, I hope it is strong, I hope that out of that return, they invest more money in research and development and find better and more efficient ways to do things like this and that out of that comes more opportunities. I think that is how we should approach it. We should analyze whether our return is fair and after that wish them the highest returns that they could get with the industry. I think it is also important that we...I think it is important that we remain consistent in these types of conversations that we are having, whether it be with this business partner or others, whether those people provide us professional services, sell us services at the County or what have you. I just wanted to make that point.

County Executive Walsh said, thank you Member Singer. The County Executive's Office over the last number of months, as Mr. Ryan said earlier, been working on that along with the State's Attorney's Office and with Ms. Cipriano and her firm and that has been what good negotiations has been about. Just up until a couple of days ago, the final negotiations phone calls and conference calls were being made to come to this conclusion of what those thresholds are and that is how they came about. Ms. Cipriano you have a comment?

Ms. Cipriano said, I just wanted to add to that, in addition to us negotiating this agreement and obviously taking in the input from the County, we also knowing that we needed to sit up here today and represent to you that this is a very good deal for the County, we brought on a national expert to look at the pricing in the terms of this agreement, so that we also felt comfortable that what we were negotiating for the County was a fair deal. So I just wanted to make sure you all recognize it. It wasn't that we were just relying on what Waste Management was representing, it was appropriate and what was fair. We took our own expertise, we have a very robust energy practice in our law firm, but in addition to that we did bring on this national expert economist; this is all she does, and so we feel confident sitting up in front of you and telling you this is a good deal for the County.

Member May stated, I'm just recapping, I will get some kind of answer right?

County Executive Walsh stated, we certainly hope so. I mean other than this discussion that we are trying to enlighten everyone on as to how all of this took place, I am sure that within their boundaries, that Waste Management will hopefully bring back a chart next week or have it available for us that gives us some kind of layman's terms, because we need to have that. Because we are basically dealing with an issue that is all of our taxpayers are involved in.

Member May continued, if we walk into the coffee shop in the morning and someone might have the paper when we finally do this and they say "hey look the County gets back this much per year". You know one of those farmers is going to say "yeah how much does the company get"? What am I going to say? I don't have to know exactly, but I have to represent that they did a good job.

County Executive Walsh continued, you are absolutely right. That is what we are hoping we are bringing forth today. That we didn't just wake up this morning and create this contract, that this has been an ongoing discussion of hours and hours and hours and thousands and thousands of dollars with professional consultants that deal with this issue and at the end of the day, Waste Management is a tough negotiator. As I said, just within the last two days these final numbers have come to fruition through negotiations. So that is where we are at.

Member Konicki stated, I am sure they are a tough negotiator and I think what I'm hearing from some Board Members is that, this makes us very much aware that we also need to be a tough negotiator. I'm sure you and your staff have done your best. However, knowing that we have spent taxpayer dollars retaining the national expert economist, I really would be very interested in knowing what recommendation that national expert economist initially made. There is always the amount he thinks we should get and then as negotiations whittle us down, there is probably the amount we are being encouraged to

approve. I would like to know what that variance is. I think, did he issue a report? Is there something in writing?

Ms. Cipriano answered, it was really more on a consulting basis, but certainly when we prepare a more sort of layman's term explanation, I think that is an absolutely fair request. So if you are questioned when you are in the coffee shop that you can certainly explain what it is that we did. I think that is absolutely fair and sometimes lawyers elude that, but we will make sure to share all of the factors and the back and forth, so that you all get a good sense on a more layman's basis what went into this and what factors needed to be considered and sort of how it fluctuates and all of those things. We promise you we will get that developed in a way that I think a bit more understandable.

Member Konicki continued, frankly there are two ways I would approach this for comfort level. One would be with an expert that I trust, knowing what they would say I should get and then comparing that to what my (inaudible) negotiations. My second way would be taking a look at the terms of other agreements that have been cut. Waste Management has mentioned that they have in the last few months done four more agreements. I would be interested in knowing the terms of those and if there are any other agreements actually operating like this, (inaudible) gas prices vary throughout the nation, so perhaps it is more difficult to compare our contract on terms with one that was recently entered into in another state. I would still be...especially the ones in Illinois.

Ms. Montgomery stated of the ones I am aware of, I think this is a better deal.

Member Konicki asked, what is the basis for that opinion? Point out to us what the terms are in the other agreements and what they are in ours, we can say gee that is better. We have the responsibility here and we will be asked questions, we need to be intelligent, we just can't say well that's what they told us to do. They told us to approve this and we did what they told us to do and we trust them. I think we are just a little more hands on, that's what our residents are expecting us to be and if you would share a little bit more of the rationale behind the opinions you are giving us would be helpful.

County Executive Walsh interjected, we have one more Resolution yet and as I am counting the number of County Board Members still here in their chairs, we need to make sure we get these things run through today. Otherwise we will not be negotiating them or debating them next Thursday. Mr. Pabor if you want to answer Member Konicki's question the best you can.

Mr. Pabor answered, most of our projects are on our own landfills, we own the gas, we are not buying the gas and those four projects came on line during the last few months were those types of projects. We just recently got into third party development, where we are on other people's landfills. We have two other contracts that are almost identical to this, one in Florida and one with the City of Denver. We have also recently won bids. We built a plant up in Madison County, New York and we are building one in the City of Farmers Branch in Texas. So we have maybe a half-dozen or so here where we are actually buying the gas from other people and I will do my best to look at those confidentially agreements and see what I can tell you on those. I can tell you there is a narrow window here of just based on the capital investment, and based on energy pricing and based on our

experience there is a very narrow window with all of these contracts on what we are able to offer. We could also benchmark other developers that again, subject to confidentially other developers on other people's landfills and how much they pay. I am confident you will find that the gas price that we are offering is consistent with virtually industry wide and when we got into the third party development, we actually introduced the revenue sharing concept. A lot of other developers are now also offering that. So we tried to approach this again as partners. I am confident that you will find that the package we are offering the County here is very much in line with the industry standards.

Member Konicki stated, you mentioned the confidentially agreements and certainly no one wants to disrespect legal documents. However, I have to assume that these landfills are on public property, similar to ours and I would think that these agreements would be a matter of...the term used in the State of Illinois is FOIA'd. They are basically they are documents that the government is a party to these agreements...what happens under that law?

Mr. Pabor stated, that's what I expect. When were negotiating with the County in Florida, they called the County in New York and said what did you get. The County in New York was very open with sharing. It is going to vary a little bit from site to site, just because of grants and energy pricing. I think you will find a very narrow window on this.

Member Moustis asked, County Executive Walsh I am hoping to move on to the next item.

County Executive Walsh stated, first we have to take a vote on this item.

Member Moustis continued, that is what I was going to ask. I made a motion to place this on the floor for discussion. We are not voting on the Resolution today we are going to move that to next week. We are going to put that on the next County Board agenda?

Ms. Melissa Johannsen, Deputy Chief of Staff, responded yes.

Member Moustis continued so I don't need to do anything. I just wanted to check with County Clerk Voots, because my motion was just to place it on the table for discussion. Then I probably need to ask Ms. Tatroe then we don't need to take any further action since I just put it on the table for discussion.

Ms. Tatroe responded, not unless for a procedural matter you need to.

Member Moustis continued I'm thinking that at the Executive Committee following this special County Board Meeting we would place it on the County Board agenda for next week. But since it is here, should procedurally should I make a motion to place this, here at this meeting, on next week's agenda?

County Clerk Voots responded yes.

County Executive Walsh asked County Clerk Voots what do you want done.

County Clerk Voots responded, I think he should make a motion to place it on the County Board agenda for next week.

Member Moustis made a motion, seconded by Member Adamic to place Resolution #10-29 on the County Board Agenda.

Voting Affirmative were: Bilotta, Adamic, Deutsche, Singer, Weigel, Dralle, Wisniewski, Kusta, Maher, Brian Smith, Gould, May, Rozak, Konicki, Brooks, Winfrey, Babich and Moustis. Total: Eighteen.

No negative votes.

MOTION TO PLACE ON AGENDA IS APPROVED.

Member Moustis said, I would like to ask all of the Executive Committee Members, please do not leave, I need you for a Quorum to set the agenda for next week. Hopefully we will get through Resolution #10-30 fairly quickly.

Member Moustis made a motion, seconded by Member Kusta to place Resolution #10-30 on the floor.

Voting Affirmative were: Bilotta, Adamic, Deutsche, Singer, Weigel, Dralle, Wisniewski, Kusta, Maher, Brian Smith, Gould, May, Rozak, Konicki, Brooks, Winfrey, Babich and Moustis. Total: Eighteen.

No negative votes.

RESOLUTION #10-30 IS PLACED ON THE FLOOR.



**Executive Committee
Resolution #10-30**

**RESOLUTION OF THE COUNTY BOARD
WILL COUNTY, ILLINOIS**

AMENDING CONDITION #15 OF SITING ORDINANCE #99-72 FOR THE PRAIRIE VIEW RECYCLING AND DISPOSAL FACILITY TO APPROVE A PROPOSAL SUBMITTED BY WASTE MANAGEMENT OF ILLINOIS, INC. WITH CERTAIN CONDITIONS PERTAINING TO CONDITION #15 OF SITING ORDINANCE #99-72

WHEREAS, on August 14, 1998, Waste Management of Illinois, Inc. filed with the Will County Board a request for site location approval for the Prairie View Recycling and Disposal Facility in unincorporated Will County; and

WHEREAS, on March 4, 1999, the Will County Board approved Waste Management of Illinois, Inc.'s request for site location approval for the Prairie View Recycling and Disposal Facility, which included fifty-seven special conditions; and

WHEREAS, on September 24, 2003, the Illinois Environmental Protection Agency (IEPA) approved the development application submitted by Waste Management of Illinois, Inc. for the Prairie View Recycling and Disposal Facility, and began accepting waste on January 19, 2004 after receiving an IEPA operating permit; and

WHEREAS, siting condition number fifteen prohibits Waste Management of Illinois, Inc. from being able to practice leachate recirculation at the Prairie View Recycling and Disposal Facility; and

WHEREAS, Waste Management of Illinois, Inc. has provided a proposal to practice leachate recirculation at the Prairie View Recycling and Disposal Facility; and

WHEREAS, Will County retained Patrick Engineering, Inc. to perform a technical review of the leachate recirculation proposal from Waste Management and has indicated the proposal is acceptable with the attached conditions; and

WHEREAS; Waste Management of Illinois, Inc. is required to receive authorization from the IEPA and any other applicable government agency to practice leachate recirculation at the Prairie View Recycling and Disposal Facility; and

WHEREAS, the Will County Board has reviewed and recommends approval of Waste Management's proposal to practice leachate recirculation with the attached conditions.

NOW, THEREFORE, BE IT RESOLVED, that the Will County Board hereby amends Condition #15 of Siting Ordinance #99-72 to approve Waste Management of Illinois, Inc.'s proposal to practice leachate recirculation with conditions at the Prairie View Recycling and Disposal Facility.

BE IT FURTHER RESOLVED that the Preamble of this Resolution is hereby adopted as if fully set herein. This Resolution shall be in full force and effect upon its passage and approval as provided by law.

Adopted by the Will County Board this 18th day of February 2010.

Vote: Yes _____ No _____ Pass _____ (SEAL)

Nancy Schultz Voots
Will County Clerk

Approved this _____ day of _____, 2010.

Lawrence M. Walsh
Will County Executive

**CONDITIONAL APPROVAL OF LEACHATE RECIRCULATION
AT PRAIRIE VIEW RECYCLING AND DISPOSAL FACILITY**

The leachate recirculation as proposed by Waste Management of Illinois, Inc. for the Prairie View Recycling and Disposal Facility should not cause significant operational problems or environmental difficulties if best management practices are adhered to and with the following caveats:

1. Adequate precaution is taken when applying leachate to the working face to avoid worker exposure and runoff or aerosol escape of the leachate. The County shall approve application methods prior to recirculation.
2. Leachate recirculation will not be performed immediately adjacent to the landfill side slopes.
3. Cover is removed prior to recirculation. This helps prevent the potential for leachate pop-outs.
4. Spraying is not performed during times when wind can carry aerosol off-site, or if off-site odor becomes an issue.
5. Keep the area of recirculation to a limited area, such as 2 to 4 acres at a time.
6. Maintain permit conditions at all times, specifically, maintain the sump levels to those identified in IEPA permit.
7. The process of loading leachate into tanker trucks, hauling to the active face, and unloading the leachate onto the face shall be monitored at all times for spills or leakage at the transfer points and on the internal roads. Leachate shall not be allowed to enter the storm water system.
8. Continue the use of gravel or a material with similar conductivity in the drainage layer of the leachate collection system.
9. Adhere to their proposal as outlined below:

The proposed system would consist of direct application of leachate to only the open, active areas of the landfill where 20 feet or more of waste is in place. Leachate could be trucked to the active face from holding areas, or pumped from the leachate system riser pipes.

WMII proposes to recirculate 3 million gallons a year of leachate into the active areas. Leachate not recirculated would continue to be transported to permitted off-site treatment plants. Leachate recirculation will not occur during periods of significant precipitation.

The approval of leachate recirculation will not release Prairie View RDF from any compliance requirements relating to leachate head levels in the landfill. WMII must comply with all applicable Illinois regulations regarding leachate handling to obtain the permit modification.

Member Wisniewski left the meeting at 12:10 p.m.

County Executive Walsh announced, with us today is Mr. Chris Burger, Vice President of Patrick Engineering, Inc. and Mr. Burger is going to give us his explanation of the process and their expert opinion on the process of the leachate recirculation at the Prairie View Landfill. Mr. Burger please give us your name and address.

Mr. Burger came forward and stated my name is Chris Burger from Patrick Engineering and our address is 300 W. Edwards Street, Suite 200, Springfield, IL 62704.

Mr. Burger presented to the Will County Board a PowerPoint presentation which is on file with the Will County Clerk's Office.

Mr. Burger began his presentation, a couple of weeks ago I was engaged by the County to take a look at the proposal for leachate recirculation that Waste Management has provided to the County. Our scope is somewhat limited, we wanted to take a look at their actual proposal and the County asked what is our opinion, what is our recommendation according to that proposal. We did not look at economics, finances, landfill gas generation, etc. so it is just focused on recirculation and issues surrounding that.

I don't have a lot of explanation here. I thought originally there was going to be a speaker ahead of me talking about the proposal, so let me just give one brief explanation. Leachate is essentially the liquid that comes in contact with waste at a landfill. So it is the precipitation that comes through the waste, comes on top of the liner and gets captured and removed from the landfill. Currently at the landfill, leachate is being hauled all the way to a treatment plant. This proposal is to simply take that leachate that is currently being hauled away and to recirculate it. This is not a unique request by landfills in the State of Illinois. The IEPA routinely sees these and approves them on adequate sites. The USEPA has rational for approving these. So it is something that is not brand new, but at least we can walk through the system.

The primary method that we use to evaluate leachate recirculation is with what we call a HELP model. That stands for Hydrologic Evaluation of Landfill Performance. I have done about ten or twelve landfill reviews in the last 10 years for counties and cities. We work solely for counties and cities, not for the private industry. So we don't work for large waste companies. We made that switch back in early 2000, because a lot of our work has been similar to this, where we are advising the cities and counties of landfill construction and operation issues. What we did in the office after we got engaged was to take a look at the Waste Management proposal, they had run an HELP analysis, we looked at that. We ran it independently to make sure that our input was similar to their input, our output was similar to their output, so we basically checked what we think is normal in the industry and it came out pretty close. We can go over those in a second.

One of the things I did find out right away, in the last point is we ran a model of the earlier times, with what we call the actual construction documents. There are construction documents that are submitted to IEPA on the landfill construction and these are what physically in the landfill. The importance of that, I will show you a little bit later.

Member Bilotta left the meeting at 12:30 p.m.

We ran three scenarios: One scenario was with no recirculation. Just do what you are doing now. All leachate is removed, it is currently removed and it will continue to be removed.

Another scenario was with 100 percent recirculation. So what ever is withdrawn from the bottom of the landfill is eventually recirculated up through the landfill.

Then finally, recirculation rate that was actually offered by Waste Management of 3 million gallons per year, which amounts to the 18,200 gallons per day calculation. That is based on a certain number of days during the year that we view that the landfill can actually recirculate. It is not 365 days.

The results of the model that we looked to analyze, and again we look at these for a number of landfills. A couple of important parameters:

One is the peak head on the liner. When I say head on the liner, it's the liquid level of leachate sitting right on top of that HDPP liner. All landfills built in Illinois today are built with a geo-membrane. It is typically a HDPP liner, and IEPA has certain standards and regulations by which you cannot exceed, and it is 12 inches. So we always look at what the peak level is with this system. So as constructed, what the model predicts. By the way the HELP model used here was used at all the other landfills that I have looked at.

We also look at the average level on top of that liner. Again on the bottom, the original evaluation was with a common sand drainage material, so we looked at that as well as what Waste Management actually constructed, which is a gravel drain.

Again, the three scenarios listed here that we looked at were 100 percent recirculation, limited recirculation, as well as no recirculation. So all three scenarios using the actual drainage layer that has been installed had heads less than one-half inch. If you think of a one-half inch head across the liner of the landfill. So that is what the model is telling us. Often times we see that number at 5, 6, 7 or 8 inch range. Sometimes, since this is the peak, it can get up close to 12 inches.

So here is graphically some of the results of our various runs of the HELP model. In the blue lines, that is essentially what we call the sand drainage layer option. Which is not used here again, but that was originally provided to us by Waste Management's consultants in their HELP model.

On the far left is what the IEPA looks at. All landfills have to stay below 12 inches of head on their liner.

If you look to the right, at the your landfill, it is really 100 percent recirculation. The peak head model was just over 5 inches. The reduced recirculation rate was just below that and the no recirculation was just between 3 and 4 inches. That again is the head on the top of the liner, liquid level.

If you look at the gravel drainage layer, which is actually installed, your values are shown in red. All of those are low, they are less than one inch liquid head.

The second analysis looked at the average head on the liner. The bottom line here is that all values were less than a quarter of an inch from the model. Again this is because of the high conductivity or the gravel has a very high conductivity; it allows for liquid to flow through it very, very easily. There is very little build up. Again if you look at the blue, which would be a typical sand drainage layer that is used across Illinois, your levels are 1 to 2 inches at least, the gravel layer it is still very, very low.

Rational is that there is very little resistance to the flow of the liquid. Very little resistance. That is what high conductivity means.

Again, this evaluation was only looking at the functionality of how leachate is generated at a landfill. It is captured by the leachate system and the head build up. So the IEPA does allow for recirculation. Even if the County were to approve considering this, it has to go through the permitting process. The agency will look at all the issues that we have listed here and they will give a permit or deny a permit based on how Waste Management will address these.

The first issue here is the liner. This liner is your standard. It is really a state of the art, composite liner that is being built across Illinois and many, many states. The USEPA requires this type of liner for any kind of recirculation. IEPA requires this liner, therefore the liner really needs that particular criteria.

It has to have the right leachate collection system and this system which we have does have a good leachate collection system, based on all the analysis we have done.

When you recirculate leachate, your gas generation rate will increase, so you have to have systems in place or ready to be in place to control any type of gas or odors. The daily or monthly monitoring of odors is the responsibility of the landfill operator. As soon as there are issues with odors, those odors have to be corrected in some way, whether it be collection of gas or some other method.

There are operation criteria that need to be followed. These are items that we have looked at as far as condition of recommending this, we would say these need to be conditions of whatever approval the County has or would go forward with.

Here are the recommended conditions. They are abbreviated, you probably have this in your packet.

One was worker safety. Anytime you are handling leachate that is an issue. Leachate is currently handled, it is pumped out of the system and put into storage tanks and it is hauled away in tanker trucks. So from a worker safety perspective the workers are trained to handle leachate already and we would expect that to continue, obviously.

Prevent aerosol escape. Aerosol is just fine particulates of liquid, depending on the type of process that the recirculation ends up being there may be no aerosol generated in the first place. That is why we would strongly suggest that the County is the ultimate decider of what type of methods are approved for recirculation.

Two is keep away from the side slopes. Standard practice, you don't want to recirculate leachate close to the side slopes and have any potential pop outs of the side slopes.

The rest here are items that are what we call common or things that should be good business practice and good management practices.

The last one, number nine, is limit the application to specified areas, including consideration of the depth. This needs to be on the active phase, there are some leachate recirculation procedures where the leachate is recirculated throughout the landfill. Right now the proposal is just to limit to the active phase of the landfill. That keeps everything pretty tight, in a couple acre area at a time. The depth, we need to have at least 20 to 25 feet of waste in order to apply the leachate and have the waste really soak up the leachate.

The final schematic, something we put together real quickly, just so I can see and kind of describe out. On the far right hand side, the red is what we call the standard gas curve without recirculation. The green color is with recirculation.

As Mr. Pabor mentioned earlier, your slope is steeper as you are filling waste and recirculating. Then when you cap the landfill your gas rate reduces quite substantially. The reason why this is important...your closure period is somewhere out in this area and you would like to have less gas, period or less gas generation after the landfill is closed. So you have lots of gas generation when you are operating and then this will help reduce long term care issues.

There are a lot of issues related to recirculation, but I think given the time, I would like to just summarize that recirculation is something that the IEPA does approve. You have to go through the permitting process. You have to show proper design, proper operation for them to come to that conclusion. The design of this facility does not change. The current design will be the final design. Leachate recirculation has no design changes, it will not change the design at all.

Quality control is built into the current IEPA permit is critical and by looking at the construction documentation reports that quality control is being performed and the reason I bring this up, is one of our important issues is that the drainage level, drains very, very rapidly. By doing that it validates someone saying that leachate recirculation makes sense at this site. If you add high (inaudible) on top of that liner, again that would not be the case. So quality control makes sure that the proper materials are installed in the landfill is extremely important.

The proposal is simply to recirculate the leachate that is being generated right now, and not to bring any new type of liquid on site. This is strictly recirculating. Some people use the term recycling, but the term of the industry is recirculating leachate.

I guess that is it for now. I will be open for questions.

County Executive Walsh said thank you Mr. Burger. Let me make sure we all understand this discussion regarding the leachate recirculation will be limited to

amending siting condition number 15. It is not intended to revisit the siting ordinance beyond amending condition 15. We will limit the discussion to amending of condition 15. Notice of a public hearing on this amendment to the siting ordinance have been published in and is posted. The hearing will be, next Thursday, February 18, 2010, prior to the Executive Committee Report of the County Board. At that time public comments will be allowed. With that....Member Dralle do you have a questions?

Member Dralle responded, yes I do. Once we look at the issue of recirculation, does recirculation help decomposition of waste and therefore extend the life of the facility?

Mr. Burger answered, recirculation will help with degradation of the waste that is in place. Therefore, that is why the gas generation rates go up, because the waste is being degraded quicker. I can't say it is going to extend the life. You have a certain number of tons of waste scheduled for that facility and you don't deviate from that then it will actually degrade quicker and it will stabilize sooner. The last chart shows it stabilizing quicker where it is less gas is being generated in the later years. Because most of that waste has already gone through degradation. When EPA developed rules that tried to make plants (inaudible) that chart spread way out. The gas generation can go up as high, but then spread way out after closure as the waste was so dry. It just takes a long time for that waste to generate gas. You need moisture to generate gas in a landfill. Usually precipitation and some of the moisture in the waste itself helps generate that.

Member Dralle continued I just wondered if leachate recirculation will add to the decomposition so we have more air space and then a longer life to the landfill.

Mr. Burger responded, it will degrade quicker so it is a potential to do that.

Member Maher stated, as Member Moustis alluded to in the last go around conversation, our Committee had been doing some of the research and we just did not have enough gas to go forward with it a couple of years back. To Member Dralle's point, we have a timeline limited on how long we can keep this landfill open, it is not by tonnage, but it is by date. Is that correct? But if we go in and the recycling, I mean the whole point of trying to recycle is to Member Dralle's point to decompose this quicker and my understanding from the research we have been given in the past, is that since more moisture in there, quicker decomposition, which you were referring to about the dryness collapsing and bringing actually more space available for a longer period of time. You wouldn't put more tonnage in there per se, but at a date we would have more room than we thought we would doing this process.

Mr. Burger replied, when I look at landfills typically they are rated or permitted on a design height. You have a contour, now when you are degrading that waste quicker it is going to come down quicker. So one of the arguments for the leachate recirculation is that since we are degrading our space is being consumed by more gas generation, we can actually add waste to the permitted height, which will give you more capacity even though it is the same cubic yardage in theory, you are actually adding tonnage.

Member Maher asked, so we may need to revisit what the original federal regulations were on this landfill if we go through this process and we go through all the

steps and are able to actually use it for a lot longer rather than look for more landfill space.

County Executive Walsh responded, you are absolutely correct. That is one of the benefits. Are you done Member Maher?

Member Moustis stated, I was going to basically...there was indeed restriction from the federal government, which restricted the life of the landfill as far as age. But we also restricted it on the number of tons that could go into the landfill. So both were restricted. I think what is going to occur though...I think one of the ways they measure how much a landfill is filled by the height. When the decomposition takes place it lowers the amount. Therefore, in theory, you have more air space for trash. That is how I understand it. Mr. Olson, jump in at anytime.

Mr. Olson responded, that is true.

Member Moustis continued, we believe at this point in time that the age restriction will not give us ample time to get our tonnage, that we were allowed for this landfill. So at some point we probably will have to go back and ask for that restriction to be lifted or at least give us additional time to fill out the tonnage restriction. Mr. Olson does that pretty much...

Mr. Olson replied, at current rates, yes. It all depends on if more waste goes in there.

Member Moustis asked then you get to the leachate recirculation. In theory leachate recirculation the decomposition takes place quicker. It lowers that mound, so therefore, perhaps gives you some additional air space for waste. Is that correct Mr. Olson.

Mr. Olson replied, that is correct.

Member Moustis continued, that could be one of the other benefits of recirculation that we would get some additional life out of the landfill. When we started this landfill they told us that landfills will be obsolete in no time. That doesn't seem to be happening. We are going to have a continuing need here in Will County for our solid waste. Would you say that's true?

Mr. Olson replied yes. There are other technologies, but I don't believe they are...they are so high costs. You could use them, but economics prevail ultimately.

Member Moustis responded, I just wanted to get some clarification on the landfill restrictions themselves, but also you said there could be some benefits of leachate recirculation for life of the landfill.

Mr. Olson answered, yes. As Mr. Burger pointed out, I think it is important to note, not only with the gas, the extra gas generating, but when you do generate that extra gas, then the later effects in post-closure are very positive. Because there is less gas to manage, because the waste is already decomposed. So that is very important to note too.

Member Kusta stated, in layman's terms can you explain how this all wraps up. I understand how we are going to add moisture, recycle. Is there a faucet that we close up and if so, what is the process.

Mr. Burger responded, when you say wrap up do you mean at the end of the life, or do you mean during the actual life of the facility with recirculation.

Member Kusta continued, when the landfill shuts down so there is no more fill going in, we are going to keep recycling the leachate for a period of time. Then eventually it will shut down and dry up?

Mr. Burger continued at this point we are looking at the condition that the active phase, you need an active phase to recirculate. Other landfills put in leachate in areas that are closed. We are not proposing that here. We are not looking at that as the condition we are looking at in these being active phases. The landfill needs to be operating, so once it closes and the final cap is on, unless the condition is changed, we are not looking at recirculation here. So the leachate that you capture from that point on will need to be hauled away and treated.

Member Kusta asked, so it continues to drain we just have to dispose of it.

Mr. Burger responded, it will continue to drain, but over time it will dissipate because that cap that is designed and built is so tight that it will prohibit the precipitation from getting into the waste. But it will have inherent moisture in there that needs to be drained out.

Member Dralle stated, just looking at the model, is there anyway that you could provide us in the future with what additional air space capacity you think that the recirculation will have versus non-recirculation? I think this is something that the Board (inaudible) might give us some ideas of additional use.

Member Maher stated, we are focused on recirculating of the leachate. In previous conversations we actually talked about income generation by allowing leachate to be brought in from other avenues, was that not on the table in this discussion and what are the benefits and or, because we absolutely were talking about that in Committee previously about having leachate brought in and other ways of adding moisture to this to speed up the decomposition and increase the gas.

Mr. Olson responded, I think you are talking about a bioreactor. That is not what Waste Management is proposing. They are just taking the leachate from the landfill and no other liquids whatsoever, and not all those liquids by the way. It won't take all the liquids. They wanted to be very conservative about this and limit that. They limited it that themselves. We basically did these conditions to limit them on how they do it so that everything is done with our control.

Member Maher asked, why was the bioreactor taken off the table or was it open for discussion.

Mr. Olson responded that is a Waste Management question. Because they are the ones that provided the proposal.

Member Maher asked, can anyone from Waste Management answer that? in previous conversations, 3 or 4 years ago, when we started this whole conversation, one of the things we talked about as potential income generation for the County and to speed up the decomposition and all of that is to bring leachate in from other areas. Not just for recirculation, but actually input from other groups. I am just wondering where that was in this discussion, is that still a viable alternative or is it not economically feasible for us to do that.

Member Moustis replied, Member Maher let me ask you though, my recollection of that discussion about the bioreactor wasn't bring leachate from other areas, it was just the injection of additional fluids.

Member Maher asked, but also bringing it in, where you able to....

Member Moustis replied bringing in additional fluid. I don't recall it exclusively bring another waste product in, it was just injections.

Member Maher responded, it was injecting other fluids into that, brought in from other places. What we heard today was we get rid of ours. It has to have some place to go, so we had discussions, on actually not only on the recycling, but I think the discussion was...

Member Moustis answered, I think it was just a bioreactor versus what we are doing on this project.

Mr. Dale Hoekstra, Director of Operations from Waste Management replied, we are not proposing a bioreactor here today. A bioreactor is much different than the proposal in front of you today. As Mr. Olson said, we are only talking about dealing with the leachate that is produced only at Prairie View and only a portion of that leachate. The bioreactor is much different type of process. The proposal does call from tremendous amounts of other liquids to be brought in to the facility and pumped through the refuse, typically through a series of pipes that have been previously buried in the layers of the waste to allow for more saturation of the waste, of course, greater decomposition or gas production at a much quicker rate. We are not comfortable with that technology at this point, as a company in this area, and I am not proposing that at all here today.

Member Moustis stated, (inaudible), actually my question is probably more directed to Mr. Olson. I think the obvious question is, why was leachate recirculation not part of the original agreement? I think I know why, but for the benefit of those who may not have been involved in that process. It was a discussion, and I think the recommendation at the time from the Solid Waste Division and the County Executive's Office at that time was to leave that out as part of the contract, leave it out of the agreement. So maybe you could share a little history as to why wasn't it included. Ms. Cipriano you were here also, correct for that?

Ms. Cipriano responded, not for that.

Mr. Olson answered, first of all it was never proposed, so there was no plan. And similar to before, when we have amended siting conditions before, they had to provide a plan, such as the C & D Recycling Facility that they would be doing at the landfill. Planting trees in the middle of the winter, they couldn't meet that siting condition. So this didn't have a plan, it didn't have a plan. Also during the hearing in 1998 it was fairly new, I mean it had been done some, but it was fairly recent. So being that there was no plan presented and the fact that it was fairly new, we felt like we would prohibit it and if they want it they will have to come back and give us a plan and we will have to be happy with that plan, or know that it is a reasonable plan to approve it. That is basically why we did that.

County Executive Walsh asked any other questions?

Member Adamic commented, for me this is pretty basic. You essentially have a big compost heap, you put water in there and you can put more waste in there because all your stuff gets compacted, the leachate breaks everything down, there is more methane created upfront, and of course, the backside of this when it comes time for closure there is less methane going back into the atmosphere. So as far as I'm concerned, I'm ready to vote and put this on the agenda for next Thursday. Lets get out of here.

Member Konicki asked, actually it would have been helpful if that last (inaudible). In noticed that the two lines showed, one line on the chart showed gas production with a leachate recirculation and the gas production line without any circulation. Actually those lines didn't cross until 30 years out. For 30 years the line with recirculation stayed significantly higher than the line without circulation and yet the agreement we are looking at is a 20 year agreement. I'm not sure how to deal with it. I'm not sure how conceptually or intellectually what that is telling me.

Mr. Burger responded, the line crosses about 10 years out from the date of closure.

Member Konicki replied, 10 years from the date of closure, which is 30 years from today.

Mr. Burger responded because right when it closes, is when it is generating the most gas and then after than you are basically shutting off the precipitation, you are shutting off the moisture and you are not adding any more waste, we don't have anymore waste to generate gas so both lines subside and they cross roughly 10 years after closure.

Member Konicki continued, (inaudible) ever try to do something with that extra gas post-closure 10 years? I mean its still at an extra high level, because of the circulation and what do you do with that.

Mr. Burger responded, it typically depends on the economics. If it is economical to keep generating with that gas flowing. There is going to be a point in time where the generation rate or the flow rate of the gas is too low to overcome the expenses of running a generator and then you need to flare it. As some point in time, its going to be so low that it does need to be flared because there is too little generation. Keep in mind that you have acres and acres so all site migration is going to be way below the standard.

Member Konicki continued, the bottom line (inaudible) is it common for units of government in our position to try and draft their agreements in a way to cover that post-closure 10 year period when there is all that extra gas that is still possibly economically be able to (inaudible) to a GTE?

Mr. Hoekstra answered that is a very good question and part of the gas (inaudible) is to reopen the agreement as we add additional engines. So if we get beyond that eighth engine and we are still producing a significant quantity of gas, there is going to be an opportunity to reopen that agreement as say extend the agreement to deal with that additional flow of gas. If we build a plant and we have a good supply of gas we certainly not going to want to close that plant just because we have a 20 year agreement. You make a very good point, and that is the time that we will be able to deal with those issues as we go forward.

County Executive Walsh asked, any more questions? One quick question if I could Mr. Burger. You made the comment about the process that we have to follow, which is the EPA process in the recirculation process. Does the EPA recommend leachate recirculation?

Mr. Burger responded, the IEPA doesn't recommend either or.

County Executive Walsh responded, okay.

Member Moustis said, along those same lines, County Executive Walsh, if you go to through the EPA siting process, which is a very public process. During that process, I would imagine the EPA takes everything into consideration. They either approve or disapprove, correct?

Mr. Cipriano answered, they actually go through a permitting process. But there are a lot of, obviously regulations that need to be met. The Agency will judge that application based on how well it protects human health and the environment. So they have an independent review, I think as Mr. Burger mentioned previously in the opening, just because we all decide that we want to proceed with it, Illinois EPA has to decide on its own that it meets the requirements of the Illinois Environmental Protection Act and the regulations and decide if it is entitled to a permit.

Member Moustis asked, is that a public process. Is there hearings during the permitting process?

Ms. Cipriano responded, through the landfill regulations there is not a specific hearing that is required. I know that there is going to be discussion on this at the next County Board Meeting, but Illinois EPA is certainly willing to, if there is a lot of interest, they are willing to discuss the application, with the community. If that makes sense. So it is not a closed process certainly. They try to be as open as possible in what they consider. But there is no specific hearing that is required.

Member Adamic made a motion, seconded by Member Winfrey to place Resolution #10-30 on the County Board Agenda.

Voting Affirmative were: Adamic, Deutsche, Singer, Weigel, Dralle, Maher, Brian Smith, Gould, May, Rozak, Konicki, Brooks, Winfrey, Babich and Moustis. Total: Fifteen.

No negative votes.

MOTION TO PLACE ON AGENDA IS APPROVED.

**ANNOUNCEMENTS BY COUNTY BOARD CHAIRMAN
James Moustis**

Member Moustis announced, I have no announcements.

**ANNOUNCEMENTS BY LEGISLATIVE MAJORITY LEADER
Jim Bilotta**

**ANNOUNCEMENTS BY LEGISLATIVE MINORITY LEADER
Walter Adamic**

Member Adamic stated, no comments.

County Executive Walsh said. We will stand at recess until Thursday, February 18, 2010, at 9:30 a.m. Everybody have a great day.