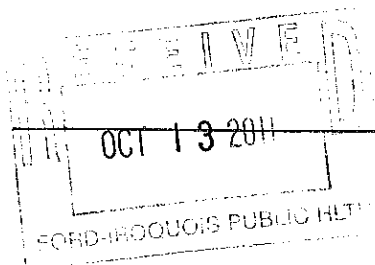


# Ford-Iroquois Public Health Department

Douglas Corbett  
Public Health Administrator



Dear Board of Health members;

October 7, 2011

The Illinois Department of Commerce & Economic Opportunity (DCEO) has approved both of our grant projects for the solar panels. The combined grant was \$60,000 that is to be reimbursed to the health department 60 days after the installation has been completed. With this encouraging news comes the reality of finalizing the project in 120 days or risk losing our grant.

As you have given me authorization at the past July 18, 2011 Board of Health meeting to proceed as scheduled, I now need permission to carry out the contract with Day & Night Solar and to proceed with a loan. I have already had to submit 25% down payment to order materials. Another 50% will be due in a couple weeks, and the final 25% payment will be due upon completion. Time is moving fast due to the 120-day time-line imposed thru the Illinois Department of Commerce & Economic Opportunity and therefore the following must be resolved without delay.

### Past Actions:

Notice for solicitation of bids for our solar panel project was printed Wednesday July 27, 2011 in the Times-Republic and the Spirit that circulate in both counties.

Schuldt Insurance sent notice via e-mail on Thursday July 28, 2011 that our premium would increase \$162 per year to insure the solar panels.

Day & Night Solar submit their bid on-line that net costs \$87,423.26 (after \$87,458.25 anticipated rebate) on July 29, 2011. The 15.5 kW system was quoted for both offices.

Angel Wind Energy submits their bid on-line that net costs \$71,554 (after \$30,666.00 anticipated rebate) on July 28, 2011. The Paxton quote was for a 2.94 kW system and the Watseka quote was for a 11.2 kW system. The payback and DCEO grant incentives are not as financially sound as the Day & Night Solar bid. The Angel Wind Energy failed to follow the bid specifications of utilizing American made solar panels and that the panels are monocrystalline photovoltaic modules.

The Ford-Iroquois Public Health Department does not discriminate in admission to programs or treatment of employment in programs or activities in compliance with the Illinois Human Rights Act; the U.S. Civil Rights Act; Section 504 of the Rehabilitation Act; the Age Discrimination Act; the Age Discrimination in Employment Act; and the U.S. and Illinois Constitution. If you feel you have been discriminated against, you have a right to file a complaint with the Illinois Department of Aging; for information, call 1-800-252-8966 (Voice & TDD), or contact the Ford-Iroquois Public Health Department at 1-815-432-2483 or 1-217-379-9281.

114 North Third Street • Watseka, Illinois 60970 • Phone: 815.432.2483 • Fax: 815.432.2198  
235 North Taft Street • Paxton, Illinois 60957 • Phone: 217.379.9281 • Fax: 217.379.2802  
E-mail address: [info@fiphd.org](mailto:info@fiphd.org) • Web page: [www.fiphd.org](http://www.fiphd.org)

IL DCEO makes announcement on September 9, 2011 that the Renewable Energy Resource Program (RERP) solar panel grant period is now accepting bids on a first come first serve basis, but the ceiling awards are only \$30K this year, not the \$50K that were awarded last year. Since the grant ceiling award was only \$30K per location, Day & Night Solar reduced the system size

(kW output) to maximize the financial incentives offered by IL DCEO. The system size reduction reduced the price of each unit.

Grant application packet submitted to DCEO (thru Day & Night Solar) requesting two \$30K grants on Friday September 9, 2011.

Board of Health meeting on September 19, 2011 the bids are discussed and it is noted that the Angel Wind Energy system is less kW, less rebate, and did not follow the bid specifications for an American produced monocrystalline photovoltaic panels. No other action was taken as there were not financial numbers to review from Day & Night Solar at the time of the meeting to approve a contract.

IL DCEO sends a letter to the health department received on October 3, 2011 that we have been awarded two \$30K grants for the solar panel project.

Cary Hagen is asked to sign the contract with Day & Night Solar in my absence and is given permission to write a check for 25% of the contract total bid of \$123,240.00. Cary writes two checks for \$15710.00 – Watseka and \$16,100 – Paxton on October 3, 2011.

Contact initiated with local banks - MainSource Bank, Sumner Bank, First Trust, and First National Bank in Paxton on loan rates and financial viability of the health department to be funded for a loan. PNC Bank of Edwardsville was also contacted. MainSource and First Trust had too many requirements to give us loan information and FNB Paxton said they would be two percent higher over the CD rate, if we held CD's at FNB Paxton, which we do not. PNC Bank is still "out" at this time.

Sumner Bank is the most efficient local lender to work with and has the best rate available at 3.75% interest. The loan must be secured with a CD in the amount of at least \$67,000 as of October 5, 2011 with the rate good for 30 days.

**Where we stand right now:**

The board of health has verbally committed that solar panel renewable energy is a smart financial investment.

Renewable energy equipment costs are currently defrayed \$60,000 under the DCEO's RERP program and we have been approved.

We have a very narrow window of 120 days to complete this project at both locations.

Total loan amount financed would be approximately \$127,000 with the additional warranty costs. I have enclosed the system specifications and financial overview (using Watseka as proxy costs for both systems) with this letter for your review.

**Required Actions of the board of health:**

It is entirely possible to pay for the two systems out of our CD reserves but I do not advise that move as it would restrict our cash on hand should we ever need to tap into our reserves for payroll, bills, etc. Our first loan payment would be structured to be the \$60,000 grant payment we receive from DCEO after the project is complete thereby having a \$67,000 loan balance within two months of completing the installation. Please mail back this page as your signed decision authorizing the administrator to execute the documents necessary for this project in the self-addressed stamped envelop.

**Action one (1)**

Accept the contract as delivered by Day & Night Solar. Please sign your name below to give the administrator the authority (via this mailed resolution statement) to enter into contract with Day & Night Solar.

Signed by: Bernadette Ray MD

Printed name please: Bernadette Ray

**Action two (2)**

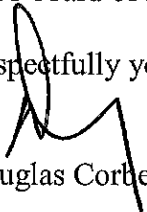
Accept Sumner Bank as our lender for approximately \$127,000 at 3.75% interest. The terms of the loan are amendable to stay budget neutral in terms of our current utility bills until the note is paid in full estimated to be in seven to ten years depending on the utility rates and SREC rates. Please sign your name below to give the administrator the authority (via this mailed resolution statement) to enter into a loan with Sumner Bank in Sheldon, Illinois.

Signed by: Bernadette Ray MD

Printed name please: Bernadette Ray

Thank you for your valuable time investment in this renewable energy proposal. Ordinarily this is not how I "do business" but the timeliness necessitates an urgent and alternative mode for authorizing this project. I look forward to your quick returns and seeing everyone at the final 2011 board of health meeting on November 21, 2011 at 11:30am at the Gilman-Danforth library.

Respectfully yours,

  
Douglas Corbett

# Watseka Cost Recovery

Photovoltaic(PV) System(kW)	9.6	\$	60,840
Federal Tax Credit 30%			\$0
State Rebate 30% (max \$50,000)			(\$30,000)
Sun Rebate (up to \$100 per panel)			\$0
<b>Net Cost After Rebates</b>			<b>\$30,840</b>

<b>With Out Rate Increase</b>			
Annual kW Output	13,440		
25 year Output in kW	336,000		
Annual Production Payout		\$	1,344
Production Payout Over 25 Years		\$	20,625
<b>Estimated Cost Recovery (Including Depreciation &amp; SRECS)</b>			<b>11.47</b>

<b>With 6% Rate Increase</b>			
Annual kW Output	13,440		
25 year Output in kW	336,000		
First Year Production Payout		\$	1,344
Production Payout Over 25 Years		\$	75,082
<b>Estimated Cost Recovery (Including Depreciation &amp; SRECS)</b>			<b>9.99</b>

Average State Utility Rate

Estimated Square Footage:  sq. ft.

Please consult with your tax attorney before investing in a solar system. The above examples for illustration purposes only and may not represent all applicable tax liabilities and credits. Visit [www.dsireusa.org](http://www.dsireusa.org) for Federal and State information and [www.energytaxincentives.org](http://www.energytaxincentives.org) for Tax Incentives Assistance Projects

**25 year warranty with a 45+ year life expectancy.**

\*Estimating \$6.75/watt as the average cost for a standard roof mounted system.

Federal Accelerated Depreciation		Effective Tax Savings* 34% Fed. Rate
	\$	-
	\$	-
	\$	-
	\$	-
	\$	-
	\$	-
	** \$	-

SRECS	Known Monetary Value (per SREC)
13	\$ 100

## BUDGETARY NUMBERS

