HAMILTON RENEWABLE POWER INC. BOARD OF DIRECTORS PRESENTS REPORT 06-001 AND RESPECTFULLY RECOMMENDS:

1. That the following elected representatives be appointed as voting directors of the Hamilton Renewable Power Inc. (HRPI) Corporation Board of Directors to hold office until the next Annual General Meeting or until their respective successors are appointed.
   a) Mayor Larry Dilanni
   b) Councillor Dave Mitchell
   c) Councillor David Braden
   d) Councillor Sam Merulla
   e) Councillor Phil Bruckler

2. That Scott Stewart, General Manager of Public Works, be appointed as a non-voting director of the HRPI Corporation Board of Directors until the next Annual General Meeting or until a representative successor is appointed.
3. That the 2005 Audited Financial Statements of HRPI, attached hereto as Appendix “A” be approved.

4. That the city of Hamilton, as sole shareholder of HRPI approve the proposed capital structure of 50% debt/50% equity.

5. That item 5 of HRPI Report 05-001 approved by City Council on November 23, 2005 respecting appointment of Grant Thornton as the Auditor for Hamilton Renewable Power Inc. be amended by adding the words:

“That Grant Thornton be appointed as the Auditor for Hamilton Renewable Power Inc., for 2006, until such time as the City of Hamilton appoints an external auditor for a term commencing in 2006.”

Item 5 as amended to now read as follows:

5. “That Grant Thornton be appointed as the Auditor for Hamilton Renewable Power Inc., for 2006, until such time as the City of Hamilton appoints an external auditor for a term commencing in 2006.”

6. That Hamilton Renewable Power Inc. appoints the same external auditor as the City of Hamilton for 2006 and 2007.

7. That the City of Hamilton support the revised corporate capital structure of Hamilton Renewable Power Inc. of 50% debt and 50% equity by approving:

   a) That the City Solicitor and the General Manager, Finance and Corporate Services be authorized to amend the existing loan agreement, dated June 24, 2005, between the City of Hamilton and Hamilton Renewable Power Inc., by adjusting the loan amount from $4.4 million to $2.2 million, for execution by the Mayor and City Clerk, and;

   b) That the City of Hamilton forward an equity payment of $2.2 million to Hamilton Renewable Power Inc., funded from the Co-generation Capital Project #5160566506, in exchange for 220,000 no-par value common shares.

8. That the City of Hamilton provide a short-term operating loan, of up to $2.5 million, to Hamilton Renewable Power Incorporated to provide interim funding to meet operating and capital cost obligations, as per Appendix “B”, and;
a) That the terms of the short-term operating loan agreement include an interest rate of 5.09%, compounded semi-annually, over a term of 5 years, and;

b) That Hamilton Renewable Power not be required to make a payment until 6 months from the date that operations commence, and;

c) That the City Solicitor and the General Manager, Finance and Corporate Services be authorized to draft the loan agreement for execution by the Mayor and City Clerk.

FOR THE INFORMATION OF THE COMMITTEE:

(a) Changes to the Agenda

None

(b) Declarations of Interest

None

(c) Approval of the Minutes - meeting held May 15, 2006

(Bruckler/Merulla)
That the minutes of the meeting HRPI Board of Directors held May 15, 2006 be approved.

Carried

(d) Co-Generation Facility Update: Presentation – J. Harnum

(Bruckler/Merulla)
That the presentation on Co-Generation Facility Update by Jim Harnum be received.

Carried
(e) **Glanbrook Landfill Project Update:**

Bruckler/Merulla) That the presentation on the Glanbrook Landfill Project by Jim Harnum be received.  

**Carried.**

(Merulla/Bruckler) That the President and Vice-president of HRPI be authorized to negotiate and enter into a contact with Tormont for;

(a) **Phase One**

- The engineering design of the Landfill gas collection system  
- Supply and installation of the collection system  
- Supply and installation of the gas flare; and,

(b) **Subject to the completion of phase one (Standard Offer Contract)**

- Supply and installation of internal combustion engines with electrical grid connections  
- Operations and maintenance for a minimum of 20 years.

**Carried.**

(Bruckler/Merulla) That the President and Vice-president of HRPI prepare a report requesting the City to finance the project through the Waste Management Division’s annual Capital Budget.

**Carried.**

(f) **Shareholder Resolutions:**

(Merulla/Bruckler) On motion, the Board recommended the resolutions be forwarded to the Shareholders Meeting.

**Carried.**

(g) **Report FCS06068 – Capital Structure and Short-term Loan Request:**

(Bruckler/Merulla) On motion, the Board recommended the report recommendations be forwarded to the Shareholders Meeting.

**Carried.**
(h) Adjournment

There being no further business, the meeting adjourned at 9:05 a.m.

Respectfully submitted,

Councillor D. Mitchell, Chair
Hamilton Renewable Power Inc.

K. Christenson
Secretary
July 11, 2006