

MINUTES
RURAL MN ENERGY BOARD MEETING
FRIDAY January 12, 2007, 9:30 A.M.
CRD
SLAYTON, MN

MEMBERS PRESENT:

Blue Earth County.....	Katy Wortel	Murray County	Kevin Vickerman
Chippewa County.....	Absent	Nobles County.....	David Benson
Cottonwood County	Gary Sorenson	Diane Thier
Faribault County.....	Tom Warmka	Pipestone County	Marv Tinklenberg
Jackson County	Roger Ringkob	Jim Keyes
Lincoln County	Larry Hansen	Redwood County	Brian Kletscher
Lyon County	Bob Fenske	Renville County	Bob Fox
Martin County.....	Dan Schmidtke	Rock County	Ken Hoime
Mower County.....	Absent	Watsonwan County	Absent
		Yellow Medicine Co....	Ron Antony

ALSO PRESENT: Gerald Woodley (Senator Coleman), Arlene Vee (MN Pollution Control Agency), George Crocker (NAWO), Paul Pierson (USDA), Chris Swedzinski (USDA), Gary Sieve (Nobles Coop Electric), Jack Keers, Jay Trusty (Staff), Annette Bair (Staff)

CALL TO ORDER: The meeting was called to order at 9:35 am by Vice Chairman Kletscher

ANNOUNCEMENTS: There were no announcements.

CHANGES TO THE AGENDA: Added was MPCA updates.

M/S/P Tinklenberg, Fox to approve the amended agenda.

MINUTES:

M/S/P Warmka, Benson to approve the RMEB Minutes of November 27, 2006 as written.

M/S/P Benson, Hansen to approve the Joint RMEB - MCETF Minutes of December 4, 2006 as presented.

TREASURER'S REPORT: Treasurer Hanson presented the bills and balance of the RMEB. Balance after bills were approved in November was \$54,884.17; MCIT Public Officials Liability Insurance for \$1,792; and Campbell Knutson in the amount of \$1,425.

M/S/P Warmka, Sorenson to approve the Treasurers Report and payment of MCIT Insurance in the amount of \$1,792 and Campbell Knutson in the amount of \$1,425.

SUBCOMMITTEE STRUCTURE:

Vice-chair Kletscher brought forward recommendations of committee structure to the RMEB. There are two subcommittees (Legislative Committee & Rural-Metro) and the Executive Committee; it is recommended to distribute subcommittee membership among the RMEB members (potentially including alternate members). RMEB Members are to contact Bair if they have an interest in serving on the subcommittees. Committee membership will be finalized at the January 29, 2007 meeting.

Discussion: Members concurred that splitting the duties among the membership is a wise decision. Other considerations discussed were: non RMEB members on subcommittees to bring technical expertise but caution is needed so non-members will not be making decisions and related liability considerations; counties should consider bringing alternate members so they have knowledge of RMEB business; potential to contract with Keers so retain the knowledge and expertise; Executive Committee needs to develop by-laws over the next couple of months.

ELECTION OF OFFICERS: Vice-chair Kletscher turned the meeting over to Secretary Hoime.

Chairman: Secretary Hoime called for nominations for Chairman. Commissioner Kletscher was nominated.

M/S/P Warmka, Hansen to elect Commissioner Kletscher as RMEB Chair.

Chairman Kletscher thanked the board and will try to lead the board forward.

Vice-chair: Chairman Kletscher called for nominations for Vice-chair. Commissioner Fox was nominated.

M/S/P Hansen, Warmka to elect Commissioner Fox as RMEB Vice-chair.

Secretary: Chairman Kletscher called for nominations for Secretary. Commissioner Hoime was nominated by Benson & Fox.

M/S/P Tinklenberg, Warmka to cease nominations and cast a unanimous ballot for Commissioner Hoime to serve as Secretary.

Treasurer: Chairman Kletscher called for nominations for Treasurer.

M/S/P Benson, Wortel to nominate Commissioner Hansen, to cease nominations and cast a unanimous ballot.

SUBCOMMITTEE REPORTS:

Rural-Metro Subcommittee: Subcommittee members brought forward the following items and issues for RMEB consideration:

Bair reported that the previous day, the SRDC has submitted an invoice to the Department of Commerce to receive the \$20,000 grant for this project.

Contract with Hennepin County on behalf of the MCETF to receive \$20,000 to cover the MCETF share of the consultants fee of \$60,000 for the Business Structure and Governance model.

M/S/P Fenske, Ringkob to approve the contract to receive \$20,000 from Hennepin County on behalf of the MCETF for the MCETF share of the Business Structure and Governance model.

Contract with Lindquist Vennum and Avant Energy as consultants to develop the Business Structure and Governance model for \$60,000.

M/S/P Benson, Warmka to enter into an agreement with Lindquist Vennum and Avant Energy to serve as consultants in the development of a Business Structure & Governance model as identified in the RFP.

Bill from Lindquist Vennum & Avant in the amount of \$60,000. The RMEB deferred this item to the January 29, 2007 meeting.

Discussion: The product has not yet been completed. There is a meeting of the Rural-Metro Subcommittee with a subcommittee of the MCETF and the consultants scheduled for January 26, 2007 in Mankato. (Current subcommittee members are the Executive Committee and Tom Warmka). Crocker (NAWO) reported he had attended the MCETF meeting the previous day. Peter McLaughlin had a very good report on the project at that meeting. The new Vice-chair of the MCETF requested McLaughlin provide a report of the meetings and explain the nature of the differences especially as it dealt with Community involvement. Bair was directed to request a copy of that report to share with the RMEB. RMEB members indicated we should also share reports to the MCETF.

Mike Bull will be reporting to LCCMR on Monday, January 22, 2007 regarding the LCMR funds for project implementation. Keers reported that the Department of Commerce has made it very clear that the \$200,000 is for the Community - Based project. Project clarification - the \$20,000 from DOC was a grant to help develop the business structure & governance model, MCETF committed \$20,000 towards the project as did the RMEB - resulting in the \$60,000 project. The \$200,000 is LCCMR funds to be used for community-based project implementation.

Another development is the Metropolitan Council has joined the MCETF. It is unknown how this will affect the project. It may change from a 120-150 MW project to 300 MW project. Bair was requested to research the Met Council and provide information to the RMEB members on who & what they are, so the RMEB has a clear understanding on how they operate.

Chairman Kletscher thanked Jack Keers for the years of service beginning with the Wind Energy Task Force and the appreciation for the leadership provided to the RMEB in moving forward.

M/S/P Warmka, Tinklenberg to give the Executive Committee authority to develop a contract with Jack Keers to provide assistance to the RMEB & bring a contract to the January 29, 2007 meeting.

Legislative: Bair provided the RMEB members with a working draft (subject to revision) language for a revision to Statutes 216F. Comments included: clarification was needed on the last sentence in definitions; how does it work with a project in 2 counties? Other comments are to be sent to Bair.

Benson requested he be able to report on CWS since he had to leave the meeting early. Benson reported the CWS project will be 3 nodes of 10 MW each. The location is 3.5 miles west of Reading. The project is moving forward at a faster pace now.

Legislative report continued. There are differences between groups on the Renewable Energy mandate. RMEB members should be in touch with legislators and agency officials: Mike Bull, Senator Kubley, Representative Peterson, and Representative Ellen Anderson are on top of what is occurring. RMEB should be mindful of tools needed to be included in the mandate. See HF04 & SF04.

Sieve (Nobles Cooperative Electric) reported the renewable definition needs to include WAPA's 30% from hydro and the Manitoba project, not just wind. Ringkob asked if there is going to be a change in the definition of C-BED. Crocker (NAWO) reported C-BED would like to have tools for C-BED analysis in the statute. It is anticipated that the governor's bill will have a significant amount of community - owned elements.

CERT UPDATE:

Bair reported that SW CERT is in the process of surveying Senior Centers in the 12 county CERT region for interest in an energy audit. The MN Retired Engineers Association is willing to assist/volunteer free energy audits. Because these are volunteers, the number that can be done is not known, so the survey also has a way to sort the responses - such as public owned centers have highest priority. SW CERT does have \$1,000 of LCMR funds to spend on an energy conservation project and is likely to be used towards one of the Senior Centers.

The Statewide CERT Conference is January 16-17. Wortel will be a speaker & Bair is facilitating a session. February 8-9 in Olivia, the Renville EDA & the WC CERT are holding a workshop on Wind and on Cellulosic Ethanol. Fox will bring more information to the meeting on January 29th.

Wind handbook status is nearing completion. There is also a checklist located on the Iowa DNA Website.

AURI REQUEST: Deferred to January 29, 2007.

MPCA REPORT: Arlene Vee (MPCA) reported she is hoping to arrange for the January 29th meeting a report by the DOC regarding 25% by 2025 and the Home Farms energy project in Redwood Falls.

RC&D GRANT: Fox reported the Greater Minnesota Get Together has been cancelled due to staff changes. Pierson (USDA) reported there was a grant of \$750,000 statewide.

FRESH ENERGY: This needs to be researched. Defer to next meeting.

SENATOR COLEMAN: Gerald Woodley reported that there has been some restructuring of the Senators staff. Gerald is covering local government for 36 counties. Please let him know of any events that the Senator should know of. The Senator plans to visit all 87 counties. He has been appointed to a Subcommittee on Aging which will have oversight of Medicare, Medicaid & Social Security.

USDA: Paul Pierson introduced Chris Swedinski who has just begun a marketing position with USDA. His office is in Waite Park.

NEXT MEETING DATES: Members were referred to the agenda that list the scheduled meetings. The next meeting is scheduled for January 29, 2007. Chairman Kletscher also thanked the RMEB members for being flexible and allowing the meeting date to be changed.

ADJOURNMENT: Chair Kletscher adjourned the meeting at 11:25am

Minutes Prepared By Annette Bair, Staff.

Minutes Reviewed By:

Minutes Approved By:

Energy Board Secretary Hoime

Energy Board Chairperson Kletscher