

**MINUTES**  
**RURAL MN ENERGY BOARD MEETING**  
**MONDAY November 24, 2008, 9:30 A.M.**  
**Center for Regional Development, SLAYTON, MN**

**MEMBERS PRESENT:**

Blue Earth County .....	Will Purvis	Murray County .....	Kevin Vickerman
Chippewa County .....	Absent	Nobles County .....	David Benson
Cottonwood County .....	John Oletjenbruns	Pipestone County .....	Marv Tinklenberg
Faribault County .....	Tom Warmka	.....	Jim Keyes
.....	Butch Erichsrud	Redwood County .....	Brian Kletscher
Jackson County .....	Absent	Renville County .....	Robert Fox
Lincoln County .....	Larry Hansen	Rock County .....	Ken Hoime
Lyon County .....	Bob Fenske	Watsonwan County .....	Scott Sanders
Martin County .....	Jack Potter	Yellow Medicine Co .....	Absent
Mower County .....	Absent		

**ALSO PRESENT:** Arlene Vee (MPCA), Gerald Woodley (Senator Coleman), Paul Pierson (USDA RD), Randy Fordice (CAPX2020), Jerrod Alholinna (GRE-MPO), Will Johnson (Pipestone Co. EDA Director), Jay Trusty (Staff), Annette Bair (Staff).

**CALL TO ORDER:** The meeting was called to order at 9:30 AM by Chairman Kletscher.

**ANNOUNCEMENTS:** Hoime shared an article of the Minwind – Xcel Energy battery project / presentation last week. Kletscher announced that he resigned from the Redwood County Board effective Jan 2, 2009 and has accepted the position of General Manager and CEO of Highwater Ethanol.

**INTRODUCTIONS:** Chairman Kletscher asked everyone present to introduce themselves.

**CHANGES TO THE AGENDA/APPROVAL:** The following items were added to the agenda: Select Nominating committee for January meeting, Stoel Rives contract, Lyon County Board visit, Recognition of out-going REMB Commissioners.

**M/S/P** Fox, Warmka to approve changes to the agenda.

**MINUTES:**

**M/S/P** Fox, Hansen to approve the minutes of September 24, 2008 as written.

**TREASURERS REPORT:** Treasurer Hansen reviewed the financial report and the bills submitted for payment.

**M/S/P** Benson, Warmka to approve the financial report and payment of the following bills: SRDC September technical assistance at \$1979.01; SRDC October technical assistance at \$1125 and Campbell Knutson for legal fees at \$45.

**SRDC Contract with the RMEB:** Chairman Kletscher noted the changes to the contract which included the following dollar increases: For Directors time \$100 to \$120, for Planner time \$75 to \$80, for the Financial Assistance from \$50 to \$60, and Support Services from \$27 to \$32.

**M/S/P** Hansen, Hoime to approve the technical assistance contract with the SRDC for calendar year 2009.

**Review and Confirm CY 2009 Dues:** In May, the RMEB set the CY2009 dues at \$3,000. In November of each year the Energy Board is asked to confirm the dues amount set earlier in the year. There was a consensus that the dues should remain at \$3,000.

**Nominating Committee:** Chairman Kletscher requested volunteers to serve on the nominating committee to bring forward candidates for officers in January. Commissioners Benson, Hansen, & Hoime volunteered to serve on the nominating committee. There was that these Commissioners could meet in Duluth to conduct their business.

#### **JOINT POWERS BOARD OPERATIONAL BUSINESS AND SUBCOMMITTEE REPORTS**

**LCCMR Steering Committee.** The consultants have put together a prospectus, Lyon Co Landfill site was at the top of the list. Kletscher met with the Lyon County Board in November to ask if the County would be interested in the project. The County has indicated they are interested and groundwork has been initiated. Lyon County is also in the process of a Methane Study, which may work well together for cost savings. DOC Staff has been in touch with Trusty regarding the potential need for an extension of the project. If everything went well, the project could be completed in time – an extension is being requested. Expect more details in January.

Stoel Rives, LLP contract. LCCMR excludes funding for lease negotiation and PPA negotiation. This is why the MEPC and RMEB have put \$12,500 each aside for that activity. Contract was developed by RMEB attorney, very few changes by Stoel Rives.

**M/S/P** Warmka, Fenske to approve the attorney contract with Stoel Rives, LLP to cover the legal work that cannot be covered through the LCCMR grant.

**Legislative Update:** Commissioner Fox reported that the RMEB Legislative Committee met on November 5<sup>th</sup> and identified the following legislative issues:

- **Passive Income Credit:** This is a federal issue. Walz sponsored legislation last year. Work is continuing with Congress on this issue.
- **Production Tax and levy limit:** Commissioners Vickerman and Benson reported that this topic will be brought forward to AMC for support. Since the counties affected with the taconite tax have a similar situation of their taconite tax being tied to the levy limit, it was thought to combine efforts with the taconite counties. Background, the schools funding was taken from in the 2007 legislative session, the counties funding ties to levy limit in 2008 session. So far, township funding has not been touched. The RMEB reviewed draft language in a resolution for counties to consider supporting. Trusty reported that Richard Peterson will be taking a version of the same draft resolution to the townships, as well as the Corn Growers and soybean growers.

**M/S/P** Fenske, Hansen for the RMEB to adopt the language in the resolution and recommend that it be forwarded to counties for adoption.

Discussion: Bair was directed to send the document to the County Board contacts. Clarification has been asked for – when does that legislation go into effect?

- Discussed MISO and CAPX2020
- Recommended adding “conservation” to one of the AMC policies
- Support continued funding for CERT
- Support use of biofuels in the public sector.
- Fox also reported that the Metro Counties plan to address the bonding language; more will be learned in Duluth.

**Dispersed Renewable Generation Study.** Jared Alholinna, Transmission Planner for the DRG Study. Presentation of the Phase I findings and discussion of work for Phase II - A powerpoint presentation will be posted on the RMEB site.

**CERT Update:** Bair reported on the current activities in SW CERT. The CERT Conference is scheduled for Feb 10-11 in St Cloud and Commissioners are encouraged to spread the word and / or attend the conference. Staff continues to work with Wind Development and Roads project. Bair thanked the RMEB for providing a forum to update and receive input on CERT activities. At one time SW CERT was directed to “not hold” meetings – and to use existing meetings and email. Is this still the same directive? – The consensus was yes.

**Update from member Counties on Energy Projects in their area:** Guests and members gave updates on renewable energy projects in their respective counties.

- CAPX2020: in 3-4 weeks the Brookings route should be determined.
- Woodley – for Coleman: President elect Obama has renewable energy on table for economic stimulus
- USDA – Pierson provided a handout on the Farm Bill. He noted Section 9003 is out for comment, 9007 (former 9006) has \$55 million and information about it should be out by next week; Section 9009 was also noted.
- MPCA – Vee reported on MPCA Commissioner resignation as of December 1, 2008. The State is dealing with a deficit and reductions of 5-10%. The Greenhouse Gas Stakeholder group will have a report June 2009.
- Blue Earth County – no report
- Cottonwood County: Jeffers 50 are running, activity around Mtn lake;
- Faribault County. Windfarm on west side of county – why was it not in the study?
- Jackson County – no report
- Lincoln County: At the last County Board meeting, they learned of a 20 MW permit in the process; they are also working with MNDOT on a 40 kV wind tower;
- Lyon County: Landfill study already covered earlier in mtg.
- Martin County: Phase II of the Elm Creek project is up (100 MW), Phase III is coming, as well as a project NW of Sherburne. Trimont Wind leases include \$4000 for hosting a tower and \$10/acres for signing.

- Mower County– no report
- Murray County: The County Hospital and MNDOT working on a 35 kV wind project, the location is limited because of a Microwave tower, a 200 MW project is in discussion on north side of county
- Pipestone County: 21 new towers near Ruthton
- Redwood County: interest in south part of county, Highwater Ethanol is 60% completed, and Kletscher invites the RMEB to come and tour the facility before April.
- Renville: Norfolk wind project, CAPX2020
- Rock: Xcel Battery-Minwind, new substation, also talk of more towers.
- Watonwan: Watonwan Ethanol project has been suspended, west end of county wind development
- YM no report

**NEW BUSINESS:**

Chairman Kletscher recognized Commissioner Katy Wortel for her work with the RMEB (2005 to 2008), Commissioner Purvis was asked to take the certificate to Katy; Chairman Kletscher also recognized Commissioner Ferguson – (2005-2008) with a Certificate. Vice Chair Fox presented Commissioner Kletscher with a Certificate (2005-2008) recognizing his work with the RMEB.

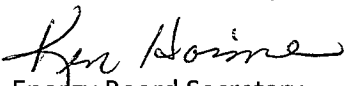
**MEETING DATES:** Chairman Kletscher noted the next scheduled meeting dates:

- **2008 Dates** – December 8 (Joint meeting – Duluth – see AMC Agenda)
- **2009 Dates** – January 2<sup>6th</sup>, March 2<sup>3rd</sup> – (this meeting may be in Lamberton at the Highwater Ethanol facility), May 1<sup>8th</sup>, July 2<sup>7th</sup>, September 2<sup>8th</sup>, November 2<sup>3rd</sup>. (FYI - The meeting room has also been reserved for February 23, & April 27)

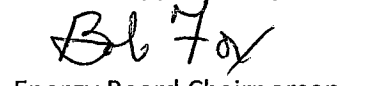
**ADJOURNMENT:** Chairman Kletscher adjourned the meeting at 11:15 am

Minutes Prepared By Annette Bair, Staff.

Minutes Reviewed By:

  
Energy Board Secretary

Minutes Approved By:

  
Energy Board ~~Chairperson~~  
Vice Chair