

**MINUTES**  
**RURAL MN ENERGY BOARD MEETING**  
**MONDAY November 25, 2013**  
**CRD, Slayton, MN**

**MEMBERS PRESENT:**

Blue Earth County .....	Will Purvis	Mower County .....	Tim Gabrielson
Brown County .....	Dennis Potter	Murray County .....	Gerald Magnus
Cottonwood County...	John Oeltjenbruns	Nobles County .....	Excused
Faribault County .....	Tom Warmka	Pipestone County .....	William Johnson
Freeborn County .....	Glen Mathiason	Redwood County .....	John Schueller
Jackson County.....	Dave Henkels	Renville County .....	Bob Fox
Lincoln County .....	Larry Hansen	Rock County.....	excused
Lyon County .....	Steve Ritter	Sibley County.....	Jim Nytes
Martin County .....	Steve Flohrs	Watonwan County ...	Scott Sanders

**ALSO PRESENT:** Paul Pierson (USDA), Brian Brashaw (Guest Speaker), Betsy Herding (SRDC), Annette Bair (SRDC).

**CALL TO ORDER:** Chairman Warmka called the meeting to order at 1:05 p.m.

**PLEDGE OF ALLEGIANCE:** Chair Warmka asked everyone to stand for the Pledge of Allegiance.

**ANNOUNCEMENTS:** Bair announced that the Geronimo Wind Energy Odell Wind Farm, who is proposing to construct a 200 MW wind energy conversion system in Cottonwood, Jackson, Martin and Watonwan Counties, have filed a site permit with the Minnesota Public Utilities Commission.

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

**CHANGES TO THE AGENDA:** Chairman Warmka asked for changes to the agenda. There were two additions: discussion of dues and identification of Nominating Committee members.

**M/S/P** Mathiason, Henkels to approve the agenda with the amendments.

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**M/S/P** Gabrielson, Ritter to approve the minutes of September 23, 2013 as written.

**FINANCIAL REPORT:** Treasurer Hansen reviewed the Treasurers Report. After payment of bills there will be \$187,099.03. Bills to be paid are the September SRDC of \$1,210 and the October SRDC bill of \$45.

**M/S/P** Purvis, Flohrs to approve the Financial Report and bills.

**M/S/P** Johnson, Schueller to approve payment of the MCIT bill in the estimated amount of \$2,423.

**M/S/P** Fox, Oeltjenbruns to approve the CY2014 SRDC Staff Contract for the Energy Board.

Discussion: No changes other than the years on the contract from the previous year contract.

### SUBCOMMITTEE REPORTS

**Executive Committee:** The Executive Committee met prior to the Energy Board meeting to develop a draft budget. Bair was asked to review the line items in the draft budget which is set up with an additional column to reflect the new PACE program. Two items the Executive Committee asked the Energy Board for feedback. One was the lobbyist. They decided to keep it in place. They would like Bair to contact Kevin Walli to see if he would monitor the energy activity that would have an adverse effect on counties and alert the Energy Board to it and ask what they would want to do. The other discussion was on the reserves. The Energy Board on November of 2012 passed a cap of \$150,000 for reserves. Members discussed the pros and cons of that cap.

**M/S/P** Sanders, Magnus to set/revise the dues from \$2,000 to \$1,000 for CY2014.  
Opposed: Steve Ritter.

Discussion: RMEB members requested staff notify the Auditor/Treasurer's Offices ASAP regarding the change in dues

**M/S/P** Gabrielson, Potter to amend the November 2012 motion to set an ongoing target of \$150,000 at year end.

Discussion: Members decided that it will take a couple of years to bring the reserve down to the \$150,000 target and that the excess should not be refunded.

**Speaker:** Heating the Midwest with Renewable Biomass, a Midwest Vision - Brian Brashaw. Brashaw joined the RMEB meeting at 1:40 with a PowerPoint presentation via phone. He is the Director of Wood Materials and Manufacturing Program at the University of Minnesota in Duluth and he is also the Chair of Heating the Midwest with Renewable Biomass.

Heating the Midwest has been working with AURI (Becky Phillips and Al Doering). In the PowerPoint presentation it was identified that approximately 1/3 of energy is used for heating. While it would be desirable to export wood pellets from the Midwest to Europe who uses Biomass to offset heating costs, the profit would be eaten up with transportation to ports. About 30% of Minnesota does not have access to natural gas. That would make using Biomass an advantage. Brashaw indicated that costs per million of using LP is \$22 per million BTU's and for biomass \$12 per million BTU's. The 2025 vision of Heating the Midwest with Renewable Biomass is that a full 15% comes from renewable energy and of that 10% come from biomass. In Southern Minnesota, stover has a lot of application for biomass. Normally in northern Minnesota, they have a large wood resource.

Another application for biomass would be the development of fortified fuel or biocoal. The BTU value is similar to coal. At the end of the presentation, Brashaw was asked about portable biomass. He replied regarding portable modular systems. Bair clarified would there be application for portable processing of pellets to facilities that tree dumps or groves that are being removed from farmland.

Brashaw was thanked for his time and his presentation to the RMEB.

**SUBCOMMITTEE REPORTS CONTINUED:**

**PACE (Property Assessed Clean Energy):** Betsy Herding reported that Linda Salmonson said that the USDA in South Dakota has the application. We received a notice on November 15<sup>th</sup> that we think that the USDA will be approving the REED loan soon. Herding would like to divide that 18 county area up and contact people in the counties to do an information presentation. People that could help disburse this information might be Economic Development Professionals and EDA's within the counties and cities that way we could look at it geographically. The lowest amount is based on a \$50,000 building and the maximum loan is \$100,000. Energy Board Members indicated the RLF, EDA's and other Economic Development Professionals would be the group that information disbursement should go to.

**Aurora Support Letter:**

**M/S/P** Fox, Flohrs to ratify the Chairman's signature on the Aurora Support Letter.

**Subcommittees in General:** The Agenda identified members of the 2013 Subcommittees for Legislative, PACE and the Tour Committee. Members Fox and Sanders indicated they prefer to be taken off the Legislative Committee and there are sufficient members on the Energy Board to fill positions on the committees.

**MEMBER UPDATES ON ENERGY PROJECTS & ISSUES:**

- Mower County – Mower County reported that the wind tower project that was 50 to 75 new towers will now be 100 towers.
- Blue Earth County – Blue Earth County reported on the Aurora project.

There were no other reports from counties.

**NOMINATING COMMITTEE:** The Nominating Committee will be John Oeltjenbruns, Glen Mathiason, and John Schueller. Chairman Warmka indicated he will not be running for chairman and Larry Hansen indicated he no longer wishes to be treasurer. Bair indicated that the SW CERT Steering Committee made the following recommendations for funding of the \$20,000 of SEED Grants. Due to timing the RDC has approved these dollar amounts: \$4,400 to Red Rock Central Community Auditorium LED lighting project, \$5,000 to the Christ Lutheran Church in Slayton for

window replacement, 15 windows of the 25 with Gerkin 5,000 series Rhino windows, \$2,000 to the City of Slayton for LED replacement of 25 high-pressure sodium lights with LED lighting retrofits and \$5,000 to Russell for replacement of mercury vapor and high-pressure sodium lights with LED street lights. The remaining \$3,600 is offered to Arco and Lynd as part of the Russell project to also replace mercury vapor and high-pressure sodium lights with LED to reduce energy in those two cities. Not funded was a request for \$1,500 to MRES to fund a person to set up a Renewable Energy tour somewhere in Southwest Minnesota and \$3,000 to Region 9 to do a feasibility study to set up a community solar project in Sleepy Eye.

**MEETING DATES** – The following dates were identified for 2014: January 27th, March 24<sup>th</sup>, June 2<sup>nd</sup>, July 28<sup>th</sup>, September 22<sup>nd</sup> and November 24<sup>th</sup>.

**Discussion:** The discussion was that the Tour Committee may want to consider sometime in June and forfeit the June date for a tour.

**NEW BUSINESS** - Paul Pierson of USDA reported on the REAP. He thanked the RMEB for the letters of support that they had written. There was an 80% success rate of the applications that were submitted. There were \$2.3 million awards; 16 were geothermal, 9 solar, 2 wind, 2 with flex fuel and 1 with a hybrid solar geothermal project and there were 60 dryers. With the next solicitation of REAP funding it is unknown whether letters of support will be needed.

**ADJOURN.** The meeting was adjourned at 3:31 p.m.

Minutes Prepared By Annette Bair, Staff.

Minutes Reviewed By:  
Energy Board Secretary



Minutes Approved By:  
Energy Board Chairperson

