

**MINUTES**  
**RURAL MN ENERGY BOARD MEETING**  
**FRIDAY July 19, 2013**  
**CRD, Slayton, MN**

**MEMBERS PRESENT:**

Blue Earth County .....	excused	Mower County .....	Tim Gabrielson
Brown County .....	Dennis Potter	Murray County .....	Gerald Magnus
Cottonwood County...	absent	Nobles County .....	Gene Metz
Faribault County .....	Tom Warmka	Pipestone County .....	absent
Freeborn County .....	Glen Mathiason	Redwood County .....	absent
Jackson County.....	Dave Henkels	Renville County .....	excused
Lincoln County .....	Larry Hansen	Rock County.....	Ken Hoime
Lyon County .....	excused	Sibley County.....	excused
Martin County .....	Steve Flohrs	Watonwan County ...	Scott Sanders

**ALSO PRESENT:** Annette Bair, Staff; Gerald Stump, R-9 Renewables; James Brown, R-9 Renewables; Katy Wortel, R-9 Renewables; Vince Robinson, Lincoln County EDC.

**CALL TO ORDER:** The meeting was called to order at 2:05 p.m. by Chair Warmka

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

**CHANGES TO THE AGENDA:** Chair Warmka announced that the PACE discussion would be moved up in the agenda to accommodate guests at the meeting.

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

**PACE (Property Assessed Clean Energy):** Bair referred Commissioner to the draft business plan that was sent in the mailing. This business plan was referenced at the last meeting as a requirement of the East River Loan funds for the project. The setup of the PACE pilot project has been funded through the SW CERT funds.

Commissioners were asked about how they would like the RLF Committee to be set up. After much discussion, they identified the following parameters for the RMEB PACE RLF Committee:

**M/S/P** Metz, Sanders to select the following option for the PACE RLF Committee.

- The RMEB will contribute to the administrative costs to the project,
- The RMEB will have a loan committee to review the projects (5 Members ) Volunteered so far are Commissioners Saunders, Metz, and Magnus; 2 more RMEB Commissioners are asked to volunteer.
- RMEB will contract with SRDC to cover upfront contract costs
- Origination fee will be charged to recapture RMEB expenses.

The Commissioners further asked that a conference call be set up between Trusty and RMEB Executive committee and RLF Committee to help understand several issues (more education is needed to clarify about the project/program is needed). Some of those questions included:

- Who is going to do due diligence?
- Who will be monitoring the assessments? Tax foreclosure is 5 years for ag and 3 years for businesses.
- Back end liability and what is the liability to the RMEB?
- MCIT – will the rates increase with additional tasks?
- Will bonds be needed to cover the liability?
- Actions:

**MINUTES:**

**M/S/P** Hoime, Magnus to approve the minutes of June 3, 2013.

**FINANCIAL REPORT:** Treasurer Hansen reviewed the financial report. Treasurer Hansen identified the pending bill: SRDC for June \$1195. The total funds after payment of the pending bill will be \$188,515.11

**M/S/P** Hoime, Brown to approve the financial report and payment of bills and expenses.

**SUBCOMMITTEE REPORTS**

Discussion of 2013-14 Legislative Agenda for direction for the committee was initiated. Discussed were Levy limits, Solar, and need for a lobbyist.

- Levy Limits. Members were referred to the Memorandum from Trusty regarding 2013 levy limits. He provided his interpretation being that the production tax is not meant to be included in the calculation for the levy limit base as it had been in the past. Trusty is not an attorney, or the Department of Revenue; and the Commissioner of Revenue is required to send notification of the levy limit to the counties by September 1, 2013, so it will be known soon how the new language has been interpreted by revenue.
- Solar Legislation passed (Minnesota 2013 DG), a handout of that legislation was included in the meeting packet. Are there any issues related to solar that the RMEB should be addressing? Commissioners asked how solar farms are taxed and directed staff to contact the Murray County Auditor-Treasurer to find out more. Bair also informed the Commissioners that the Public Utilities Commission permits energy facilities 50 MW and larger, wind is under separate legislation regarding size (Wind at above 5MW – or 20MW if there is a delegated county). During the solar farm tour, the RMEB learned that projects the size of 1-5 MW can typically be located and placed into the distribution system; larger projects would likely need to be on the transmission system. Counties have been indicating that they have heard from companies asking about land / projects in the 2 MW to the 20 MW size range.
- Dues. Discussion involved that there will be some expenses related to the PACE RLF Committee and initial administration, and it is unknown what expenses, if any will be expended on legislative activity. The Commissioners discussed keeping the dues at \$2000, and they can be re-evaluated at the November meeting.

**M/S/P** Metz, Gabrielson to set the CY 2014 dues at \$2000.

**MEMBER UPDATES:**

- Redwood Electric Cooperative will receive \$6,000,000 in USDA funds to serve 81 customers, build 49 miles of distribution line and make other improvements. The loan amount includes \$38,000 for smart grid projects.
- Murray / Pipestone counties – a 105 MW WECS project called Stoneray is moving forward.
- ITC Midwest Minnesota to Iowa 345 kV transmission line project in Jackson / Martin / Faribault counties has been holding meetings as part of the process. Warmka and Flores have been attending these meeting. SRDC Commissioner Peterson (represents Jackson Co Twps on the SRDC) has also been participating in the meetings. The most discussion has been around the route in Jackson and Martin Counties.
- Geronimo Energy Distributed Solar Energy Proposal for up to 100 megawatts includes potential 2MW projects in RMEB counties of Pipestone and Sibley.
- 200 MW Odell Wind Farm purchased by Xcel Energy. \$360 million; 8-9 miles of transmission line; \$1.3 million in annual landowner payments; \$870,000 taxes; \$40,000 local community fund. 119 turbines – 3900 acre footprint, PPA with Xcel energy, 2016 in service. Permitting process anticipated to be expedited.

**OTHER BUSINESS AND REPORTS**

**CERT update** Each CERT Region \$20,000 – the RFP will be out soon and application due in October. Maybe have some pairing with the SW Sustainable Development Partnership. Three members will be retiring from the SW CERT Subcommittee. We will need a RMEB Commissioner to replace Commissioner Oletjenbruns and approve new members at the September meeting. Michelle Palm is the SE CERT Coordinator.

**NEW BUSINESS** - None

**MEETING DATES** – 2013 meetings , September 23 guest speaker tentative Heating the Midwest, and the Odell Wind project, November 25.

**ADJOURN.**

M/S/P Henkels, Gabrielson at 3:20 pm

Minutes Prepared By Annette Bair, Staff.

Minutes Reviewed By:

Energy Board Secretary



Minutes Approved By:

Energy Board Chairperson

