

MINUTES
RURAL MN ENERGY BOARD MEETING
MONDAY March 25, 2013 @ 1:00 pm
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 Oletjenbruns	Nobles County	Gene Metz
Faribault County	Tom Warmka	Pipestone County	William Johnson
Freeborn County	Glen Mathiason	Redwood County	John Schueller
Jackson County.....	David Henkels	Renville County.....	excused
Lincoln County	Larry Hansen	Rock County.....	Ken Hoime
Lyon County	Steve Ritter	Sibley County	Jim Nytes
Martin County	Steve Floers	Watonwan County	Scott Sanders

ALSO PRESENT: Annette Bair, Staff; Present from 1:15 – 1:45 Dianne Crowley (SRDC Finance Officer), and via phone Jay Trusty (SRDC Executive director), Betsy Herding (SRDC Economic Development Director), Amy Rucker (Murray County Economic Development Director).

CALL TO ORDER : The meeting was called to order at 1:00 p.m. by Chair Warmka

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

ANNOUNCEMENTS: Chair Warmka provided an update on former RMEB Commissioner Jack Potter.

INTRODUCTIONS: Chairman Warmka asked everyone present to introduce themselves

CHANGES TO THE AGENDA: REAP letters were added to the agenda under other business

M/S/P Hoime, Ritter to approve the agenda as amended.

MINUTES:

M/S/P Magnus, Purvis to approve the minutes of January 28, 2013.

FINANCIAL REPORT: Treasurer Hansen reviewed the financial report. He reported that all counties have paid their dues with the exception of Pipestone who will be sending in their dues in April. Treasurer Hansen identified the pending bills: SRDC for January \$1,330 & February \$190, AMC (website hosting) \$500.

M/S/P Purvis, Schueller to approve the financial report and payment of bills.

PACE (Property Assessed Clean Energy) UPDATE: At 1:15 Jay Trusty (and others) joined the meeting. Trusty provided an update on the status of Pilot PACE, what additional steps need to be taken to set the program up and potential options. The concept is that all RMEB counties would be eligible.

- **Funding:** The pilot project is being funded through grants and loans. The Statute language says “may use revenue bonds”. To clarify the statute language, the RMEB was asked to consider supporting an amendment to the language that specifically says and / or other financing sources.
 - Grant with the Minnesota Department of Commerce in the amount of \$649,325.56 to the SRDC. The SRDC has the required DUNS number and Central Contract Number. The funds needed to be dispersed by March 13, 2013. This is ARRA funds and the reporting requirements as well as Davis Bacon wage rates for contractors, and Energy Audit by certified inspector and other requirement apply.
 - East River Electric. \$300,000 interest free loan and \$150,000 loan at 3% interest. Currently in the application process to the funds.
 - Great River Energy – Plan to ask for like amount, but still need to meet with them.
- **Questions:**
 - Is there a Cap on PACE funding to commercial businesses? Trusty indicated that the PACE legislation that requires that the principal not exceed 10% of the assessed value of the property. While this should address the CAP, it can be evaluated as the program is set up.
 - The Department of Commerce has some forms that can be used for the program – they are currently at the AG office and we have not seen them.
 - How do you envision the Pilot PACE process to work?
 - A business would apply for a loan (after they met some qualifying requirements)
 - The application would be reviewed by a PACE loan committee (members of the RMEB would also be on this committee)
 - If approved for funding, the business would get the funds.
 - The County would place that \$ on taxes for a special assessment
 - Tax payments would come to the SRDC who would disperse to the Utility loan payback and the Commerce Department Revolving loan.
 - How do you plan to get the word out? Local EDA’s are in the best position to help get the word out.
 - What is the interest rate? It is still to be determined; we are estimating about 4%.
 - Is there a county handling fee? Lincoln County currently charges \$5.
 - What protection is there is the tax is not paid? The normal county process when taxes are not paid.
 - Are the Davis Bacon requirements going to be a problem? Don’t really see it as a problem. Some contractors may not want to bid – other like the increased wage rate opportunities.
 - What is the Evaluation Criteria? Those forms are currently at the Attorney general’s Office, so we do not yet have the details.
 - Are the counties being asked to do a bond for the pilot project? A bond costs about \$30,000. No, the financing for the pilot project is through grants and loans.

M/S/P Magnus, Metz to support a resolution for a language change to the Minnesota PACE legislation that clarifies that funding sources besides bonds can be used to finance PACE. Roll call vote: Unanimously passed.

M/S/P Sanders, Henkels to approve a joint pilot PACE project between the SRDC and RMEB, with the understanding that all RMEB member counties in good standing would be eligible to participate in this pilot project; that members of the RMEB would be included in a selection committee; and the SRDC would be the project host.

RMEB members requested want a boiler plate of the pilot PACE project, including details of how it would work be developed and sent to call 18 counties, so all member counties would have the same understanding.

LEGISLATIVE. The members of the RMEB discussed HF 880. Commissioner Henkels indicated that his staff had been asked to testify in support of the bill and RMEB staff was asked to find out what the opinion of the Rural Electric Cooperatives was. Members were referred to the handout that provided information on HF 880, as well as the responses from the Rural Electric Cooperatives. The RMEB discussed the impacts of rural customers.

M/S/P Nytes, Gabrielson to oppose HF 880, HF 773, HF 995, and HF 956.

The RMEB also discussed HF 338 and SF 183, and decided that those bills should be watched.

Joint Powers Agreement. Yellow Medicine County is no longer a member of the RMEB and the Joint Powers Agreement. At the next RMEB meeting the RMEB will be asked to approve the revision to the language that deletes Yellow Medicine County and changes the number of counties from 19 to 18.

MEMBER UPDATES:

- ITC Project in Jackson, Martin, Faribault counties. Flohrs asked if anyone knew where the exact route was. Commissioners indicated that at the present time the exact route is not known. Bair indicated she would provide Flohrs with a contact at the ITC, (Lori Broghammer).
- Watonwan Co – Xcel was surveying the ROW across the county the first part of March – Commissioner Saunders would like a contact also. Bair indicated she would contact the Department of Commerce to try to identify an Xcel Energy contact.
- Sibley Co – CAPX2020 issues the County had to deal with (5 towers in the ROW) – Commissioner Nytes recommended that if there is a transmission lines going through your county to check where the stakes are, not wait until the poles are in to find out there is an error.
- Blue Earth Co – Commissioner Purvis reported that Hydro Electric is being generated now that there is some water running. DNR is looking favorable at this dam because it is acting as a fish barrier (Asian carp)
- Redwood County – Commissioner Schueller reported cement trucks are running – looks as though CAPX2020 is beginning to be built in the county.
- Rock Geronimo – Commissioner Hoime reported there will be a turbine maintenance facility at Hardwick for the 119 turbines, a community fund is being developed at about \$40,000 per year; and GEVO has been idle for 4-6 months, the lawsuit for the patent on Isobutanol was won.

OTHER BUSINESS AND REPORTS

REAP Letters. The RMEB usually signed letters of support for USDA Rural Energy in America Projects (wind, grain dryers, solar, geothermal) within their membership counties. By signing letters of support for the projects, each of the projects receive additional points for them to be competitive. Currently there are 4 projects all geothermal, there may be additional projects submitted. Staff requested the RMEB to grant the RMEB Chair authority to sign the letters of support.

M/S/P Purvis, Ritter to approve the RMEB Chair to sign letters of support for the four project applicants and for others as they come in.

CERT. Bair provided an update on the Splash Campaign and asked Commissioners to help get the word out about water and energy savings to schools, nursing homes, hospitals.

MEETING DATES – 2013 meeting dates (usually 4th Mondays of odd months): June 3, July 22, September 23, and November 25. Tour discussion: commissioners indicated they would like to see the Deer Creek Natural Gas Facility.

ADJOURN. The meeting adjourned at 2:48 pm.

Minutes Prepared By Annette Bair, Staff.

Minutes Reviewed By:


Energy Board Secretary

Minutes Approved By:


via
Energy Board Chairperson