

MINUTES

**RURAL MN ENERGY BOARD MEETING
MONDAY January 24, 2011, 10:00 A.M.
CRD, SLAYTON, MN**

MEMBERS PRESENT:

Blue Earth County	Will Purvis	Murray County.....	Kevin Vickerman
Cottonwood County.....	John Oletjenbruns	Nobles County	David Benson
Faribault County	Tom Warmka	Pipestone County	Bill Johnson
Jackson County.....	Dave Henkels	Redwood County.....	Lon Walling
Lincoln County	Larry Hanson	Renville County.....	Robert Fox
Lyon.....	Steve Ritter	Rock County	Ken Hoime
Martin County.....	Jack Potter	Watsonwan County	Absent
Mower County	Ray Tucker	Yellow Medicine Co ..	Greg Renneke

ALSO PRESENT: Yvonne Simon (Center for Rural Policy & Development), Dan Juhl (Juhl Wind), Paul Pierson (USDA) and Annette Bair (staff).

CALL TO ORDER: The meeting was called to order at 10:00 a.m.

PLEDGE OF ALLEGIANCE

ANNOUNCEMENTS: Bair distributed one copy of the MCIT Certificate of Excellence for less than 50% loss ratio for plan years 2005 to 2009, Minnesota Angel Network article, Minnesota Renewable Energy Roundtable scheduled for February 11, 2010 at Fort Snelling, MN.

INTRODUCTIONS: Chairman Fox asked everyone present to introduce themselves.

CHANGES TO THE AGENDA: One addition was made to the agenda under item 13, Community Wind South.

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

MINUTES

M/S/P Henkels, Potter to approve the minutes of November 22, 2010 as written.

FINANCIAL REPORT: Treasurer Hanson reviewed the financial report and presented the November SRDC bill for \$930 and the December SRDC for \$790.

M/S/P Hoime, Ritter to approve the financial report and payment of the November and December bills to the SRDC.

M/S/P Schueller, Ritter to approve the administrative contract with the Southwest Regional Development Commission for calendar year 2011.

Bair reported that dues from Murray, Martin, Nobles and Yellow Medicine had been paid.

SUBCOMMITTEE REPORTS:

Executive Committee: Chairman Fox requested Bair review the draft budget. Bair referred committee members to the handout on the table and went through each line item of the budget. Revenue of 16 counties at \$2,500 dues was \$40,000, anticipated interest in miscellaneous was at \$1,000, for a total revenue of \$41,000. Expenses were identified with RMEB travel and per diem for the Executive Committee as well as the Legislative Committee. MCIT Insurance was identified as \$2,197 and there are no known consultant services at this time. The services of the SRDC and services for SRDC financial work were at \$9,120 respectively. Annual maintenance to AMC for the website is \$500, cost of the audit was \$300 and is on the contract with the SRDC and legal fees, none are known at this time. \$2,000 was put

in as a placeholder. The Executive Committee identified as a placeholder \$5,000 for speaker fees and member tours. Commission Ritter requested that the information on the revenue was at \$142,000. Previous years had activity with the Metro counties and required additional funds to be allotted to that project. Since that project did not go forward, funds were put back into the RMEB budget. Commissioner Ritter requested the Energy Board consider putting funds in for each county. Chairman Fox indicated that that will be discussed at the May Board Meeting.

Commissioner Renneke requested information on what the focus of the Energy Board was. Energy Board Commissioner's responded that they originally got together because of the wind issues and the production tax and have moved into renewable fuels and solar and pretty much renewable energy. They have dealt with policy changes and are always looking for something new with waste energy.

M/S/P Ritter, Henkels to approve the CY2011 Budget.

Meeting Topics/Speakers and Potential Field Trips Over the Year. Bair was asked to identify meeting topics and speakers for potential field trips that had been discussed at the Executive Committee meeting and members were asked to forward potential field trip locations as well as potential speakers to Bair. Field trips for consideration are; Emmetsburg Iowa, the Corn Cob Facility, Ames Iowa, the Beacon Center Facility, Fergus Falls Ethanol, Fibromin and the ethanol facility in Benson with Riverdale Environmental as a potential speaker, St. Johns Solar Farm, the Morris Hydrogen and Ammonia Facility, MISO in the Cities. Possible other speakers or topics include; AURI on the Xcel Energy RDF Fund, Outland Energy, Kandiyohi County EDA regarding Renewable Energy Curriculum Projects.

Legislative Committee: Chairman Fox brought to the attention of the RMEB House File 5 which was identified by staff from Hennepin County. Commissioners were referred to a handout that was starting on line 35.2 near the end of House File 5. It appeared to be a takeoff on what the RMEB worked on the previous year. There is no companion bill in the Senate as of this time.

Production Tax: Vickerman reported that he had not had contact with the Legislator at this point in time. Benson reported he had contacted many of the Legislators and provided them with a background handout of the Rural Minnesota Energy Board.

Dan Juhl discussed the benefits of 5MW and smaller community wind projects and the benefits to communities such as a 5MW wind farm that would generate 20 local construction jobs, 2 fulltime employees, \$1,000,000 annually in revenue for the life of the project, usually at 20 years. He then discussed the Jobs Bill and requested support from the RMEB.

M/S/P Potter, Benson to support the Community Jobs Act in the proposed Community Energy Jobs Act Bill, which will promote small wind farm wind ownership, operation and new jobs, revenue and energy use, these projects will provide 2 local communities.

Discussion: Bair was asked to scan the documents provided by Mr. Juhl and send them to the RMEB members with the notes from the meeting.

RMEB members were asked to contact the RMEB Chairman or Bair if members would like to actively participate on the Legislative Committee.

ELECTION OF OFFICERS: Commissioner Purvis reported that the nominating committee of Bob Fox, Jack Potter and himself met and have nominated the following commissioners for the following positions: Chairman, Tom Warmka, Vice-Chairman, Kevin Vickerman, Treasurer, Larry Hanson, Secretary, Ken Hoime.

Chairman: Chairman Fox opened the election for Chairman of our RMEB.

M/S/P Benson, Ritter to cast a unanimous ballot for Tom Warmka as RMEB Chair.

Vice-Chairman: Commissioner Fox asked for additional nominations.

M/S/P Hanson, Ritter to cease nomination and cast a unanimous ballot for Kevin Vickerman for RMEB Vice-Chair.

Treasurer: Chairman Fox asked for nominations for the position of Treasurer.

M/S/P Warmka, Vickerman to cease nomination and cast a unanimous ballot for Larry Hanson as Treasurer.

Secretary: Chairman Fox asked for nominations for the position of Secretary.

M/S/P Ritter, Potter to cease nomination and cast a unanimous ballot for Ken Hoime as position of Secretary

Commissioner Purvis thanked Commissioner Bob Fox for serving as Chairman. Commissioner Fox indicated he had a tough job following Commissioner's David Benson, Jack Keers, and Brian Kletscher.

2010 Legislative Committee members are Benson, Hanson, Sanders, Warmka, Vickerman and Fox

Warmka who was attending the meeting via telephone conference call indicated he was honored to be elected and said that the work that the RMEB does is very important. Commissioner Fox continued on the agenda with Member Updates on Energy Projects and Issues.

MEMBER UPDATES ON ENERGY PROJECTS AND ISSUES

- Nobles County – EnXco project north of I-90 operational.
- Mower County - 300MW looks possible, RezAmerica. Some Townships in Mower County pay the production tax to the schools in their area. What do townships in other counties do?
- Martin County - Elm Creek project commissioned their last tower.
- Blue Earth County – the 100 year old dam in Blue Earth was producing a lot of electricity this year with the 2nd and 3rd highest flows on record (spring and falls). It is located on the Blue Earth River.
- Yellow Medicine County - Xcel wants it taken out (liability). Meeting this week, locals want to keep it and have hydro power again. Removal of the dam will directly impact the Granite Falls Ethanol plant. Costs are \$ 2 million to remove dam, \$2 million to update, \$7 million to rebuild. Last used in 1977 to produce electricity.
- Pipestone County – Suzlon. Heard they are retooling blades, have 30 people employed.
- Jackson County – Elm Creek project with 58 towers is completed and will mean \$250,000 to the county in production tax. Lakefield project will be 134 towers, 30 are up. Human services building is being worked on, windows updated, flat roof, looking at geothermal heating and cooling, New Hwy shop planned with water recovery system for the truck wash. Agco – somewhere will be undergoing a \$50 million expansion, unknown at this time where it will be and how it will affect the Jackson Plant. While at the AMC conference, toured waste management for single source recycling.
- Cottonwood County – geothermal being considered for the Law enforcement Center.
- Lincoln County - CWN project. All the bases are in, are working on the towers, with goal of April 2011 to be operational. New style blades – Bair will ask for more information about the blades.
- Rock County – Geronimo looks to be building 66 turbines.
- Faribault County – requested that if anything to happening in the counties to please bring it to the RMEB to share. Others can learn – or – new projects can learn from projects that have occurred (RDF, wind, hydro, solar, etc).

SW CERT UPDATES:

Steering Committee: Bair indicated that she reviewed the bylaws of the SW CERT Steering Committee which indicated that membership goes for 3 years. She expressed a concern because some of the members of the core group such as AURI, SWIF, USDA only have one staff person who is knowledgeable about the renewable energy and there would be no one to replace those people. Direction was provided by the RMEB that the bylaws be amended to allow people to remain as the core members because their knowledge is valuable to the SW CERT. Other core group members such as the RMEB have a depth of membership which would allow for rotation on the Steering Committee.

Update on CERT Seed Grants: Bair reviewed a brief synopsis of the CERT projects. Final reports are as follows:

The Redwood County Renewable Energy Template applied the methodology of the template for estimating county level energy use and renewable energy potential which was developed in 2009 for AURI. There were several items identified in the Renewable Energy Methodology that presented challenges in the development in populating the data for that template which are listed on page 2 of the final report that was distributed. Also distributed was the write-up for the Redwood County Renewable Energy Template.

Easy Energy Systems worked with the Prairieland compost facility to develop a feasibility study regarding cellulosic waste at their facility and the potential to convert it to cellulosic ethanol. The goal was to determine the feasibility of capturing and converting the cellulosic and organic wastes at Prairieland to cellulosic ethanol which could then be sold on the open market. A copy of the report and the feasibility study was passed around.

The Renewable Energy Inventory based on the AURI template was completed for Brown, Martin and Watonwan counties by the Region 9 Development Commission. That project produced a large amount of data and we are waiting for the data to be synthesized into a form that we can read.

Western Community Action Awareness Initiative: That project did energy audits for households that had an income just above the weatherization of guidelines. They completed 40 audits and indicated that the program would have been more successful if there had been funding to actually perform some of the high priority recommendations. They understand that only 5 to 7 percent of people who received the energy audit actually followed through with implementation on their own. Western Community Action was able to educate them and point them in the right direction. They just can't do that work for them. We have requested some additional information identifying what are the high priority recommendations of those 40 audits.

The last project was the Springfield Public Schools Green Roof Project. That was done in 2 parts where YES Team researched the potential of placing a green roof on the portion of the school and had MLA Architects of St. Paul perform a site evaluation and draw up plans for any structural changes. The second part was to happen after the green roof was constructed. However, a grant for the green roof construction was not awarded so the second part of the project could not be completed. That means there is \$3,500 left of the CERT Seed Grants for redistribution.

The Steering Committee has decided that they will identify projects that are the most likely to be able to utilize the \$3,500 with the parameters of labor for the use of those funds. The following 6 have so far been identified:

- Putting Green in New Ulm where they would support a pilot in New Ulm building their ecoPreneur program.
- A YES group where the funds would be used to provide consultant time to the team who would have a large scale compost bin and implement the use of the compost bin in their school cafeteria.

- Morton Advanced Renewable Facility. They could use funds for their feasibility study.
- Western Community Action to do additional audits and or follow up on the 40 audits that were conducted to determine what was implemented and what was not.
- Cottonwood County, looking at increasing recycling in the schools and six would be Jackson County geothermal study for the new resource center.
- Jackson County energy efficiency / renewable energy designed in the new Highway Department facility.

Bair asked RMEB members if there were additional ideas or thoughts on any of these projects. Members indicated that they had heard about the putting green and they are a well established group. Paul Pierson indicated that USDA has a school education program regarding recycling and he would get that information to Bair.

Bair reported that there is a brochure for everyone regarding the CERT's Conference that today was the last day to get the early bird registration. The conference is February 2nd & 3rd, 2011 in St. Cloud. Both Bair and Benson are registered to attend.

OTHER BUSINESS and REPORTS

- Electric for energy audit for the high energy users in their territories.
- Yvonne Simon, from the Center for Rural Policy and Development, indicated that the center does research on rural issues and provides just the facts. They have completed broadband studies that have been updated annually. On February 22nd, a study on the state of manufacturing will be released and currently the director, Brad Finstad, is working on trends in greater Minnesota. Simon indicated that she would like the Energy Board Members to contact her if they would like to be placed on an annual mailing for submitting ideas to the Center. Those ideas on research being done by the Center, has been provided to the Ideas Subcommittee and ideas are selected then for what research would be done during the year. Bair was to provide Yvonne's e-mail in the notes that are submitted following the meeting.

NEW BUSINESS

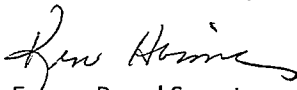
Commissioner Benson reported on Community Wind South. He provided a background of the projects which was generated as a result of the intervener status of the RMEB Task Force which identified 60Mw of local wind. In the past, Community Wind North has come to the RMEB for assistance in resolutions in providing information to the Public Utilities Commission to move their project forward since they were identified in the Certificate of Need order. Currently, the Community Wind South is also experiencing an impasse with Xcel Energy regarding their project and Benson requested RMEB assistance. Benson was asked since there was no resolution at the present time, that he provide a resolution to the Energy Board on what they would like to see happen. Bair indicated that there had been some previous resolution by the Energy Board that she would supply to Benson, one that she believed identified both Community Wind North and South as the local projects for the Certificate of Need.

MEETING DATES: Commissioner Fox indicated the next meeting date is March 28, 2011.

ADJOURN: There being no further business, the meeting was adjourned at 11:45 a.m.

Minutes Prepared By Annette Bair, Staff.

Minutes Reviewed By:


Energy Board Secretary

Minutes Approved By:

Energy Board Chairperson