

**RURAL MN ENERGY BOARD MEETING
MONDAY November 26, 2018
CRD Office, Slayton, MN**

MEMBERS PRESENT:

Blue Earth County.....	Will Purvis	Mower County	Tim Gabrielson
Brown County.....	Dennis Potter	Murray County.....	Gerald Magnus, Jim Jens
Cottonwood Co.....	Tom Appel	Nobles County.....	Gene Metz
Faribault County	Tom Warmka	Pipestone County.....	Dan Wildermuth
Freeborn County.....	Glen Mathiason	Redwood County	absent
Jackson County.....	Don Wachal	Renville County	Bob Fox
Lincoln County	Mic VanDeVere	Rock County.....	Gary Overgaard
Lyon County	Steve Ritter	Sibley County	Gary Kruggel
Martin County	Steve Flohrs	Watsonwan County	absent

ALSO PRESENT: Kevin Walli & Sam Riche (Fryberger Law Firm), Paul Pierson (SBBC), Peter Klein (St. Paul Port Authority), Vince Robinson (LCEDC), Annette Fiedler (SRDC – RMEB Staff)

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

PLEDGE OF ALLEGIANCE: All stood as Chairman Flohrs led the Pledge.

INTRODUCTIONS: All present were asked to introduce themselves.

ANNOUNCEMENTS: None

AGENDA:

M/S/P Gabrielson, Fox to approve the agenda as presented.

MINUTES:

M/S/P: Mathiason, Potter to approve the minutes of September 24, 2018 as presented.

FINANCIAL REPORT: Fiedler reviewed the General Operating/PACE Financial Report for the Energy Board. The following bills are pending: SRDC general contracted services at \$1,755; contracted services for PACE finance \$840; contracted services for PACE outreach \$1,800; Lobbyist \$868.30; Fiscal management with the SRDC finance department \$192.50 for a total of \$5,455.80. Operating revenues over expenditures are \$8,849.65, funds available as of the end of October are \$101,204.91.

M/S/P: VanDeVere, Wachal to accept the financial report.

EXECUTIVE COMMITTEE: The Executive Committee met on November 19, 2018 via conference call. The following topics were discussed: SRDC Contract, dues, 2019 budget, policies document, and nominating committee.

SRDC Contract for services. The draft SRDC contract reflected removal of PACE, change to the dates for CY2019 and there were no changes in hourly rates.

M/S/P: VanDeVere, Metz to approve the contract with the SRDC for CY2019.

Draft CY 2019 budget and dues. The draft budget was reviewed as well as the dues. Fiedler reviewed the budget line item by line item. It should be noted that all PACE expenses were removed from the budget; and the PACE Committee does not charge expenses to the RMEB. They meet prior to the RMEB meeting and via

conference call. Discussion of the dues involved the preliminary dues at \$2,500. After discussion, it was recommended that the dues remain the same, but consider changing it in 2020.

M/S/P: Wildermuth, VanDeVere to approve the CY2019 dues at \$2,500.

M/S/P: Metz, Warmka to accept the draft budget as presented.

Policies Document: Fiedler indicated that the Executive Committee recommended adding language to the RMEB Procedures document regarding the PACE Committees practice of review and approval of the PACE loans.

M/S/P: Purvis, Gabrielson to accept the updated change to the policy

Nominating Committee: Chairman Flohrs asked for volunteers to serve on the Nominating Committee. Both he and Vice-Chair Metz are willing to continue to serve in their current positions. The Secretary and Treasurer positions will need to be filled. Purvis, Warmka and Mathiason volunteered to serve on the Nominating Committee.

PACE COMMITTEE: Metz reported that PACE is at a crossroads. They had of this morning about \$165,000 of ARRA funds. They approved approximately a \$73,000 loan in Lyon County prior to the RMEB meeting. There is approximately \$92,000 remaining.

Metz also indicated that they have received a request to give a PACE presentation at the Brown County Utilities. There is funds budgeted for CY 2018 for PACE in outreach, they have requested that Weis go and give that presentation. There will be no outreach money in CY 2019.

The Department of Commerce has invited a 5 year extension for the use of the ARRA funds. Weis was requested to apply for that extension. Members to the PACE Committee. In 2019, the PACE Committee will be losing at least two members. Metz requested two to three volunteers to serve on the PACE Committee. Those volunteers are Wildermuth, Wachal and VanDeVere.

Counties asked if they will be invoiced for the \$6,336. Metz indicated that at the first of the year, those counties that indicated they budgeted for that amount will be invoiced. If nothing is received by the first of February, they will be re-invoiced.

TOUR COMMITTEE: No report.

LEGISLATIVE: Kevin Walli and Sam Riche were available to provide an outline of the new landscape at the legislature. Some of the information provided in the handout included political considerations, Emerald Ash Borer coming to a community near you and C-BED Projects. Discussed was the amount in the budget for the lobbyist activities which should be sufficient if it is the normal activities. However, if the Energy Board need them to do more extensive work, those costs would increase. One member was added to the Legislative Committee: Wildermuth.

PACE: Peter Klein from the St. Paul Port Authority presented to the RMEB about the St. Paul Port Authorities trillion BTU, MINN PACE and the Kresge fund. The Port Authority originally asked for \$32 million from the ARRA funds to run a trillion BTU's annual program. They were originally given \$5 million and over time that funding has increased. The RMEB received \$600,000 of the ARRA funds. Klein identified some niches to the renewable energy projects and there are some delays in payments. He indicated that Minnesota is fourth in the Country for PACE projects and 2/3 of the projects are renewable energy and 2/3 of the money spent is on energy efficiency. One area that had been thought of to be a good match for PACE funds would be Senior Care Facilities. However, it was found that DHS reimburses those facilities for the cost of utilities and there is no incentive then to make any energy improvements. Klein indicated that they have agreements with community banks as well as credit unions. After one year of the ARRA funds, the loans are handed off to a community bank or credit

union. They have a 5% interest for 2018 on the loans which has always been at least 1 point below the fixed rate. They have a \$100,000 fund for loss revenue. The Kresge grant, additional funding which provides funds to do energy efficiencies. Klein indicated that with that 5% interest rate, when they hand it off to the community banks and credit unions 2.5% on the loan stays with the St. Paul Port Authority and the other half goes on sale to the credit union.

Average PACE loan for 40kw Ag animal facility is about \$175,000. If there are projects that they don't see as a fit for the St. Paul Port Authority they refer them to the Center for Energy and Environment who Klein indicated covers the full state. He indicated that it would be preferred that the St. Paul Port Authority does nothing under \$100,000. He was asked if a JPA could do a JPA agreement with another JPA. Klein indicated the St. Paul Port Authority preferred working with individual counties. At one time they had done about 5 new projects, however their attorney advised them that they should not do new projects because they did not comply with the legislation. Energy efficiency is with retro fits and that is what they stick with now. Energy Audits are generally done by the utility using their rebate analysis. Fiedler indicated that with the Energy Board, the ARRA money, the Department of Commerce required that a CEM, CEA or equivalent do the energy audits. Klein was thanked for his time and presentation on PACE projects.

MEMBER UPDATES ON ENERGY PROJECTS AND ISSUES

- Blue Earth County – Have a solar array on their customer service building and they are working with the electric coop.
- Renville County – No report.
- Sibley County - No Report
- Cottonwood County – Plum Creek Wind is ready to go and as well as Big Bend Wind. Commissioner Appel brought a question regarding the lighting for the wind turbines regarding how they blink on and off, is a local ordinance or state legislation needed? Metz indicated that there was legislation purposed last year. Research indicated that there is a liability if those lights would not turn on and also not all aircraft have the ability to turn lights on. Metz indicated that he would follow up on that information under the jurisdiction of the FAA. Commissioners indicated that it would not make sense to have lighting turn on by aircraft for safety sake, in case it did not work.
- Freeborn County – The towers were approved. There is still opposition. The purposed start date is in 2020.
- Jackson County - No report.
- Brown County – No report.
- Faribault County – The wind farm lease sign up is occurring.
- Mower County – No report.
- Nobles County – Nobles II is waiting for the last decision by the PUC. Also, Nobles Cooperative Electric has a new sub-station connecting to the 115 transmission line and they plan to use wind being generated in our area.
- Pipestone County – Stone Ray is moving forward. They are looking at a doubling in the wind production tax. They are using the production tax to pay for clean-up of tax forfeited properties. They anticipate that there is going to be a repower of the original Zond turbines.

- Rock County – Walleye Wind has quieted down. They are looking to put placement further north towards Beaver Creek. The solar projects seems to be on course with their easements and purchases.
- Lincoln County – Has settled down for much of the projects for 2019 and 2020. They have 401 wind towers and are looking at \$101 million in production tax. There are looking at the new funds to cover border to border broadband.

SW CERT: Fiedler reported on the November 15 Swine Event in Fairmont. There were 30 + producers present and it seemed to go over really well. There is a November 29 SW CERT meeting in Windom. Fiedler attended the public meeting in Edgerton for the Fenton 2 Repower Project which is located in Nobles and Murray Counties. She relayed some of the comments provided by the public that were present at the meeting. In January, we can anticipate some changes to the SW CERT Steering Committee.

OUTGOING RMEB MEMBER RECOGNITION: Chairman Flohrs presented to Gerald Magnus of Murray County a Certificate of Appreciation. He has been a member since 2007, Treasurer 2017 – 2018, PACE Committee 2014 – 2018 and Legislative Committee 2013 – 2018. Gary Kruggel, Sibley County Commissioner has been a member since 2013. Dennis Potter, Brown County Commissioner, has been a member since 2012 and Secretary from 2017 – 2018. The forth member was unable to attend today's meeting. Scott Sanders, Watonwan County, has been a member from 2005 till present, Legislative Committee 2009 – 2013, and PACE Committee from 2014 – 2018.

OTHER BUSINESS AND REPORTS

Paul Pierson reported that there were 15 solar projects funded under REAP at about \$2 million; all but one of the REAP projects were funded in the last cycle and they were mainly grain dryers. He works for the SBA/SBDC and when someone signs up with them, the Center can assist with the energy efficiency grant at no charge.

NEW BUSINESS: No new business.

2018 MEETING DATES: Meeting dates for 2019 are: January 28, March 25, June 3, July 22, September 23 and November 25.

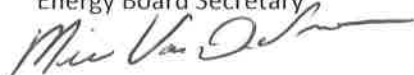
FUTURE MEETING TOPICS OR GUESTS: Fiedler was asked to look into developers who are doing repower projects.

ADJOURN The meeting was adjourned at 3:15 p.m.

Minutes Prepared By Annette Fiedler, Staff.



Minutes Reviewed By
Energy Board Secretary



Minutes Approved By
Energy Board Chairperson

