

**Kandiyohi County & City of Willmar Economic Development Commission (EDC)  
Joint Operations Board (OB)  
AGRICULTURE AND RENEWABLE ENERGY DEVELOPMENT (AG) COMMITTEE  
MINUTES  
April 17, 2008  
EDC Office, Willmar**

Present: Glenn Arfstrom, Wade Gustafson and Bruce Reuss

Excused: Darren Amdahl, Ron Erpelding, Marc Knisely, Jim Larson and Bob Meyerson

Staff: Steve Renquist, Executive Director

Secretarial: Allison McGeary, Legal & Administrative Assistants, Inc. (LAA)

Chair Bruce Reuss called the meeting to order at approximately 7:40 a.m.

Discussion was held on having voting member and non-voting member status, which would allow the committee to make a quorum.

**AGENDA**—Chair Reuss asked for changes to the agenda.

IT WAS MOVED BY Glenn Arfstrom, SECONDED BY Wade Gustafson, to approve the agenda with the addition of changing land use policy. MOTION CARRIED.

**MINUTES**—

IT WAS MOVED BY Wade Gustafson, SECONDED BY Glenn Arfstrom, to approve the minutes of the March 20, 2008 meeting. MOTION CARRIED.

Steve Renquist stated this is Wade Gustafson's last meeting as a voting member, because he accepted the position as the EDC's Ag employee and staff does not vote.

Reuss welcomed Gustafson as the Ag employee.

**PRIORITY INITIATIVES/ACTION PLAN**

a. **Research renewable energy opportunities to sustain and contain costs.** Renquist stated he and Jim Larson have been working with Jim Millard of Millard IT Service and Mary Millard of Plum Hollow to develop a website. Jim Millard suggested using the EDC's website and adding a link to another page instead of a separate website. **Renquist** will continue to work with Jim and Mary Millard to complete a draft website link and bring it to the committee to review. Renquist reported the cost would be about \$1,000. Glenn Arfstrom stated he met with Bison Renewable Energy, based out of Mendota Heights, which decided Willmar is a good regional center. Bison Renewable Energy makes methane digesters and would like to have a regional digester in Kandiyohi County. Arfstrom suggested including Bison Renewable Energy on the future website. Arfstrom stated Bison Renewable Energy wants to hold an informational meeting in Willmar and suggested the Ag committee host it. **Renquist** will check with a local company where it is at in the process of creating a methane digester. Renquist suggested the

information be presented in a special meeting in June or at the regular meeting in July. The committee decided to wait for contact from Bison Renewable Energy.

c. **Explore development of a soybean collection or processing facility.** Gustafson stated he recently reviewed the Prospect of Expansion of Soy-Based Biodiesel Industry in Minnesota study done in 2006 (see copy on file). Arfstrom stated the study is outdated. Gustafson stated he was at a meeting attended by the Chief Financial Officer of the Brewster plant, which runs 65% diesel fuel and is losing money due to the cost of biodiesel. **Gustafson** will speak with Darren Amdahl on other ways to have a collection site and cost for transportation. Renquist stated it may not be economically viable now and suggested Gustafson become knowledgeable on soybean collection, as it may be an option in the future due to expanding technology. Discussion was held on what is being done by Minnesota Valley Alfalfa Producers. **Renquist** will forward an article to the committee about soybeans being more viable. **Gustafson** will monitor changes in soy prices versus diesel prices and research what is being done at other locations. Renquist stated Terry Heying had done research on soybean extrusion process and suggested Heying be contacted to join the committee. **Gustafson** will contact Heying for information on soybean extrusion process. Gustafson stated southeast Minnesota would be the best place for a soybean extrusion plant, because Wisconsin does not have a plant. An extrusion process would be better than a roaster process, because the oil would be left. Reuss stated southwest Minnesota is where soybean extrusion is being promoted the most. Discussion was held on grades of soybeans.

d. **Establish a renewable energy commercialization center.** Gustafson had a conversation with Jim Larson about the commercialization center presented to MinnWest Technology Campus (MWTC). Renquist stated if the EDC staffed the office, MWTC was going to provide space for the commercialization center, but thinks MWTC did not see a return on having the commercialization center. Renquist stated Larson would like to have a separate office and identity from the EDC office. Renquist suggested getting the website completed and in a year ask MWTC again or find another place.

**Land policy.** Arfstrom stated he is looking for answers on what can be done with land use as time, technology and ordinances change. Gustafson stated zoning type issues can be brought to the Kandiyohi County Commissioners. Renquist suggested reviewing what other counties are doing to solve problems or that are innovative and turn information over to the Kandiyohi County planning office. Discussion was held on a possible operation moving to Kandiyohi County.

b. **Position Kandiyohi County to turn wind energy into anhydrous ammonia as a way to store energy.** Reuss stated Mike Reese will be at the committee's June meeting speaking specifically on the anhydrous ammonia process. **Reuss** will confirm with Reese before the June meeting. Reuss explained how anhydrous ammonia is currently developed and stated research is being done on a process that uses water and electrolysis, which could come from wind energy. Two years ago anhydrous ammonia was \$200, last fall it was \$400 and it is now \$900. Reuss stated Norsk Hydro Electrolysers is the only company he has found that makes a big enough electrolyzer for what the committee is looking for. Production Tax Credit (PTC) could bring the cost down along with carbon credits. Incentives that can be used are natural gas, which includes using carbon dioxide and water, which includes oxygen. Making anhydrous ammonia in the United States would be cost effective as it currently comes from Trinidad, Mexico and Russia and is becoming more expensive and less desirable. Reuss stated electricity would be 30-40% wind energy. Renquist suggested using a methane digester when wind energy is not producing the amount of energy needed. Reuss suggested possible ownerships for an anhydrous plant are a limited liability company, ownership investments by

farmers that would obligate them to take their share of anhydrous, investors or have CHS, Inc. fund it, because it is already buying anhydrous out of the country. Reuss stated he has a list of questions still to be researched relating to having an anhydrous plant. **Gustafson** will help Reuss research answers and invite guests to attend the June meeting. The committee agreed the June meeting will be either June 17 or 19 starting the regular meeting at 7:00 a.m. and invited guests and Reese to attend at 8:00. **Reuss** will verify the date with Reese and draft a letter to send to all past and present committee members and key players, such as, Joe Eregle, Bruce Gomm, Marc Gorans, Dan Tepfer, Willmar Lakes Area Chamber of Commerce Ag Committee, lenders, representatives from Crop Production Services, West-Con, fertilizer plants, Central Lakes Cooperative. Reuss suggested the committee invite 30 people to attend the meeting. Renquist stated the press will need to be invited. **Gustafson** will make the follow up calls. Reuss suggested the invitation letter be sent out two weeks before the June meeting date. **Gustafson** will reserve the Health and Human Services meeting room. **Gustafson, Renquist and Reuss** will continue working on the details of the June meeting. Gustafson suggested providing coffee and doughnuts. Reuss suggested a subcommittee be formed for anhydrous ammonia with the meeting location at the EDC and LAA taking minutes. Reuss stated it could become its own entity like Whirlwind. Reuss stated the area is behind Iowa. Renquist suggested Iowa be used as a model.

#### **UNFINISHED BUSINESS—**

**Health insurance for farmers and agriculture producers.** Gustafson reported Jim Molenaar attended a workshop on farmers union, a place for farmers to obtain insurance. Molenaar cannot put on a workshop for health insurance, because he is in a union. **Molenaar** will have an insurance agent and an accountant present on health insurance in the winter.

**“Winning the Game” workshops.** Renquist stated discussions are being held with Ridgewater College. There is a fee for hosting the workshops, but not to attend the workshops. **Gustafson** will continue working with Ridgewater College.

**Strategic Animal Ag Conference.** Renquist stated the conference will be held November 19, 2008 at the Holiday Inn/Willmar Conference Center. **Gustafson** will continue conversations with the University of Minnesota staff. Renquist stated the state is looking at rotating the conference location to other cities. Renquist suggested the committee continue a Strategic Animal Ag Conference without the state and rename it. Renquist stated last year the state obtained the speakers and in previous years the committee obtained them. Gustafson stated using speakers other than what the state selected could bring in different attendees; he has contacted individuals to be speakers at the conference. Renquist stated LAA makes this conference happen. Gustafson asked committee members to forward topics they are interested in seeing at the conference to him.

There was no other unfinished business.

#### **NEW BUSINESS—**

**Part-time Ag employee.** Renquist stated Gustafson was hired as the part-time Ag employee and is working from the initiatives set by the planning session. Gustafson distributed an outline of the strategies with tasks listed in the order to be completed (see copy attached to original minutes). Gustafson stated the outline will be updated as tasks are added and completed and asked committee members if items need to be added to let him know.

**2009 budget.** Renquist stated the 2009 budget will be presented to the EDC Joint Powers Board and the EDCOB at 5:30 p.m., June 26, 2008 at the Health and Human Services Building. Renquist stated staff will put together the budget for 2009. Renquist suggested starting with the same amount as 2008 and going through what the committee has allocated funds for in the past. Reuss stated one difference for the 2009 budget is having an Ag employee.

**Other.** Renquist stated Renville County Economic Development has started an ag committee and would like to have a joint meeting with this committee. **Renquist** will talk with Executive Director Chris Hettig to schedule a meeting.

#### **REPORTS—**

**Wind Energy subcommittee.** Arfstrom stated Whirlwind is moving ahead.

**NEXT REGULAR MEETING—**The next regular committee meeting is **7:30 a.m., Thursday, June 19, 2008 at the Health & Human Services Building, Willmar.**

**ADJOURNMENT—**There being no further business,

IT WAS MOVED BY Glenn Arfstrom, SECONDED BY Wade Gustafson to adjourn the meeting. MOTION CARRIED.

The meeting was adjourned at approximately 10:15 a.m.