

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

Present: Glenn Arfstrom, Gordy Behm, Ron Erpelding, Bob Meyerson, Bruce Reuss and Stan Simon

Excused: Al Christopherson and Jim Larson

Staff: Steve Renquist, Executive Director and Wade Gustafson, Agriculture Specialist

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

Chair Bruce Reuss called the meeting to order at approximately 7:33 a.m.

AGENDA—Chair Reuss asked for changes to the agenda.

IT WAS MOVED BY Stan Simon, SECONDED BY Bob Meyerson, to approve the agenda as presented. MOTION CARRIED.

MINUTES—

IT WAS MOVED BY Glenn Arfstrom, SECONDED BY Gordy Behm, to approve the Minutes of the June 19, 2008 meeting. MOTION CARRIED.

PRIORITY INITIATIVES/ACTION PLAN

- a. **Research renewable energy opportunities to sustain and contain costs.** Wade Gustafson gave a summary of the committee's approval to add information to the current EDC website and distributed the following (see copies attached to original minutes):
- Renewable Energy in Kandiyohi County, which will be one page on the website;
 - Renewable Resource Commercialization, which will be a separate website page;
 - Comparative One-Time Site Selection Costs, which is already on the EDC website and will be made more accessible;
 - Links to other pages that are currently on the EDC website; and
 - EDC Ag Committee Activities and Accomplishments, which will also be a separate page

Steve Renquist explained how the opportunity of having a website became part of the research renewable energy opportunities to sustain and contain costs goal. Renquist stated the website will focus on the commercialization of the idea with the hope of having a physical office location in Kandiyohi County. Renquist stated items suggested by the committee at its previous meeting were removed at his discretion and can be added back to the website, if needed. Gustafson asked committee members to review the information and respond back to him with comments and other website address to be included by e-mailing him at wade.edp@kandiyohi.com. Gustafson stated LAA will be using color and photos along with the information to develop the website pages. Renquist stated the website could be online by the

next meeting. Reuss stated changes can be made through LAA on an on-going basis. Renquist stated the MinnWest Technology Campus (MWTC) offered office space for free if the EDC would staff the office for an implementation and commercialization program. Renquist suggested LAA answer phones and perform administrative support for the office at MWTC for approximately \$20,000, which would be taken from the 2009 budget. Renquist stated this committee approved having the office in the past. The office would be a business development center for renewable energy and suggested income be from consultant fees for locating renewable energy projects. Renquist suggested a \$50,000 consultant fee for three years, which the client would have access to information before the rest of the private sector. Renquist suggested this office use the new ag website. Renquist will invite someone to the September or November meeting to present the opportunity of having a renewable energy office. Discussion was held on venture capital for a renewable energy office. Discussion was held on a pelletizing plant that is no longer going to be built.

b. Position Kandiyohi County to turn wind energy into anhydrous ammonia as a way to store energy. Reuss stated the Anhydrous Ammonia Steering Committee meeting was held July 9, 2008, which included members from outside the Ag Committee and the committee members have a broad spectrum of background experiences. Reuss suggested this could be an opportunity for Fagin to build anhydrous ammonia plants, because it is not building ethanol plants anymore. **Reuss** will suggest this at the next Anhydrous Ammonia Steering Committee meeting at 7:00 a.m., August 13, 2008. Reuss stated anhydrous ammonia production is not a new technology and has been done in Norway for decades using a hydroelectric plant. Ron Erpelding stated the Fibrominn plant exists because there was one operating outside of the United States. Reuss stated the University of Minnesota, Morris is developing a small scale model of Norway's plant and the Anhydrous Ammonia Steering Committee wants to be ahead of the game. Mike Reese with the University of Minnesota, Morris suggested in his presentation on June 19, 2008, a 10% mandate be used, much like the ethanol mandate. Reuss stated improvements have been made with the Haber-Bosch anhydrous ammonia process since the 1920s. The combination of using the Haber-Bosch system and harvesting hydrogen from water rather than natural gas has not been done for commercial use, except in Norway. Reuss stated an anhydrous ammonia plant will not run out of business if 15-20 tons of anhydrous ammonia are made. Reuss stated a scale is being developed based on providing 17,000 tons of anhydrous ammonia per year. Reuss stated currently there are two storage facilities located by Glenwood and Murdock, to which an anhydrous ammonia plant could pump. Gustafson suggested Erpelding join the Anhydrous Ammonia Steering Committee. Reuss stated committee members volunteered to take portions of the research to be done and bring it to the next meeting. Stan Simon commented on the first meeting. Bob Meyerson stated the production tax credit will probably be renewed again. Reuss stated research is being done to find out if anhydrous ammonia production will be able to collect tax credits. Reuss reported Graettinger, Iowa is looking at using 100 wind turbines for energy to an anhydrous ammonia plant and selling the by-products of oxygen and hot water. Senator Chuck Grassley is working on tax credits for anhydrous ammonia production for Iowa. Reuss stated research for using wind energy was set aside, because it is complicated and could be used as another option later. The committee research is based on a cost of 5 cents from an electricity plant. **Reuss and Simon** are setting up a meeting with Reese to discuss information on electricity costs.

{Ron Erpelding was excused from the meeting}

c. Explore development of a soybean collection or processing facility. Gustafson reported nothing has changed since the last meeting.

UNFINISHED BUSINESS—

Strategic Animal Ag Conference. Gustafson reported the conference will be held the evening of Thursday, January 16, 2009 and all day Friday, January 17, 2009. The conference is called Rural Health. Friday morning will focus on health insurance options for farmers and the afternoon will focus on animal health. Jolene Brown is confirmed to speak on estate planning Thursday followed by a social hour. **Jim Molenaar and Gustafson** are developing the health insurance program portion. Gustafson stated representatives will be invited to attend and present on what they plan to do in Congress. Gustafson stated the programming is broad to attract a bigger audience than in the past.

Renville County Economic Development meeting. Gustafson stated he has not received a return call from Renville County Economic Development. Reuss suggested he, Gustafson and Renquist meet with Renville County Economic Development's director and chair before meeting with the Ag Committee.

International Bioenergy Days. Renquist distributed copies of the International Bioenergy Days conference brochure (see copy attached to original minutes) and reported the conference was previously held in Sweden. Bob Ryan is the chairperson for hosting the conference. Willmar could possibly have a tour group stay overnight. The registration cost is \$700 per person, which attracts only those who are serious. Renquist stated the EDC will take a significant role with offering the use of its resources and administration help for the whole conference. Renquist stated the EDC and MWTC have eight spots available for the entire conference and suggested the EDC and MWTC split the spots at each event. Meyerson suggested the EDC and MWTC split the days to attend so eight Ag committee members could attend together at one time. **LAA** will develop a sign up sheet for the Ag Committee.

There was no other unfinished business.

NEW BUSINESS—

Brokering locally grown Ag products to food suppliers. Meyerson attended a meeting where Ken Meeter, an economist located in the Twin Cities presented on locally-grown. Meyerson stated Kandiyohi County has a local group that is trying to promote buying locally-grown produce in restaurants and grocery stores. Meyerson suggested the Ag Committee host a meeting. Simon stated local growers want to sell to local restaurants and grocery stores, but are unable to carry insurance if the produce has something wrong with it, like big companies, such as Sysco. Renquist reported on a recent visit with a local grocery store done by the EDC's Business Retention and Expansion/Recruitment Committee.

Gustafson will research locally-grown Ag products and report back to the committee. Simon stated most farmer's markets require those selling to carry some insurance, which is usually through homeowners insurance.

REPORTS—

Ag Specialist. Gustafson stated he has reported his findings throughout the meeting.

Wind Energy subcommittee. Meyerson reported a few more members were accepted, Simon was hired as a consultant, the Midwest Independent System Operators application is in the process of being written and Whirlwind has a little over 1,000 acres under lease.

Renquist stated the next committee meeting will be at the EDC's new location, 333 Litchfield Avenue SW, Suite 100.

NEXT REGULAR MEETING—The next regular committee meeting is **7:30 a.m., Thursday, August 21, 2008 at the EDC Office, 333 Litchfield Avenue SW, Suite 100, Willmar.**

ADJOURNMENT—There being no further business, the meeting was adjourned at approximately 9:10 a.m.