

**Kandiyohi County & City of Willmar Economic Development Commission (EDC)**  
**Joint Operations Board (OB)**  
**AGRICULTURE AND RENEWABLE ENERGY DEVELOPMENT (Ag) COMMITTEE**  
**MINUTES**  
**August 20, 2009**  
**Christianson & Associates PLLP, Willmar, MN**

Present: Bob Meyerson, Bruce Reuss, Sherman Schueler, Stan Simon and Dan Tepfer

Excused: Gordon Behm, Bev Dougherty, Marc Knisely, Jim Molenaar and John Soderholm

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

Guests: Ken Behm, Loren Corle of Relco, LLC, Kevin Halvorson, Keith Poier, Kent Skoglund, Brad Saeger and Scott Thaden

Secretarial: Jodie Heuring, Legal & Administrative Assistants, Inc. (LAA)

Chair Bruce Reuss called the meeting to order at approximately 7:32 a.m.

**AGENDA**—By consensus, the agenda of August 20, 2009 was approved as mailed or e-mailed.

**MINUTES**—By consensus, the minutes of the July 16, 2009 regular meeting were approved as mailed or e-mailed.

Self-introductions were made and guests welcomed.

**Presentation.** Renquist introduced Loren Corle of Relco, LLC, who presented information about dairy and food process plant technology. Relco has been in business 27 years and its employees are skilled in process plant operations (10), mechanical and electrical engineering (30), stainless steel fabrication (25), construction trades (25) and administrative services (10); Corle noted these employee numbers are down from last year. Relco designs, manufactures and installs dairy and food processing systems and equipment and its primary markets are in the U.S.A. Its five values are safety, quality (measure by delivering what the contract says), schedule, budget and innovation, which is also its marketing plan. Relco's customers are dairy and food factories that bottle or dry milk, produce cheese, process whey, blend and dry foods and manufacture other foods. The company was started in 1982 with welding services only and in 1988 added a manufacturing shop. In 1991 it merged with a consulting engineering firm, Rolland Engineering, Inc. and in 1997 acquired an electrical contracting company, Current Electric, Inc. In 2000 Relco purchased a whey processing equipment manufacturer, Whey Systems, Inc. In 2007 Relco acquired assets of an EU company similar to Relco, Wet & Dry Technologies B.V. Also, in 2007, it bought 50% of a powder handling equipment manufacturer, Savel Technologies, Inc. and should complete the purchase of the other 50% by year end. Relco's product lines include evaporators and dryers for skim and whole milk, whey, whey protein concentrate, lactose and permeate and infant formula; cheese and dairy systems, including milk receiving and storage systems, pasteurization and separation systems, batching and blending systems, CIP (Clean-In-Place) systems and ingredient management systems; Savel powder handling equipment: rotary air lock valves, powder divert valves, bulk bag unloaders, bulk and 25 kg bag fillers, dust collectors and filter receivers; manufacturing services include ASME pressure vessels, skidded processing systems and tanks and processors; and construction services include sanitary stainless steel piping, process equipment installation and site management.

[Ken Behm joined the meeting.]

Corle has seen the largest variation in construction relating to employees; Relco also utilizes outside contractors when there is an increased workload. Corle explained the company watches efficiency closely and tries not to layoff and rehire employees on its engineering side; however, if orders do not increase, it may need to release some of its highly qualified people. The industry has its ups and downs, which are not always tied to the economy, but the current down turn is connected to the economy. Corle and Relco have a connection with Ridgewater College's welding department and have been able to hire some well-trained employees. Renquist inquired whether there may be some possibilities to do co-marketing with other area companies that provide services and products internationally. Corle indicated Relco does not do a lot of marketing and believes its brochure and website are the extent of its current marketing. Corle will let Renquist know of his interest as Renquist and the EDC could cause a networking meeting to happen to discuss joint marketing efforts. Corle has seen a lot of change in the industry and sees the industry consolidating. Relco contracts with a company to truck products to the metropolitan area, package products in containers and ship. A brief discussion was held about energy usage and Wal-Mart requiring vendors to provide their carbon footprint in order to continue to do business with it.

#### **OBJECTIVES—**

**Anhydrous Ammonia Steering Committee.** Chair Reuss reported this committee met a couple weeks ago and the current status is unchanged; still looking for technologies and opportunities. Two to three people will attend a national annual anhydrous conference in Kansas City.

**Membership.** Wade Gustafson informed the visitors that if they would like to become a member of this committee, they should inform him. New members were encouraged as new ideas are always welcome.

**Create a positive regulatory environment for local ag development.** Sherman Schueler talked to Harlan Madsen and Madsen met with Kim Larson and Nathan Hultgren relating to their project, Meadow Star Dairy. There are some issues that need to be addressed. Kandiyohi County has stated it is livestock supportive, but Schueler believes its actions may not be living up to its words. Schueler reported the Kandiyohi County Board of Commissioners is now involved and hopes to meet with a couple members of this committee and EDC staff to discuss some of these issues. There are ongoing efforts to make the zoning process and ordinances smoother for people wanting to expand in all areas of agriculture.

**Develop agribusiness/renewable commercialization and Mid-Central Biosciences Center.** Renquist stated one goal of this committee for some time has been the commercialization of intellectual property. The EDC is fortunate, through the MinnWest Technology Campus, to work on the Mid-Central Biosciences Center, which is a joint effort including St. Cloud State University, University of Minnesota and Ridgewater College. The Center's entire purpose is commercialization of intellectual property. This committee has committed to giving \$10,000 per year for two years toward an employee position for the Center. It is anticipated the position may begin as early as this fall even though the facility will not be completed for another year. Renquist acknowledged this committee would probably like its own center, but at this point and time, it is not realistic. Other entities have been invited to participate in the program, i.e., AURI, Minnesota Extension Service, REDDI. Renquist also reported that the EDC is developing a third alternative to attract a University of Minnesota turkey and research development center here.

[Bruce Reuss was excused from the meeting.]

**Venture Capital Subcommittee.** Brad Saeger provided a brief report of the first meeting of this subcommittee. A follow-up meeting has been scheduled for 7:30 a.m., Monday, September 21, and two members (the original executive director and the current executive director) of the Ag Ventures

Alliance in Iowa have been invited to attend. Saeger and Gustafson will be preparing questions so they can be provided to the Ag Ventures Alliance members prior to the meeting. Saeger stated there has been a report done by North Dakota State and when he receives it, he will forward a copy to the group. Gustafson stated this group will have three options: 1) form its own group; 2) become an outlet of Ag Ventures Alliance of Iowa; or 3) discontinue, if there is lack of interest. Gustafson indicated it is planned that the founding group would be in this county and when that base is established, he sees the investor base spreading.

[Kevin Halvorson and Scott Thaden were excused from the meeting.]

Renquist stated the three basics of economic development are: ideas, people to implement the ideas and money and he believes the Ag Venture Capital subcommittee will assist all three economic development functions.

#### **REPORTS—**

**Wind.** Meyerson briefed the committee regarding Whirlwind Energy LLC and Stan Simon reported they are working on a state permit application.

Dan Tepfer reported the CERTS group facilitated a meeting a few weeks ago, where it is putting together a small wind model and looking at some different ideas homeowners and residences could do on the small wind scale and how a utility would be involved. The next meeting is scheduled for August 27 at the Kandiyohi Power Cooperative office. There was a brief discussion about the “sweet spots” study being done by the state.

**Ag Specialist report.** Gustafson spent a couple of weeks working with Farm Service Elevator relating to placing a wind generator on top of an elevator (would need FAA pilot); it would need a variance to go higher (need 8-10 feet more). Gustafson is working on the Ag Conference and provided a brief report of plans thus far. Also, an opportunity presented itself to be part of a green jobs booth at the Minnesota State Fair with a slogan: in next five years 5 billion in green energy.

#### **UNFINISHED BUSINESS—**

**Status of the Small Wind Energy Guide revision.** Meyerson reported Erik Hatlestad is in the finishing stages of the revisions to the small wind energy guide. Meyerson hopes a colored wind map can be included in the guide. Tepfer stated the previous guide was copied by other cooperatives. Meyerson has asked Hatlestad to develop a list of all cooperatives in the state as it is Meyerson’s belief that the cooperatives should be informed when the new guide is available; he sees this as a public service and an opportunity to draw attention to this area.

There was no other unfinished business.

**NEW BUSINESS—**There was no new business.

**ANNOUNCEMENTS—**The next regular committee meeting is **7:30 a.m., Thursday, September 17, 2009** at a location to be determined. The 2010 Strategic Animal Ag Conference will be held Thursday and Friday, January 14 and 15, 2010 at the Willmar Conference Center.

**ADJOURNMENT—**There being no further business, the meeting was adjourned at approximately 8:49 a.m.

