

Minutes of CERF meeting 10/16/2006

CERF Board reps Chris Wells, Tom Welna, Jake Levy-Pollans, and Timothy Den Herder-Thomas present, Craig Laughlin in absence. Jeff Paulson and David Wheaton present to discuss upcoming projects, Erin Brown and Matt Stone present from the Mac Weekly.

Timothy convened meeting - Recap of last informal meeting, decision not to advance Trustee, current situation of CERF (all members approved, \$27,000 committed) proceeding on turbine project.

Formal CERF establishment: CERF Charter approved unanimously, Alumni rep Craig Laughlin approved unanimously, and Chris Wells approved unanimously as Board Chair. Minutes will be rotated among members at different meetings. Chris Wells presides over the remainder of the meeting and Timothy DHT takes notes for this meeting.

Jeff Paulson (from Jeffrey C. Paulson and Associates) discusses current status of C-BED project: CERF Board met last spring at which Jeff would find a placeholder slot for projects in 2007 for us. There were 4-5 groups of which he chose the most likely project, West Stevens Wind in Stevens County near Morris MN. The project is 10 2MW turbines (20MW), probably Suzlon-88 models with 8 Limited Liability Corporations (LLC), two with 2 turbines, and 6, including the proposed Macalester Wind LLC, which CERF would form. Kieth Thorstead is putting together the project as the Governor of West Stevens Wind LLC, the blanket LLC within which the other LLCs will operate.

The site is identified, though not yet leased, and a Power Purchase Agreement (PPA) has been negotiated through Northern States Power Company (Xcel Energy), and a *final* PPA should be ready to sign this week. The draft pro forma should be available shortly, along with parameters on the likely financial set-up. Edison Mission is most likely corporate equity investor – with a “health tax credit appetite” and can also supply the turbines themselves. They will be working out the term sheet for the project with the LLCs – the Iowa deals are going to be the template for these projects which will simplify these deals. Construction will be in fall 2007 – PPA and leases are coming up.

The turbines will be independently managed by each of the LLCs involved, though there should be combined contributions to costs for the MISO transmission study. The substation and transmission system will be owned by West Stevens LLC. The electricity sale is being negotiated through front-loaded pricing – the ownership flip is actually based on the target expected return by the equity investor, not on a predetermined 10-year date. It could be 9 or 11. The costs may be slightly higher than initially anticipated – possibly around \$30,000 for CERF LLC, and the profit in the first 10 years would be around \$340,000, of which CERF would receive 30% plus a maintenance fee of \$15 - \$30,000 – the upper limit quoted by Jeff Paulson has risen since we last met – we may also get a rebate for initial development fees. Management duties would in fact be managed centrally by West Stevens. Fees for management may be paid to Edison if they take care of maintenance.

The Proposed LLC for Macalester (Jeff’s proposed name was Macalester Wind LLC but CERF Wind (or perhaps Wind CERF LLC if that’s a better CERFing pun). We can construct the Board of Governors how we want, but 1 person would be in the final Board incorporating CERF and the equity investor – to keep things simple. Jeff Paulson

should send CERF and David Wheaton the next set of documents – pro forma, PPA, lease info, within the next week or two and should move to form the LLC once David Wheaton’s approval is secured. David Wheaton will talk with his lawyer and decide as the plan becomes more formalized.

David Wheaton will look into CERF’s business Services Account which has been stalled.

David Wheaton suggested that President Rosenberg would be able to finance CERF up to \$40,000 as the \$27,000 will be initially exhausted by C-BED. Tom Welna had to leave for another meeting at this point.

Asa Diebolt will proceed with the Patagonia grant requesting funding for the C-BED turbine project and pursue the lunchtime meetings with the St. Paul and Minneapolis Foundations.

Jeff Paulson suggests that for the ‘EcoHouse’, we investigate the Next Generation Power Systems (based in Sioux Falls SD or maybe Pipestone MN) for their Solar Bank initiative. He also confirmed the grant team’s previous interest in the Xcel Energy Foundation. Chris said that Environmental Studies could work on designing a website for the project and its expansion into an eco-community. David Wheaton had to leave at this point.

Timothy and Asa are working with the Association for the Advancement of Sustainability in Higher Education (AASHE) to spread the concept of CERF beyond Macalester. Chris is interested in reviewing and helping with this effort.

Asa Diebolt has been nominated for the title of CERF Grant Development Director. There was some discussion of potential funding of a work study position through Environmental Studies, but it became quickly clear that this is not feasible. The CERF Board should approve this appointment via e-mail.

We discussed submitting a recommendation to Mark Dickinson to encourage him to identify a space for the biodiesel generator in accordance with the safety and health concerns voiced. Timothy will draft this recommendation which will then be forwarded to the Board for approval and submission. The biodiesel project is already fully funded; it is basically ready to get up and running except for identifying a feasible space to operate. Lori Hartzell is willing to pay \$1,000 into the CERF fund for this project since it will eliminate the costs of disposing of waste oil. Mark Dickinson has stated that space does not seem to be available, but with a 14 x 7 foot unit, requiring ventilation and heating (to room temperature), it seems like some space should be available.

The Board discussed designing a website to publicize CERF and its activities. It was concluded that Ann Esson and MacCARES web designer Ben Voigt should work together to design this.

The Board will choose its next meeting based on the need to proceed with the C-BED business. Craig Laughlin should be able to join us in November.

Chris Wells adjourned the meeting.